

 Early Warning System

IFC-41276

DIGRANISA



Quick Facts

Countries	Nicaragua
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	DISTRIBUIDORA DE GRANOS DE NICARAGUA SA
Sectors	Agriculture and Forestry



Project Description

The proposed IFC investment is to support Distribuidora de Granos de Nicaragua S.A. (“Digranisa” or the “Company”) for the expansion of its Robusta coffee production in Nicaragua. Digranisa is fully owned subsidiary of Mercon Coffee Group (“Mercon” or the “Sponsor”) and a sister company of CISA S.A. (Mercon Nicaragua) which introduced Robusta coffee in Nicaragua in 2005. Mercon is a vertically integrated global, green coffee supplier. The proposed financing consists of a US\$10mn financing package which includes an IFC A Loan of up to US\$5mn and a loan of up to US\$5mn from IFC acting as the implementing entity of IDA20 Private Sector Window Blended Finance Facility to: (i) refinance existing long-term debt, and (ii) finance the next two years of operations, which includes the expansion and maintenance of its Robusta operations (the “Project”). Digranisa has established four Robusta farms since 2016, totaling 2,002 hectares (ha), of which 1,273ha are planted (660ha are set-aside). The four farms are La Esperancita, San Antonio, San Jose and La Palmira. Digranisa is planning to expand its Robusta farming operations to 2,548ha by 2026. This would be IFC’s first investment in Digranisa but its fourth investment with Mercon Group, following IFC participation in a two-year revolving trade facility in 2017 (Project #40321 GWFP Mercon), 2019 (<https://disclosures.ifc.org/project-detail/ESRS/42454/gwfp-mercon-2019>) and in 2021 (<https://disclosures.ifc.org/project-detail/ESRS/45105/gwfp-mercon-2021>). Mercon’s environmental and social (E&S) performance against IFC’s Performance Standards requirements and implementation of E&S Action Plan (ESAP) in previous investments has been judged satisfactory. The implementation of some ESAP items agreed upon in March 2021, have been delayed due to availability of technical capacity, especially from a social standpoint.



Early Warning System Project Analysis

While all Performance Standards are applicable to this investment, IFC's environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards

- PS 1 - Assessment and Management of Environmental and Social Risks and Impacts
- PS 2 - Labor and Working Conditions
- PS 3 - Resource Efficiency and Pollution Prevention
- PS 4 - Community Health, Safety and Security
- PS 6 - Biodiversity Conservation and Sustainable Management of Living Natural Resourc



Investment Description

- International Finance Corporation (IFC)

No information on investment



Private Actors Description

Distribuidora de Granos de Nicaragua S.A. (“Digranisa”) is fully owned subsidiary of Mercon Coffee Group (“Mercon” or the “Sponsor”) and a sister company of CISA S.A. (Mercon Nicaragua) which introduced Robusta coffee in Nicaragua in 2005.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Mercon Coffee Corporation	Client	Agriculture and Forestry



Contact Information

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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>



Other Related Projects

- IFC-42454 GWFP Mercon 2019
- IFC-45105 GWFP Mercon 2021