



Regional: Spice Value Chain Development

Project Name	Spice Value Chain Development		
Project Number	48901-014		
Borrower/Company	SpiceRich Seasonings Pvt Ltd Akay Flavours & Aromatics Pvt Ltd AKAY FLAVOURS & AROMATIC (CAMBODIA)		
Country	Regional		
Location			
Approval Number	7415/3162, 7415		
Type or Modality of Assistance	7415/3162	Loan	US\$ 6.50 million Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural production - Agro-industry, marketing, and trade		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Martin Philippe Bernard Lemoine		
Project Sponsor(s)			
Description	<p>The project will support Akay's investments across the spice value chain, from climate-resilient and inclusive farming models to processing and export of high-value spice products. The project will be developed in two phases. In phase 1, starting in FY2015 and with a total project cost of up to \$10.4 million, Akay will invest in (i) expansion of sterilized spices business in India, (ii) expansion of its nutraceuticals plant in India, and (iii) investment in climate-resilient farming technologies for its organic farm in Cambodia. Phase 2 will begin after 31 March 2015, subject to satisfactory performance in Phase 1 implementation. The total phase 2 project cost will be \$18.6 million, with Akay investing in (i) expansion of its seasonings plant in India, (ii) construction of an oleoresin extraction plant in Cambodia, and (iii) implementation of contract farming model in Cambodia. ADB will provide \$16.5 million financing to Akay for the project. In addition, ADB will administer up to \$5.0 million loans from the ADB Strategic Climate Fund. The project will help sustain high value-added agriculture growth in India and Cambodia. The project will promote regional integration, trade, and investment, particularly spice exports from India and Cambodia to the rest of Asia, and foreign direct investment in Cambodia from the rest of Asia. The project will also contribute to rural poverty reduction by including farmers in the global spice value chain.</p> <p>Akay is a leading high-value spice producer and exporter in India. Since its establishment in 1993, Akay has grown to one of the top five exporters of spice oleoresins in the world. It is headquartered in Cochin, Kerala and operates five processing plants in India with total capacity of 42,000 tons of raw material per year. It has a distribution network in 70 countries. Akay primarily exports to the United States, Europe, and the People's Republic of China.</p>		
Objectives and Scope			
Linkage to Country/Regional Strategy			

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The financing of the project is considered as corporate finance in accordance with ADB's Safeguard Policy Statement (2009). The subprojects are classified as category B for the environment, which are likely to have low to medium environmental impacts and risks during construction and operation.
Involuntary Resettlement	The project is classified as category C for involuntary resettlement.
Indigenous Peoples	The project is classified as category C for indigenous peoples.
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	27 Jan 2014
Due Diligence	
Credit Committee Meeting	21 Jul 2014
Approval	04 Sep 2014
Last PDS Update	20 Aug 2014

Project Page	https://www.adb.org/projects/48901-014/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48901-014
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