Early Warning System

IFC-42202

Amadeus JV

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Quick Facts

Countries	Brazil
Specific Location	Minas Gerais
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Borrower	LD CELULOSE S.A.
Sectors	Agriculture and Forestry, Construction
Investment Type(s)	Loan

Project Description

The Project involves the construction of an integrated industrial plant that will produce 450,000 ton per year of dissolving wood pulp (“DWP”) to be exported and used to manufacture textiles and non-woven fabrics (“the Project”). The Project will be carried out by LD Celulose S.A., a joint venture owned by the Austrian group Lenzing Aktiengesellschaft and the Brazilian group Duratex S.A. (together, the “Sponsors”). The Project will be located near the cities of Uberlândia and Araguari in the state of Minas Gerais, Brazil. The Project includes the construction of a power co-generation plant that will produce 132MW of electricity per year, of which 63.5 MW will be consumed at the pulp mill and the rest will be available for sale to the market. The construction phase is planned to start in early April 2020 and last for 28 months.

Early Warning System Project Analysis

The key negative environmental, social, occupational health and safety risks and impacts associated with the construction phase of the Project are related to: i) influx of temporary workers; ii) increase in traffic on local roadways generated by construction vehicles; iii) atmospheric and dust emissions; iv) generation of noise; v) generation of wastewater and solid wastes; viii) generation/handling of hazardous waste; and ix) potential deficit in capacity of local municipalities to absorb and manage the additional pressure on social and physical infrastructure. Those expected during the operations phase include: i) potential impacts to modified and/or natural habitat for establishment of (additional,/if needed) plantation forests; ii) generation of atmospheric, water and solid waste emissions; iii) increase in traffic on local roadways generated by vehicles transporting timber and supplies; iv) expectations from the communities in terms of employment generation, and from municipalities for support by the company; and v) potential need to upgrade urban planning to guide the induction of urban sprawl associated with the new plant and municipal capacity to manage a rapidly changing socioeconomic environment as a result.

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/

Bank Documents

- ENVIRONMENTAL IMPACT STUDY