Early Warning System

IFC-40496

National Cement Company

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Quick Facts

Countries	Kenya
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	NATIONAL CEMENT COMPANY LIMITED
Sectors	Construction

Project Description

National Cement Company Limited (“NCCL” or the “company” - http://devkigroupke.com/cement/) is a Nairobi headquartered cement manufacturer and currently an IFC client. Currently, the company has a clinker production plant in Merrueshi, and grinding facilities in Lukenya. Merrueshi has its own quarries, while Lukenya is buying pozzolana from 3rd parties.

In 2014, IFC supported its expansion by committing a loan and an equity investment from its own account, as well as arranged parallel financing. The original project included a greenfield cement clinker plant and was appraised as a category A project. IFC’s disclosure documentation, as well as the Environmental and Social Impact Assessment (ESIA) for the initial project can be found using this link: https://disclosures.ifc.org/#/projectDetail/ESRS/32888

The current project involves a combined financing package for NCCL, for a phased expansion including two new grinding facilities in Tororo and Nakuru, with belonging quarries, and ultimately a second clinker line at the Merrueshi site (the “project”). Further details on the financial aspects can be found in the Summary of Investment Information, which is also linked to this disclosure.

The current expansion project includes:

(i) Construction of 0.77 million tons per annum (mtpa) grinding plant (110 tons per hour (tph) ball mill with roller press) in Tororo, Uganda. This plant is nearing completion and is expected to be commissioned in June 2018 and will serve the Uganda market based on the clinker sourced from NCCL’s Kenyan operations and additives sourced locally;

(ii) Construction of an additional 0.88 mtpa grinding plant (125 tph ball mill with roller press) in Nakuru county, Kenya to serve western Kenya. This plant will also source clinker from NCCL’s Kenyan operations and additives locally. The construction will start in mid-2018 and production is expected to commence mid-2020; and

(iii) Construction of a 5,500 tpd or 1.8 mtpa clinker line next to the first kiln in Merrueshi, Kenya, built as part of the previous IFC investment in the company as mentioned above. The construction is expected to start in 2019 while the production of clinker at the second line is expected to start in 2021.

(iv) Construction of 8 MW power plant based on waste heat recovery (WHR) from both the kilns, which will be a new primary source of electricity. In addition, the company is considering a 36km transmission line to connect to the national grid as additional source of electricity (this was already included in the project plan for the previous IFC investment, however has not been built yet).

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