

 Early Warning System

MIGA-14828

Nakheel Palestine for Agricultural Investment



Quick Facts

Countries	Liberia, Palestine, West Bank, Gaza
Specific Location	Jericho
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Active
Bank Risk Rating	B
Voting Date	2023-06-17
Borrower	Palestine Development and Investment Company, Ltd. (PADICO), Siraj Fund Management Company, others
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 16.61 million



Project Description

As stated on the project disclosure page, on May 15, 2023, MIGA issued guarantees to Palestine Development and Investment Company, Ltd. (PADICO) of the Republic of Liberia for up to \$10.38 million, and on May 22, 2023, to Siraj Palestine Fund I, Limited of the Cayman Islands for up to \$4.05 million and Siraj Fund Management Company of the Palestinian Territories for up to \$2.18 million. The total amount of guarantees issued was up to US\$16.61 million, covering equity investment into Nakheel Palestine for Agriculture Investment, a leading producer of dates in the West Bank. The guarantees were issued for a period of up to 5.5 years against the risks of expropriation and war and civil disturbance, including temporary loss of income. The guarantees were underwritten by MIGA as an administrator of the West Bank and Gaza Investment Trust Fund and MIGA's Conflict-Affected and Fragile Economies Facility.

The Project's main objective is to cultivate date palm trees and to produce high-quality dates to cover the demand in the local market and build market share in international markets. The additional investment includes the Project expansion from two to seven farms, a packaging facility for post-harvest handling of dates, a sorting and grading house, a cold storage facility, and a rooftop solar power plant, all located in Jericho, West Bank.

More specifically, the scope of the Project supported by MIGA's guarantees includes: (i) Nakheel's 8 farms (the two farms, Hussein and Mashroo' Inshai, which were supported by MIGA in 2011 and an additional 6 farms acquired from 2011 to 2021), in total planted with more than 42,000 date palms; (ii) rooftop solar power plant on top of packaging and sorting/ grading facility that covers 20% of Nakheel's electricity needs; (iii) packaging facility that serves post-harvest handling of dates including services related washing, drying, disinfestation, grading, and packing of dates; (iv) sorting and grading house that can process 20 metric tons (MT) of dates per day; and (v) cold storage facility (at -18 degrees Celsius) with a storage capacity of 2,800 MT. Packaging facility, sorting and grading house, cold storage facility and the rooftop solar plant comprise one industrial facility. All farms and Project facilities are located near the city of Jericho in West Bank and Gaza'.



Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Siraj Fund Management Company](#) (Financial Intermediary) **is owned by** [Massar Group International](#) (Parent Company)
- [Palestine Development and Investment Company, Ltd. \(PADICO\)](#) (Financial Intermediary) **invests in** [Nakheel Palestine, Ltd.](#) (Client)
- [Siraj Fund Management Company](#) (Financial Intermediary) **invests in** [Nakheel Palestine, Ltd.](#) (Client)
- [Siraj Palestine Fund I](#) (Financial Intermediary) **is owned by** [Siraj Fund Management Company](#) (Financial Intermediary)
- [Siraj Palestine Fund I](#) (Financial Intermediary) **invests in** [Nakheel Palestine, Ltd.](#) (Client)
- [Siraj Palestine Fund I](#) (Financial Intermediary) **invests in** [Palestine Development and Investment Company, Ltd. \(PADICO\)](#) (Financial Intermediary)



Private Actors Description

As stated on PADICO's website, Nakheel Palestine Company was established in 2010 as a limited private shareholding company with a paid-in capital of USD 22 million, it produces the highest quality Palestinian Medjoul and Barhi dates on an area of 3.5 million sqm consisting of more than 40,000 date trees.

Since 1993, PADICO Holding has been promoting elements of development in key sectors of the Palestinian economy through its investment activities, and reasserting its place as the first leading investment group in Palestine, with an estimate of 7,000 shareholders and a paid-in capital of USD 250 million. PADICO's investments and its listed and unlisted companies' value exceeds USD 2 billion distributed among vital sectors across Palestine.

As stated on the company's website, Siraj Fund Management Company (SFMC) is the first dedicated Palestinian private equity fund manager, founded by Massar International in 2003 for the sole purpose of managing investment funds in Palestine. SFMC's first fund, Siraj Palestine Fund I, was launched on February 3, 2011, with a value of \$90 million USD. SFMC is currently raising its second fund at \$90 million USD, Siraj Palestine Fund II, with an expected first closing in Q3 2019.

SPF I is a \$90 million fund comprised of direct equity investments in viable SMEs and larger enterprises in Palestine that range from start-ups to distressed companies across various economic sectors. SFMC's investments are intended to release the potential of these businesses, while spurring technological advancement, economic growth, job creation and innovation across Palestine.



Contact Information

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Website: <https://www.nakheelpal.com/>

Guaranteed Companies -

Palestine Development and Investment Company, Ltd.:

Phone: +970 2 2948222

Fax: +970 2 2948223

Location: P.O. Box 666, Rawabi, Palestine

Email: info@padico.com

Website: <https://www.padico.com/>

Siraj Fund Management Company:

Address: 8th Floor, Massar International Building, Q Center, Rawabi, Palestine

Phone: +970 2 2825777

Email: info@siraj.ps

Website: <https://www.siraj.ps/>

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing:

migainquiry@worldbank.org

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](#)



Other Related Projects

- MIGA-989 Nakheel Palestine for Agricultural Investment