



Regional: Almaty-Bishkek Economic Corridor: Preparing the Modern Agriculture Wholesale Market Development Project

Project Name	Almaty-Bishkek Economic Corridor: Preparing the Modern Agriculture Wholesale Market Development Project		
Project Number	51276-002		
Country	RegionalKazakhstanKyrgyz Republic		
Project Status	Active		
Project Type / Modality of Assistance	Technical Assistance		
Source of Funding / Amount	TA 9677-REG: Almaty-Bishkek Economic Corridor: Preparing the Modern Agriculture Wholesale Market Development Project		
	Regional Cooperation and Integration Fund		US\$ 1.00 million
	Technical Assistance Special Fund		US\$ 1.00 million
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Description	<p>The proposed project will contribute to the diversification of exports and the connection to regional markets for the Republic of Kazakhstan and the Kyrgyz Republic. The project is part of the development of the Almaty-Bishkek Economic Corridor (ABEC). The project will support the modernization of wholesale markets (WSMs) to improve food safety, food security, and increase food trade within and outside the region. Modern WSM infrastructure will facilitate certification for exports, traceability systems, and most importantly, transparent market access and storage of fresh produce. As a result, market demand will allow for production growth and deliver incentives for quality, which will benefit small- and medium-sized producers in the region.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>In Kazakhstan and the Kyrgyz Republic, horticulture value chains are concentrated around Almaty, Bishkek, and their surrounding areas where most of the production, trading and consumption is concentrated. Wholesale trading is mainly occurring in Kazakhstan through the Altyn Orda market (42 hectares [ha] size) in Almaty province and Shareem market (3 ha) in Astana, as well as in the Kyrgyz Republic through Dordoi Food market with 14 ha and Alamedin market (15 ha), both in Bishkek. Most of the flow of horticulture products is channeled through these markets, which require significant modernization to comply with changing domestic regulations, the standards of the Eurasian Economic Union (EEU) and other major export destinations for fruits and vegetables that are produced in ABEC and the Fergana valley. Most commonly, fresh products are sold from the back of a truck to large and small retailers, to hotels and restaurants, and further to other WSMs of Astana or Shymkent. If the produce is not sold within a day, it is often spoiled and goes to waste. Producers or farmers often lack direct access to the WSM because of the segregated production structure with little cooperation and consolidation at the producer level.</p> <p>Kazakhstan and the Kyrgyz Republic are both net food importers. Food security is compromised due to the i) high dependency on food imports during the first half of the year; ii) lack of incentives for producers to expand the season, quantity and quality of produce due to low margins; iii) increasing market power and vertical integration for horticulture products; and iv) adhoc and uncoordinated daily trading systems because of inadequate storage and cold-chain logistics facilities, which lead to high food waste and price fluctuations. Current WSM, storage, and logistics infrastructure limit the export potential for horticulture products and lead to inefficiencies in domestic food distribution with significant effects for food security and food safety. Reduced food waste and more efficient value chains have significant potential to reduce unnecessary use of natural resources and emittance of greenhouse gases.</p>		
Impact			
Project Outcome			

Description of Outcome

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Kazakhstan; Kyrgyz Republic

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services The TA will require three packages of consulting services: (i) Package 1 - International consulting firms to conduct the investment feasibility study (IFS) (output 1) using the fixed budget selection (FBS) selection method, and simplified technical proposals; (ii) Package 2 - an international consulting firm to conduct the commercial, technical and financial due diligence (output 2) using the FBS selection method and simplified technical proposals; and (ii) Package 3 - Individual consultants (international) to assist loan processing and implementation startup and coordination of outputs 1 and 2 (output 3). Package 1 will be lump-sum and performance-based contract, package 2 will be lump-sum, while package 3 will be time-based. ADB procurement and policy and regulations (2017 as amended from time to time) shall apply to the selection of consultants.

Responsible ADB Officer

Woldring, Hans Siewert

Responsible ADB Department

Central and West Asia Department

Responsible ADB Division

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Executing Agencies

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Ministry of National Economy
Orynbor str., 8, House of Ministries, entr.7,010000 Astana, Kazakhstan*

Timetable

Concept Clearance

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Fact Finding

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MRM

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Approval

07 Dec 2018

Last Review Mission

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Last PDS Update

11 Dec 2018

TA 9677-REG

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
2,000,000.00	0.00	0.00	0.00	0.00	0.00	2,000,000.00	-	0.00

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Request for Information	http://www.adb.org/forms/request-information-form?subject=51276-002
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