Early Warning System

IFC-31829

Pran Natore Agro

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

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Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	PRAN DAIRY LIMITED

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Project Description

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's review of this proposed investment consisted of appraising technical, environmental, occupational health and safety (EHS) and social related information submitted by Pran Group ("Pran" or the "Company") including, Environment, Health and Safety (EHS) and Human Resources (HR) related corporate level policies and procedures; food safety management system policies and procedures, overall organization chart, including E&S team; reports of external/third-party audits (related to HR, resource efficiency/cleaner production); environmental monitoring reports; detailed report for the proposed project under this investment. The appraisal included supervision site visits to the existing food processing facilities, including progress status of ESAPs, and to the construction site of the proposed investment at Pran Agro Industrial Park in Natore; and discussions with Pran's senior management, technical and EHS teams - at each facility as well as at the corporate office in Dhaka.Further information on the Environmental and Social (E&S) risks associated with the supply chain of agro-commodities in Bangladesh was obtained at US Department of Labor and ILO websites. The due diligence for this investment also benefited from IFC's internal guideline on the E&S risk assessment and management of agro-commodities for traders and processors and IFC Performance Standard requirements (PS2 and PS6).This is third investment by IFC in the Pran Group. The Environmental Social Review Summaries (ESRS) for the previous IFC investments are available at:"PRAN", Project no. 27005), disclosed in June 2008, is available at:http://www.ifc.org/ifcext/spiwebsite1.nsf/ProjectDisplay/ESRS27005"PRAN DAIRY", Project no. 30568), disclosed in April 2011, is available at:http://www.ifc.org/ifcext/spiwebsite1.nsf/ProjectDisplay/ESRS30568The Company has, to this date, successfully implemented the Environmental and Social Action Plans (ESAP) action items for these investments. A summary status of the implementation is disclosed herewith.Considering the nature of the proposed investment (ref. new processing plant next to the existing processing facility in Natore), this review thus, builds upon the previously disclosed ESRSs and ESAPs, and the information collected during IFC's engagement with Pran over the past three years; and covers specific EHS and HR aspects related to the new processing facilities at Natore.

PROJECT DESCRIPTION

Pran is the leading food processing company in Bangladesh, which produces and distributes beverages, such as fruit juices, cola, bottled water; snacks, confectionery (candies, biscuits), culinary products, dairy and soft drinks. It enjoys a strong brand reputation in the country and exports its products to 70 countries.The proposed IFC investment is for the expansion of its food processing and fruit pulping operations within its existing Pran Agro Industrial Park in Natore, located around 200 km north-east of Dhaka, and will include construction and commissioning of: 6,500MT noodle line, 4,000 MT spice line, 12,000MT sauce/ketchup line, 4,500MT mustard oil line, 42,000MT fruit pulping line, 2,000MT papad (traditional South Asian crackers) line, and 4,500MT fortified cereal bar line and associated utilities, such as water and wastewater treatment plants, boiler and diesel generators for captive power generation ("Project").

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS

While all IFC's Performance Standards are applicable, IFC's due diligence identified social and environmental risks that must be managed in compliance with the following Performance Standards:- PS 1: Social and Environmental Assessment and Management System;- PS 2: Labor and Working Conditions;- PS3: Pollution Prevention and Abatement; and- PS4: Community Health, Safety and SecurityThe proposed Project is being implemented within Pran's existing footprint at the Agro Industrial Park in Natore on approximately 4 acres of land, already owned by the Company. It does not involve any new land purchase or

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Investment Description

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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

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Bank Documents

- ESAP for Pran Natore Agro.pdf
- Summary status of old ESAP Implementation.pdf

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Other Related Projects

- IFC-47376 Habiganj Agro Limited
- IFC-51813 PRAN VII