Early Warning System

EBRD-54298

FIF - Kazakhstan WiB II - MFO Arnur Credit III

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Quick Facts

Countries	Kazakhstan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2023-10-31
Borrower	Arnur Credit Microfinance Organization LLP
Sectors	Finance, Industry and Trade
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 4.34 million
Loan Amount (USD)	$ 4.00 million
Grant Amount (USD)	$ 0.34 million
Project Cost (USD)	$ 4.34 million

Project Description

According to the EBRD, the project consists of the provision of a senior unsecured loan of up to US$ 4.0 million (EUR3.6 million) in KZT equivalent to Arnur Credit (AC) - a private microfinance organisation based in Kazakhstan. The loan will be provided in two equal tranches of up to US$ 2 million each, the second tranche will be uncommitted. The loan will be provided under the KazWiB II (Women in Business Programme II), rolled into the Financial Intermediaries Framework.

The aim of the loan is to (i) continue supporting women-led MSMEs, helping them overcome the consequences of the challenging market environment and increase their resilience and adaptability. Supporting women entrepreneurs will be critical for expanding employment opportunities and further advancing macroeconomic and social reforms in Kazakhstan initiated in 2022; (ii) diversify AC's funding base; (iii) enhance AC's product range via new digital sales channels. AC will continue providing loans aimed at investments in climate change mitigation and adaptation technologies and services supporting Green Economy Transition.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

For the implementation of the GET component of the transaction, AC will benefit from the TC support under the Kazakhstan Green Economy Financing Facility II supported by EBRD SSF and the Climate Investment Funds. The main objective of the assignment will be assessing and reporting of GET-eligible investments to ensure their compliance with GET criteria.

The WiB loan will also be accompanied by a US$ 0.34 million TC project to support the on-going digitalisation of the AC internal process.

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

As stated by the EBRD, Arnur Credit is a private microfinance organisation in Kazakhstan with total assets of US$ 84.8 million, total equity of US$ 19.4 million, over 19,700 active clients, and 44 offices as of 1Q 2023. AC is headquartered in Shymkent, former administrative capital of the Turkestan Region.

Contact Information

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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 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

Other Related Projects

- EBRD-53098 FIF - Kazakhstan WiB - MFO Arnur Credit - WiB loan II