Early Warning System

EBRD-56463

RLF - Energy RTB 2 solar

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Quick Facts

Countries	Ukraine
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2026-04-09
Borrower	Kernel Group SA
Sectors	Agriculture and Forestry, Energy, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 45.00 million
Loan Amount (USD)	$ 45.00 million
Project Cost (USD)	$ 86.00 million

Project Description

As stated by the EBRD, the project consists of up to USD 45 million (EUR 38 million equivalent) senior secured loan to Energy RTB 2 LLC, a subsidiary of Kernel Group. The project is expected to be co-financed by an up to USD 10 million parallel loan.

The Project is expected to benefit from a partial first loss risk cover from the European Union via the Ukraine Investment Framework (UIF). The framework contributes to the green transition of Ukraine economy by supporting sustainable investments in green city infrastructure, greening logistics chains, energy efficiency and green technology transfers in industrial processes, commercial operations, and buildings. The framework also supports companies directly affected by the military conflict, to ensure a fast recovery and resilience from the ongoing war.

The Project involves the installation of a 106 MW solar power plant in the southern Ukraine, including the construction of a transmission line and connection to an existing 330 kV substation. The transmission line connecting the PV site to the grid will operate at 110 kV and have a total length of approximately 3 km.

TECHNICAL COOPERATION AND GRANT FINANCING

TC: Technical and Environmental and Social due diligence costs were partially covered by donor funding.

Non-TC: Human Capital Investment Incentive Grant support in an amount of up to EUR 500,000 (source of funding to be defined).

Early Warning System Project Analysis

As reported by the EBRD, since the Project is currently at the development stage, the procedure for national EIA has not yet been initiated. The construction of a solar power plant (SPP) itself does not fall under the scope of mandatory environmental impact assessment procedures as defined by the law and it will be further clarified with regulatory authorities. Relevant requirements have been included into the Environmental and Social Action Plan (ESAP).

The Project site consists of open steppe terrain with meadow vegetation and scattered shrubs. The ESDD did not identify any contamination risks from previous land use. No biodiversity or cultural heritage sensitivities were identified that would impede development. Both the PV site and the transmission line route are located entirely outside areas of conservation interest. The PV Project area does not fall within any territories that are part of the Emerald Network or candidates for inclusion in it. The nearest protected area is located approximately 6 km away. The closest Ramsar site is located 20 km away, it is also the closest Key Biodiversity Area. The Project site does not fall within or directly threaten any protected areas or internationally recognised areas.

Biodiversity surveys confirmed that the land allocated for the Project consists primarily of low productivity grazed pasture, likely due to soil conditions. No flora species of conservation concern were found within the Project footprint. No habitats of high conservation value or species under national or international protection frameworks were recorded.

The only potential priority concern relates to the possible presence of Spalax sp., a burrowing rodent group that includes species listed as vulnerable. ESAP requires to conduct a targeted biodiversity survey to confirm the presence or absence of Spalax sp. on the SPP site prior to any site clearance or construction activities. Should the species be confirmed, species-specific mitigation measures will be prepared and implemented. The survey findings and any required mitigation measures will be integrated into construction planning to avoid habitat disturbance and will be aligned with the vegetation management plan. In addition, ESAP requires biodiversity-related awareness training during worker induction to support the effective implementation of mitigation measures on site. A review of the Group's corporate management system showed that it has a well-established and certified integrated EHS management system (ISO 9001/14001/45001) and sufficient capacity to implement the Project in line with EBRD requirements. Kernel will be required to extend its management system to the new Project facilities and cover both construction and operational phases of the solar power plant.

The land allocated for the construction and operation of the solar power plant is leased through commercial negotiation and formal lease agreements for a period of 25 years. It is located outside the boundaries of the nearest settlements and has not been used by the residents for agricultural or livelihood purposes. As a result, no physical or economic displacement has occurred.

Land allocation was carried out through a transparent process, including public consultations and hearings, during which no objections were raised regarding land use rights or potential displacement. The land lease and its intended use comply fully with Ukrainian legislation and local planning regulations, including urban planning conditions and restrictions. Furthermore, no evidence was found of land use by vulnerable or marginalised groups, and no customary or informal land rights were identified during the stakeholder engagement process. The planned transmission line route will run along existing local access roads and will be subject to easement and/or servitude agreements with affected owners and users. Transmission lines will be constructed, operated, and maintained by the Transmission System Operator (TSO) under the Agreement on Connecting Electrical Installations Intended for Electricity Generation to the Transmission System.

Kernel does not have a single, standalone Supply Chain Management Policy; instead, its supply chain requirements are embedded across several high-level corporate documents. The Group has acknowledged this gap and proposed Project specific measures to address it. The procurement process has a strong legal and contractual basis for enforcing E&S standards. Labour risks associated with the supply chain for solar components have been addressed in accordance with the Management

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Private Actors Description

As stated by the EBRD, Kernel Group is a leading Ukrainian vertically-integrated agribusiness group, engaged in oilseed crushing, grain trading, crop farming, transhipment and silo services. The loan will be provided to Energy RTB 2 LLC, a subsidiary of Kernel Group in Ukraine.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Kernel Holding S.A.	Client	Agriculture and Forestry

Contact Information

Client - Kernel Group SA:

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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

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

Bank Documents

- NTS
- SEP