Early Warning System

IDBI-12623-01

Project DCM #12

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Quick Facts

Countries	Dominican Republic
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-10-10
Borrower	Project DCM #12
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.00 million
Loan Amount (USD)	$ 25.00 million

Project Description

According to IDB Invest website, the project will purchase of securities for up to US$25 million in a manufacturing company in the Dominican Republic. The resources from this operation will be used for capital investments, asset acquisitions that improve the company’s operating efficiency, and to refinance the Client's debt.

People Affected By This Project

1. Scope and Overview of the Environmental and Social Review

The Client is a manufacturing company constituted in the Dominican Republic more than two decades ago.

As part of the Environmental and Social Due Diligence (ESDD) Process, IDB Invest visited the Client in June 2019, at which time it held meetings with the economic group's management, its employees and contractors, as well as with representatives of the neighboring communities. It also reviewed key documents, including the Code of Ethics, the Environmental Management Plan, the Emergency Response Plan, Environmental Compliance Reports (October 2018, January 2019), social policies, manuals, plans and programs, and its environmental licenses.

1.1.Environmental and Social Categorization and Rationale

The Project is classified as a Category B (medium risk) operation under IDB Invest's Environmental and Social Sustainability Policy, since its environmental and social risks and impacts (mainly noise due to the operation of machinery; slight air pollution due to particulate emissions; and waste generation) will be limited, site-specific, and subject to feasible mitigation through good industry practices.

The operation triggers the following Performance Standards (PS):

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, Safety and Security

Given that the Client has been operating for several decades in an intervened industrial area where there are no vulnerable species or conservation sites, no other Performance Standards are triggered. The area has no history of archeological remains, nor are there any indigenous groups there.

2. Environmental and Social Context

The Client's operations are located on the outskirts of a major urban center, in an area in which many industries operate. Its facilities have been built in modules, which has allowed the gradual growth of its production capacity.

2.1. Assessment and Management of Environmental and Social Risks and Impacts

a. E&S Assessment and Management System

The Client has an Environmental Management Plan (EMP) and management programs that have been submitted to the Ministry of Environment as a requirement to obtain the corresponding Environmental License. The EMP contains the measures required to prevent, mitigate, or compensate for the environmental impacts associated with the Client's operations.

b. Policy

The Client has a policy that provides for a Comprehensive Management System, through which it commits to fulfill all legal requirements, national and international quality management, environment, safety, and health standards, foster training and promote continuous improvement. The Client also has an Occupational Health and Safety Policy that promotes good prevention practices against exposure to occupational hazards and diseases associated with working conditions, the environment, and other factors that may compromise the safety, health, and physical integrity of its personnel.

However, it has yet to develop Project-specific Human Resources policies, Environmental and Social policies, Occupational

Investment Description

- IDB Invest (IDBI)

Contact Information

No contact information provided at the time of disclosure.

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).

Bank Documents

- Environmental and Social Action Plan (ESAP).pdf [Original Source]