



Ministry of Industries

Food Value Chain Improvement Project

(Funded by JICA: Japan International Cooperation Agency)



■ Overview and objectives of the Project

The objective of the Project is to improve credit access for agribusiness and food processing industries and to enhance their capacity in business development, food processing, and food safety by providing concessional financing and technical assistance, thereby contributing to the improvement of food value chain in Bangladesh.

The Project is composed of two components; **1) Two-step loan (TSL)** and **2) Capacity building**.

1) TSL is to provide concessional loans for long term investment to the end borrowers through BIFFL (see the next page for more details).

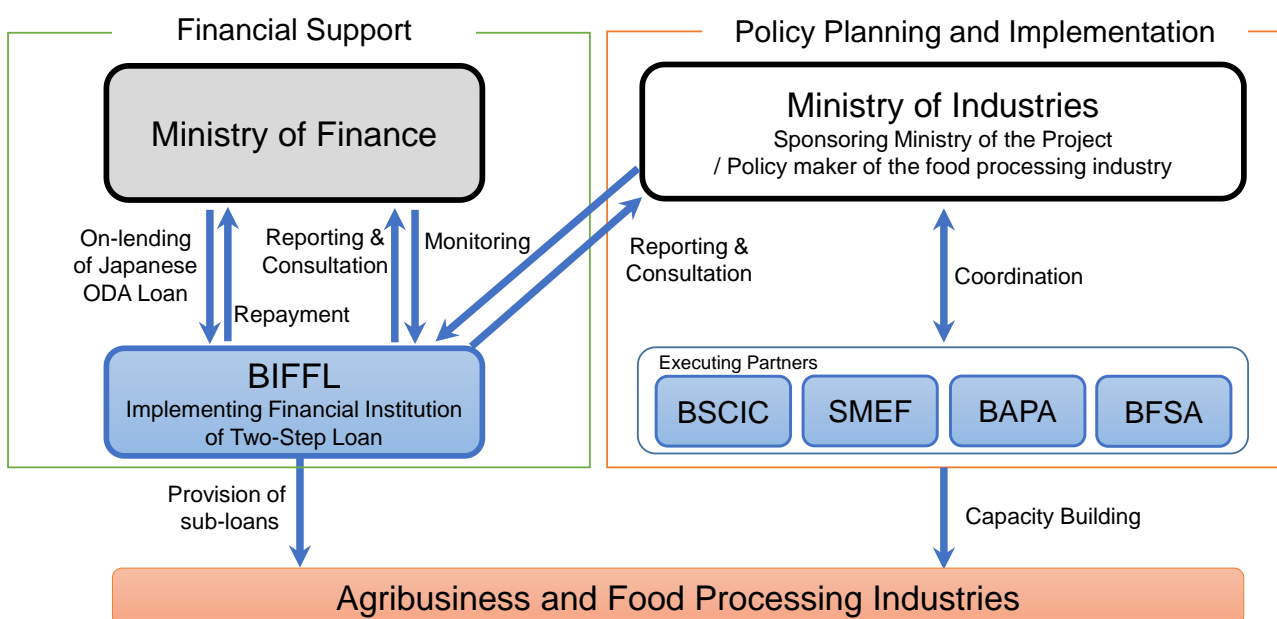
2) Capacity building programs, such as training seminars, are provided to potential and existing end-borrowers in the topics of business management, food processing, and food safety management.

■ Project Implementation Structure

Ministry of Industries (MoInd) is the sponsoring ministry of the Project. MoInd formulates necessary policy, rules and regulations to create conducive environment for the Project and coordinates with BIFFL and the Executing Partners below for the successful implementation of the Project.

Bangladesh Infrastructure Finance Fund Limited (BIFFL) is the implementing financial institution which receives the Japanese ODA Loan from the GOB (Ministry of Finance). BIFFL provides sub-loans to end borrowers directly.

BAPA, SMEF, BSCIC and BFSA are the Executing Partners of the Project which support the capacity building activities.



BAPA: Bangladesh Agro-Processors' Association
SMEF: Small and Medium Enterprise Foundation
BSCIC: Bangladesh Small and Cottage Industries Corporation
BFSA: Bangladesh Food Safety Authority

■ Features of Loans to be provided to agribusiness and food processing industries

*See another leaflet on the Special Loan for more details.

Eligible business sectors	1) Fruit processing industry, 2) Vegetable processing industry, 3) Spice processing industry, 4) Rice, wheat and bean processing industry, 5) Edible oil producing industry, 6) Seed Processing industry, 7) Organic fertilizer producers / biological pesticide producers, 8) Wholesalers and logistics industries, including warehouse and transport industries, and 9) Retail industries (including supermarkets).
Eligible loan purposes	i) Long term capital investment in agribusiness and food processing industries ii) Technical know-how such as necessary expense for obtaining accreditation related to food safety and food processing including ISO, HACCP, and halal certification * Purchase of land / land use rights and payment of taxes are NOT eligible.
Loan amount	Maximum BDT 500 million
Interest rate	Not exceeding 6%

■ Capacity Building Program

Capacity building programs are provided to potential and existing end-borrowers in the topics of 1) **business management**, 2) **food processing**, and 3) **food safety management**.

For example, 1) business management seminars include topics such as developing business plans and preparing for legal documents required for loan application.

2) food processing seminars cover issues such as i) Diversification of processed products and quality improvement and ii) Promotion of multi-purpose cold storage facilities and improvement in the transportation of fruits and vegetables.

In the topic of 3) food safety management, two courses of seminars, i) basic course and ii) advanced course including factory operation and hygienic engineering design, will be organized.

The details of the programs are to be announced by the Executing Partners (BAPA, SMEF, BSCIC and BFSA) and raining BIFFL.

The training programs arranged by BFSA will be developed in collaboration with JICA Technical Cooperation Project, "The Project for Strengthening the Inspection, Regulatory and Coordinating Function of the Bangladesh Food Safety Authority".



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