Early Warning System

EBRD-56840

KTZ bond

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Quick Facts

Countries	Kazakhstan
Specific Location	Darbaza, Maktaaral, Altynkol, Zhetygen
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	A
Voting Date	2026-03-25
Borrower	JSC National Company Kazakhstan Temir Zholy (KTZ)
Sectors	Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 200.00 million
Loan Amount (USD)	$ 200.00 million
Project Cost (USD)	$ 1,075.00 million

Project Description

According to the EBRD, the project consists of the investment of US$ 125 million (EUR 106 million equivalent) in benchmark bonds issued by JSC National Company Kazakhstan Temir Zholy (KTZ), the national railway company of Kazakhstan. The Bank acquired 12.5 per cent of the total bond issuance of USD 1 billion.

The Bank's proceeds will be used to finance the modernisation of 124 passenger railway stations across Kazakhstan to improve safety, operational and energy efficiency, accessibility and passenger comfort, while strengthening connectivity between the regions.

By supporting the modernisation of 124 passenger railway stations across Kazakhstan, the project will strengthen connectivity between the regions and improve the quality, safety and accessibility of railway passenger infrastructure. The project will also enhance the operational efficiency and attractiveness of rail transport for diverse user groups.

The project will support improvements in KTZ's operational resilience through the introduction of ISO 55000 standards to improve asset management efficiency at KTZ's passenger transport subsidiary. The project will also support enhancements in KTZ's cybersecurity practices through the adoption of advanced international standards.

Another portion of the bond proceeds will be used to co-finance KTZ's projects for the construction of new and modernisation of existing railway lines: Darbaza-Maktaaral (new railway) and Altynkol-Zhetygen railway (modernisation). These projects will be financed through bilateral loans from other international financial institutions (IFIs), such as International Finance Corporation (IFC), World Bank, Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB). Both railway projects are **Category A**, and the Environmental and Social Impact Assessments (ESIAs) in line with the IFIs' environmental and social (E&S) requirements and international standards are currently ongoing, to be followed by disclosure and public consultation in line with good international practice. Environmental and Social Action Plan (ESAP) for the EBRD investment also includes provisions that any Category A level elements within the bond will require a robust Good International Practice (GIP)-aligned process. All the gaps in E&S requirements against the EBRD Environmental and Social Requirements (ESRs) have been addressed through the ESAP that has been agreed with KTZ and included in the bilateral Framework Agreement conditions for the bond.

Early Warning System Project Analysis

Although the E&S risk category assigned to the project is B, some of its components include projects assigned risk category A. The categorization assigned by the EWS team aims to highlight these higher risk activities.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Private Actors Description

As stated by the EBRD, KTZ is the national railway company of Kazakhstan managing railway infrastructure and operating freight and passenger transportation services across the country. The company operates a railway network of approximately 16,000 km and is wholly owned by the state through JSC Sovereign Wealth Fund Samruk-Kazyna.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	JSC National Company Kazakhstan Temir Zholy	Client	Transport

Contact Information

Client - JSC National Company Kazakhstan Temir Zholy (KTZ):

Daulet Ismailov
Email: ismailov_d@railways.kz
Phone: +7 702 700 07 12

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