Early Warning System

IFC-32253

Ingenio Montelimar

Quick Facts

Countries	Nicaragua
Specific Location	San Rafael del Sur
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	A
Voting Date	2013-06-27
Borrower	Consorcio Naviero de Nicaragua S.A.
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 15.00 million
Project Cost (USD)	$ 38.00 million

Project Description

According to the bank, this Project involves an increase in CONSORCIO NAVIERO NICARAGUENSE SA (Navinic)'s annual sugar production at Ingenio Montelimar - owned by NAVINIC since 2000 and the smallest of the four active sugar mills in Nicaragua, from 33kton to 67kton. The Project includes:
i) the acquisition of 1,628 ha of land to increase own planted area to 5,262 ha,
ii) investment in irrigation and other infrastructure in the field,
iii) increasing milling capacity to 4,100 tcd,
iv) acquiring additional harvesting and transportation equipment and
iv) funding incremental working capital needs.

The increased scale of operations will allow for the installation of a high pressure boiler and supplemental cogeneration plant in 2-3 years with resulting increases in the sale of biomass-generated electric energy to the national grid.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

CONSORCIO NAVIERO NICARAGUENSE SA (NAVINIC)'s majority shareholders and Project sponsors are the Fernandez Holmann and Morales families.

CONSORCIO NAVIERO NICARAGUENSE SA (NAVINIC): owns the smallest of four sugar mills in Nicaragua (Montelimar mill), with a milling capacity of 2,300 tons of sugar cane per day ("tcd").

PAST HUMAN RIGHTS ABUSES:

The IFC's Compliance Advisor Ombudsman has received a complaint from sugarcane workers at another Nicaraguan sugar company regarding the epidemic of chronic kidney disease that affects many agricultural workers along the Pacific coast of Central America.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Corporacion Montelimar S.A.	Client	-

Contact Information

San Rafael del Sur City Hall
Located on the West side
of the San Rafael del Sur Central Park
Tel: +505 2293 3284; +505 2293-3542

San Rafael del Sur Public Library
Located on the Southern side
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Ingenio Montelimar
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Ingenio Montelimar Managua Offices
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Gerente Administrativo

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NAVINIC-Ingenio Montelimar
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CONSULTATION PROCESS

The company's previous community engagement activities have been somewhat informal and ad hoc. Going forward they will formalize the process and take the actions outlined above and in the ESAP to develop and implement a Stakeholder Engagement Plan as well as engagement with households that are affected by land acquisition, and those households on their farms they have been helping obtain title. As per the Environmental and Social Action Plan, the company will develop a community grievance mechanism that may be used by the community to express concerns about the company's operations and impacts and also serve as a communications channel for consumers to advise the company of concerns about company products.

ACCOUNTABILITY MECHANISM OF IFC

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/

Bank Documents

- CAO Nicaragua / Ingenio Montelimar-01/ Montelimar Environs Complainant
- Montelimar EIA Anexo 3 Resultados de análisis de aguas para fertirriego Anexo 3
- Montelimar EIA Anexo 4 Permiso de operación de vertedero Anexo 4
- Montelimar EIA anexo 5 Mapa de simulación de pluma contaminante Anexo 5
- Montelimar EIA anexo 6 Valoración Ambiental Agrícola Anexo 6
- Montelimar EIA anexo 7 Valoración Ambiental Ind. Anexo 7
- Montelimar EIA anexo1 Plano Area de Ampliacion Fábrica Anexo 1
- Montelimar EIA anexo2 Diagnostico legal Ambiental NAVINIC Anexo 2
- Montelimar EIA FINAL 04March13
- MONTELIMAR ESAP FINAL 08FEB13
- Montelimar PS5 Informe Espaol version Final 31 enero 2013
- Montelimar PS5 Informe FINAL Ingles Disclosure Jan 29 2013

Campaign Documents

- Company Overview of Consorcio Cervecero Centroamericano SA