



Public Project Profile

Host Country:	India
Name of Borrower:	National Collateral Management Services Ltd.
Project Description:	Agriculture end-to-end supply chain management company
Proposed OPIC Loan:	\$6,042,729
Total Project Cost:	\$7,770,000
U.S. Sponsor:	Citibank, N.A.
Foreign Sponsor:	NA
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. The Project does not expect to result in any exports to the U.S. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is not expected to have a U.S. balance of trade impact.
Developmental Effects:	<p>This Project is expected to have a highly developmental impact by increasing growth credit to an agriculture supply chain management company in India. India is the second most populous country in the world, with projections for continued growth for the foreseeable future. As the population continues to grow, food security will become even more important in the country. Although India is no longer an agricultural based economy, it is estimated that 70 percent of its rural households still depend primarily on agriculture for their livelihood. This being the case, nearly a quarter of Indians do not get sufficient food to meet their daily nutritional needs. Furthermore, it is estimated that the agricultural loss during storage and transport is between four and seven percent of production. The Project will employ agriculture supply chain management best practices to help get more products to market and lessen agricultural losses. In the process, the Project Company expects to work with an additional 2,000 farmers and increase procurement from its existing 20,000 farmer clients as a result of the Project. Modernization of the agricultural sector and upgrading and privatizing the supply chain management system has been a priority for the Government of India. The Project Company works directly with the Food Corporation of India to provide supply chain services for the public food distribution system. The Project aligns with and will help India to attain Sustainable Development Goals #2 (zero hunger) and #12 (responsible consumption and production). In addition to these impacts, the Project expects to lead to the creation of over twenty new professional, technical, and managerial jobs.</p>
Environment	<p>Screening: The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving investments in agricultural supply chain companies are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site-specific and readily mitigated. The Project is subject to Climate Resiliency Screening per Executive Order 13677.</p>





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	<p>Applicable Standards: OPIC’s environmental due diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following of the 2012 IFC Performance Standards (PS):</p> <p>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 PS 4: Community Health, Safety, and Security</p> <p>Given the: nature of NCML’s operations and their location/siting strategy for warehouses, impacts relating to PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) are not expected.</p> <p>In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to the Project.</p> <p>Environmental and Social Risks and Mitigation: The major environmental issues associated with this Project include worker occupational health and safety, management and use of pesticides, and the implementation of adequate life, safety, and fire protection measures at the warehouses.</p> <p>The NCML Safety Code includes measures to safeguard the occupational health of its employees, including provisions for entry to dangerous areas, use of proper PPE, personal hygiene, chemical handling, electrical safety, and housekeeping. NCML implements contractual measures to ensure that its contractors adhere to adequate OHS norms.</p> <p>NCML uses Aluminum Phosphide as the fumigant for stored grain and also Malathion (WHO Class III) and Deltamethrin (WHO Class II) for prophylactic treatment of walls, aisles and the grain/commodity bags in the warehouses on a quarterly basis. NCML employs third-party agencies for carrying out fumigation activities. However, NCML requires fumigation to follow its Standard Operating procedure (SOP), which includes instructions for pre-spraying preparation, mixing and dilution, and precautions (e.g., proper PPE, equipment checks, etc.).</p> <p>NCML has guidelines for emergency preparedness, emergency response, spill management, and waste disposal. NCML’s fire safety guidelines for its facilities, include provision of smoke detectors, fire alarms, fire extinguishers, and periodic fire safety training. NCML inspects each of its warehouses once every 2-3 months to check various aspects including operating processes, security, general up-keep, and presence of appropriate on-site firefighting equipment.</p>
Labor/Human Rights	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standards, OPIC’s Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC’s statutorily required language will be supplemented with provisions concerning non-discrimination, hourly or quota based work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.</p>



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This Project involves working capital for an agriculture supply chain management company in India. The Project has developed and implemented policies and procedures to manage social risk, including labor, commensurate with the associated risks. However, the Project will develop a policy addressing the risks of forced and child labor in its primary supply chain in accordance with IFC's 2012 Performance Standard 2 and to implement an anonymous worker grievance channel.

This review covers the commensurate human rights risks associated with agriculture supply chain management in India.