

 Early Warning System

IIC-GU3829A-01

Agropecuaria El Siglo, S.A.



Quick Facts

Countries	Guatemala
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	B
Voting Date	2016-08-09
Borrower	Agropecuaria El Siglo, S.A. ("El Siglo")
Sectors	Agriculture and Forestry
Investment Amount (USD)	\$ 5.00 million
Project Cost (USD)	\$ 10,450.00 million



Project Description

According to the Inter-American Development Bank Invest (IDB Invest), formerly the Inter-American Investment Corporation (IIC), El Siglo is dedicated to planting, harvesting and commercializing bananas and plantains. Currently, El Siglo has 600 hectares of banana plantation and 200 hectares of plantain plantation, located on farms equipped with irrigation systems, aerial cable systems to transfer the fruit to the packing plants and four fruit packing plants. El Siglo's production is mainly sold to Compania Bananera Independiente S.A. ("Cobigua"), under the Chiquita brand, through long-term agreements. The objective of this operation is to finance the cultivation of 475 hectares of bananas to be sold to Cobigua through a long-term purchase agreement.

Both of the company's plantations are located in an area of Guatemala dedicated to intensive, large-scale agriculture – primarily consisting of the cultivation of sugar cane, banana and plantain. The land for this project has a long history of previous agricultural uses, having been farmed by El Siglo's owners successively for cotton, grains, corn, and most recently sugarcane. The plantation is surrounded on all sides by agricultural land without any abutting residences.

According to the IIC Environmental and Social Sustainability Policy, this is a Category B project: potential environmental and social risks and impacts are limited to the project site, largely reversible, and can be mitigated via measures that are readily available and feasible to implement in the context of the operation.



Investment Description

- IDB Invest (IDBI)

The investment is a US\$5 million loan. The total project cost is US\$10,450 million, excluding the cost of land, since the latter will lease to a related company.



Private Actors Description

The IDB Invest notes the following description for the private actor on its webpage: "Currently, El Siglo has 600 hectares of banana plantation and 200 hectares of plantain plantation, located on farms equipped with irrigation systems, aerial cable systems to transfer the fruit to the packing plants and four fruit packing plants. The Company's production is mainly sold to Compañía Bananera Independiente S.A. ("Cobigua"), under the Chiquita brand, through long-term agreements."



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Agropecuaria El Siglo, S.A.	Client	-



Contact Information

For inquiries about this project, contact divulgacionpublica@iadb.org.

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. 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).