



India: Smartchem Climate-Smart High-Efficiency Crop Nutrition Project

Project Name	Smartchem Climate-Smart High-Efficiency Crop Nutrition Project		
Project Number	56137-001		
Borrower / Company	Smartchem Technologies Limited		
Country / Economy	India		
Location	Nation-wide		
Type or Modality of Assistance	Loan	Ordinary capital resources	USD 30.00 million Approved
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	Effective gender mainstreaming		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Dora, Tushna		
Project Sponsor(s)			
Description	The project will support farmers to adopt enhanced efficiency speciality fertilizers (EESF), such as slow and controlled release fertilizers and water soluble fertilizers, which will in-turn aid increased food production towards increased farmer income and food security in India. Higher efficiency in nutrient delivery will result in increased agricultural productivity, reduced water and soil contamination, and improved resilience to climate change. The project will also support energy efficiency capex and gender inclusion. The project is fully aligned with the Government of India's goals to enhance agricultural productivity and increase farmers' incomes. The TA will focus on building the climate resilient soil management skills and financial literacy of 1,800 farmers.		
Objectives and Scope	The project will (i) finance capex at one of STL's EESF manufacturing plants to increase production efficiency and enable 100% production of EESFs, (ii) finance energy efficiency and health and safety-related capex for STL's fertilizer business, and (iii) support R&D toward new product development and digital initiatives to increase uptake of these fertilizers.		
Linkage to Country/Regional Strategy	The project is consistent with Strategy 2030's operational priority (OP) 1 by improving incomes of farmers and creating employment opportunities for people, OP 2 by promoting gender equality through the gender action plan22, OP 3 by promoting adoption of advanced technologies to ensure sustainable use of land and water resources and building farmers' climate resilience, and OP 5 by providing quality farm inputs to farmers to improve agricultural production. The project is also aligned with the Operational Plan for Private Sector Operations, 2019-2024, which calls for focusing on the agricultural inputs subsector and mobilizing funds for "more environmentally sustainable" subsectors and climate-adapted agribusiness projects. The project is also aligned with ADB's country partnership strategy for India, 2018-2022, which (i) identified supporting investments in rural infrastructure to improve agricultural productivity, (ii) stated that ADB will focus on government priorities to double farmers' incomes, and (iii) stated that ADB will provide support to intensify and diversify agricultural production. The project is consistent with Strategy 2030 Operational Plan for Priority 5, which stresses that "over/misuse of fertilizers and pesticides is contaminating soil, water, and marine resources" and that "smallholder farmers' access to modern inputs, is quite limited." The plan further calls for ADB to mobilize investments to "sustainably increase farm productivity and incomes" and promote "better-quality farm inputs." The project was processed with the South Asia Department employing the One ADB approach, and will also complement ADB's Maharashtra Agribusiness Network Project, whose beneficiaries will also benefit from access to these better quality inputs.		
Safeguard Categories			
Environment	B		
Involuntary Resettlement	C		
Indigenous Peoples	C		
Summary of Environmental and Social Aspects			
Environmental Aspects	In compliance with ADBs Safeguard Policy Statement (SPS, 2009), the project is classified as category B for environment. An independent consultant carried out a review of environmental, health, safety and social management processes and procedures at corporate and site level and developed a corrective action plan (CAP) was prepared which included recommendations for enhancement of STL environmental and social management system (ESMS), policies, processes and procedures, some specific compliance actions. Following the audit, STL has engaged expert consultant to assist the company in CAP implementation, in particular ESMS enhancement. STL has commissioned an expert consultant to help it complete the ESMS preparation and implementation, as well as other E&S and health and safety recommendations. Specific to safety risks, STL is developing a corporate hazard assessment and risk analysis procedure that covers all hazard and risk assessments associated with its operations to enhance its existing site level safety management processes.		
Involuntary Resettlement	In compliance with ADBs Safeguard Policy Statement (SPS, 2009), the project is classified as category C for involuntary resettlement. The project is not expected to result in physical or economic displacement. The land occupied by the Talaja complex is leased from Maharashtra Industrial Development Corporation, which acquired the land. Consultations with local communities indicated the land acquisition did not result in involuntary resettlement.		
Indigenous Peoples	In compliance with ADBs Safeguard Policy Statement (SPS, 2009), the project is classified as category C for Indigenous Peoples. No indigenous peoples impacts are envisaged. STL's facilities are in industrial zones, not in tribal areas. The E&S audit confirmed no indigenous communities are present at the project sites.		

Stakeholder Communication, Participation, and Consultation The project will develop a stakeholder engagement to support regular engagement with various stakeholders.

Timetable for assistance design, processing and implementation

Concept Clearance	-
Credit Committee Meeting	-
Approval	17 Jun 2022
Last PDS Update	17 Jun 2022

Project Page	https://www.adb.org/projects/56137-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56137-001
Date Generated	20 June 2022

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.