



## China, People's Republic of: PRC: Greenhouse Agricultural Development Project

Project Name	PRC: Greenhouse Agricultural Development Project		
Project Number	47335-001		
Borrower/Company	LE GAGA HOLDINGS LIMITED		
Country	China, People's Republic of		
Location			
Approval Number	7437/3230, 7437/68		
Type or Modality of Assistance	7437	Loan	USD 80.00 million Committed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	<b>Agriculture, natural resources and rural development</b> - Agricultural production		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Kanda, Masayuki		
Project Sponsor(s)	Le Gaga Holdings Limited		
Description	The project will support Le Gaga to establish and expand a series of modern greenhouse operation in Guangdong and Fujian Provinces, providing off-season vegetable supply mainly in the winter to the entire PRC and some neighboring countries. The operation will incorporate the best practices in agricultural production in terms of efficient water and energy use and pollution-free farming techniques.		
Objectives and Scope	The development impact of the project will be the increased availability of quality, fresh and nutritious food all year round, which helps increase the awareness about and satisfy the demand for high-quality and safe products in the PRC. The project is expected to serve as a catalyst for private sector development and participation, which is still limited to upstream productivity enhancement in the agricultural sector. The project's expected outcome is demonstrated viability and productivity gains in greenhouse farming. The project will contribute to the transformation to and growth of competitive and dynamic greenhouse farming that achieves higher productivity and integration of industry and markets, increases farm and nonfarm employment, and improves rural livelihoods of farmers. The project is designed to be a least-cost solution to financing agricultural development. ADB and Le Gaga aim to expand the operations under a portfolio approach to reduce transaction costs and diversify the risk of adverse natural conditions.		
Linkage to Country/Regional Strategy	ADB's PRC country partnership strategy, 2011-2015 identifies agriculture and natural resources as one of four priority sectors of ADB support for inclusive growth and environmentally sustainable development. Private sector development remains a key driver of change. The Twelfth Five-Year Plan (2011-2015) of the PRC shares this development agenda and places national priority on agriculture and rural development with specific emphasis on agricultural modernization and improvement of farmers' living standards. ADB's operational plan for sustainable food security supports its intervention in agriculture and rural development, particularly the aim to boost primary production, strengthen links along food and agricultural value chains, ensure food security for the poor and vulnerable, and increase their participation in economic activities. The project fully meets the sector strategy by seeking to upgrade inclusive food and agricultural values chain, which enhance agricultural productivity, broaden the rural economy with expanded income channels, promote sector integration and efficiency, and improve food security for the urban and rural poor.		

## Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	The potential adverse impacts of Le Gaga's subprojects are expected to be site-specific and reversible based on the nature of the project. An initial environmental examination will be prepared for each subproject and submitted for regulatory approval and ADB disclosure. Le Gaga's environmental and social management system (ESMS) will include a screening checklist to avoid environmentally sensitive areas and potential significant adverse impacts.
Involuntary Resettlement	The project is not expected to entail any involuntary resettlement.
Indigenous Peoples	Construction and operation of greenhouse facilities will be mainly on existing farmland in the coastal provinces, and therefore the project is not expected to have any adverse impact on ethnic minorities.
Stakeholder Communication, Participation, and Consultation	Le Gaga's ESMS needs to include arrangements for stakeholder consultations and disclosure during project preparation, construction, and operation, as well as hierarchical grievance redress mechanisms at corporate and production-base levels. An effective documentation system will be established to capture the discussions during consultations to fully track and manage issues and concerns raised by stakeholders.

## Timetable for assistance design, processing and implementation

Concept Clearance	02 Dec 2013
Due Diligence	28 Feb 2014
Credit Committee Meeting	20 Oct 2014
Approval	05 Dec 2014
Last PDS Update	23 Jan 2015

Project Page	<a href="https://www.adb.org/projects/47335-001/main">https://www.adb.org/projects/47335-001/main</a>
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