Early Warning System

IDBI-12379-02

COMPANEX

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Quick Facts

Countries	Bolivia
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	C
Voting Date	2018-10-24
Borrower	Companex S.A.
Sectors	Finance, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million
Project Cost (USD)	$ 5.00 million

Project Description

According to the bank, Companex S.A. ("Companex", or the "Company") will use IDB Invest’s resources to finance working capital to import merchandise. This will allow the Company to free and subsequently allocate local working capital to expand access to credit (amounts and terms) to its customers. Companex's client base includes more than 19,000 small grocery stores. IDB Invest is working with the Company and other counterparts within the IDB Group to optimize the credit lending system to such stores. Strengthening the credit system would also include training modules for stores to optimize the management of their commercial activity.

People Affected By This Project

1.Scope of Environmental and Social Review

This review is based on information provided by the company and interviews with senior executives responsible for the areas of finance and human resources that took place during the month of August 2018.

2.Environmental and Social Categorization and Rationale

This is a Category C project (low risk), according to IDB Invest Environmental and Social Sustainability Policy, since its potential impacts and environmental and social risks are very limited and can be mitigated with readily feasible measures.

The International Financial Corporation (IFC) Performance Standards triggered by this operation are the following:

3.Environmental and Social Context

Companex is one of the main distributors of mass consumer products (hygiene items, foods and by-products) in Bolivia, where the great majority of final sales of such products are made by retailers. Most of the neighborhood stores are led by women. Companex serves more than 19,000 neighborhood stores nationwide, most of which are concentrated in the cities of La Paz, Santa Cruz and El Alto. Companex also operates in Cochabamba, Tarija, Oruro and Sucre. In addition to stores, Companex distributes its products to supermarkets and wholesalers.

4.Environmental Risks and Impacts and Proposed Mitigation and Compensation Measures

4.1Assessment and Management of Environmental and Social Risks and Impacts

a. Environmental and Social Management System. Companex has put in practice some elements of the Environmental Management System (EMS). As part of the Environmental and Social Action Plan (ESAP), Companex is committed to developing the EMS elements that will allow it to comply with the IDB Group sustainability policies.

b. Policy. The Environmental and Social, Health and Safety Policy will be developed and included in the EMS.

c. Identification of Risks and Impacts. The most important risks and impacts are mainly in the areas of compliance with labor, occupational and community health and safety standards, including waste generation, adequate management of hazardous materials, and pest control.

d. Management Programs. Companex has developed internal operations manuals, with centralized, electronic tracking and traceability systems of its products, including a FIFO (first-in first-out) system in inventory management to verify expiration dates of food in storage. The EMS will include health, safety, community relations, working conditions, resource efficiency and pollution prevention management programs.

e. Organizational Capacity and Competency. The EMS will identify and assign management responsibilities, developing an environmental, social, health and safety management team trained and competent to carry out the EMS.

f. Emergency Preparedness and Response. The company has an alarm and firefighting system. An emergency prevention and response plan identifying potential risks and specific procedures (for events such as accidents, fires, earthquakes, spillages, intoxications, assaults, riots, among others) will be developed by Companex. First aid procedures and evacuation procedures (where applicable) will be included in the plan. An assessment will be made of nearby available emergency medical facilities and related services (ambulances) at each location nationwide. The emergency plan will detail a communications system defining recipients and contents depending on the emergency, as well as the chain of command and the brigade operating the response. Also, a post-emergency analysis will be included to determine the causes of the emergency and the corrective actions to prevent it in the future or mitigate its effects. The emergency plan will include a specific training plan for the staff and an emergency drill plan.

Investment Description

- IDB Invest (IDBI)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Companex Bolivia S.A	Client	-

Contact Information

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For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see Investment Summary tab), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.

Bank Documents

- PAAS Companex_ENG.fv (003).pdf [Original Source]

Campaign Documents

- Company Overview of Companex Bolivia S.A.