Early Warning System

IDBI-16246-01

Ingenio La Union - Promoting Renewable Energy Generation in Guatemala

Early Warning System

Ingenio La Union - Promoting Renewable Energy Generation in Guatemala

IDBI-16246-01

Quick Facts

Countries	Guatemala
Financial Institutions	IDB Invest (IDBI)
Status	Hold
Bank Risk Rating	B
Voting Date	2026-11-13
Borrower	Ingenio La Unión S.A.
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

According to the IDB Invest, the proposed financing to Ingenio La Union, S.A. ("Ingenio La Union," the "Company," or "ILU"), one of Guatemala's leading sugar producers, consists of a long-term senior loan of up to US$100 million (the "Loan" or the "Financing"), structured as follows: (i) up to US$50 million to be funded by IDB Invest; and (ii) up to US$50 million to be mobilized by IDB Invest. The proceeds of the Loan will be used to finance fixed investments and working capital associated with the development of a biomass-fired power plant that will use sugarcane bagasse as its primary energy source. The plant will partially meet the Company's energy needs and inject renewable energy into the national grid under the contract awarded pursuant to the PEG-5 tender (the "Project").

The main development objectives of the Financing are to: (i) increase renewable energy generation from biomass through the use of sugarcane bagasse; and (ii) support the decarbonization of the Company's operations through renewable energy generation, while contributing to a cleaner and more diversified energy matrix in Guatemala.

Investment Description

- IDB Invest (IDBI)

Contact Information

Client Contact

EMAIL

comunicaciones@launion.com.gt

PHONE NUMBER

n/a

POST OFFICE ADDRESS

Ciudad de Guatemala, Guatemala

POST OFFICE ADDRESS: Ciudad de Guatemala, Guatemala

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.iadb.org/en/access-information/information-request

ACCOUNTABILITY MECHANISM OF IDB / 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 (IDB Invest)-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 IDB Invest 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).

Bank Documents

- INGENIO LA UNION - ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY (ESRS)
- INGENIO LA UNION -ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)