

 Early Warning System

IDBI-12495-01

ZZ Glass



## Quick Facts

<b>Countries</b>	Dominican Republic
<b>Financial Institutions</b>	IDB Invest (IDBI)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2019-12-12
<b>Borrower</b>	ZZ Glass Inc. (ZZ Glass), Caribbean Glass Industry S.A. and Parque Caribbean Glass S.A.
<b>Sectors</b>	Industry and Trade
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 15.00 million
<b>Loan Amount (USD)</b>	\$ 15.00 million



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## Project Description

According to IDB Invest website, the project is for the development, construction and reactivation (putting back into operation) of an existing, abandoned glass bottle production plant located in the Pedro Brand Municipality in the Dominican Republic (the Project). ZZ Glass, which operates both as the central entity and the commercial arm of the Group, will market an annual production of 72,000 tons (MT) of glass bottles in both the Dominican Republic and the Caribbean through long-term contracts or through spot market transactions. The Project will benefit the local economy by (i) replacing glass bottle imports, and (ii) the generation of currently non-existent exports of this product.



## People Affected By This Project

### 1. Overview and Scope of IDB Invest's Environmental and Social Review

ZZ Glass Inc., Caribbean Glass Industry SA and Parque Caribbean Glass SA (collectively, ZZ Glass, the Company or the Borrower) are Special Purpose Vehicles (SPVs) created for the development, construction and reactivation (putting back into operation) of an existing, decommissioned glass bottle production plant located in the Pedro Brand Municipality in the Dominican Republic (DR) with an estimated installed capacity of 72,000 tons (MT) of glass per annum, to supply the soft drink production industry of DR and certain countries in the Caribbean (the Project).

The scope of IDB Invest's environmental and social review during the evaluation of ZZ Glass included the analysis of the Project's environmental and sanitary permits, meetings, and conference calls with the Borrower's representatives. In addition, on July 4 and 5, 2019 IDB Invest's environmental and social specialist conducted an environmental and social due diligence (ESDD) visit in the Dominican Republic, which included the following activities : (i) meeting with the Borrower's staff; (ii) inspection visit to the old factory and its surrounding areas of influence; and (iii) informal "spot" interviews with workers engaged by third parties. At the end of this ESDD visit, documents associated with manuals, procedures, licenses and permits, and operating reports, among others, were reviewed.

### 2. Environmental and Social Categorization and Rationale

This is a Category B Project under the IDB Invest Environmental and Social Sustainability Policy, since its environmental and social (E&S) risks and impacts are generally expected to be reversible and mitigable through available measures and existing technologies.

The possible E&S risks and impacts related to the Project construction activities (see Section 1) will be: (i) hazardous and non-hazardous waste generation; (ii) pollutant air emissions (mainly combustion gases from construction machinery and equipment); (iii) wastewater generation; (iv) noise pollution; (v) plant removal; (vi) earthworks; (vii) ground vibrations; (viii) risks to the occupational health and safety of construction workers, and (ix) community health, safety, and security concerns related to increased vehicular traffic. The E&S risks and impacts during the operation and maintenance (O&M) stage mainly relate to: (i) workers' health and safety; (ii) generation of solid (hazardous and non-hazardous) and liquid waste (mainly domestic wastewater), (iii) air emissions (mainly combustion gases from glass smelting furnaces and, to a lesser extent, the vehicles that transport the goods) and noise and vibration; and (iv) use of resources, such as energy and water sources (municipal public utility system).

It should be noted that in addition to the construction and O&M stages, there are also prior Project pre-construction or refurbishment activities, such as: cleaning and maintenance activities; repair of roofs, walls, and windows; mechanical testing of structures (columns, beams, storage tanks, etc.) and floors; etc., which by their nature do not present significant environmental, social, or occupational health and safety (OHS) impacts.

Finally, given the location of the Project, natural disasters, such as earthquakes, fires, floods and hurricanes, pose a very low to low risk, both in terms of damage to the physical infrastructure of the factory and to workers and possible loss of business.

Based on the ESDD visit and the information provided in the Environmental and Social Questionnaire, the Project is expected to trigger the following International Finance Corporation (IFC) Performance Standards (PS):

PS-5 is not expected to be triggered; Land Acquisition and Involuntary Resettlement (see Section 4.5); Likewise, the PS-6 is not expected to be triggered, Biodiversity Conservation and Sustainable Management of Living Natural Resources (see Section 4.6); Finally, PS-7 is not expected to be triggered, Indigenous Peoples.

### 3. Environmental and Social Context



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## Investment Description

- IDB Invest (IDBI)



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Caribbean Glass Industry S.A.	Client	-
-	-	-	-	Parque Caribbean Glass S.A.	Client	-
-	-	-	-	ZZ Glass Inc.	Client	-

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## Contact Information

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## ACCOUNTABILITY MECHANISM OF IDB INVEST

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](mailto: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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**Bank Documents**

- [ESAP - ZZGlass \(V. 26 Sept 2019\).pdf](#) [Original Source]