



Project Signing: \$210 Million World Bank Support to Bangladesh for Building Modern Food Storage and Strengthening Distribution System

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Steel silos to store grain to feed people affected by extreme-weather disaster
DHAKA, April 7, 2014 - The government of Bangladesh today signed a \$210 million financing agreement with the International Development Association (IDA), the part of the World Bank that helps the worlds poorest countries, to construct a modern food storage system capable of feeding 10 million people.
The Modern Food Storage Facilities Project will construct steel silos with a storage capacity for 535,500 tons of rice and wheat and also support the distribution of smaller household silos to 500,000 households in disaster-prone coastal areas.
"Bangladesh faces floods and cyclones almost every three years and climate change could increase the frequency and intensity of these extreme-weather events, said Christine Kimes, Acting Country Head, World Bank Bangladesh. "This modern food storage system, combined with an effective distribution system, will help to ensure food security immediately after a natural disaster. The project will reduce the vulnerability of people living in natural disaster prone areas and help Bangladesh build a stock of food to meet emergencies.
The modern steel silos will be able to store food grains for up to three years while retaining the nutritional quality of the rice through computerized control of humidity and temperature. The flat-bottomed steel silos can be constructed quickly and occupy much less space than conventional concrete warehousing. In comparison, traditional concrete warehousing can store grains only up to a maximum of one year.
The project will also provide domestic silos for grain and seed to around 500,000 households in flood and cyclone-prone coastal area to ensure food security during and after natural disasters. Manufactured in Bangladesh, these household-level silos, or grain storage bins, are specially designed 70-liter, food-grade plastic bins with a watertight lid that prevents water intrusion from surges and floods. The bins can hold about 40kg of paddy.
The steel rice and wheat silos would offer enhanced shelf life of rice and wheat from 7 months to 3 years. This would protect the Government from having to replenish rice and wheat stock every 7 month with huge cost. The government would have greater maneuverability in management and distribution of cereal stock, said Arastoo Khan, Additional Secretary, Economic Relations Division, Government of Bangladesh.
The project will also support the improvement and modernization of the monitoring and management system of food stocks in the country, as well as the development of a food policy research program, and provide project management support, supervision and technical assistance and training.
The financing agreement was signed by Arastoo Khan on behalf of the Government of Bangladesh and by Christine Kimes for the World Bank at the External Relations Division.
The credit from IDA has a 40 year term, including a 10-year grace period, and carries a service charge of 0.75%.
In Dhaka
Mehrin Ahmed Mahbub
tel : (+880-2) 8159001
mmahbub@worldbank.org
In Washington
Gabriela Aguilar
tel : +1-202 473-8955
gaguilar2@worldbank.org

Pressekontakt

The World Bank

DC 20433 Washington

Firmenkontakt

The World Bank

DC 20433 Washington

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