Early Warning System

IFC-32322

Agrofusion

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	Ukraine
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	FE INTEGRATED AGROSYSTEMS

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Project Description

PROJECT DESCRIPTION

The proposed investment is to support Agrofusion Group (the "Company"), a tomato paste and industrial tomato producer in Ukraine, by strengthening its capital base through refinancing existing short term debt and financing incremental permanent working capital.Established in 2007, Agrofusion is the largest vertically integrated tomato paste producer in Ukraine, marketing its products mainly to large FMCG (Fast Moving Consumer Goods) companies in Ukraine, Russia, other CIS countries, and to a lesser extent Western European markets. The Company's operational assets include: (i) two tomato paste plants with total processing capacity of approximately 300,000 metric tons of tomatoes per season (6,000 tons of tomatoes a day); (ii) two seedling green-houses; and (iii) 12,000 hectares of irrigated leased land in Mykolayiv and Kherson regions, as well as modern farming equipment.

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's review included:Site visits to Agrofusion headquarters in Mykolayiv, Southern and Northern tomato processing factories and two greenhouses in Mykolayiv and Kherson, three fields and field offices Mykolayiv and Kherson regions.Meetings were held with the Project Coordinator, Chief Finance Officer, Director of Agriculture Department, Environmental Manager, , Safety Manager, HR Manager at corporate level and Production Managers, Quality Managers, Technical and Maintenance Managers, Masters of Fields, Human Resources (HR) Managers, Environment and Occupational Health and Safety (OHS) Chiefs, Quality Engineers at plant level and chiefs of field office .Review of available corporate environmental and social documents, including: completed Environmental & Social (E&S) questionnaires for each plant, risk assessment studies, training plans and programs, Emergency Response Plans and Fire Safety Procedures, emission and discharge permits, drinking and waste water analyses, emission measurements, maintenance programs, ISO 9001 management system certificates, human resources (HR) policy and procedures, Policy of social responsibility, Anticorruption policy, permanent and seasonal workers contracts, job descriptions, Sedex Sedex is a not for profit membership organization dedicated to driving improvements in ethical and responsible business practices in global supply chainsreports, Quality manuals, Pesticide and Fertilizer management plans.

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS**

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards.PS 1 - Assessment and Management of Environmental and Social Risks and ImpactsPS 2 - Labor and working conditionsPS 3 - Resource Efficiency and Pollution PreventionPS 4 - Community Health, Safety and SecurityPS 6 - Biodiversity Conservation and Sustainable Management of Living Natural ResourcesIf IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the above Performance Standards.Project site is readily located in an industrial zone. PS5 does not apply as the project involves no land acquisitions or involuntary resettlement;PS7 and PS8 do not apply as there are no indigenous peoples or cultural heritage sites in the area of influence of the project. Other PS may become applicable in the future should any new IFC investment in this project have impacts beyond the ones hereby identified.

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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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Other Related Projects

- IFC-38058 Agrofusion WC Loan