



Mongolia: Gender Inclusive Dairy Value Chain Project

Project Name	Gender Inclusive Dairy Value Chain Project		
Project Number	53306-001		
Borrower/Company	Milko LLC Teso LLC		
Country	Mongolia		
Location	Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 7.50 million	Proposed
Strategic Agendas	Inclusive economic growth Regional integration		
Drivers of Change	Gender Equity and Mainstreaming		
Sector / Subsector	Agriculture, natural resources and rural development - Agro-industry, marketing, and trade		
Gender Equity and Mainstreaming	Gender equity		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Jeong, Juhyun		
Project Sponsor(s)			
Description	The project will support Milko's investment plan during 2019 to 2020 by financing dairy procurement and processing expansion and permanent working capital investments for smallholder farmer and herder supply of raw milk and berries.		
Objectives and Scope	The project will support the expansion of Milko's raw milk and fruit procurement and dairy processing capacity. The increase in raw milk and fruit procurement capacity will ultimately benefit women and men smallholder farmers and herders as they are included in formal value chains. The project will also support Milko to increase exports of its end-products. The project is fully aligned with the Government of Mongolia's goals to enhance agricultural productivity, increase local value addition, diversify exports, and create jobs.		
Linkage to Country/Regional Strategy	<p>The project is aligned with Strategy 2030 which calls for ADB to: (i) scale up its financing for agribusiness; (ii) consider smaller deal sizes with potentially higher risk and development impact, including inclusive business models; and (iii) promote gender equality in at least 75% of the number of ADB's committed operations by 2030. The project is aligned with all three strategic pillars of ADB's country partnership strategy for Mongolia, 2017 to 2020: (i) promoting economic and social stability, (ii) developing infrastructure for economic diversification, and (iii) strengthening environmental sustainability. The project is also aligned with ADB's Independent Evaluation Department's validation of the country partnership strategy and its emphasis to promote diversification of the economy with a focus on improving the productivity of agribusinesses.</p> <p>The project is aligned with ADB's operational plan for regional cooperation and integration, as it supports greater regional agribusiness value chains and greater inclusion of smallholders into value chains. The support is expected to increase the number of herders and smallholders farmers supplying Milko as well as increase the volume they supply. Milko's exports to a number of economies across the region will increase (e.g., Kazakhstan and the PRC, and potentially Japan and Taipei,China) and will provide additional sales to Milko's clients in these economies.</p> <p>ADB's financing is expected to further attract capital and partnerships from across the region.</p>		
Safeguard Categories			
Environment			B
Involuntary Resettlement			C
Indigenous Peoples			C
Summary of Environmental and Social Aspects			
Environmental Aspects	In compliance with ADB's Safeguard Policy Statement (SPS, 2009), the project is classified as category B for environment. ADB has undertaken a corporate and site-level compliance audit. Environmental impact from construction activities is minimal considering the scale and nature of the milk collection facilities. During operational phase there would be impact on waste, wastewater and some occupational health and safety risks. Corrective actions will be implemented to address gaps identified at corporate and subproject-level, to establish a formal environmental and social management system at corporate level, and to comply with ADB SPS 2009 requirements. An environmental and social monitoring report will be submitted to ADB on an annual basis.		
Involuntary Resettlement	In compliance with ADB's Safeguard Policy Statement (SPS, 2009), the project is classified as category C for involuntary resettlement. The activities related to the implementation of this project will be undertaken within the existing facilities and does not require any land acquisition or relocation of people.		
Indigenous Peoples	In compliance with ADB's Safeguard Policy Statement (SPS, 2009), the project is classified as category C for indigenous peoples. The activities related to the implementation of this project is not expected to impact on any distinct and vulnerable group of Indigenous Peoples as defined under ADB SPS.		
Stakeholder Communication, Participation, and Consultation			

Timetable for assistance design, processing and implementation	
Concept Clearance	02 Oct 2019
Due Diligence	
Credit Committee Meeting	-
Approval	21 Nov 2019
Last PDS Update	30 Oct 2019

Project Page	https://www.adb.org/projects/53306-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53306-001
Date Generated	05 November 2019

ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.