

 Early Warning System

EBRD-47579

RG Brands Loan Facility

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	Active
Bank Risk Rating	B
Voting Date	2015-06-24



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Project Description

TRANSLATED VERSION OF THIS PSD:RUSSIAN

Russian

PROJECT DESCRIPTION

The EBRD is considering a long-term loan facility of up to USD 49.2 million in Kazakhstan Tenge (KZT) equivalent to RG Brands LLP (the "Company" or "RG Brands"), one of the leading branded food and beverage producers in Kazakhstan, based in Almaty. The loan facility will finance the Company's working capital needs, capital investments as well as refinancing of existing debt.

TRANSITION IMPACT

The Project will enhance the impact of the existing working capital loan provided to the Company in 2013 and facilitate market expansion through backward linkages to local dairy farmers and fruit concentrate suppliers. In addition, the Project will be setting standards for business conduct via introducing improvements to the production process that would reduce amount of packaging materials used and thus indirectly reduce CO2emission.

THE CLIENT

RG Brands JSC is one of the leading food and beverage producers in Kazakhstan with a wide and diversified product portfolio of juice and nectars, water, carbonated drinks, iced tea, UHT milk, packaged tea and snacks.

EBRD FINANCE

Up to USD 49.2 million loan in KZT equivalent.

PROJECT COST

USD 49.2 million in KZT equivalent

ENVIRONMENTAL AND SOCIAL CATEGORISATION, IMPACT, AND MITIGATION

Categorised B. Through earlier projects with the Company, the Bank has identified the key E&S issues associated with the operations of RG Brands and has agreed an Environmental and Social Action Plan (ESAP) to address those. The Bank's previous environmental and social due diligence (ESDD) was carried out by ESD and demonstrated that the Company operates in line with local Kazakh environmental, labour and health and safety regulations. Further strengthening of the Company's organisational structure to fully understand and meet EBRD Performance Requirements and dedication of appropriate financial resources for environmental and social issues was necessary. Delays in the implementation of previous requirements and non-compliances identified during monitoring visits was evidence of this lack of robust management of E&S issues. Reporting to date has demonstrated that the Company is now dedicating more resource and effort into E&S issues and that operations are being conducted in accordance with the agreed ESAP. This new Project with the Company will not result in additional



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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-56680 RG Brands Kazakhstan (Project Ava)
- EBRD-56681 RG Brands Kyrgyzstan (Project Ava)