

 Early Warning System

**IIC-CR4016A-01**

Constructora Santa Fe Ltda.



## Quick Facts

<b>Countries</b>	Nicaragua
<b>Specific Location</b>	Rama, Kukra Hills, Laguna de Perlas, Chalmeca, San Ramón, La Fonseca
<b>Financial Institutions</b>	IDB Invest (IDBI)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2017-03-15
<b>Borrower</b>	Constructora Santa Fe Ltda.
<b>Sectors</b>	Transport
<b>Potential Rights Impacts</b>	Healthy Environment, Housing & Property, Labor & Livelihood
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 5.00 million
<b>Project Cost (USD)</b>	\$ 5.00 million



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## Project Description

From the Inter-American Development Bank Invest (IDB Invest), formerly the Inter-American Investment Corporation (IIC):

Santa Fe is a Costa Rican company specialized in the road construction and improvement, civil engineering and energy infrastructure, large scale earthworks, exploitation of materials for construction, and as contractor of multinationals companies in mining activities. Since 1974, it has developed projects in their country of origin as well as in Central and South America. Currently its main activities are concentrated in Nicaragua and Bolivia.

This project aims to finance working capital needs for a specific road project, on which the Company requires resources to participate in tenders, commencement of operations, and other pre-operating expenses (that have been invested and are not reimbursed until project completion). The loan aims to finance OPEX for working capital for certain specific projects in which the Company requires resources (participate in tenders, start-up operations and other pre-operational expenses). One of them, "Mejoramiento del Camino Rama - Empalme Kukra Hill - Laguna de Perlas, Tramo II, consisting in the repaving and widening of an existing road of 52.58 km.

The role of the IIC is important because this loan could be renewed at IIC's discretion and could be used in other road projects, which will need IIC's Environmental and Social clearance in order to be funded. This renewable loan will be used initially to finance the Rama-Kukra Hill project located in the Atlantic region of Nicaragua, thus will give financial flexibility to Santa Fe in continuing its operation in developing countries, where medium term financing is limited. At the same time, IIC will be supporting Santa Fe improving its corporate governance structure and practices, through technical assistance resources.

This project has been categorized as B, according to IIC's Sustainability Policy because it can result in certain effects that can be avoided or mitigated following generally recognized performance standards, guidelines and design criteria. The main E&S aspects analyzed were: Assessment and Management of Environmental and Social Risks and Impacts, Labor and Working Conditions, Resource Efficiency and Pollution Prevention, Community Health, Safety and Security, Land Acquisition and Involuntary Resettlement and Biodiversity Conservation and Sustainable Management of Living Natural Resources.



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## Investment Description

- IDB Invest (IDBI)

The 18 months term loan from the IIC is for a maximum amount of up to US\$5 million.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Constructora Santa Fe Ltda.	Client	-



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## Contact Information

### ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to [MICI@iadb.org](mailto:MICI@iadb.org). You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).