Early Warning System

IFC-34007

New Hope SEA

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	China
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	NEW HOPE SINGAPORE PTE. LTD.

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Project Description

PROJECT DESCRIPTION

New Hope Group is the biggest "farm to fork" agribusiness conglomerate in China (http://www.newhopegroup.com/EN/). New Hope Liuhe Co., Ltd. (China) is one of the eight national leading companies in New Hope Group - and the largest poultry producer in China. It is an integrated supply chain operator from animal feed, livestock and poultry farming to slaughtering and meat processing.New Hope has grown into other emerging countries in recent years. To further improve its competitiveness and strengthen its brand, New Hope is currently consolidating its Southeast Asia operations under NHS.IFC is invited to provide a corporate loan of up to US$60 million to the company to support its long-term growth in the region. IFC's investment will help New Hope leverage its advantages and competitiveness in China to further build up its operations (comprising feed mills and poultry breeder farms) in Southeast Asia, including Vietnam, Indonesia, Philippines, Bangladesh, Myanmar, Laos, Cambodia and Sri Lanka (the "Project").

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's environmental and social (E&S) review of this investment consisted of appraising technical, environmental, health and safety (EHS) related information submitted by New Hope Singapore Holdings (Private) Ltd. ("NHS" or "the company") and New Hope Liuhe Co., Ltd. (China) ("New Hope" or "Sponsor"), including: regulatory permits and licenses, Group level operational policy and procedures manual for New Hope; organizational charts; operational details about the company's existing operations; EHS and human resource (HR) policies and procedures as well as safety and food safety manuals for NHS facilities in China and Indonesia; EHS related monitoring records; and external consultant's Report on Assessment for Food Safety Management System (FSMS); etc.The appraisal also included site visits to the Sponsor's and company's headquarters in Beijing and operational feed mills in China and Indonesia; and discussions with senior management and technical teams.Information on the E&S risks associated with the supply chain of agro-commodities such as corn and soybean meal was obtained at US Department of Labor and ILO websites, and from other private third party information providers.As the proposed investment is a corporate investment covering multiple facilities spread across a number of countries in Southeast Asia, IFC's due-diligence reviewed the management systems at the corporate level - such as policies, procedures, organizational structure and capacity - to manage E&S risks and impacts at individual facility level. Visits to operational sites were thus made to assess the ground level implementation of these management systems.IFC's appraisal considered environmental and social management plans for the Project and gaps, if any, between these plans and IFC requirements. Where necessary, corrective measures, intended to close these gaps within a reasonable period of time, are summarized in the paragraphs that follow and in the agreed Environmental and Social Action Plan (ESAP) disclosed in this review summary. Through implementation of these management plans and the ESAP, the Project is expected to be designed and operated in accordance with Performance Standards objectives.

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 SecurityIf IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards

ENVIRONMENTAL AND SOCIAL CATEGORIZATION AND RATIONALE

Key E&S issues and risks associated with this Project are: New Hope's social, environmental, occupational health and safety

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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-51016 New Hope Global