Early Warning System

ADB-47245-005

Market and Value Chain Infrastructure Development Project

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Quick Facts

Countries	Bangladesh
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	B
Voting Date	2016-07-28
Sectors	Agriculture and Forestry
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.72 million

Project Description

DESCRIPTION

The proposed Market and Value Chain Infrastructure Development Project (MVCIDP) will establish a modern safe food value chain for high value perishable crops to service markets in Dhaka, Bangladesh. The value chain will link farmers to a handling and intermediary network, which in turn will link to end users that include food processors, retailers and exporters. There is a critical role for the private sector to invest in, manage and operate the value chain infrastructure and services. Private sector participation, including through public-private partnership, is key to future project sustainability. The rationale for public sector intervention is to address failure in the market to provide appropriate price premiums for safe food which thus deters private sector investment in the value chain.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Although Bangladesh has achieved food self-sufficiency there remain problems with food security and access to safe, diverse and nutritious diets. Bangladesh is also experiencing rapid urbanization and a growing middle class that demands a more diversified diet and safer and more nutritious foods. However, food safety is constrained by poor on-farm and post-harvest management practices, lack of food safety standards and testing procedures, and quality assurance along the value chain. Additional problems with the prevalent traditional marketing system include physical and quality losses from farm to consumer often exceeding 30%, and high price volatility from inability to store perishable products. To address these problems will require (i) investment in value chain infrastructure including collection and distribution centers, cold storages, refrigerated transport, and testing facilities; (ii) improve the capacity of actors in the value chain to produce, process, distribute and market safe food; and (iii) provide credit to facilitate adoption of new technologies and private infrastructure.

IMPACT

Consumers and producers benefit from improved production, handling and processing of safe high value crops to Dhaka markets

CONSULTING SERVICES

Consultants will be recruited by ADB in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time) and using the individual selection method.

PROCUREMENT

Procurement will be followed in accordance with ADB's Guidelines on Procurement.

Investment Description

- Asian Development Bank (ADB)

TA 9146-BAN: Market and Value Chain Infrastructure Development Project
Technical Assistance Special Fund US$ 225,000.00
TA: Market and Value Chain Infrastructure Development Project (Supplementary)
Technical Assistance Special Fund US$ 500,000.00

Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

CONTACTS

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Bank Documents

- Market and Value Chain Infrastructure Development Project: Initial Poverty and Social Analysis [Original Source]
- Project Disclosure PDF