Early Warning System

IFC-46486

RSE Covid HSA

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Quick Facts

Countries	Yemen
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-03-17
Borrower	NATIONAL DAIRY AND FOOD COMPANY LTD
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million

Project Description

According to bank provided information, the proposed investment consists of an up to 4-year, senior secured loan of up to US$60 million (the “Loan”) to HSA Foods under the IFC COVID-19 Emergency Response RSE Envelope (the “RSE Envelope”). The Loan will support HSA Foods in strengthening its liquidity. By funding its increased long-term working capital requirements, the Loan helps ensure continuity of and a sufficient quality supply of HSA Foods’ supply of staple foods in Yemen amid the continuing impact of the COVID-19 pandemic in a country already facing significant food and humanitarian crises.

Advisory services engagement is being considered in the following areas:

i) Energy and water efficiency / wastewater treatment solutions to reach optimum design for wastewater treatment at HSA Foods considering significant water scarcity issues in Yemen. Energy efficiency work would look into alternative generation solutions for the plants, including hybrid solar/thermal solutions.

ii) Gender diversity and carbon footprint: IFC is currently discussing the possibility of advisory engagements covering: (a) gender diversity and HSA Foods’ plans to increase women participation in the workforce, (b) carbon footprint engagement for HSA Foods and (c) low carbon roadmap.

The initial investment consisted of a US$75 million financing package to Hayel Saeed Anam (HSA or the Sponsor) Group’s food processing operations in Yemen (“HSA Foods” or “the Company”). The funds were used to finance the permanent working capital needs of HSA Foods which is producing necessary foodstuffs such as flour, sugar and dairy products for local consumption.

Please see the related public disclosure: https://disclosures.ifc.org/project-detail/SII/43466/hsa-foods-yemen

Investment Description

- International Finance Corporation (IFC)

The proposed Loan consists of a US$20 million A loan up to US$40 million in B1 and Parallel loans for a total facility of up to US$60 million. Both the IFC A loan and B/Parallel loans will be supported by a concessional unfunded first loss guarantee provided by IFC acting as implementing entity of the IDA PSW BFF.

Private Actors Description

HSA Foods is comprised of six Yemeni companies which shall be co-borrowers of the financing: i) National Dairy and Food Company Taiz; ii) National Dairy and Food Company Hodaida; iii) Yemen Company for Sugar Refining; iv) Yemen Company for Flour Mills and Silos Aden; v) Yemen Company for Flour Mills and Silos Al Hodaida; and vi) Al Hodaida Flour Mills Co. Limited. These co-borrowers are majority owned by the Hayel Saeed Anam family.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	HSA Foods Group	Client	-

Contact Information

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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

Other Related Projects

- IFC-43466 HSA Foods Yemen