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GOVERNMENT OF INDIA

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**GOVERNMENT OF INDIA AND WORLD BANK SIGN AGREEMENT FOR US\$  
50 MILLION ADDITIONAL CREDIT FOR INCREASING AGRICULTURAL  
PRODUCTION AND MARKET ACCESS IN ASSAM**

New Delhi: Chaitra 24, 1934  
April 13, 2012

The Government of India, the Government of Assam and the World Bank today signed an agreement for an additional IDA credit of US\$ 50 million to support on-going activities under the Assam Agricultural Competitiveness Project (AACP) which aims to increase the productivity, profitability, and market access of the farming community in Assam.

The additional credit will complement and ensure its long-term sustainability.

The focus is on mainstreaming management approaches and best practices, make ground water usage more sustainable by setting up water quality monitoring stations, strengthen the Agriculture Technology Management Agencies (ATMAs) to provide better agricultural services and improve the rural road network for better market connectivity. Investments in rural roads — about 113 km — in selected districts covering areas that do not fall under the Pradhan Mantri Gram Sadak Yojna (PMGSY), will demonstrate low-cost road construction and innovative bridge designs which can be used to connect smaller habitations and linking agriculture production with markets in a cost-effective manner.

Speaking on the occasion, Shri Venu Rajamony, Joint Secretary in the Department of Economic Affairs, Ministry of Finance said that the additional credit will consolidate activities undertaken in the Assam Agricultural Competitiveness Project, enhance long term sustainability of measures undertaken under the Project and improve development impacts in selected districts where the demand for investment grant has been pronounced. Specifically, it will scale up the Project's impact by building synergies with ongoing schemes of the Government of Assam (GOA) and the Government of India (GOI); establish a system for sustainable use of groundwater; and mainstream project collaboration with the private sector; as well as enhance

investments in irrigation, drainage, mechanization, extension advice, rural haats (markets) and roads to increase production, productivity and market access in selected districts, he added.

The agreements for the Assam Agricultural Competitiveness Project (AACP) were signed by Mr. Venu Rajamony, Joint Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India; Mr. Rajeev Chandra Joshi, Commissioner & Secretary, Finance Department, on behalf of the Government of Assam; and Mr. Roland Lomme, Governance Adviser, World Bank (India) on behalf of the World Bank.

Mr. Roberto Zagha, World Bank Country Director for India said that according to the Planning Commission estimates of 1999-2000, about 36 percent of the people in Assam live below the poverty line and the state is fourth in terms of poverty ratio, next only to Orissa, Bihar and Madhya Pradesh. Assam is a focus state for Government of India's poverty alleviation initiatives. The ongoing Project has played an important role in increasing the productivity and market access of targeted farmer groups of the state — primarily the small and marginal farmers — and has mobilized more than 300,000 beneficiaries in more than 63,000 beneficiary groups across the fishery, agriculture, dairy, forestry, and livestock sectors, he added.

Since one of the objectives of the additional credit is to scale up some of the successful investments under the original Project, investments will also focus on increased crop production through a combination of increased irrigated Boro rice production, crop diversification, improved extension advice, expanded use of micro-nutrients, and opening up additional production areas through drainage.

Shri Manivannan Pathy, Project Task Manager and Senior Agricultural Specialist, World Bank stated that the Project takes an integrated approach toward enabling farmers to take advantage of rapidly changing consumer demand and marketing channels.

The Project will be financed by a credit from the International Development Association (IDA) – the World Bank's concessionary lending arm – which provides interest-free loans with 25 years to maturity and a 5-year grace period.

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