

 Early Warning System

FMO-64021

Araz Supermarket LLC



Quick Facts

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| Countries | Azerbaijan |
| Financial Institutions | Netherlands Development Finance Company (FMO) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2024-12-02 |
| Borrower | Araz Supermarket LLC |
| Sectors | Agriculture and Forestry, Industry and Trade |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 23.00 million |
| Loan Amount (USD) | \$ 23.00 million |



Project Description

As stated on the project disclosure page, FMO's long-term facility funding provides capex financing for Araz to (i) build and equip a new FMCG logistics facility near its existing distribution center in the Absheron region and (ii) open new stores under the Araz brand, including in rural areas of the country.

FMO supports the expansion of a vital food retail player with strong backward linkages to the local agricultural sector and farming communities and increases logistics efficiency. The transaction contributes to gender equality, as a substantial number of Araz employees are women, and the investment contributes to increased women's participation in the workforce. It also enhances decent work and economic development, as Araz provides modern working conditions in the less developed regions of Azerbaijan.



Investment Description

- Netherlands Development Finance Company (FMO)



Private Actors Description

As stated by the FMO, Araz Supermarket LLC ("Araz") is one of Azerbaijan's most prominent food retail networks. Araz owns and operates approximately 400 supermarkets under the Araz brand and stores under the SPAR franchise.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|------------------|----------------------|------------------------|----------|----------------------|----------------------|------------------------|
| Veysaloglu Group | Parent Company | Industry and Trade | owns | Araz Supermarket LLC | Client | Industry and Trade |



Contact Information

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>



Other Related Projects

- ADB-57290-002 Araz Supermarket LLC: Building the Capacity of Smallholder Fruit and Vegetable Farmers for Climate-Resilient Farming