Early Warning System

EBRD-51887

FIF - MFO Arnur Credit MSME Loan II

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Quick Facts

Countries	Kazakhstan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Voting Date	2020-07-21
Borrower	ARNUR CREDIT MICROFINANCE ORGANIZATION LLP
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 2.00 million
Project Cost (USD)	$ 2.00 million

Project Description

According to EBRD site information, a loan of up to US$ 2m in KZT equivalent has been provided for on lending to private clients (MSMEs and individuals for business purposes), as a part of the Bank's response to the COVID-19 pandemic.

PROJECT OBJECTIVES

The provision by EBRD is given to the micro, small and medium-sized enterprises (MSMEs) with the purpose of the strengthening rural areas.

ENVIRONMENTAL AND SOCIAL SUMMARY

Categorised FI (ESP 2014):AC will be required to comply with PRs 2, 4 & 9 and further comply with the EBRD's E&S Procedures for Mortgage Lending and EBRD's Environmental and Social Procedures for Corporate Loans, SME and Micro Loans, and will be required to submit annual environmental and social reports to the Bank.

Categorised FI (ESP 2014):

TECHNICAL COOPERATION AND GRANT FINANCING

Similar to other partner financial institutions in Kazakhstan, AC will benefit from trainings under the EBRD Regional Small Business Programme for Central Asia i Technical Cooperation Programme (the "RSBP") (TCRS ID 7579, EUR 4.3m). The RSBP focuses on centralised knowledge sharing for banks, non-bank microfinance institutions and other facilitators of MSME-finance via an electronic knowledge sharing and exchange platform as well as seminars on specialised subjects. The RSBP was launched in Kazakhstan in January 2018 for the initial period of 4 years and provides access to trainings in areas of sound credit analysis, risk management, non-credit banking services for MSMEs and other relevant topics. In line with the EBRD policy on parallel cost sharing, AC will cover expenses related to staff participation in seminars and costs of regular portfolio reporting requirements.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- ARNUR CREDIT MICROFINANCE ORGANIZATION LLP (Financial Intermediary)

Private Actors Description

ARNUR CREDIT MICROFINANCE ORGANIZATION LLP

Arnur Credit (AC) is a privately-owned microfinance organisation(MFO) in Kazakhstan with total assets of US$ 52m, total equity of US$ 13.8m, over 23,600 of active clients, 10 branches and 93 offices. AC is headquartered in Shymkent, an administrative capital of the Turkestan Region. It focuses on providing loans to micro, small and medium-sized enterprises and sole proprietors.

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.

ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: 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

COMPANY CONTACT INFORMATION

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Bank Documents

- Project Info