



Bangladesh: Emergency Working Capital Support to Dairy Value Chain Project

Project Name	Emergency Working Capital Support to Dairy Value Chain Project		
Project Number	54236-001		
Borrower/Company	Pran Dairy Limited		
Country	Bangladesh		
Location			
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 10.00 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 - Livestock		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Dora, Tushna		
Project Sponsor(s)			
Description	The transaction involves a loan of up to \$10,000,000 to Pran Dairy Limited (PDL). The project will help PDL sustain its operations during the COVID-19 crisis, by providing financing for working capital and operational expenditure. It will enable PDL to step up the procurement of milk and other raw materials and thereby build enough buffer inventory to cope with supply chain disruptions. The liquidity support will also help finance longer accounts receivable periods and advances to farmers, increases in operating expenses, and the continuation of timely payments to farmers, employees, and agents.		
Objectives and Scope	The project will help PDL sustain its operations during the COVID-19 crisis, by providing financing for working capital and operational expenditure. It will enable PDL to step up the procurement of milk and other raw materials and thereby build enough buffer inventory to cope with supply chain disruptions. The liquidity support will also help finance longer accounts receivable periods and advances to farmers, increases in operating expenses, and the continuation of timely payments to farmers, employees, and agents.		
Linkage to Country/Regional Strategy	The project is aligned with ADB Strategy 2030, which calls for ADB to scale up its financing for agribusiness and to promote gender equality in at least 75% of the number of ADB committed operations by 2030. The project is also aligned with ADB Operational Plan for Private Sector Operations 2019 to 2024, which calls for growing the share of food brands in the agribusiness portfolio since transactions in the downstream subsector have the lowest level of risks and the potential to drive and structure upstream subsectors, and impact a large number of farmers and consumers. The project is consistent with Strategy 2030 operational priority 1 (addressing remaining poverty and reducing inequalities) ; operational priority 2 (accelerating progress in gender equality) ; and operational priority 5 (promoting rural development and food security, 2019 to 2024). The project is also part of ADB Comprehensive Response to the COVID-19 Pandemic, which proposed \$20 billion to meet the needs of ADB developing member countries as they respond to the crisis.		
Safeguard Categories			
Environment			C
Involuntary Resettlement			C
Indigenous Peoples			C
Summary of Environmental and Social Aspects			
Environmental Aspects	The project is classified as category C for environment in compliance with ADB Safeguard Policy Statement (2009). The project is anticipated to have minimal environmental impact in addition to PDL's existing operation ADB conducted a corporate audit of PDL and reviewed corporate policies, procedures, monitoring reports, and publicly available information. The environmental and social measures and the institutional capacity and commitment of PDL to manage the projects social and environmental impacts are deemed adequate. Based on gaps and improvement opportunities identified, PDL will implement corrective actions. PDL will submit to ADB an environmental and social monitoring report annually.		
Involuntary Resettlement	The project is classified as category C for involuntary resettlement in compliance with ADB Safeguard Policy Statement (SPS, 2009). ADB funds will not be used to finance construction or facility expansion that may lead to impacts on the involuntary resettlement.		
Indigenous Peoples	The project is classified as category C for Indigenous Peoples in compliance with ADB Safeguard Policy Statement (SPS, 2009). ADB funds will not be used to finance construction or facility expansion that may lead to impacts on the indigenous peoples.		
Stakeholder Communication, Participation, and Consultation	PDL engagement with the stakeholders started during the initial environmental examination preparation where local people and other stakeholders were consulted regarding the development of PDL dairy plant. PDL existing corporate management system framework for Environment, Health, Safety and Social (EHSS) provides guidance in company procedures including stakeholder engagement and grievance mechanism. Engagement with the community is presently carried out through the development projects and activities undertaken by the company in its surrounding communities.		
Timetable for assistance design, processing and implementation			

Concept Clearance	02 Jun 2020
Due Diligence	
Credit Committee Meeting	-
Approval	15 Jul 2020
Last PDS Update	16 Jul 2020

Project Page	https://www.adb.org/projects/54236-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54236-001
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