Early Warning System

IFC-44700

Tabreed District Cooling Company

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2021-12-16
Borrower	DISTRICT COOLING COMPANY
Sectors	Infrastructure
Investment Type(s)	Equity, Loan
Investment Amount (USD)	$ 25.00 million
Loan Amount (USD)	$ 25.00 million
Project Cost (USD)	$ 100.00 million

Project Description

According to IFC documents, the proposed investment is an equity investment of US$25 million by IFC for a 25% stake in a District Cooling Company (DCC or the Company), proposed to be set up in Singapore along with the National Central Cooling Company PJSC (Tabreed or Sponsor). Tabreed will hold 75% stake in the Company. The DCC will enter into long term concession agreements with major real estate developers to deploy district cooling (DC) technology in commercial, industrial, and retail establishments in India and other markets in Asia to deploy around 90,000 refrigeration tons (RT) of cooling capacity in the next 3-4 years.

The project facilities will be constructed or operated either within premises of existing facilities or larger developments or on relatively small parcels of land (less than one acre for a DC plant capacity of 15000 RT) or within the RoW of existing roads. The key risks and impacts will therefore be limited, few in number, site specific, and largely reversible. Any adverse impact can be minimized, avoided or mitigated by adhering to generally recognized international industry performance standards, guidelines, or design project criteria.

Accordingly, the key E&S issues related to the project and reviewed at appraisal are: capacity of DCC to build the facilities in accordance with IFC PSs; emissions to air, water and land during construction and operation; labor working and living conditions; community health, safety and security; life and fire safety; management of water, wastewater, solid and hazardous wastes, and refrigerants; emergency preparedness and response; and stakeholder engagement.

Investment Description

- International Finance Corporation (IFC)

This investment will signal WBG's strong support for the adoption of DC technology in emerging markets, thus creating visibility and an enabling environment for further future investments in the sector. Through the proposed investment, IFC will provide patient capital, not readily available in the domestic market, to support this pioneering project. IFC may act a lead arranger to mobilise debt from other development finance institutions and commercial banks. In addition, IFC is providing targeted advisory support to map out and develop viable business models that will incentivize developers to adopt this technology. IFC will help the Company to mitigate environment and social (E&S) risks through the adoption of IFC Performance Standards and enhance corporate governance structures and processes in line with international best practices.

Private Actors Description

The Sponsor, Tabreed is amongst the world's largest district cooling utilities, providing cooling service to government and private developers in UAE and Gulf Cooperation Council. Rated 'Baa3' and 'BBB' by Moody's and Fitch Ratings, Tabreed is backed by well-established entities with ENGIE SA and Mubadala Investment Company holding 40% and 42% equity stake in the company respectively. It is listed on the Dubai Stock Exchange with a market cap of US$2.19 billion as on 15th May 2021.

Contact Information

Tabreed India Private Limited
Mr. Sudheer Perla
Director

sperla@tabreed.ae
5th Floor, Building No. 10A, DLF Cyber City, DLF Phase-II Gurugram Gurgaon HR 122002 IN

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFCÕs Access to Information Policy Advisor, who reports directly to IFCÕs Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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 and Social Review Summary
- Summary of Investment Information