Early Warning System

IFC-39573

Schwarz EE V

Early Warning System

Schwarz EE V

IFC-39573

Quick Facts

Countries	Bulgaria, Moldova, Romania
Specific Location	Small and large cities throughout Romania, Bulgaria and Moldova
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-09-28
Borrower	Schwarz Group
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 213.50 million
Loan Amount (USD)	$ 213.50 million

Project Description

According to IFC website, IFC is considering lending up to €180 million as part of a 10-year A-loan envelope to finance the €400 million investment program related to the expansion of the Kaufland format (~3,500 m2 small hypermarkets) of food retail business of Schwarz Group in Romania, Bulgaria and Moldova over the next two years. The expected development impacts of the project are:

1. Affordable goods: Modern retail distribution introduces efficiencies which enables low pricing at high quality standards. The share of modern retail in food in Romania and Bulgaria is about half that of developed countries and even lower in Moldova. Expansion of organized retail in the Target Countries will promote access to affordable and high quality food products for low to middle income households.
2. Food safety: Modern retail formats contribute to food safety by improving supply chain efficiencies and reducing food wastage. Local procurements will encourage local producers to apply best practices in their production and operations, thus ensuring quality and safety.
3. Employment generation: The Project is expected to generate significant direct employment in the new stores, indirect employment in the supply chain as well as temporary employment during construction. Typically, women constitute more than 50% of the direct employment in retail stores.
4. Green buildings: New stores expansion through the Project is expected to have energy efficiency features and showcase green building best practices, which will potentially have a demonstrational effect on local building standards.

Investment Description

- International Finance Corporation (IFC)

The Schwarz Group (the “Group”) ranks among the top five food retail companies globally. Headquartered in Germany, the Group is a privately-held company. The Group is involved in food retail through two brands: Lidl and Kaufland. The Group has presence in basically all western European countries as well as in Central and Eastern Europe.

The project companies are Kaufland Romania SCS and Kaufland Bulgaria EOOD & Co. KD, which are wholly owned by the Schwarz Group.

Contact Information

Project Contact: Ms. Gamze Macit, Senior Professional
Schwarz Dienstleistung KG
+49 7132 30 797901
gamze.macit@mail.schwarz
Stiftsbergstraße 1, 74172 Neckarsulm

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

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/