

 Early Warning System

IFC-39945

DNP Water



Quick Facts

Countries	Vietnam
Specific Location	Bac Giang, Binh Thuan, Long An, and Tien Giang province.
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	DNP WATER JSC
Sectors	Infrastructure, Water and Sanitation



Project Description

The project will include acquisition of water treatment and supply companies, and development of similar greenfield operations. These activities have recently been consolidated into a separate subsidiary, DNP Water (or “the company”) of which DNP is the majority shareholder.

To support the ongoing expansion of the project, IFC is considering a convertible loan in DNP Water. Typically, the project's water treatment includes:

- _Water extraction via surface water (although one of the projects referenced above includes a small treatment facility reliant on groundwater extraction) and initial screening to remove debris and vegetation;
- _Transfer of water to settlement ponds for initial sedimentation;
- _Sedimentation using chemical coagulation/flocculation;
- _Multimedia/sand filtration; and
- _Disinfection using chlorine.

After that, the water is discharged directly into the supply system. Thus, aside from the aspects related to chlorine use which are discussed in the sections that follow, the water treatment process itself is of limited risk.



Investment Description

- International Finance Corporation (IFC)

The Dong Nai Plastic Company (“DNP”) was established in 1996 and has been listed in Hanoi Stock Exchange since 2006. It is one of the large local manufacturers and distributors of plastic products, including plastic pipes for the water industry in Vietnam. Currently, DNP has 5 plastic factories located in various provinces throughout Vietnam. The shareholding of DNP is diversified and there are mainly individual investors. DNP’s existing water treatment and supply operations (directly and indirectly owned) include:

- i) 71% ownership of the Binh Hiep water company located in the Binh Thuan province;
- ii) 53% ownership of the Dong Tam water plant located in the Tien Giang province;
- iii) 26% ownership shares in the Long An water company located in the Long An province;
- iv) 30% ownership of the Nhi Thanh water project Long An province; and
- v) 33% ownership of the Bac Giang water project located in the Bac Giang province.

The proposed IFC investment in DNP Water is in the form of a convertible loan. IFC may also consider taking a nominal equity investment in the Company



Contact Information

1/ The Project Contact Information

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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/>