Early Warning System

IDBI-12485-01

Delimart

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Quick Facts

Countries	Haiti
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-09-11
Borrower	Delimart S.A.
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million
Loan Amount (USD)	$ 5.00 million

Project Description

According to IDB Ivest, the project will be financing the reconstruction of one of its supermarkets Delmas 30 which was vandalized and looted in July of 2018. The Company will build in a commercial location with high market demand.

People Affected By This Project

1. Scope of Environmental Review

Delimart is a medium-scale Haitian company, one of Haiti's main supermarkets chains with four company-owned points of sale and a wholesale distribution network of food and general merchandise[1]. IDB Invest's review of this Project consisted of appraising technical, environmental, health and safety (EHS) and social related information submitted by the company including stakeholder management plan, personnel roles and responsibilities, organization charts, human resources (HR), emergency response plan and energy and water consumption details. IDB Invest focused its due diligence on ensuring the following (i) proper management of environmental and social aspects of the business, (ii) proper management and oversite of occupational health and safety risk and labor issues, both during construction and operations, and applicable to direct workers and workers engaged by third parties, and (iii) appropriate consideration of community health and safety.

The appraisal included a site visit to Delimart's office in Port au Prince on 15th and 16th July 2019. IDB invest E&S specialist visited three supermarkets of Delimart's chain, "Clercine"(operating), "Turgeau" (under construction), and "Delmas 30" which is the objective of this investment. Discussions were held with the company's CEO, Operations and Technical Directors and head of Human Resources, also interviews with staff, workers at different levels, contractors (EPC, security services) and two companies of their supply chain.

2. Environmental and Social Categorization and Rationale

This is a category B project according to IDB Invest's Sustainability Policy because the financing will result in limited potential adverse E&S risks and/or impacts that are few, generally site-specific, largely reversible and readily addressed thorough mitigation measures.

Key E&S issues across existing facilities related to this Project include: (a) the company's capacity and systems to manage E&S risks and issues specially during construction; (b) EHS and labor management practices; (c) management of contractors; and (d) occupational health and safety of workers. IDB Invest's environmental and social due diligence indicates that the investment will have impacts, which must be managed in a manner consistent with Performance Standards (PS) triggered by the Project: PS 1 - Assessment and Management of Environmental and Social Risks and Impacts, PS 2 - Labor and Working Conditions, PS 3 - Resource Efficiency and Pollution Prevention, PS 4 - community Health and Safety.

3. Environmental and Social Context

In July 2018, three out of four stores of Delimart supermarkets were vandalized and looted during the events of July 6, 7 and 8, 2018 in Port-au-Prince, during popular demonstrations to denounce the government's decision to raise the price of petroleum products on the local market. Since then, the Company has been working on the reconstruction of these three stores that will gradually reopen for business in the next months.

According to Delimart's CEO, the rebuilding process of their stores gained the empathy of Haitians because after the incident, the Company decided to reopen the stores that were even nicer than before becoming the pride of the people of their respective areas. During the site visit, it was evident that Clercine's neighborhood uses Delimart's supermarket as a gathering space, as its design includes a food court where people go to chat and get together.

The existing facilities are in a well-established commercial zone away and their operations present low risks to the neighboring communities. The land for the project is directly owned by the company, as Delimart bought it after renting it for almost 10 years. Currently, the Project is at the design phase with a contractor managing it including the supervision of an independent firm. There is no bidding process yet in place for the construction phase of Delmas 30.

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

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
-	-	-	-	Delimart S.A.	Client	-

Contact Information

Client's corporate information is available through the following websites:

https://groupeboulos.ht/delimart/
https://delimarthaiti.com/

ACCOUNTABILITY MECHANISM OF IDB INVEST

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).