



## Regional: Olam International Limited: Inclusive, Sustainable, and Connected Coffee Value Chain

Project Name	Olam International Limited: Inclusive, Sustainable, and Connected Coffee Value Chain		
Project Number	51139-002		
Borrower/Company			
Country	RegionalIndonesiaPapua New GuineaTimor-LesteViet Nam		
Location	Indonesia - Nation-wide; Papua New Guinea - Nation-wide; Timor-Leste - Nation-wide; Viet Nam - Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Technical Assistance	USD 400,000	Proposed
	Technical Assistance	USD 2.60 million	Proposed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Gender Equity and Mainstreaming Knowledge solutions Partnerships Private sector development		
Sector / Subsector	<b>Agriculture, natural resources and rural development</b> - Agricultural production		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Office of the Director General, PSOD		
Responsible ADB Officer	Jeong, Juhyun		
Project Sponsor(s)			
Objectives and Scope	<p>The technical assistance (TA) is designed to complement the approved loan of up to \$100,000,000 to Olam International Limited (Olam), a global agribusiness company that provides an end-to-end supply chain solution for a variety of agricultural raw materials and food ingredients. The loan will support Olam's \$223 million capex and expansion plan over the 2017-2019 period invest in Olam's midstream processing assets and permanent working capital for smallholder farmer supply in Timor-Leste, Papua New Guinea (PNG), Viet Nam, and Indonesia. The project will promote inclusive and sustainable agricultural value chains with higher local value addition in Southeast Asia and the Pacific.</p> <p>The TA (including a grant of up to \$400,000 from the Canadian Climate Fund for the Private Sector in Asia) will complement the loan by providing capacity building support to 20,000 smallholder coffee farmers that Olam sources from across Timor-Leste, Indonesia, Viet Nam, and PNG. The TA will help smallholder coffee farmers fully benefit from their inclusion in the coffee value chain by meeting international certification standards and improving the productivity and quality of crops. The TA will also ensure that these farmers are better prepared to cope with the negative consequences of climate change.</p>		
Linkage to Country/Regional Strategy	<p>The project is aligned with the ADB Midterm Review of Strategy 2020, which emphasizes the need to invest in agriculture to increase productivity, strengthen links with local value chains, promote food safety and quality standards, and improve the resilience of the sector to the impact of climate change. It is consistent with ADB's country partnership strategies for Viet Nam, Indonesia, Timor-Leste, and PNG and will complement ADB's sovereign assistance programs in these four targeted DMCs.</p> <p>As a regional project benefiting four DMCs as well as non-DMC regional members, the project is aligned with ADB's operational plan for regional cooperation and integration, which highlights the importance of raising competitiveness in connected markets including through promoting and facilitating the participation in global and regional value chains by small and medium-sized enterprises and smallholder farmers.</p> <p>The project is aligned with ADB's operational plan for agriculture and natural resources, 2015 to 2020, which recommends greater private sector agribusiness investment by ADB through working with strong agribusiness sponsors adopting best practices.</p>		

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

## Timetable for assistance design, processing and implementation

Concept Clearance	-
Due Diligence	
Credit Committee Meeting	-
Approval	-
Last PDS Update	05 Sep 2018

Project Page	<a href="https://www.adb.org/projects/51139-002/main">https://www.adb.org/projects/51139-002/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=51139-002">http://www.adb.org/forms/request-information-form?subject=51139-002</a>
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