



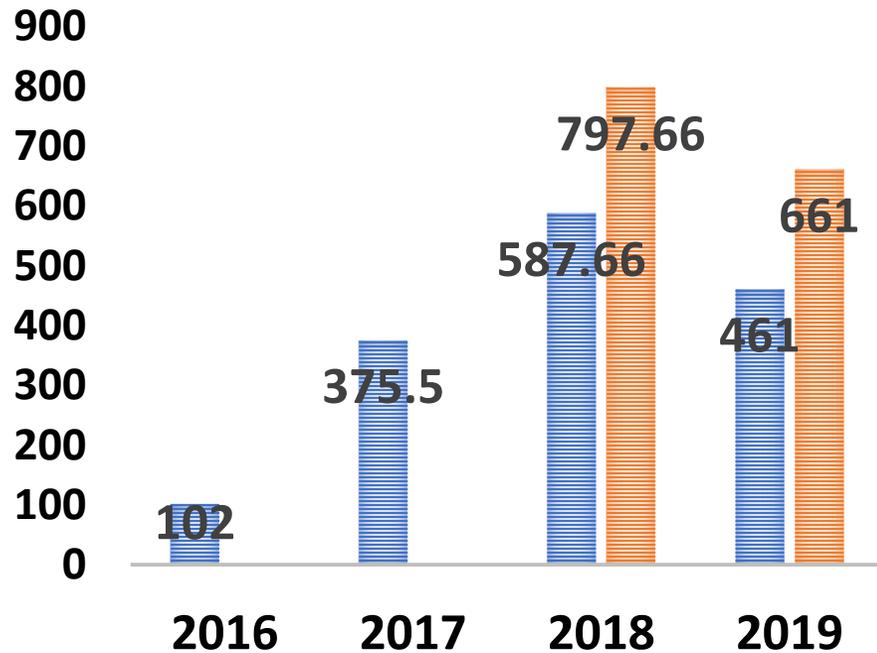
**10th BUSINESS
OPPORTUNITIES FAIR 2019**
SAER OPERATIONS

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SAER OVERVIEW: 2018 Achievement

- Approval (m)
- Commitment (m)



Lending volume rapidly increased since 2017 due to clients' demands.

- **Approval:** \$587.66 million (4 projects: 1 irrigation, 2 flood, 1 rural roads)
- **Commitment:** \$797.66 million (5 projects: 1 irrigation, 2 flood, 1 water resources management, 1 rural roads)
- **Contract Awards:** \$502.9 million
- **Disbursement:** \$72.6 million

SAER OVERVIEW: Special Features

1. One ADB:

- Closely work with knowledge department on water and private sector on agribusiness.
- Other sectors started to have 'agriculture' components (e.g. agriculture finance, solar irrigation, flood wall for town development).

2. Gender: Most projects are 'Effective Gender Mainstreaming'.

3. High Technology: Emphasis on use of latest technology (e.g. pressurized irrigation, piloting use of IT in agribusiness) .

4. Climate Change: All projects have mitigation/adaptation features.

5. Regional Cooperation: Agribusiness in NEP looks at cross boarder elements.

6. Cofinancing: IFAD in BAN, NEP & SRI, AIIB for SRI.

7. Knowledge: Active in water subsector (publication, workshop & training). Agribusiness involves a lot of research activities.

2019 LENDING PIPELINE

		Country	Project Name	Approvals		Commitments	
Approved in 2018		BAN	Rural Connectivity Improvement Project			100.00	COL OCR
1	Firm	IND	Karnataka Integrated and Sustainable Water Resources Management Investment Program – T2	91.00	COL	91.00	OCR
2	Firm	BAN	Rural Connectivity Improvement Project – Project 2	100.00	COL	100.00	COL
3	Firm	NEP	Bagmati River Basin Improvement Project - Additional Financing	70.00	COL	70.00	COL
4	Firm	IND	Rural Connectivity Improvement Project (MH)	200.00	COL	200.00	OCR
5	Firm	IND	AgTech Application in Agriculture in Andhra Pradesh (AgTAP)	2.00	JFPR	2.00	JFPR
Total 2019 (excluding Standby and Cofinancing)				463.00		663.00	

2020 LENDING PIPELINE

	Country	Project Name	Subsector	Amount
1	BAN	Rural Connectivity Improvement Project - Additional Financing	Water	100.00COL
2	BAN	Climate Change & Disaster Resilience Small Scale Water Resource Management	Water	100.00COL 30.00Cofin
3	IND	Maharashtra Agribusiness Network Project	Agriculture	100.00OCR
4	IND	Ara Canal Water Productivity Improvement Project	Water	352.00OCR
5	NEP	Targeted Value Chain Development Sector Program	Agriculture	70.00OCR
6	NEP	Priority River Basins Flood Risk Management Project	Water	50.00OCR
7	NEP	Rural Connectivity Improvement Program (MFF)	Rural Infra	100.00OCR
8	SRI	Mahaweli Water Security Investment Program - Tranche 3		183.00OCR
Total 2020 (excluding Standby and Cofinancing)				1,335.00

2021 LENDING PIPELINE

	Country	Project Name	Subsector	Amount
1	BAN	Irrigation Management Improvement Project - Additional Financing	Water	13.50OCR
2	BAN	Ganges-Kobadak Irrigation Program (MFF) - T1	Water	180.00COL
3	IND	Cauvery Delta Sustainable Irrigation and Flood Management Project - Phase 2	Water	350.00OCR
4	IND	Maharashtra Sustainable Coastal Protection and Management Project	Water	100.00OCR
5	IND	Karnataka Integrated and Sustainable Water Resources Management Investment Program – T2	Water	200.00OCR
6	NEP	Mechanized Irrigation Innovation Project	Water	100.00COL
7	SRI	Integrated Water Productivity Improvement Project	Water	100.00OCR
Total 2021 (excluding Standby and Cofinancing)				1,043.5

WATER SUBSECTOR

Opportunities

- Investment potential for modernizing irrigation very large (= \$500b), clients now realizing that water and food security are pressing issues: by 2050 in Asia, 100% more food must be produced with 30% less water
- Large client demand for irrigation modernization (IND, NEP and SRI) & for flood risk mitigation and management projects (BAN, IND and NEP)
- Application of new technologies for planning, designing, implementing, and operating investments (such as remote sensing, DBO and performance-based contracts, pressurized irrigation systems, SCADA control, advanced asset management systems, flood forecasting and early warning systems)

Issues

- River basin planning needed for planning investments and allocation of resources
- DMC water and land policy and legislation need modernizing
- EA capacity and resources need strengthening, lack of suitable consulting resources in the sector

WATER: Projects

IND: Karnataka Integrated & Sustainable Water Resources Management Investment Program (T2 2019, \$91 million & T3 2021, \$150 million)

- Improve water security in selected Karnataka river basins by strengthening the water governance and modernizing medium and major irrigation projects.
- Both tranches will continue strengthening Karnataka's water resources governance; (ii) T2 will modernize the ancient Vijayanagara Channels irrigation system (11,150 ha); and (iii) T3 that will modernize the Tungabhadra Left Bank Canal irrigation system (244,000 ha) using SCADA and automatic gates.

SRI: Mahaweli Water Security Investment Program (T3 2021, \$100 million)

- Improve water security and climate resilience by transferring water from Sri Lanka's central wet zone to its northern dry zone for agricultural and municipal use on a sustainable basis.
- Time-sliced MFF. T3 will continue construction of 28 km tunnel and 120 km canals
- Possible cofinancing with AIIB

WATER: Flagship Projects

NEP: Mechanized Irrigation Innovation Project (2020, \$106 million)

- Provide long-term sustainable solutions to increase year-round access to irrigation water and achieve climate resilience.
- The project will: (i) construct a groundwater irrigation system of 40,000 ha in the Terai region comprising 1,000 deep tubewells and a 30 MW grid tied solar plant; (ii) construct 13 high-lift irrigation systems covering 1,400 ha in the mid-hill region; (iii) install a financially sustainable asset management, operation and maintenance system; and (iv) strengthen farmer's capacity to increase farms profits.



WATER: Flagship Projects

BAN: Climate & Disaster Resilient Small-Scale Water Resource Management Project (2020, \$100 million)

- Objective: climate change and disaster resilience of small-scale water resources infrastructure improved
- The project will: (i) build on the earlier small-scale water resources management phases but introduce climate change, disaster resilience, and agricultural value chains; and (ii) strengthen measures to enhance sustainability and inclusiveness in participatory water resources management.

IND: Assam Flood and Riverbank Erosion Risk Management Project (2021, \$300 million)

- Increase resilience to flood and riverbank erosion risks in selected flood-prone areas along the Brahmaputra River
- The project will: (i) build on the earlier flood and riverbank erosion risk management MFF in Assam and expand to other priority vulnerable areas; and (ii) strengthen flood and riverbank erosion management institutional capacity of the state.
- ADB \$ 300 million, Government \$100 million

RURAL ROAD SUBSECTOR

Opportunities

- Large demand for investment due to poor rural infrastructure in the countries (BAN, IND, NEP)
- Connecting with agriculture production and markets for rural development (synergies with agribusiness projects in BAN, NEP & IND)
- Application of climate adaptation and disaster risk reduction measures in the design

Issues

- Inadequate public funds for new roads and upgrading and maintaining existing roads
- Low emphasis given to road safety
- Weak capacity of enforcing agencies

RURAL ROADS: Projects



1. Rural Connectivity Improvement Project (India), \$200 million (2019)

- Objectives: Transport efficiency and road safety increased
- Improve condition of 2,700 km of rural roads
- Capacity building to improve asset management, climate resilience and gender inclusiveness
- Improve road safety conditions

2. Rural Connectivity Improvement Project 2 (Bangladesh), \$100 million (2020)

- Objectives: rural population connections to agriculture value chain zones & road safety improved
- Improve condition of 970 km of rural roads and road safety
- Improve capacity of executive agency
- Include climate proofing, disaster risk reduction, GIS-based asset management for better maintenance, gender aspects

3. Rural Connectivity Improvement Program MFF (Nepal), \$500 million (2022)

- Objectives: Transport efficiency increased
- Time slice phased approach

AGRIBUSINESS SUBSECTOR: Opportunities and Issues

Opportunities & Issues

- High demand, but high cost of preparation (sector study, value chain analysis, market study, consultation with private companies)
- Small loan amount (large requirement for capacity building and policy reform) unless combined with infrastructure and/or finance components
- Try to reach geographic focus to have synergy with other subsector projects (irrigation and rural roads)
- Capacity development of farming groups and producer companies takes several years
- Growing client demand for projects but lack of EA experience in ADB project processing and administration

AGRIBUSINESS: Projects



1. IND: AgTech Application in Agriculture in Andhra Pradesh JFPR Grant (2019, \$2.5 Million)

- To establish & demonstrate a successful business model to connect farmers with cutting-edge digital technologies in a value-chain project (e.g. apps, e-commerce)
- Strong partnership with local private companies

2. NEP: Targeted Value Chain Development Program (2020, \$45 Million)

- To support commercial production and sales of high-value agriculture commodities along select value chains with geographic focus
- Sector development program, Gender, Climate Change, Use of advance technology, RCI, Potential co-financing opportunity with IFAD

3. IND: Subtropical Horticulture Value Chain Development for Himachal Pradesh - Project Readiness Financing (PRF) (2020, \$10 Million)

- To prepare the detailed design of horticultural development and small-scale water conservation projects and pilot implementation for the ensuing loan
- Gender, Climate Change

THANK YOU

For queries, pls contact me
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