Early Warning System

IFC-38301

NeltGroup Africa

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-04-06
Borrower	NELT AFRICA SPV
Sectors	Industry and Trade
Investment Amount (USD)	$ 12.00 million
Project Cost (USD)	$ 48.00 million

Project Description

Nelt Co. Serbia (the \x93Controlling Shareholder\x94) is a Serbia-based leading distribution and logistics services provider with operations in Serbia and recently Africa. It is part of the broader Nelt group of companies (\x93Nelt Group\x94) with operations in Serbia, Bosnia and Herzegovina, Montenegro, and Macedonia.

Through Nelt Africa, its Africa division, the Controlling Shareholder currently operates in Angola, Mozambique and Zambia (the \x93Countries\x94). The company provides services to global brands (such as Procter & Gamble, Nestle, Wrigley, United Spirits Limited, Whirlpool, Tiger) to help deliver their products to formal and informal retailers across the Lusophone countries.

This is a proposed equity investment of approximately US$[12] million in the Holding Company (\x93Holdco\x94), a new company to be formed by the Controlling Shareholder for the purposes of (i) acquiring the Controlling Shareholder\x92s operations in the countries and (ii) supporting the Holdco proposed expansion program in the countries (the \x93project\x94). The cost of the expansion plan is estimated at US[48] million.

MIGA is considering to provide insurance cover against the risk of currency Transfer Restriction (including inconvertibility) to Nelt Serbia for a period of up to [10] years for its existing and new investments assigned to the Holdco. MIGA is considering cover for an amount equal toapproximatelyUS$[27] million for Angola,approximatelyUS$[10.5] million for Zambia, andapproximatelyUS$[10] million for Mozambique.

Typically, Nelt Africa\x92s current operational footprint in the countries includes warehouses (some including a room cooled at 20 C), and offices. Nelt Africa in Angola includes a garage. Currently Nelt Africa is operating on leased lands in well-developed industrial zones in the 3 countries. It plans to acquire or lease land lots in the targeted countries to build or lease warehouses and office spaces. Accordingly, in Angola, Nelt Africa has already acquired a 4-ha land lot via a willing buyer/willing seller transaction. The site islocated in an industrial zone in the suburb of Luanda, in modified habitat.

Investment Description

- International Finance Corporation (IFC)

Contact Information

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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

- Project Information