Early Warning System

# IFC-44172

## Rabo India

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## Quick Facts

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| **Countries** | India |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Hold |
| **Bank Risk Rating** | B |
| **Voting Date** | 2021-06-28 |
| **Borrower** | COOPERATIEVE RABOBANK U A |
| **Sectors** | Finance |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 50.00 million |
| **Loan Amount (USD)** | $ 50.00 million |

## Project Description

According to the bank documents, the proposed investment consists of loan provided to Coöperatieve Rabobank U. A, Mumbai Branch (“CRUA MB” or the “Branch”), the sole Indian Branch of the Netherlands-based Coöperatieve Rabobank U. A (“Rabobank” or the “Bank”). The project will support new financing to climate smart agriculture (animal productivity, efficient irrigation, prevention of post-harvest losses etc.,) and renewable energy (primarily solar power projects) of CRUA MB and contribute to bridging the unmet market needs for financing climate mitigation activities such as CSA and RE in the country.

## Early Warning System Project Analysis

The use of proceeds will be required to exclude higher risk activities that may include a) involuntary resettlement, b) risk of adverse impacts on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage, or d) significant occupational health and safety risks. Hence, the E&S risk of the proposed project is medium, and the project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability.

The applicable performance requirements will be i) the IFC- FI Exclusion List; ii) the relevant national E&S laws and regulations; and iii) the IFC Performance Standards. The project will not support any coal-related activities.

At the group level, Rabobank has an existing sustainability policy, which is applied globally and includes a comprehensive exclusion list and set of core policies on environment, labour standards and human rights; theme and sector policies on land, indigenous people, biodiversity, animal welfare, forestry, livestock farming, fisheries, palm oil etc., (collectively 'sustainability policies'). Rabobank is also signatory to the Equator Principles. Accordingly, all project finance transactions are evaluated by external E&S consultants hired by the sub-borrowers and further reviewed by external consultants hired by Rabobank where Equator Principles apply. Corporate finance transactions are required to follow the sustainability policies. Rabobank has sustainability department which is involved in review of project and corporate loans and is empowered to reject proposals which do not meet its internal policies. This existing E&S risk review process and structure include screening, project categorization, due-diligence including additional expert review if needed, monitoring of the portfolio and use of external consultants for project finance due-diligence.

The existing policy and procedures are aligned with the project's applicable performance E&S requirements and will be applied to the project as well. Rabobank also has an external communications mechanism to receive concerns related to projects financed by Rabobank. Rabobank HR policies and practices are generally in line with IFC PS-2 requirements. Relevant business staff at CRUA MB will be required to maintain the E&S review structure led by sustainability team at Rabobank group level that will allow to screen out higher risk transactions, and provide annual E&S report related to the portfolio supported by this IFC project.

## People Affected By This Project

The risks and impacts will be related to site specific occupational health & safety, emergency response, waste-water discharge and air emissions, labour and community issues and potentially land and biodiversity impacts depending on the nature and location of the project

### Investment Description

- International Finance Corporation (IFC)

According to the IFC, the proposed investment consists of a bullet A Loan of up to US$50 million with a tenor of up to 5 years to CRUA MB.

### Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- COOPERATIEVE RABOBANK UA (Financial Intermediary)

### Private Actors Description

According to the IFC, Rabobank is a Dutch cooperative bank with a leading position in the domestic retail banking (in The Netherlands) and in the food and agribusiness markets worldwide. Coöperatieve Rabobank U. A, Mumbai Branch or CRUA MB deals with international wholesale banking activities with Indian clients as well as Dutch clients operating in India. The Branch provides the entire spectrum of fund and fee-based products services in India, focusing primarily on the Food and Agriculture and Renewable Energy sectors, drawing on its local resources as well as Rabobank's global network.

## Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

**Campaign Documents**

- Banktrack: Rabobank
- “Business and Human Rights Resource Center: Rabobank