



Bangladesh: Second PRAN Agribusiness Project

Project Name	Second PRAN Agribusiness Project		
Project Number	51152-001		
Borrower/Company	Sylvan Agriculture Limited		
Country	Bangladesh		
Location			
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 14.20 million	Proposed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming 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	Private Sector Operations Department		
Responsible ADB Division	Office of the Director General, PSOD		
Responsible ADB Officer	Lemoine, Martin		
Project Sponsor(s)			
Description	The project will support the construction of a manufacturing plant and the purchase of machinery and equipment to produce potato chips, potato flakes, and pasta. The manufacturing facilities will be located in Habiganj Industrial Park, 120 kilometers from Dhaka, where the starch and liquid glucose plant is also located. The project will promote inclusive and sustainable agricultural value chains with higher local value addition of farm produce.		
Objectives and Scope	Sylvan Agriculture Limited (SAL) will procure potatoes under contract farming arrangements, providing assistance and a guaranteed source of income to 2,000 smallholder farmers. The project will promote inclusive business given the high poverty reduction impact at farming and factory levels. ADB will promote effective gender mainstreaming through a gender action plan. ADB will offer long-term US dollar funding, which is not readily available in Bangladesh, and will promote higher environmental and social standards through its safeguard policy requirements. The project is fully aligned with the Government of Bangladesh's goals to enhance agricultural productivity, increase local value addition, and create jobs.		
Linkage to Country/Regional Strategy	Strategy 2030 identified promoting rural development and food security by supporting agriculture (improving value chain linkages; and increasing agricultural productivity, food security, and food safety) as one of the key operational priorities linking ADBs operations to inclusive growth. It also stated that ADB will increase its support to inclusive business models. The proposed project is consistent with this strategy as it (i) supports the development of agricultural value chains connecting agricultural production to food processing; and (ii) increases productivity by introducing new higher-yielding crop varieties, which lead to increased incomes for farmers. The country partnership strategy, 2016 -2020 for Bangladesh identified improving rural livelihoods by increasing the productivity of agriculture as among the priority investment areas for projects since agriculture provides nearly half of all employment and supports more than 70% of the population. It also stated that ADB will continue to provide financial assistance to private sector projects with sound fundamentals and strong development impact. The project is also aligned with ADB's Operational Plan for Agriculture and Natural Resources as it supports agribusiness investment and value chain development where key functional activities of the food value chain include production, processing, distribution, and consumption. The plan states that investments in agriculture and natural resources are essential to promoting inclusive growth, reducing poverty, and promoting environmental stability.		

Safeguard Categories

Environment	B
Involuntary Resettlement	C

Summary of Environmental and Social Aspects

Environmental Aspects	ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) for environment (category B). ADB has undertaken due diligence and reviewed the potential environmental and social impacts of the project and the measures to avoid, minimize, mitigate, and compensate for the adverse impacts in the safeguard reports and plans. The environmental and social measures and the institutional capacity and commitment of SAL to manage the project's social and environmental impacts are deemed adequate. Key environment safeguard issues during construction include solid and liquid waste disposal, noise and vibration, and occupational health and safety. During operation, relevant areas of concern include air emissions, wastewater discharge, solid waste disposal, workers' health and safety, food quality assurance, and resource efficiency and conservation. An external expert prepared an initial environmental examination, which includes an environmental and social management and monitoring plan. The external expert conducted an environmental and social compliance audit, with a corresponding corrective action plan, for the potato chips component. SAL has established a grievance redress mechanism to handle project-related grievances. SAL's institutional capacity and commitment to manage the project's social and environmental impacts are deemed adequate.
Involuntary Resettlement	ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) for involuntary resettlement (category C).
Indigenous Peoples	ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) for indigenous peoples (category C).
Stakeholder Communication, Participation, and Consultation	

Timetable for assistance design, processing and implementation

Concept Clearance	26 Apr 2017
Due Diligence	
Credit Committee Meeting	-
Approval	12 Dec 2018
Last PDS Update	14 Nov 2018

Project Page	https://www.adb.org/projects/51152-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51152-001
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