



Food Value Chain Improvement Project

LOAN FOR AGRIBUSINESS AND FOOD PROCESSING INDUSTRIES

Objective of Loan and the Project

The ultimate goal of this loan program and the Project is to contribute to the **improvement of food value chain** in Bangladesh.

To serve this goal, BIFFL provides loans for the capital investment by **agribusiness and food processing industries**.

Various training programs on food processing and food safety will be also organized in the Project, in collaboration with the Executing Partners (BAPA, SMEF, BSCIC and BFSA).

Features of Loan

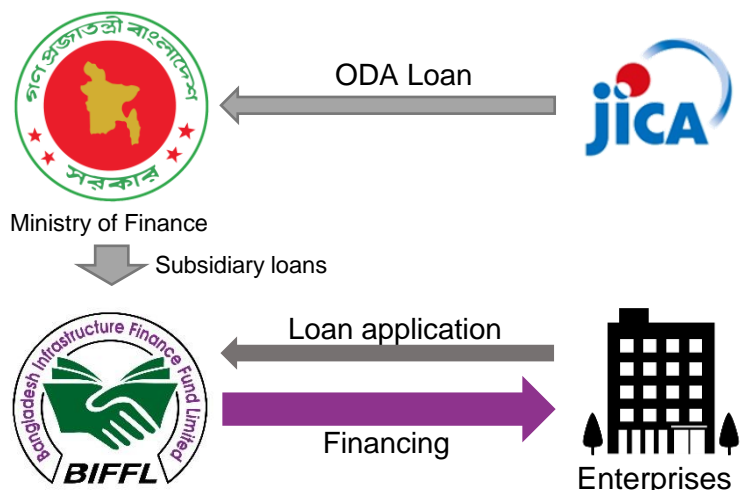
Eligible loan purposes	<ul style="list-style-type: none"> i) Long term capital investment in agribusiness and food processing industries ii) Technical know-how such as necessary expense for obtaining accreditation related to food safety and food processing including ISO, HACCP, and halal certification * Purchase of land / land use rights and payment of taxes are NOT eligible. * See the eligible investment list on the following pages.
Loan amount	Maximum BDT 500 million
Interest rate	Not exceeding 6%
Loan tenure and collateral	To be determined based on the discussions between a borrower and BIFFL in compliance with the rules and regulations in Bangladesh.
Borrower Selection and Credit Judgement	To be conducted by BIFFL as per merit and viability of the Project.

Loan Administration Structure

The original fund of the Project is the concessional loan extended by the **Government of Japan (JICA)** to the **Government of Bangladesh (Ministry of Finance)**.

In the Project, the Executing Partners, **BAPA, SMEF, BSCIC** and **BFSA**, support training seminars.

The Project is executed under the supervision of **Ministry of Industries**.



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

1) Fruit processing industry (mangoes, pineapples and other fruits)

Eligible products	Non-eligible products
<ul style="list-style-type: none"> ➤ Processed fruits (Example) Fruit juice, jam and jelly, dried fruits, frozen fruits, canned fruits and fruit pickles 	<ul style="list-style-type: none"> ➤ Fruit flavored candies ➤ Fruit flavored drink ➤ Alcoholic products
Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Equipment, machineries and structures for the products listed above ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Any production processes without foreign object detection system ➤ See Note for other non-eligible investments.

2) Vegetable processing industry (tomatoes, potatoes and other vegetables)

Eligible products	Non-eligible products
<ul style="list-style-type: none"> ➤ Processed vegetables (Example) Ketchup, frozen vegetables, frozen samosa, frozen French fries, dried vegetables, vegetable juice, pickles, starch and sauce 	<ul style="list-style-type: none"> ➤ Any products which are not mainly produced from vegetables (Example) Mayonnaise and oyster sauce ➤ Alcoholic products
Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Equipment, machineries and structures for the products above ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Any production processes without foreign object detection system ➤ See Note for other non-eligible investments.

3) Spice processing industry (peppers, chili peppers, corianders, turmeric, onions and other spices)

Eligible products	Non-eligible products
<ul style="list-style-type: none"> ➤ Processed spices (Example) Dried powdered spices 	<ul style="list-style-type: none"> ➤ N/A
Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Equipment, machineries and structures for the products above ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Any production processes without metal detection ➤ See Note for other non-eligible investments.

4) Rice, wheat, and bean processing industry (rice, wheat and beans)

Eligible products	Non-eligible products
<ul style="list-style-type: none"> ➤ Rice snacks, biscuits, cookies, breads, chanachur and processed beans (including fried dal), frozen beans 	<ul style="list-style-type: none"> ➤ Milled and powdered rice ➤ Wheat flour ➤ Snacks which are not mainly produced from rice, wheat and beans ➤ Alcoholic products
Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Equipment, machineries and structures for the products above ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Any production processes without foreign object detection system ➤ See Note for other non-eligible investments.

<p>Note</p> <ul style="list-style-type: none"> ➤ Vehicles and warehouses without freezing, refrigerating or humidity for temperature controlling equipment ➤ Any items which are movable and usable for other purposes
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5) Edible oil processing industry

Eligible products	Non-eligible products
<ul style="list-style-type: none"> ➤ Mustard oil, rice bran oil, sesame oil 	<ul style="list-style-type: none"> ➤ Other edible oil (Example) Soybean oil and palm oil ➤ Refined oil produced from imported crude oil
Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Equipment, machineries and structures, for the products above ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Any production processes without pressing process ➤ See Note for other non-eligible investments.

6) Seed processing industry

Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Fixed asset for (i) the improvement of the quality of seeds and (ii) seed production ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ See Note for non-eligible investments.

7) Organic fertilizer producers / biological pesticide producers

Eligible products	Non-eligible products
<ul style="list-style-type: none"> ➤ Organic fertilizers and biological pesticide 	<ul style="list-style-type: none"> ➤ Chemical fertilizer and chemical pesticide
Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Fixed asset for (i) the production of organic fertilizers and (ii) biological pesticide ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ See Note for non-eligible investments.

8) Logistics industry, wholesalers and transport industry

Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Fixed asset for the cold chain of food products (Example) Refrigerator vehicles, warehouses with humidity or temperature controlling equipment ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Vehicles and warehouses without freezing, refrigerating or humidity or temperature controlling equipment ➤ Vehicles, warehouses and other facilities not used for food products

9) Retail industry (including supermarkets)

Eligible investment	Non-eligible investment
<ul style="list-style-type: none"> ➤ Fixed asset, for the cold chain of food products (Example) (i) Freezing and refrigerating equipment, (ii) humidity and temperature controlling equipment (iii) refrigerator vehicles and (iv) warehouses with refrigerating or humidity controlling equipment ➤ Consulting services and training 	<ul style="list-style-type: none"> ➤ Vehicles and warehouses without freezing, refrigerating or humidity or temperature controlling equipment ➤ Equipment, vehicles, warehouses and other facilities not used for food products

<p>Note</p> <ul style="list-style-type: none"> ➤ Vehicles and warehouses without freezing, refrigerating or humidity for temperature controlling equipment ➤ Any items which are movable and usable for other purposes
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■ Eligibility Criteria

Eligible Business Type	Public limited company, private limited company, partnership, sole proprietorship and cooperative societies
Eligible Sector/Products	See page 2 and 3
Eligible Geographic Location	Anywhere in Bangladesh
Eligible Investment Items	See page 2 and 3
Eligible Environmental Category	Green, Orange A, and Orange B (requires IEE) *Red category project is not eligible

■ Loan application process

Step 1: Contact BIFFL

An agribusiness and food processing company, that wishes to have financing for its capital investment, contacts BIFFL to discuss loan eligibility. BIFFL may request the client to submit the initial documents for pre-screening.

Step 2: Pre-screening and submission of the loan application

BIFFL will analyze the business sector, raw materials, products, social and environmental impacts associated with the project and check if the project meets the eligibility criteria. If found eligible, BIFFL will request the client for submission of loan application along with required documents.

Step 3: Evaluation of the loan application

Based on the Credit Policy and the project's eligibility criteria, BIFFL officials will review the documents, visit the project site, and conduct the financial, technical, social, and environmental evaluation.

Step 4: Approval of the loan

Once BIFFL is satisfied with the project evaluation and gets confirmation of social and environmental compliance of the loan proposal, BIFFL will approve the loan proposal and issue a sanction letter.

Step 5: Loan agreement and loan disbursement

The applicant will enter into a loan agreement with BIFFL. Then, BIFFL will disburse the loan fund to the bank account of the applicant.



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