



## PROJECT DESCRIPTION: **Development investment proposal**

WEBSITE CLIENT	WWW.ACI-BD.COM/OUR-COMPANIES/ACI-AGROLINKS-LTD.HTML
REGION	ASIA
COUNTRY	BANGLADESH
SECTOR	AGRICULTURE - CLIMATE SMART SHRIMP FARMING
SIGNING DATE	30 DAYS FROM PUBLICATION AT WEBSITE
TOTAL FINANCING	€ 107,000
FUND	GRANT FUNDING (ORIGINATION FACILITY)

- Who is our (prospective) client?

ACI Agrolink Limited is a subsidiary of ACI Limited (1973), one of the leading conglomerates in Bangladesh having a strong presence in Agribusiness (Agriculture, Aquaculture, & Livestock), Pharmaceuticals, FMCG and retail sector. ACI Agrolink Limited aims to establish forward and backward linkage for farmers and agro value addition industries. ACI Agrolink Limited is positioning the business through penetrating an integrated safe food category and tapping into global trade operations that promote an efficient distribution channel for safe and healthy food for the consumers of Bangladesh.

- What is the intended funding objective (type of activity)?

This funding which was approved on September 10, 2020 will support the development of the black tiger shrimp industry in the Ganges Delta in Bangladesh. This will lead to climate change resiliency in this landscape by introducing new farming methods, the development of contract farming models, engaging in capacity building, and the establishment of robust backward linkages.

ACI Agrolink is seeking to bring 18,750 hectares of farmland under sustainable management, increase smallholder farmer income by 15%, create 10,000 jobs and indirectly benefit 30,000 people in the Delta. This is a COVID response project that addresses the local production capabilities of smallholder farmers, while at the same time creating high value export foodstuffs.

- Why do we fund this project?

The OF DFCD grant funding is needed to de-risk and prove the concept of innovative solutions with scaling potential for climate resilient shrimp production. As it is new this has proven to be a barrier to obtain financing.

- Environmental and social rationale

For the delta climate-smart agricultural strategies that address saline intrusion resulting from sea level rise and tropical storm swells are especially critical in Bangladesh, where many smallholders occupy low-lying, flood prone deltas. This provides an opportunity for the expansion of salt-tolerant aquaculture. While shrimp culture provides significant economic benefits to the country, it faces a host of challenges associated with a number of negative environmental and social impacts, which hinder the future of the sector. It is therefore critical that a more sustainable and climate resilient model of expansion of the sector is promoted. Given this investment is seeking to support sustainable (and climate resilient) shrimp production and processing it can be concluded that this meet Rio Marker 2 for Climate Adaption.

Climate change adaptation in the Ganges Delta requires a landscape approach to address core vulnerabilities. ACI Agrolink's project is seeking to achieve the following:

- Resilient and sustainable farming methods for smallholder farmers (deployment of best practices and training to small holder farmers);
- More secure livelihoods for vulnerable communities (Shrimp farming is one of the few agricultural activities possible in parts of the Ganges Delta and it is suitable for women);
- Control of flood waters and drainage (this is to be scoped out during the Origination phase);
- The development of efficient value chain linkages, so that food quality is improved and food wastage is reduced;
- Food security (climate change is increasing Bangladesh's food security vulnerability) and provides a response to COVID, to local production and local solutions;