



Azerbaijan: Avrora COVID-19 Staple Food Supply Chain Support Project

Project Name	Avrora COVID-19 Staple Food Supply Chain Support Project			
Project Number	54376-001			
Borrower / Company	Avrora LLC			
Country / Economy	Azerbaijan			
Location	Nation-wide			
Type or Modality of Assistance	4080	Loan	Ordinary capital resources	USD 5.90 million Committed
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP5: Promoting rural development and food security OP7: Fostering regional cooperation and integration			
Sector / Subsector	Agriculture, natural resources and rural development / Agro-industry, marketing, and trade			
Gender	Effective gender mainstreaming			
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Portfolio Management Division, PSOD			
Responsible ADB Officer	Mokrousov, Sergey			
Project Sponsor(s)				
Description	The project will provide essential liquidity support to Avrora LLC to sustain its operations and the livelihoods of over 2600 employees while supplying essential food to the masses during the COVID-19 crisis. The project will support gender inclusion and contribute to food security with the production and distribution of wheat and dairy products, through this period of unprecedented health, economic and social crisis.			
Objectives and Scope	The project will provide liquidity to Avrora to support its growth and the livelihoods of over 2,600 employees, 1,500 farmers and farm workers, and over 12,000 retailers (mostly family-run rural shops) during the COVID-19 crisis. ADB will help strengthen Avrora's corporate governance under an agreed action plan. The project will also support greater gender inclusion in the workforce.			
Linkage to Country/Regional Strategy	The project is aligned with Strategy 2030, which calls for ADB to scale up its financing for agribusiness. The project is also aligned with Operational Plan for Private Sector Operations, 2019 to 2024, which identifies food brands and food retail as a priority segment because of their potential to drive and structure upstream subsectors. The project is consistent with the Strategy 2030's Operational Plan for Priority 1 which calls for generating quality jobs, and Operational Plan for Priority 5, which calls for the production of safe, nutritious, and affordable food. It is also aligned with Strategy 2030's Operational Plan for Priority 2, which seeks to expand operations in support of agribusiness value chains whereby women's jobs and entrepreneurship opportunities will be enhanced in higher value-generating activities. In addition, it is also aligned with Pillar 2 (regional trade and investment) of the Operational Plan for Priority 7 and supports CAREC 2030 in its Operational Cluster D by promoting regional trade in agriculture as Avrora has cross-border trade links with several regional countries. The project is aligned with ADB's \$20 billion COVID-19 response package whereby ADB's Private Sector Operations Department has focused on providing working capital and operation expenditure financing to support continuity of operations of financially strong companies that are facing temporary liquidity issues due to the pandemic. ADB has also been supporting Azerbaijan's Food Safety Agency (AFSA) in strengthening food safety standards in agricultural value chains through its regional KSTA Strengthening International Food Safety Standards in Agricultural Value Chains.			
Safeguard Categories				
Environment				C
Involuntary Resettlement				C
Indigenous Peoples				C
Summary of Environmental and Social Aspects				
Environmental Aspects	Avrora reported its 2022 E&S performance in its first annual safeguards and social monitoring report (SSMR) to ADB. There had been no environmental non-compliances, incidents or grievances per the report submitted.			
Involuntary Resettlement	The project is not expected to result in any land acquisition or involuntary resettlement impacts as ADB's financing is only for working capital and operational expenses. Avrora continues to operate within its current site.			
Indigenous Peoples	Impact on Indigenous Peoples is not anticipated. Avrora's existing site is located within an industrial zone where the presence of indigenous peoples was not identified.			
Stakeholder Communication, Participation, and Consultation	Given the nature of the project, there is limited opportunity to directly include and empower the poor and vulnerable. However, the project is expected to benefit the local population as employment and the supply of basic food products are sustained.			
Timetable for assistance design, processing and implementation				
Concept Clearance				11 Sep 2020
Credit Committee Meeting				12 May 2021
Approval				22 Jun 2021
Last PDS Update				25 Sep 2023

Project Page	https://www.adb.org/projects/54376-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54376-001
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