

 Early Warning System

IFC-49377

Illovo Malawi



Quick Facts

Countries	Malawi
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-04-16
Borrower	Illovo Sugar Malawi PLC
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 81.00 million



Project Description

According to the Bank's website, the proposed investment is a local currency-linked senior/unsecured loan facility of up to US\$81 million (approximately MWK 140.5 billion equivalent) to Illovo Sugar (Malawi) plc (ISM). The loan has an 8-year term with a c.1.5-year grace period. The loan is supported by the International Development Association Private Sector Window (IDA PSW) in the form of local currency hedging and will benefit from a corporate guarantee from the Company's ultimate parent Associated British Foods plc (the Guarantor or ABF) over the life of the loan.



Early Warning System Project Analysis

This is a Category B project as per IFC's Policy on Environmental and Social Sustainability. Based on IFC's review, the project is expected to have limited adverse E&S risks and/or impacts which are generally Nchalo site-specific, and readily addressed through established mitigation measures.

The key E&S risks associated with the Project include; (i) adequate E&S assessment of the construction and operational phase risks and impacts associated with the Project; (ii) adequacy of ISM's E&S management system (ESMS) to manage project related E&S risks and impacts; (iii) assurance of fair, safe and healthy working conditions for workers, including seasonal workers, in line with IFC PS2 and legal requirements; (iv) management of water and energy efficiency in line with the IFC General Environmental, Health, and Safety Guidelines, and those for Annual Crop Production and Sugar Manufacturing; (v) management and monitoring of E&S risks associated with outgrowers, and (vi) stakeholder engagement and grievance management.



Investment Description

- International Finance Corporation (IFC)

The proposed loan will be committed in two phases. The first phase is an investment of up to US\$36 million to finance the upgrade of bulk water irrigation infrastructure at the Company's Nchalo Sugar Estate, connecting to the World Bank's Shire Valley Transformation Program (SVTP) irrigation project. The second phase is an investment of up to US\$45 million for a boiler replacement and debottlenecking in the sugar mill factory.

The first phase investment is expected to be supported by a Water Purchasing Agreement between Illovo Sugar (Malawi) plc and the Government of Malawi, which is anticipated to be signed shortly.



Private Actors Description

Illovo Sugar (Malawi) plc (ISM) is listed on the Malawi Stock Exchange and is majority-owned by ABF Sugar, which is a business forming part of the international food, ingredients and retail group, Associated British Foods plc. ISM is headquartered in Limbe and has two estates with growing and manufacturing facilities at Nchalo and Dwangwa respectively, where it grows sugar cane and produces raw, brown, and refined sugar. With the support of outgrowers, these two estates cultivate over two million tons of cane annually.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Illovo Sugar Malawi PLC	Client	-



Contact Information

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Bank Documents

- [Environmental & Social Review Summary \(ESRS\)](#)