



3) Asian Development Bank Assisted Agribusiness Infrastructure Development Investment Program (AIDIP)

The Agribusiness Infrastructure Development Investment Program (AIDIP) is a Project of Government of Maharashtra (GoM), proposed to be implemented under Public-Private-Partnership (PPP) framework. GoM has proposed to avail loans amounting \$ 85 million from Asian Development Bank (ADB) to fund the viability gap under the proposed project. In the total program cost, private entrepreneur has to invest at least 60% of project cost and remaining 40% of cost will be contributed by ADB and the State Government in the ratio of 80:20 respectively. ADB funds will flow in the form of loan to the State Government, to which Government of India (GoI) will act as a guarantor.

Department of Cooperation, Marketing and Textiles, Government of Maharashtra, is the Executing Agency (EA) for the project and Maharashtra State Agricultural Marketing Board (MSAMB) is Implementing Agency (IA).

1. AIDIP is aimed at addressing three main constraints to agriculture growth – i) outdated technologies; ii) lack of public investment in basic infrastructure and iii) limited crop diversification. With the help of Integrated Value Chain (IVC) approach, the program targets improving physical and institutional linkages along agricultural value chains through creation of agribusiness market infrastructure; provision of support infrastructure like last mile roads, power, water, systems relating to market intelligence, and capacity building and strengthening/establishing value chain linkages.
2. The intent of the program is to achieve accelerated investment in agriculture and to support related infrastructure in rural areas, along the Integrated Value Chains. The interventions intends to target several or all of the following:
 - a) Aggregation facilities
 - b) Sorting, grading, packaging
 - c) Storage (ambient and controlled temperature)
 - d) Value addition and market intelligence
 - e) Distribution facilities including logistics
 - f) Value chains for end-to-end linkages
3. Project interventions have been configured in Hub and Spoke model in such a way that commodities grown in a geographic region of identified value chains could be collected as close to the field as possible for preservation and enhancement of value.

In the first phase two IVCs will be established as a pilot project in the -

- Nashik Region – (Estimated project cost Rs. 72 cr.)
- Aurangabad-Amravati Region - (Estimated project cost Rs. 27 cores)



- It is expected that approximately 13-15 IVCs shall be established across the state up to 2017.
- 4. Capacity Building** - Farmers/producers included in the IVCs will be grouped and Producer Companies will be formed to strengthen backward linkage. In this way at least 20,000 farmers will be trained in first two IVCs.
- 5. Major benefits from the project are -**
- Better price realization to the farmers.
 - Reduction of wastage.
 - Employment generation.
 - Better quality produces reaching the consumer with enhanced shelf life.
 - Improved handling, packaging and storage.
 - Enhanced capacities and skills of stakeholders.

Present Status:

- For project implementation, an independent 'Project Management Unit' (PMU) has been established within the MSAMB.
- Detailed Project Reports (DPR) for first two IVCs are prepared by IL&FS. PMU has appointed a transaction advisor 'Deloitte Touche Tohmatsu India Ltd.' for marketing of these DPRs and selection of concessioners.
- After detailed interaction with potential investors, Deloitte has prepared RFQ document, which is approved by ADB.
- PMU has published Invitation for Qualification on 02/11/2012 in leading newspapers and websites of MSAMB and ADB. Last date for submission of applications is 8 April 2013.
- In the first two IVCs, there are total 15 locations; out of 15 locations lease deeds of 14 locations has been executed.
- To establish backward linkages for the facilities in first two IVC locations and to build the capacities of the farmers for playing more important role in the value chain, consulting services of Wipro Ltd. in joint venture with Centre for Sustainable Agriculture are engaged by the PMU under the Japan Fund for Poverty Reduction (JFPR) project.
- Wipro has completed a baseline survey of the area and has deployed their team in the field for selection of farmers for formation of groups. Total 1404 groups are formed with 22,000 member farmers.
- PMU has also started working on the next four IVCs to be established in the state. Information about availability of land with APMCs and other organizations



is being collected. Regional workshops for sensitizing the stakeholders were held in July, 2012 at four locations in the state.

- For Preparation of DPRs and selection of concessionaires for proposed four IVCs and to ensure successful establishment and monitoring of first two IVCs, services of KPMG Ltd. are hired to assist the PMU. To identify production clusters, IVC wise meetings with stakeholders are being organized by KPMG. KPMG has started market research survey in Solapur - Sangali IVC and interaction with private investors likely to invest.
- For capacity building of PMU staff, ABD has appointed IL&FS Clusters for Technical Assistance. This TA is supposed to prepare a strategy for implementation of value chain approach under PPP mode in the given policy framework, draft a communication strategy, assess the training needs of the PMU and related stakeholders and build their capacity through trainings and exposure visits.

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