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SEEMA hospital

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Summary of Investment Information

Project Number

39533

Company Name

MACROM FOR GENERAL TRADE LLC

Date SPI Disclosed

Apr 12, 2019

Country

Iraq

Region

Middle East and North Africa

Projected Board Date

May 28, 2019

Environmental Category

B

Status

Pending Approval

Last Updated Date**Department**

Regional Industry - MAS ME & Africa

Industry

Health and Education

Sector

Medical and Diagnostic Services

Project Description

A 161 bed multi-disciplinary general hospital with some specializing to address market needs (like cardiology and oncology that require chronic treatment) in Erbil, Kurdistan Region in Iraq (KRI), (the “Project” or “SEEMA”). SEEMA market position is to target multiple income groups and with a price point lower than current average and supplemented with significant service quality focus.

Project cost is US\$96.6m, expected to be financed by:

- i. 50% via equity contribution of US\$48.6 million to be provided by the Sponsor.
- ii. 50% via long term debt of US\$48 million to be financed equally by IFC and Parallel Lenders

Associated Advisory Engagement

IFC will provide corporate governance advisory for SEEMA, project # 599580

Sponsor / Cost / Location

Project Sponsor and Major Shareholders of Project Company

The Sponsor, Mr. Yaseen Taha is an engineer by profession and held various governmental positions between 1983 and 1993 including the Mayor of Erbil in 1991. Since 1994, the Sponsor is a 25% partner in ZOZIK Company – a leading contractor located in Erbil. Zozik has executed contracts worth US\$933 million since 1993 including with top names like, USAID, ABB (Sweden), General Electric (USA) and Marubeni (Japan).

The Sponsor has established a local company called MACROM for General Trade LLC which will own the hospital once completed. MACROM is equally owned by Mr. Yaseen, his daughter (Lavan Albazzaz) and his three sons: Savan Y. Albazzaz, Muhmmmed Y. Albazzaz, and Ahmed Y. Albazzaz. MACROM currently has no operations.

Total Project Cost and Amount and Nature of IFC's Investment

The proposed IFC investment is 11 year loans of US\$ 24.0m to finance 25% of a US\$ 96.6m greenfield general hospital (161 bed) in Erbil, KRI.

Location of Project and Description of Site

The project is located in the western section of Erbil in Kurdistan region. The Project is built over land area of 11,400 square meters (“sqm”) with a total number built up area of 32,000 sqm.

Development Result

Expected Development Impact

Improve accessibility: The Project provides a broad range of effective healthcare services and responds to the substantial gaps in the provision of healthcare. Improve affordability: The project expects to charge an average seven percent less than the average of current services provided by other private hospitals. Market Creation - Competitiveness: Project will result in significant increase in market competitiveness through better standards and new treatments to the market. In addition to providing competition for existing hospitals, this has potential to promote financing for other hospitals and help develop the market. A number of hospitals' expansion plans are currently on hold due to lack of financing.

IFC's Expected Role and Additionality

Financing Structure: IFC is providing long term finance with 11-year loans in a country where such long term financing is not available Resource Mobilization: Mobilization of parallel debt to complete the funding of the project cost. Knowledge, Innovation and Capacity Building: IFC team leveraged its international network in the sector and introduced several operators to the Sponsor to help in managing and operating the hospital. Standard Setting: Incorporation of green building standards and provide corporate governance support for a family owned and managed business.

E&S Category Rationale / Risks and Mitigation

Environmental & Social Categorization Rationale

This is a Category B project according to IFC's Policy on Environmental and Social Sustainability as the E&S impacts are mostly site specific and localized and can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria and adequately managed through the implementation of site specific Environmental and Social Management Plan.

Project land was leased for 25 years from Erbil city but the ownership is in process of being transferred to the project company. All civil construction and mechanical, electrical and plumbing (MEP) works of the project are complete and other finishing and furnishing jobs required for a hospital are under planning. Project site is located within urbanized areas and no significant or major adverse impacts on biodiversity or natural resources are anticipated at this stage. Mitigation measures for the potential environmental and social impacts are identified and incorporated into the attached Environmental and Social Action Plan (ESAP).

Specific environmental and social issues identified include: i) Sponsor's policy and a plan for establishing and monitoring Environmental, Health and Safety and Social (EHS&S) management systems at project level, ii) Sponsor's HR policy and procedures and contracts with 3rd party services providers to comply with IFC PS 2 provisions, iii) E&S due diligence for establishment of hospital waste incineration facility, and iv) adequacy of the Life and Fire Safety (LFS) systems at the constructed hospital buildings/facilities to comply with the WBG EHS guidelines.

Main Environmental & Social Risks and Impacts of the Project

Please refer to the Environmental and Social Review Summary (ESRS) linked to this project SII in the IFC's project disclosure website.

Mitigation Measures / ESAP

Refer to the E & S Action Plan tab in the ESRS on the SPI (publishing) site.

Contacts

For Inquiries About the Project, Contact

MACROM for General Trade LLC
Yaseen Taha Bazzaz
Shareholder of SEEMA
+9647504451628
y.bazzaz@seemahospital.org

For Inquiries and Comments About IFC, Contact

General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

Local Access for Project Documentation

Website: www.seemahospital.org

Related Environmental Document

[Environmental & Social Review Summary \(ESRS\)](#)

Supporting Documents

No related documents.