



Regional: Louis Dreyfus COVID-19 Climate-Resilient Smallholder Farmer Recovery Project

Project Name	Louis Dreyfus COVID-19 Climate-Resilient Smallholder Farmer Recovery Project				
Project Number	53298-001				
Borrower / Company	Louis Dreyfus Company Asia Private Limited Louis Dreyfus Company B.V.				
Country / Economy	Regional India Indonesia Pakistan Viet Nam				
Location	India - Nation-wide; Indonesia - Nation-wide; Pakistan - Nation-wide; Viet Nam - Nation-wide				
Type or Modality of Assistance	4165	Loan	Ordinary capital resources	USD 100.00 million	Committed
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability 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	Nath, Kiron				
Project Sponsor(s)					
Description	Senior unsecured 3-year USD bullet loan of \$100 million to finance LDC's working capital needs in Asia for the sustainable procurement of coffee, cotton, and rice. The transaction will preserve the livelihood and climate resilience of [60,000] smallholder farmers affected by COVID-19 in the five project countries. A complementing TA (funded by trust funds) will establish 80 farmer groups and train 160 farmer group educators with an aim to help farmers obtain sustainability certifications.				
Objectives and Scope	The project will provide working capital financing to LDC for the procurement of crops in India (coffee, cotton, and rice); Indonesia (coffee); Pakistan (cotton and rice); Thailand (rice); and Viet Nam (coffee and rice). LDC's continued operations in the project countries will help keep food supply chains secure and functioning and mitigate the pandemic's ongoing impact on vulnerable groups particularly for more than 50,000 smallholder farmers that supply to LDC in the project countries. By ensuring reliable offtake to farmers, the project will help preserve their livelihoods. The project enables LDC to continue to leverage its significant warehouse network to hold inventory, thereby offsetting the impact of supply chain disruptions.				
Linkage to Country/Regional Strategy	<p>The project is consistent with ADBs Strategy 2030s operational plans for priority 1 by preserving the livelihoods of smallholder farmers during the COVID-19 pandemic; priority 2 through gender interventions targeted at women workers and farmers; priority 3 by promoting the climate resilience of farmers; and priority 5, which calls for the integration of farmers, agribusinesses, and consumers into efficient and sustainable value chains. As a regional project, it is consistent with the operational plan for priority 7 as it supports nonsovereign lending for cross-border operations for agriculture value chains. The project is consistent with ADBs country partnership strategies for India, Indonesia, Pakistan, Thailand, and Viet Nam.</p> <p>The project is aligned with the Operational Plan for Private Sector Operations, 20192024, which calls for working with tier 1 agribusiness companies given their potential to have a widespread impact. The project supports ADB's agriculture-related strategies and action plans of subregional programs. The project is part of ADB's Comprehensive Response to the COVID-19 Pandemic.</p>				
Safeguard Categories					
Environment					C
Involuntary Resettlement					C
Indigenous Peoples					C
Summary of Environmental and Social Aspects					
Environmental Aspects	ADB has categorized the investment in compliance with ADBs Safeguard Policy Statement (2009) as category C for environment. The loan will support working capital needs of the Borrower for the procurement of coffee, cotton, and rice, primarily through aggregators in the project countries. Given the use of proceeds, the project is anticipated to have minimal environmental impacts.				
Involuntary Resettlement	ADB has categorized the investment in compliance with ADBs Safeguard Policy Statement (2009) as category C for involuntary resettlement. ADB funding will not be used to acquire land or for any activity that may result in involuntary resettlement impacts.				
Indigenous Peoples	ADB has categorized the investment in compliance with ADBs Safeguard Policy Statement (2009) as category C for indigenous peoples. LDC, in principle, does not source goods from indigenous land and has set out practices to avoid impact on indigenous peoples in its supply chain.				
Stakeholder Communication, Participation, and Consultation	LDC engages with various aggregators in its supply chains, such as individuals, cooperatives, and companies. LDC also uses non-governmental organization (NGO) information portals to identify potential issues and regularly interacts with NGOs to obtain inputs on possible non-compliances with LDC's sustainability commitments and principles.				
Timetable for assistance design, processing and implementation					
Concept Clearance					

Credit Committee Meeting	-
Approval	13 Dec 2021
Last PDS Update	27 Dec 2022

Project Page	https://www.adb.org/projects/53298-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53298-001
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