



# Myanmar: Aller Aqua Aquafeed Production Project

Project Name	Aller Aqua Aquafeed Production Project		
Project Number	54413-001		
Borrower/Company	Aller Aqua Myanmar Feed Co., Ltd. Jyske Bank		
Country	Myanmar		
Location	Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 6.00 million	Proposed
Strategic Agendas	Environmentally sustainable growth 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			
Objectives and Scope	The project will support AAMF to build and operate a 60,000 metric ton (mt) per annum aquafeed factory in the vicinity of Yangon. The project will support high quality, affordable, and environmentally sustainable fish feed production, which will contribute to the development of Myanmar's aquaculture sector. It will support the livelihoods of 150 factory and construction workers and at least 2,500 smallholder fish farmers. The project is fully aligned with the Government of Myanmar's goals to increase aquaculture production and productivity through modernization of infrastructure and improved production and processing techniques.		
Linkage to Country/Regional Strategy	The project is aligned with ADB's 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's committed operations by 2030". The project is also aligned with the Operational Plan for Private Sector Operations 2019-2024, which calls for focusing on the agricultural inputs subsector and mobilizing funds for "climate resilient" and "more environmentally sustainable" subsectors. The project is aligned with two strategic pillars of ADB's country partnership strategy, 2017-2021 for Myanmar: (i) improving access and connectivity and (ii) strengthening human capital. The country partnership strategy also calls for ADB to "seek to leverage international climate change and food security-related financing opportunities to promote sustainable land and water management to reduce land degradation, improve agricultural productivity, and conserve biodiversity." The project is consistent with Strategy 2030's operational priority 1 (OP1) by improving the standards of living of fish farmers and workers; operational priority 2 by protecting women workers and fish farmers; operational priority 3 (OP3) by promoting environmentally sustainable feed and helping fish farmers adapt to climate change; operational priority 5 (OP5) which calls for (i) "modern, sustainable, and responsible corporate farming models;" (ii) "integration of farmers, agribusinesses, and consumers into efficient and sustainable value chains;" and (iii) the promotion of food security and an increase in agricultural productivity "to provide sufficient, safe, and affordable food to the poor"; and operational priority 7 (OP7) by promoting foreign direct investment and exports.		
<b>Safeguard Categories</b>			
Environment			B
Involuntary Resettlement			C
Indigenous Peoples			C
<b>Summary of Environmental and Social Aspects</b>			
Environmental Aspects	ADB has categorized the project in compliance with ADB's Safeguard Policy Statement (2009) (SPS) as category B for environment. An initial environmental and social examination (IESE) and an environmental and social management plan (ESMP) were prepared for the project. The proposed aquafeed factory will be constructed on an unoccupied 1.6-hectare land plot in Zone B of the SEZ in Kyauktan township. The industrial zone is operating since 2016 with locators such as manufacturing plants and logistics companies. Infrastructure and services inside the SEZ include road networks, underground electricity grid and internet fiber, treated water supply grid, sewage system and wastewater treatment plant, and an underground drainage system. The SEZ has an existing environmental monitoring and management program and conducts regular air quality, groundwater quality, surface water quality and noise monitoring. Potential impacts during construction phase are expected to be temporary, site-specific, and can be mitigated through good construction site management. Potential impacts during operation include generation of non-hazardous and hazardous waste, domestic wastewater, noise and vibration, air emissions from the boiler operation, odor, and occupational health and safety risks. The factory's small boiler will use risk husk as fuel and will include pollution control equipment. Measures for mitigating potential environmental and social impacts during construction and operation, including a monitoring and reporting program, are included in the ESMP. The IESE and ESMP will be updated to include results of public consultations that cannot be conducted at this time due to COVID-19 restrictions on movement and group gatherings. ADB will require AAMF to annually report on its environmental and social performance and compliance with the measures in the ESMP and requirements of SEZ and ADB.		
Involuntary Resettlement	ADB has categorized the project in compliance with ADB's Safeguard Policy Statement (2009) (SPS) as category C for involuntary resettlement.		

Indigenous Peoples	ADB has categorized the project in compliance with ADB's Safeguard Policy Statement (2009) (SPS) as category C for Indigenous Peoples.
Stakeholder Communication, Participation, and Consultation	The borrower will undertake consultation with identified stakeholders in proximity to the SEZ for the project's Initial Environmental and Social Examination report once the government's COVID-19 restrictions on group gatherings are reduced.

Timetable for assistance design, processing and implementation	
Concept Clearance	11 Nov 2020
Due Diligence	
Credit Committee Meeting	18 Dec 2020 to 18 Dec 2020
Approval	11 Jan 2021
Last PDS Update	22 Jan 2021

Project Page	<a href="https://www.adb.org/projects/54413-001/main">https://www.adb.org/projects/54413-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=54413-001">http://www.adb.org/forms/request-information-form?subject=54413-001</a>
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