

 Early Warning System

IFC-38366

CalidraArgentina



## Quick Facts

<b>Countries</b>	Argentina, Mexico
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2016-10-18
<b>Borrower</b>	Grupo Calidra, S.A. de C.V.
<b>Sectors</b>	Infrastructure, Mining
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 31.43 million
<b>Project Cost (USD)</b>	\$ 43.00 million



## Project Description

From IFC:

Grupo Calidra S.A. de C.V. (Calidra or “the company”); Mexico’s leading producer of lime, construction hydrated lime, quicklime, dolomitic lime, chemical hydrated lime, and calcium carbonate products; with operations across Mexico and one in Honduras has been previously financed by IFC.

IFC is considering US\$32 million debt financing to Calidra, to support its plan to enter the Argentine market by forming a joint venture with CEFAS S.A. (Cefas), an important player in lime production in Argentina and subsequent investments for capacity expansion and operational improvements. The capital expenses related to the project will be realized at several of the existing production facilities of CEFAS S.A.

Cefas currently has its operational facilities at four locations: (a) Quilpo (Province of Córdoba), (b) Padre Bueno and Decavo plants (Province of San Juan), (c) Olavarria (Province of Buenos Aires), and (d) Zapala (Province of Neuquén.) In addition it has four distribution centers in Argentina (Campana, Resistencia, Cordoba and Rosario) and one located in Quilicura, at approximately 17 km from Santiago downtown in Chile.

As part of the capital expenditure (capex) for the proposed project, Calidra expects to: (a) shut down the Quilpo facility in approximately 24 months; once it recovers the approximate 12,300 tons of hydration rejected material that this plant has been generating and accumulating on-premises for long time; (b) install a new 400-tons natural gas/pet coke Maerz kiln at the Padre Bueno plant; (c) dismantled the Decavo plant; and (d) optimize the environmental, health, and safety (EHS) management of the quarries, production plants as well as those of the distribution centers.

Cefas manufactures four main products: a) quick and hydrated lime (several qualities), b) aggregates, produced at a plant and quarry complex in the province of Buenos Aires and sold through the distribution center in the same province; c) mortar, produced at a plant in the province of Buenos Aires and sold through a distribution center in the same province; and d) gypsum and clay, produced in the Zapala plant. The Olavarria products are either commercialized directly or through the Campana and Rosario distribution centers. The Zapala products are either commercialized directly or are exported to the Chile distribution center.

The proposed investment qualifies as a Category B project as defined by IFC’s Environmental and Social Sustainability Policy (2012) because of potentially limited environmental and social impacts that may result from the expansion and operation of the existing facilities, all of which can be avoided or mitigated by adhering to generally recognized good practices and design criteria. Key E&S issue and risks associated with the project include: (i) the assessment of E&S issues, risks and potential liabilities associated with the existing operations of Cefas in Argentina and the corrective actions needed to ensure compliance with legal and other requirements including IFC Performance Standards and the applicable World Bank Group (WBG) EHS Guidelines, (ii) extending company’s corporate E&S management and monitoring systems to all its operations and facilities in Argentina; (ii) extending company’s corporate HR policies and procedures to the facilities in Argentina to ensure consistent management of labor and working conditions, and OHS procedures and practices; (iii) potential retrenchment of workforce associated with shutdown and dismantling of the facilities, (iv) monitoring and management of air emissions, waste and wastewater and hazardous materials, and iv) and community health and safety in case of potential emergencies.



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## Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated at US\$43 million. The proposed financial plan includes a combination of US\$10 million internal cash generation and US\$33 million in senior debt from IFC. The IFC's approved investment was US\$31.43 million.

Grupo Calidra S.A. de C.V. is privately owned by two major shareholders (shareholder groups), Riefkohl family members (55%) and Graymont (Canadian lime producer) (45%).



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## 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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### Other Related Projects

- IFC-31587 Calidra International