

 Early Warning System

IFC-49096

SAF Pakistan



Quick Facts

| | |
|--------------------------------|-----------------------------------------------------------|
| Countries | Pakistan |
| Specific Location | 14-Km, Sharaqpur road, Sheikhpura, District Lahore |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2024-11-18 |
| Borrower | BioTech Energy Pvt. Ltd. (SAFCO Venture Holdings Limited) |
| Sectors | Energy, Industry and Trade, Transport |
| Investment Type(s) | Equity, Loan |
| Investment Amount (USD) | \$ 30.00 million |
| Loan Amount (USD) | \$ 5.00 million |
| Project Cost (USD) | \$ 116.00 million |



Project Description

As stated by the IFC, SAFCO Venture Holdings Limited BVI (“SAFCO Venture” or the “Company”) is a company established to own and operate biodiesel and sustainable aviation fuel (“SAF”) production facilities in Pakistan. Through its subsidiary Bio Tech Energy Pte Ltd (“BTE”), SAFCO Venture owns and operates a 50,000 tons per annum (tpa) biodiesel manufacturing facility in Sheikhpura, Pakistan. BTE produces second-generation biodiesel (99%) according to EU standards, which is entirely exported to Europe. The Company has developed an extensive oil feedstock collection network in the country with numerous collection points to collect oil feedstocks, including used cooking oil (UCO), poultry feather acid oil, and soap stock acid oil (byproduct of vegetable oil refineries). Through its subsidiary SAFCO Opco (Pvt) Ltd, Pakistan (“Project Company”) the Company plans to expand its operations by developing a Sustainable Aviation Fuel (SAF) facility with a planned capacity of 200,000 TPA adjacent to its existing BTE plant. The Company plans to expand its collection network to meet its increased demand of 180,000 TPA of feedstock for the SAF Project.

IFC is considering a financing package of up to US\$30 million (m) consisting of (i) up to US\$25 million in the form of preference shares and/or shareholder loans (“IFC preferred equity”), and (ii) up to US\$5 million in A-loan, to the Company to fund the construction and operation of the Project.

The SAF facility will use hydro-processed esters and fatty acids (HEFA), an established technology that relies on waste and residue lipids such as cooking oil and animal fats as feedstock, which is available in Pakistan.

BTE is negotiating a technology and supervision consultant agreement with [AXENS](#), a leading French technology company providing clean fuels solutions, to develop the SAF facility. The construction is planned to be completed in 20 months.

To construct the SAF facility, BTE has engaged a consortium of an Indonesian based [PTIK](#) (PT Istana Karang Laut) and France based [SeaOwl](#) as turnkey Engineering, Procurement, and Construction (EPC) contractor.

Construction of the SAF facility will require 200 local workers from national construction companies plus approximately 15 international workers from EPC contractors.

BTE owns 5.84 acres of industrial land, with an existing BTE plant developed on 2.66 acres. The rest of the 3.18 acres will be used to establish the SAF facility. The SAF facility will produce renewable jet fuel to international standards, and a by-product bio-naphtha (12.5% of production) will be exported. The bio-propane gas (> 2.5%) produced in SAF production will be reused to provide fuel to the SAF facility.

The Client has secured an offtake for five years with Shell International Eastern Trading Company (SIETCO) for both SAF and Bio-Naphtha.



Investment Description

- International Finance Corporation (IFC)



Private Actors Description

As stated on the project disclosure page, SAFCO Venture is owned by Taimur Shaikh, Ali Shaikh (together, the “Sponsors”). SAFCO Pakistan is 100% owned by SAFCO Venture. SAFCO Venture will be the IFC investee company.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|------------------------------|----------------------|------------------------|----------------|------------------------------------------------------|----------------------|------------------------|
| - | - | - | - | BioTech Energy Pvt. Ltd. | Client | Industry and Trade |
| BioTech Energy Pvt. Ltd. | Client | Industry and Trade | contracts with | Axens SA | Contractor | Industry and Trade |
| BioTech Energy Pvt. Ltd. | Client | Industry and Trade | contracts with | Shell International Eastern Trading Company (SIETCO) | Buyer | Energy |
| PT Istana Karang Laut (PTIK) | Contractor | Energy | contracts with | SeaOwl Group | Contractor | Infrastructure |
| Royal Dutch Shell plc | Parent Company | Energy | owns | Shell International Eastern Trading Company (SIETCO) | Buyer | Energy |



Contact Information

Client - SAFCO Venture Holdings Limited:

Mr. Ali Shaikh - Chief Executive Officer

Phone: +923344499712

Email: alishaikh@btechenergy.com

Address: 11, 1st Floor, CCA Block, DHA, Phase-6C, Lahore, Punjab, Pakistan

Website: www.btechenergy.com

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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](#)

Media

- [IFC weighs \\$30m investment in Pakistan's SAFCO Venture](#)



Other Related Projects

- ADB-57298-002 Bio Tech Energy Sustainable Aviation Fuel Project
- ADB-57298-001 Pakistan : SAFCO Sustainable Aviation Fuel Project