Early Warning System

IIC-PR3098A-04

Agrofertil S.A.

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	Paraguay
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	U
Voting Date	2015-11-10
Borrower	Agrofertil S.A. ("Agrofertil")
Investment Amount (USD)	$ 6.00 million

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Project Description

SCOPE OBJECTIVE

Agrofertil imports and sells agricultural inputs for the Paraguayan market; buys grain locally for export; and provides agronomy services to agricultural producers. It complements this commercial activity by growing grain on land it owns in Paraguay.The purpose of the project is to finance Agrofertil's permanent working capital needs and thus improve the company's debt profile.

ENVIRONMENTAL REVIEW

Environmental and labor issues:This is a category B project according to the IIC's Environmental and Social Sustainability Policy because it could produce certain effects that may be avoided or mitigated by following generally recognized performance standards, guidelines, or design criteria. The main environmental and labor considerations related to the project are: efficient resource use and pollution prevention, workplace and labor conditions, and community health and safety.Agrofertil premises have environmental licenses from Paraguay's Secretariat of the Environment of the Executive Cabinet for which they are required to present company environmental impact assessments.Main environmental impactsHandling of agrochemical products:The company markets products registered with the Ministry of Agriculture and Livestock's plant and seed quality and health office. Registration involves following specific procedures in accordance with law, in force, based on the guidelines set out in the regional phytosanitary protection standard issued by the Southern Cone Plant Health Committee (Comite de Sanidad Vegetal del Cono Sur.Agrofertil's internal safety procedures for handling these products are spelled out in the company's regulations for workers, job description manual, and workplace health and hygiene manual. These documents set out the requisite precautions for preventing accidents and pollution, as well as procedures to follow in the event of accidents.Agrofertil's agrochemical storage facilities have a spill channel system to drain any accidentally spilled fluids to enclosed tanks for subsequent removal and disposal. Agrofertil has an agreement for transferring spilled chemicals and treating them at Tecnomyl, a related company that has facilities for this purpose.Solid waste.Products are not processed or fractioned, so the only waste generated comes from the company's administrative procedures and can be treated as municipal waste. This waste is disposed of in municipal landfills, in compliance with current regulations.Agrofertil works with a related company, Tecnomyl, on a program for recovering and recycling plastic agrochemical containers, known as the empty container management system (sistema de gestion de envases vacios, sigEV). The company has designated collection points where producers can take their containers after triple-washing them. Tecnomyl transports empty containers to its plant, where it recycles the plastic by grinding it and then extruding and pelletizing it. The result is raw material that can be used for specific purposes such as the manufacture of accessories for electrical installations, sewer pipes, etc.Handling of liquid effluent.Water use is limited to cleaning and personal hygiene, so the wastewater is treated as domestic waste. Sewage is disposed of in septic tanks in accordance with municipal regulations and is subsequently picked up by authorized commercial services.Occupational safety and health.Workers who handle products receive safety equipment and personal protection gear for the specific task performed as provided in the workplace health and hygiene manual and in some specific job descriptions.All of the workers receive health care coverage and workplace accident insurance. The company also has a preventive medical care program with semiannual check-ups.The warehouses have firefighting equipment. Workers have received fire response training in the form of educational talks given by volunteer firefighters. The main plant facility has fire extinguishers and a central firefighting system that draws water from a 20 m3 underground tank with an independently powered electric pump that feeds fire hydrants located throughout the building.Labor practices.Agrofertil complies with domestic labor laws. The main labor regulations include an obligation to make social security contributions, freedom to associate and organize worker unions, prohibition of the exploitation and abuse of child labor, and a ban on workplace

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Investment Description

- IDB Invest (IDBI)

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Contact Information

ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

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Other Related Projects

- IIC-12297-01 Agrofertil Supply Finance