

 Early Warning System

IFC-38208

FCS RE Himalayan Chain Resort



Quick Facts

Countries	Nepal
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-05-26
Borrower	HIMALAYAN CHAIN RESORT PVT LTD
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	\$ 1.70 million
Project Cost (USD)	\$ 4.20 million



Project Description

The proposed project consists of an IFC A loan in Himalayan Chain Resort Pvt. Ltd. ("HCR", the "Company" or the "Borrower") in order to support the expansion of its current chain of three lodges to a total of nine lodges along the Gokyo Lakes Trail and Everest Base Camp Trail in the Khumbu/Everest region of Nepal. HCR has been operational since 1996 and owns and operates three lodges along the Gokyo Lakes Trail.

HCR is a family owned company with 75% shares owned by Dawa Steven Sherpa and remaining by other family members (collectively (the "Sponsors"). The owner of the Company is a World Wildlife Fund (WWF) climate ambassador and has been felicitated by WWF, International Union for Conservation of Nature (IUCN), World Commission on Protected Areas (WCPA), International Rangers Federation (IRF) and International Climbing and Mountaineering Federation (UIAA) for his efforts to promote conservation ethics in the mountains and to draw international attention to climate change and its effects in the Khumbu and other mountain communities.

HCR is proposing a strategic expansion program in order to consolidate its market position and offer a more comprehensive trekking experience with good quality lodges offering standard and consistent service. As part of the expansion, the company plans to increase the capacity in two of its existing three lodges (Khumjung and Gokyo) to 50 beds at each lodge, add or lease six lodges at Dole, Macchermo, Dingboche, Debuche, Namche and Lukla and re-develop the lodge at Phakding with 50 beds at each lodge (the "Project"). The lodges will be developed with basic infrastructure such as twin/triple beds per room, dormitory with common toilet and common dining space. Land area for each lodge is/will be less than 0.25 hectares (Ha) at all locations except Khumjung (0.37 Ha) and Phakding (0.92 Ha) and to be constructed as single or double storied (G+1 or G+2) structures having maximum of 30 rooms (50 beds).

The existing and the proposed lodges are located within the buffer zone of the Sagarmatha National Park (SNP), designated as UNESCO World Heritage site for Outstanding Universal Value under criterion (vii) to contain superlative natural phenomena or areas of exceptional natural beauty and aesthetic importance. The buffer zone within SNP, formally declared in 2002, is an area of around 27,500 Ha where private development is permitted and having a population of over 8,000 people. Majority of the residents living in the area belongs to the Sherpa community (listed as Indigenous (Adivasi Janjati) in Nepal). There are already operational lodges at each of the existing and proposed locations and estimated number of operational lodges at each location is as follows: (Khumjung: 15; Gokyo: 9; Dole: 8; Macchermo: 9; Dingboche: 8; Debuche: 3; Namche: 45; Lukla: 35 and Phakding: 15) together with estimated residential population (indicated in brackets) at Khumjung (1800), Phakding (800-1000), Namche (1650), Dingboche (200), Lukla (1200) and Debuche (50 nuns). The project footprint (~3ha) constitutes only 0.01% of total buffer zone.



Investment Description

- International Finance Corporation (IFC)



Contact Information

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/>