



India: Agribusiness Infrastructure Development Investment Program - Tranche 1

Project Name	Agribusiness Infrastructure Development Investment Program - Tranche 1	
Project Number	37091-023	
Country	India	
Project Status	Closed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 2669-IND: MFF - Agribusiness Infrastructure Development Investment Program - Tranche 1 Ordinary capital resources US\$ 35.10 million	
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Private sector development	
Sector / Subsector	Agriculture, natural resources and rural development - Agro-industry, marketing, and trade	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The investment program aims to address three main constraints on agriculture growth: (i) outdated technologies and management; (ii) lack of public investment in linking infrastructure (such as roads from production areas to collection points); and (iii) lack of private investment and management in modern marketing infrastructure (such as cold chains, controlled atmosphere storages, and automated grading. Using an integrated value chain (IVC) approach, the investment program will invest in physical and institutional links along horticultural value chains² by supporting (i) site development and agribusiness infrastructure, (ii) linking infrastructure to ensure connectivity and basic services across the value chain, (iii) backward links to the production areas through contract farming and producer companies, and (iv) capacity building to strengthen technical and managerial skills along the value chain. The investment program area covers selected regions of Bihar and Maharashtra, two states that have adopted different agri-marketing policies: Bihar promotes the provision of agri-marketing as a private-sector-led function, and Maharashtra enables greater private sector participation but leaves the role of regulator and market manager with the public sector. The project financing request dated 18 Aug 2010 and approved by ADB on 24 Sep 2010 was for the State of Bihar.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The AIDIP aims to address four main constraints to agriculture growth, i.e. outdated technologies, lack of public investment in marketing infrastructure, lack of private investment and management capacity in modern marketing infrastructure, and limited diversification into high value crops. Using an Integrated Value Chain (IVC) approach, the program invests in improving physical and institutional linkages along horticultural value chains, in Bihar and Maharashtra, through support of (i) site development and agribusiness infrastructure, (ii) linking infrastructure to ensure connectivity and basic services across the value chain; and (iii) establishing backward value chain linkages, and (iv) capacity building along the value chain.</p>	
Impact	Greater value of horticulture products captured by the stakeholders of the integrated value chain (IVC) in Muzaffarpur and Patna-Nalanda regions of Bihar.	

Project Outcome

Description of Outcome	Private and public sectors invest and private sector manages 2 end-to-end IVCs for horticultural high value crops (HVC), which are inclusive of small-scale farmers (through PPP contract).
Progress Toward Outcome	No progress yet.

Implementation Progress

Description of Project Outputs	A. IVCs Infrastructure in Muzzafarpur and Patna-Nalanda Set Up and Functional B. IVC stakeholders effectively participate in and properly manage the IVC C. State Government perform efficiently their regulatory and oversight functions of the IVCs and the PPP contracts
Status of Implementation Progress (Outputs, Activities, and Issues)	Progress has been slow. The government, with assistance from ADB and the consultants, will identify an option for restructuring the project.
Geographical Location	Bihar (Patna-Nalanda and Muzaffapur)

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The Project is environmental category B and the initial environmental examination (IEE) with an environmental management plan (EMP) for all sub-projects have been prepared in accordance with ADB's Safeguard Policy Statement (2009). The implementation of the EMP will be the responsibility of the IVC developer. During detailed engineering stages, the potential developer will conduct further consultations and update the EMP and IEE as needed. The Project Management Unit will be responsible for ensuring effective implementation of the EMP.
Involuntary Resettlement	The project will not entail adverse social or resettlement impacts.
Indigenous Peoples	The project will not cause negative impacts on indigenous people (IPs) and ethnic minority (EM) groups.

Stakeholder Communication, Participation, and Consultation

During Project Design	During the first phase TA, Project components were identified on the basis of sector stakeholders' priorities at State level consultations. Public consultations and field surveys were carried out. Crucial stakeholders for the design of the project included public, private and cooperative sectors at the central and state levels, as well as farmers, entrepreneurs, trade organizations, and financial institutions at the state and local levels. During the implementation of the second phase TA, mainly the private sector stakeholders were consulted for the preparation of the detailed projects reports of the 4 identified value chains. A general Stakeholders' consultations to increase ownership of project by local rural communities was also carried out.
During Project Implementation	<p>The major consultation and participation (C&P) process that will be undertaken during Project implementation will include the following:</p> <p>(i) Information Dissemination through Project Website. The nature and details of the Project will be made available in easily understood terms and local languages to inform as many stakeholders as possible. To maintain transparency and keep the communities informed on program details including procurement, EA/IA/Concessionaire will establish Project Websites for each supply chain. These websites will have a key role in disseminating project-related information. There will be Public Information Centers (PIC) to be managed by NGOs which will be hired by EA/Promoter as their implementing agency. The NGO staff will be available at each of the PIC for interacting with the Project communities and providing them with necessary information. A register will be maintained at each of the PICs for registering the queries, suggestions and grievances of the Project communities and the project affected persons (PAPs). Public Consultation and Participation Framework (PCPF) shall ensure that the Project process is inclusive of vulnerable and excluded groups, such as women, disabled and poor and such groups shall be actively targeted, consulted and involved in the Project processes.</p> <p>(ii) Public Disclosure of Project-related documents. The directly affected persons, irrespective of their legal title and communities will be fully disclosed the extent of Project impacts on their communities and individual households. The policies for mitigation of adverse social and environmental impacts will be disclosed to the influence area peoples particularly the affected persons.</p> <p>(iii) Consultation with small farmers. One of the major challenges for any project is to reach to the bottom of pyramid. The service provider for the backward linkages of the IVCs will consult with specific groups like female cultivators and traders, and small farmers. This is to ensure that project is inclusive in nature and gives equal opportunity and access to vulnerable target groups.</p>

Business Opportunities

Consulting Services	All consultants will be recruited by the EA according to ADB's Guidelines on the Use of Consultants: (i) Technical Advisory Group (for technical support) comprising approximately 290 person-months will be recruited using QCBS; and (ii) 36 person-months consulting inputs for social and environmental safeguard and monitoring, and project monitoring and evaluation will be recruited as individual consultants.
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Procurement	Concessionaires will be selected by the EA in a transparent manner by adopting competitive bidding procedures acceptable to ADB. Goods and works will be procured by the EA following ADB's Procurement Guidelines and on the basis of: (i) international competitive bidding for civil works contracts costing \$10 million or more, and for goods and related services costing \$1 million or more; (ii) national competitive bidding for civil works contracts costing less than \$10 million, and for goods and related services if the cost is between \$0.100 million and \$1 million. Shopping procedures may be followed if the estimated contract amount is less than \$0.100 million for procuring low-value off-the-shelf goods, or simple civil works of low value.
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Responsible Staff

Responsible ADB Officer	Tayyab, Ahsan
Responsible ADB Department	South Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, SARD
Executing Agencies	<i>Department of Agriculture</i> <i>Ashok Kumar Sinha</i> <i>apc-bih@nic.in</i> <i>Vikas Bhawan, New Secretariat, Bailey Road, Patna-800015</i>

Timetable

Concept Clearance	02 Nov 2005
Fact Finding	12 Apr 2010 to 23 Apr 2010
MRM	14 Jul 2010
Approval	24 Sep 2010
Last Review Mission	-
PDS Creation Date	09 Oct 2009
Last PDS Update	27 Jul 2016

Loan 2669-IND

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
24 Sep 2010	09 Jul 2012	30 Aug 2012	30 Jun 2018	-	12 Aug 2016

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	35.10	Cumulative Contract Awards			
ADB	35.10	24 Sep 2010	0.00	0.00	0%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	24 Sep 2010	0.00	0.00	0%

Project Page	https://www.adb.org/projects/37091-023/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=37091-023
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