Early Warning System

IFC-39146

Basrah Gas Co

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Quick Facts

Countries	Iraq
Specific Location	Basrah province
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2019-11-07
Borrower	BASRAH GAS COMPANY
Sectors	Energy, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 400.00 million
Project Cost (USD)	$ 1,000.00 million

Project Description

According to bank documents, the project entails the design and installation of a new gas processing plant, the Basrah Natural Gas Liquids facility, part of a broader expansion plan to increase BGC’s raw gas processing capacity from 1 billion standard cubic feet per day (“bscfd”) currently to 1.4 bscfd by 2024.

Investment Description

- International Finance Corporation (IFC)

The Basrah Natural Gas Liquids project cost is estimated at US$1 billion over the next 5 years. IFC’s proposed investment consists of a US$400 million Green Loan which will include an A loan of up to US$200 million for IFC’s own account, a loan under IFC’s Managed Co-Lending Portfolio Program (“MCPP”) and up to US$200 million in mobilization from commercial banks. The remainder will be funded by operating cash flows.

Private Actors Description

Basrah Gas Company (BGC) is an Iraqi midstream natural gas company created to gather, treat and process associated gas flared at oil fields in southern Iraq. BGC commenced operations in May 2013 and operates compressor stations, various gas processing plants, a pipeline network and a storage and marine terminal for export. It produces dry gas for sale into the Iraqi gas grid, and liquefied petroleum gas (LPG) and condensate for local consumption and export.

BGC is a public/private joint venture between the Iraqi Ministry of Oil through its subsidiary South Gas Company (51%), Royal Dutch Shell plc (“Shell”) (44%) and Mitsubishi Corporation (“Mitsubishi”) (5%).

South Gas Company is wholly-owned by the Iraqi government. It previously owned and operated the natural gas infrastructure in southern Iraq, which was transferred to BGC at its inception.

Shell is an international, vertically integrated energy company with expertise in oil, gas and low carbon energy. Shell is the third largest company in the world as measured by its 2018 revenues and the largest listed on the London Stock Exchange (LON: RDSA).

Mitsubishi is a global, integrated company with activities in 90 countries across a wide range of industries, from natural gas and mineral resources to automotive, food, power solutions and urban development. Mitsubishi has a primary listing on the Tokyo Stock Exchange (TYO: 8058).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Basrah Gas Company	Client	Energy
-	-	-	-	Mitsubishi Corporation	Investor	-
-	-	-	-	Royal Dutch Shell plc	Investor	-

Contact Information

Basrah Gas Company
Yogesh Yadav
BGC Head of Treasury

communications@basrahgas.com
P.O. Box 2705 Al Ashar Post, Khor Al Zubair, Basrah, Republic of Iraq
http://www.basrahgas.com/

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 & Social Review Summary

Media

- Iraq: Under poisoned skies - BBC World Service Documentaries
- Basrah Gas gets $360m IFC loan to expand one of the world's largest flaring reduction projects
- UK: Iraqi father launches legal action against BP over son's death