Early Warning System

IFC-43225

GNG Fuels and Fertilizers

Quick Facts

Countries	Ukraine
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-06-26
Borrower	CONCERN GALNAFTOGAZ, JSC
Sectors	Energy, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 70.00 million

Project Description

IFC has been invited to lend US$70 million (m) in senior loans to Galnaftogaz (“GNG” or the “company”), a long-standing IFC client and a leading Ukrainian retail distributor of transportation fuels. Proceeds will fund: (i) GNG’s capex program, which includes climate-focused investments in alternative fuels such as liquified petroleum gas (LPG) storage and retail services as well as electric car charging services; and (ii) permanent working capital to help GNG grow its Farmer-Supply Program (FSP) to supply up to 200 farmers with fuel and fertilizers (together the “project”). The investment will include new OKKO brand retail filling stations, a new LPG storage depot, and two new liquid fuel storage depots, and FSP expansion to cover small growing number of qualified farms.

As part of the project about 100 stations will be modernized and refurbished to improve their environmental, safety and energy efficiency features. Fuel tanks in the main fuel storage depots have vapor recovery installations and all the fuel loading/filling activities are automatically controlled to mitigate operational risks. Besides these stations, GNG also uses services of other third-party fuel storage depots. As part of this project, GNG will further improve energy efficiency for filling stations (e.g. new more efficient pumps), complete fuel storage depot renovations, build new LPG depot in Brovary, and purchase/renovate two existing diesel/gasoline depots in Kherson. The new LPG depot in Brovary will be built in an existing industrial zone with no community nearby. Both river and railroad depots in Kherson are in industrial zones, but there are some residential communities near the railroad depot in Kherson. Besides, GNG will continue expansion of its OKKO branded filling stations.

Investment Description

- International Finance Corporation (IFC)

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/