



Regional: Olam COVID-19 Smallholder Farmer Liquidity Support Project

Project Name	Olam COVID-19 Smallholder Farmer Liquidity Support Project		
Project Number	54325-001		
Borrower/Company	Olam International Limited Olam Treasury Private Limited		
Country	RegionalIndonesiaPapua New GuineaViet Nam		
Location	Indonesia - Nation-wide; Papua New Guinea - Nation-wide; Viet Nam - Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 93.75 million	Proposed
Strategic Agendas	Inclusive economic growth Regional integration		
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			
Responsible ADB Division			
Responsible ADB Officer	Jeong, Juhyun		
Project Sponsor(s)			
Description	The project will help sustain the livelihood of smallholder farmers impacted by COVID-19 in Indonesia, Viet Nam, and PNG by providing working capital financing to Olam International Limited (OIL) and Olam Treasury Private Limited (OTPL) to increase its raw material procurement from these farmers.		
Objectives and Scope	The project will support smallholder farmers that OIL and its subsidiaries (Olam) directly sources from across the project countries. Disruptions to agricultural supply chains caused by the coronavirus disease (COVID-19) pandemic have impacted smallholder farmers as local markets close down and smaller traders cease buying. The COVID-19 impact on livelihoods of female farmers are disproportionately harsh given their limited access to land, credit, and inputs. In this context, Olam role as a sustainable buyer of agricultural products at scale will provide timely support to smallholder farmers livelihoods, in particular for female farmers.		
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 promote gender equality in at least 75% of the number of ADB committed operations by 2030. The project is also aligned with Operational Plan for Private Sector Operations 2019 to 2024 which calls for working with Tier-1 agribusiness companies because of their potential to have widespread impact including as partners in TA. It is consistent with ADB country partnership strategies for Viet Nam, Indonesia, and PNG. The project is consistent with the Strategy 2030 Operational Plan for Priority 1 (OP1) by preserving the livelihoods of smallholder farmers during COVID-19, Operational Plan for Priority 2 (OP2) to protect women workers and farmers and Operational Plan for Priority 5 (OP5) which calls for (i) modern, sustainable, and responsible corporate farming models; (ii) the integration of farmers, agribusinesses, and consumers into efficient and sustainable value chains; and (iii) promote food security and increase agricultural productivity to provide sufficient, safe, and affordable food to the poor. As a regional project benefiting three DMCs, the project is consistent with Operational Plan for Priority 7 (OP7) as it supports nonsovereign lending for cross-border operations for agriculture value chains. The project is also part of ADB Comprehensive Response to COVID-19 Pandemic which proposed \$20 billion to address the needs of ADB developing member countries as they respond to the COVID-19 pandemic.		
Safeguard Categories			
Environment	C		
Involuntary Resettlement	C		
Indigenous Peoples	C		
Summary of Environmental and Social Aspects			
Environmental Aspects	ADB has categorized the project in compliance with ADB Safeguard Policy Statement (2009) (SPS) as category C for environment. OIL and OTPL have existing corporate environmental and social management system, composed of various policies, standards, and codes of practices, that were assessed during the due diligence process of the existing loan and found to be compliant with regulatory requirements and international good industry practices. These were strengthened through adoption of ADB Safeguard Policy Statement (SPS, 2009) requirements in the expansion of OIL and OTPL four existing facilities supported by ADB. OIL confirmed through the annual environmental and social monitoring reports submitted to ADB that there are no environmental and social non-compliances and grievances recorded on any of facilities and activities supported by ADB. The environmental and social performance of the existing loan and the institutional capacity of OIL and OTPL to manage environmental and social issues linked to its operations are deemed satisfactory.		
Involuntary Resettlement	ADB has categorized the project in compliance with ADB Safeguard Policy Statement (2009) (SPS) as category C for involuntary resettlement.		
Indigenous Peoples	ADB has categorized the project in compliance with ADB Safeguard Policy Statement (2009) (SPS) as category C for Indigenous Peoples.		
Stakeholder Communication, Participation, and Consultation			

Timetable for assistance design, processing and implementation	
Concept Clearance	12 Aug 2020
Due Diligence	
Credit Committee Meeting	-
Approval	04 Nov 2020
Last PDS Update	01 Oct 2020

Project Page	https://www.adb.org/projects/54325-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54325-001
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