

ADB, Araz sign \$10.5Mn deal to sustain food security in Azerbaijan

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The Asian Development Bank (ADB) and Araz Supermarket LLC, a member of the Veyseloglu group, have signed a financial package of up to \$10.5 million to help the grocer expand, boosting food security and promoting climate-smart agriculture among smallholder farmers. This financial package includes a \$10 million loan for capital expenditures and a \$500,000 technical assistance grant.

The loan will enable Araz to expand its dry warehouse and open new stores in and around Baku, including in underserved areas. This will bring around 200 local farmers into Araz's supply chain, create 3,500 new jobs and provide access to affordable quality food. The new facilities will use energy-efficient equipment for cooling, refrigeration, and lighting, cutting annual emissions by about 673 tons of carbon dioxide.

"Modern retail will improve food quality and safety, support food security and climate action, and foster inclusive development as smallholder farmers earn more reliable incomes," said Suzanne Gaboury, ADB Director General for Private Sector Operations. "ADB's support will help to expedite the expansion of the modern retail supply chain in Azerbaijan, which is very efficient in procurement, transport, storage, and distribution."

The grant will support 750 smallholder farmers, mainly from the Lankaran-Astara and Central Aran regions, who grow fruits, nuts, and vegetables. Farmers will receive training in eco-friendly farming, financial management, and gender equality. At least one-third of the participants will be women. The project will also pilot climate-smart model farms.