



Regional: Inclusive Beverage Production and Distribution Project

Project Name	Inclusive Beverage Production and Distribution Project		
Project Number	53314-001		
Borrower/Company	RG BRANDS KAZAKHSTAN LLP		
Country	RegionalKazakhstanKyrgyz Republic		
Location	Kazakhstan - Nation-wide; Kyrgyz Republic - Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 20.00 million	Proposed
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Agriculture, natural resources and rural development - Agro-industry, marketing, and trade		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Office of the Director General, PSOD		
Responsible ADB Officer	Dora, Tushna		
Project Sponsor(s)			
Description	The project will support RG Brands' Kazakhstan LLP (RGB) expansion across beverages through the financing of coolers for retail in both Kazakhstan and Kyrgyz Republic and production equipment and maintenance capex in Kazakhstan. The loan will provide long term financing in local currency not readily available in Kazakhstan market and support diversification of the economy by enhancing non-oil exports and improvement of livelihoods of stakeholders in the retail value chain.		
Objectives and Scope	ADBs financing will help enhance RGBs distribution infrastructure across Kazakhstan and the Kyrgyz Republic. The funds will be invested in purchase of coolers, of which at least 50% will be for women, and which will be placed in the company's retail network which is dominantly small, independently run convenience stores, thereby promoting non-farm livelihoods, in semi-urban and rural areas.		
Linkage to Country/Regional Strategy	The project is consistent with Strategy 2030 Operational Plan for Priority 5 (Promoting Rural Development and Food Security, 2019-2024) as the plan calls for: (i) local value addition for both domestic and export markets; (ii) opportunities to make an impact in the fast-growing branded food, modern retail, and e-commerce sectors driven by the emergence of urban middle class; and (iii) the need for upper middle-income countries (like Kazakhstan), as key drivers of the regional economy, to increasingly play a lead role in regional cooperation and integration. The project is also aligned with the country partnership strategy for Kazakhstan (2017-2021), which identified strengthening foundation for economic diversification through private sector development including agribusiness as a key operational priority. It also states contributing to inclusive development and reducing spatial and gender inequalities. Likewise, the project is also aligned with the country partnership strategy for Kyrgyz Republic (2018-2022), which identifies strengthening agricultural value chains and promotion of regional integration and cooperation as key focus areas.		
Safeguard Categories			
Environment			C
Involuntary Resettlement			C
Indigenous Peoples			C
Summary of Environmental and Social Aspects			
Environmental Aspects	RGB has implemented a corporate wide Environmental and Social Management System (ESMS) per ADB SPS since 2013, the latest revision of which was done in April 2019. The two manufacturing and bottling plants (Aksengir and Kostanay) also implement environmental, health and safety and quality management systems that are certified to ISO14001, OHSAS18001 and ISO9001 standards as well as good management system (GMP) for food manufacturing.		
Involuntary Resettlement	The proposed project will not trigger impacts on involuntary resettlement.		
Indigenous Peoples	The proposed project will not trigger impacts on indigenous peoples.		
Stakeholder Communication, Participation, and Consultation			
Timetable for assistance design, processing and implementation			
Concept Clearance			09 Oct 2019
Due Diligence			

Credit Committee Meeting	-
Approval	15 Nov 2019
Last PDS Update	18 Oct 2019

Project Page	https://www.adb.org/projects/53314-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53314-001
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