



Kyrgyz Republic: Almaty-Bishkek Economic Corridor: Modern Agriculture Wholesale Market Development Project

Project Name	Almaty-Bishkek Economic Corridor: Modern Agriculture Wholesale Market Development Project
Project Number	51276-001
Country	Kyrgyz Republic
Project Status	Proposed
Project Type / Modality of Assistance	Grant Loan
Source of Funding / Amount	Grant: Almaty-Bishkek Economic Corridor: Modern Agriculture Wholesale Market Development Project concessional ordinary capital resources lending / Asian Development Fund US\$ 25.00 million Loan: Almaty-Bishkek Economic Corridor: Modern Agriculture Wholesale Market Development Project concessional ordinary capital resources lending / Asian Development Fund US\$ 25.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development - Agro-industry, marketing, and trade
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The proposed project will contribute to the diversification of exports and the connection to regional markets for the Republic of Kazakhstan and the Kyrgyz Republic. The project is part of the development of the Almaty-Bishkek Economic Corridor (ABEC). The project will support the modernization of wholesale markets (WSMs) to improve food safety, food security, and increase food trade within and outside the region. Modern WSM infrastructure will facilitate certification for exports, traceability systems, and most importantly, transparent market access and storage of fresh produce. As a result, market demand will allow for production growth and deliver incentives for quality, which will benefit small- and medium-sized producers in the region.
Project Rationale and Linkage to Country/Regional Strategy	<p>In Kazakhstan and the Kyrgyz Republic, horticulture value chains are concentrated around Almaty, Bishkek, and their surrounding areas where most of the production, trading and consumption is concentrated. Wholesale trading is mainly occurring in Kazakhstan through the Altyn Orda market (42 hectares [ha] size) in Almaty province and Shareem market (3 ha) in Astana, as well as in the Kyrgyz Republic through Dordoi Food market with 14 ha and Alamedin market (15 ha), both in Bishkek. Most of the flow of horticulture products is channeled through these markets, which require significant modernization to comply with changing domestic regulations, the standards of the Eurasian Economic Union (EEU) and other major export destinations for fruits and vegetables that are produced in ABEC and the Fergana valley. Most commonly, fresh products are sold from the back of a truck to large and small retailers, to hotels and restaurants, and further to other WSMs of Astana or Shymkent. If the produce is not sold within a day, it is often spoiled and goes to waste. Producers or farmers often lack direct access to the WSM because of the segregated production structure with little cooperation and consolidation at the producer level.</p> <p>Kazakhstan and the Kyrgyz Republic are both net food importers. Food security is compromised due to the i) high dependency on food imports during the first half of the year; ii) lack of incentives for producers to expand the season, quantity and quality of produce due to low margins; iii) increasing market power and vertical integration for horticulture products; and iv) adhoc and uncoordinated daily trading systems because of inadequate storage and cold-chain logistics facilities, which lead to high food waste and price fluctuations. Current WSM, storage, and logistics infrastructure limit the export potential for horticulture products and lead to inefficiencies in domestic food distribution with significant effects for food security and food safety. Reduced food waste and more efficient value chains have significant potential to reduce unnecessary use of natural resources and emittance of greenhouse gases.</p>

Impact	The share of agriculture in GDP in Kazakhstan must increase five-fold by 2050. Raising the well-being in the Kyrgyz Republic by improving connectivity with regional markets and developing the agriculture sector.
Outcome	Share of safe and certified horticultural exports increased
Outputs	Wholesale market storage and logistics facilities constructed. Export certification for EEU and other major markets established. Effective ownership and management of collection centers established.
Geographical Location	Bishkek, Chuy, Issyk-Kul

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Woldring, Hans Siewert
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, CWRD
Executing Agencies	<i>Ministry of Agri, Food Industry & Melioration 720040, Center, ul. Kiev 96a Bishkek, Kyrgyz Republic Ministry of Economy 106, Chui Prospect, Bishkek, Kyrgyz Republic Ministry of National Economy Orynbor str., 8, House of Ministries, entr.7, 010000 Astana, Kazakhstan</i>

Timetable

Concept Clearance	07 Dec 2018
Fact Finding	07 Aug 2017 to 07 Aug 2017
MRM	19 Sep 2017
Approval	-
Last Review Mission	-
Last PDS Update	11 Dec 2018

Project Page	https://www.adb.org/projects/51276-001/main
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