



Zara Investment Holdings: Greening Jordan's Thriving Tourism Industry

Zara Investment Holding, one of Jordan's largest tourism companies and the eighth largest publicly listed company in terms of capital paid at Amman Stock Exchange, and the largest in the service sector, is implementing a range of environmentally-focused initiatives to improve energy efficiency, optimize heating, cooling and water use, and increase its use of renewable energy sources. The goal: reduce costs and lower energy and water consumption, while setting a best practice example for the entire Jordanian hotel industry.

IFC is helping to finance these cleaner production initiatives through our Cleaner Production Lending Pilot facility, which provides funding through a streamlined process to existing clients for projects that enhance resource and energy efficiency and reduce their environmental footprints. This initiative aligns with IFC's strategic priority to support private sector investments that respond to climate change.



Zara Investment Holding, the largest employer in Jordan's hotel sector, will use IFC's cleaner production loan to make environmental upgrades across its high-quality hotel properties, among them five-star resorts located at popular and historically significant tourist destinations such as the Dead Sea, the Gulf of Aqaba and the ancient city of Petra.

The company anticipates that the measures will cut their power and water costs by a total of 11 percent—nearly \$1 million in annual savings. Of note, the switch to liquefied petroleum gas from diesel oil will save the company an estimated 13 percent in fuel costs.

Climate Change Mitigation Benefits

- Preservation of limited water resources: Expected reduction in annual water consumption of 46,000 m³
- Reduction in greenhouse gas emissions: Expected annual reduction of 3,700 tons CO₂
- Building the market for a more environmentally-conscious tourism and hospitality industry, a key sector for the economy of Jordan: over the next decade, the number of hotel rooms in the country is expected to more than double; the green Zara Investment Holding model will help set the a new environmental precedent as new facilities come through the construction pipeline

Environmental Upgrades

Specific upgrades financed by the CPLP loan include:

- Energy efficient lighting
- Use of liquefied petroleum gas (LPG) in place of oil as fuel at five resorts. LPG is a less carbon-intensive fuel than diesel oil
- Optimization of HVAC and building management systems, including air conditioning chiller automation
- Installation of solar panels to heat water and swimming pools
- Repairs and upgrades of water network to reduce leakage and control water flow



IFC Role and Development Impact

- Energy audit that uncovered opportunities for cost savings through cleaner production measures
- \$1.8 million in financing, toward total \$2.5 million project cost, plus guidance on best practices in implementing cleaner production upgrades
- Creating awareness among Zara Investment Holding's senior management of the financial benefits of such initiatives
- Continuing support for long-time client and environmentally and socially responsible industry leader, including \$40 million IFC financing in 2008 to support construction of a 450-room beach resort at Tala Bay in Aqaba, which has created 500 new jobs and will support \$11 million in local procurement from mostly small businesses by 2011.

We had been looking at ways to implement environmentally-friendly measures that would improve our efficiencies, but there was no easy option. It was not clear which technology was best suited to meet our needs, especially at the scale we were seeking. We were also concerned about disrupting operations at our five-star hotels throughout the country. IFC helped us a lot. IFC's energy audit showed us how and where to make upgrades without too much interruption, and their loan enabled us to implement the upgrades.

-- Lina Annab
General Manager, Zara Investments

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