Early Warning System

EBRD-47100

Savola Foods Kazakhstan

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

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Quick Facts

Countries	Kazakhstan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2015-06-10

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Project Description

TRANSLATED VERSION OF THIS PSD:RUSSIAN

Russian

PROJECT DESCRIPTION

The EBRD is considering a long-term loan of up to USD 60 million in Kazakh Tenge (KZT) equivalent to Savola Foods CIS LLP (the "Company" or "Savola"), one of the leading branded edible oil producers in Kazakhstan, based in Aktobe. The loan will finance the Company's capital investments aimed at expansion of production and storage capacity, certain logistics and energy efficiency improvements and working capital needs (the "Project").

TRANSITION IMPACT

The Project's transition impact is expected to derive from setting standards for corporate governance and business conduct, market expansion and backward linkages with local farmers. With the EBRD's support, the Company will improve its corporate governance standards, environmental and resource efficiency.

THE CLIENT

Savola Foods CIS LLP, a limited liability partnership organised and existing in the Republic of Kazakhstan, being a subsidiary of Yug Rusi Group, the leading Russian producer of edible oil (the "Group").

EBRD FINANCE

Up to USD 60 million loan in KZT equivalent for the account of EBRD.

PROJECT COST

USD 83 million in KZT equivalent.

ENVIRONMENTAL AND SOCIAL CATEGORISATION, IMPACT, AND MITIGATION

Categorised B in accordance with ESP 2014. The independent due diligence, consisting of an environmental and social assessment of the proposed investment as well as current operations (inclusive of a site visit) (ESDD) is currently being finalised. The ESDD identified that the Project is likely to bring a number of improvements related to the automation of operations and reduced use of solvents, which will improve the safety of operations and also quality of the products. The investment will also enable using seed hulls for production of biomass pellets to be used by the plant's boilers for production of energy. The Company has a number of elements of the environmental, health and safety management systems; and it is in the Company's long-term plan to gradually implement the ISO 14001 and OHSAS 118001 management systems at all plants of the Group. A number of improvements to the current facilities and operations are required and include soil contamination survey; wastewater and storm water management; waste and pest management, labour relations and assessment of risks to

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Investment Description

- European Bank for Reconstruction and Development (EBRD)

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Contact Information

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at pcm@ebrd.com or you can submit a complaint online using an online form, http://www.ebrd.com/eform/pcm/complaint_form?language=en. You can learn more about the PCM and how to file a complaint at http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html.

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Other Related Projects

- EBRD-51330 Savola Turkey Seasonal WC