

 Early Warning System

IFC-32360

GTSF - Rhodia

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	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	SOLVAY USA INC.



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Project Description

PROJECT DESCRIPTION

This project is proposed under the Global Trade Supplier Finance program ("GTSF" or the "Program") approved by the IFC Board in September 2010. (Original Project Link #28723). Under the terms of this proposed investment, IFC will risk-participate with BNP Paribas in the latter's credit facility issued to Utexam Logistics Limited (a subsidiary of BNP Paribas Ireland). Utexam Logistics Limited uses the credit facility to purchase guar from Indian suppliers for sale on a just in time to Rhodia, the internationally-known specialty chemicals company. Guar is an annual, leguminous plant, from the seeds of which guar gum and other derivatives are manufactured. These products are used in the food processing industry and also have a number of industrial applications. Worldwide, India is the largest grower of guar. Rhodia sources guar from selected companies in India, and Rhodia has a fifty percent (50%) equity interest in the largest of these suppliers (the "JV").

OVERVIEW OF IFC'S SCOPE OF REVIEW

In supplier financing programs of this nature, IFC assesses environmental and social (E&S) risk at Supplier level by assessing Buyers' management system and procedures of assessing E&S performance of their Suppliers. IFC due diligence for this proposed transaction involved: (i) a review of publicly available information describing Rhodia's approach to assessment and management of Suppliers' sustainability performance: this included a review of publically available materials describing the "Rhodia Way" which is described later in this document (ii) a telephone call with Rhodia's sustainability team, to better understand how Rhodia's guar supply chain structure operates and how the Rhodia Way is applied to raw materials purchases of the type anticipated in this transaction; (iii) review of additional materials provided by Rhodia. In addition, IFC undertook some background investigation of guar farming in India.

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 Impacts PS 2 - Labor and working conditions PS 3 - Resource Efficiency and Pollution Prevention If IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards

Within the scope of this investment, potential adverse E&S impacts may arise at the level of the suppliers. While all IFC Performance Standards are applicable to this investment, IFC's due diligence has focused on Rhodia's systems to manage E&S performance of their suppliers; therefore the investment will have impacts which must be managed in a manner consistent with the following Performance Standard (PS): PS1: Assessment and Management of Environmental and Social Risks This review also considers aspects of the following two Performance Standards: PS2: Labor and Working Conditions PS3: Pollution Prevention and Abatement

ENVIRONMENTAL AND SOCIAL CATEGORIZATION AND RATIONALE



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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-28723 Global Trade Supplier Finance