
Letter of concern regarding Samuda Food Products - project 48407

Rachel [REDACTED]

Mon, Dec 2, 2024 at 3:01 PM

To: [REDACTED]

Dear CSO colleagues,

On behalf of Anup, I am sending his response to your letter.

Dear Merel,

Thank you for your letter dated November 18, 2024, regarding IFC's proposed investment in Samuda Food Products Limited.

Strengthening the agribusiness sector is critical to fighting poverty and promoting inclusive growth in a country like Bangladesh, where the sector accounts for 13 percent of GDP and 40 percent of the workforce.

IFC's proposed investment is expected to create jobs, directly for 270 people and indirectly for 870 more Bangladeshis, as well as create opportunities for MSMEs along the distribution chain and other ancillary services.

The project will be contributing to food security as it will support the domestic processing of soybeans into edible oils, while helping to reduce volatility in the supply of an essential edible commodity consumed by 99 percent of Bangladeshi households. It will also support the animal sector by providing a reliable feed supply.

The [Environmental and Social Review Summary and Environmental and Social Action Plan](#) are disclosed in the project's summary of investment information (SII).

We acknowledge the pertinent issues you have raised and below we share additional information for your consideration:

Supply chain due diligence

We recognize your concern about the sourcing of soybeans from Brazil and Argentina where risk of deforestation is present. IFC conducted an analysis of the supply chain for the supply of soy commodities for this investment. Soybean will be sourced from reputable international traders having publicly disclosed commitment to no-deforestation and conversion of native vegetation in all origins, including Argentina and Brazil. Mindful of the risks associated with deforestation in these origins, IFC has required Samuda – as per the disclosed ESAP - to prepare a Performance Standard compliant Supplier Code and verification process. The Supplier Code, which is to be applied to all raw material suppliers, will have specific requirements for no-deforestation and conversion of native vegetation within the supply chain. An annual independent verification audit process will be established to ensure compliance with the requirements of the Supplier Code. IFC will monitor the implementation of the Code, noting that soybean supply will be procured from deforestation free sources by 2025.

Climate and biodiversity

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The proposed plant is located within Mirsarai Economic Zone (MEZ-II) along the Sandwip Channel in the Bay of Bengal. The Bangladesh Economic Zones Authority (BEZA) has been allotted 1,150 acres of land (mostly reclaimed land) within MEZ-II, for which it has already conducted ESIA and has its own ESMP. BEZA had also constructed a 23-kilometer super dike that protects MEZ-II from the sea based on a flood design and on cyclone surge data as per Bangladesh National Building Code (BNBC). Out of the total allotted land, only around 11 acres will be used for the project, and another 16 acres for the construction of a jetty. Land lease agreement was finalized between BEZA and the company in 2020 and any impacts on mudflats and mangrove related to the land reclamation predate that agreement.

A critical habitat assessment was completed for the project that did identify priority biodiversity values, but no critical habitats associated with the project. Core habitats for sensitive marine and bird species are located 140 kilometers and 50 kilometers, respectively from the project site. It is probable, however, that marine mammals and shorebirds are present in the habitats adjacent to the project. The mangrove forest in the project area was cleared in 2019 and only remnant areas of the mangrove and mudflat habitats can be found within the vicinity of the project. The company will manage risks associated with underwater noise from pile driving and vessel collision for marine mammals and will also preserve and manage migratory bird habitat within the Ganges-Brahmaputra-Meghna Delta Important Bird Area (IBA) as an additional conservation action. These measures will be included in a Biodiversity Management Plan (BMP) for the project which will be implemented by the company and supervised by the IFC.

According to the World Bank Group's [Climate Change Action Plan 2021 - 2025](#), IFC has been conducting Paris Alignment assessment for all projects since July 1st, 2023, in accordance with the [Joint-MDB Methodological Principles for Assessment of Paris Agreement Alignment](#), including for Samuda Food Product Limited project. Additionally, IFC has performed Scope 1 and 2 emissions assessments for the project, estimating annual emissions to be approximately 138,730 tons of carbon dioxide equivalent.

I hope that these will be helpful. We thank you for your continued interest in our work.

Sincerely,

Anup.Jagwani

IFC

Regards,

Rachel

From: [REDACTED]

Sent: Monday, November 18, 2024 9:08 PM

To: [REDACTED]

Subject: Re: Letter of concern regarding Samuda Food Products - project 48407

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[REDACTED]

[REDACTED]