



Agrotrade WC

Location:	Ukraine
Project number:	43466
Business sector:	Agribusiness
Notice type:	Private
Environmental category:	B
Approval date:	27 Mar 2012
Status:	Complete
PSD disclosed:	27 Jan 2012

Translated version of this PSD: Ukrainian
(http://www.ebrd.com/english/pages/project/psd/2012/local_translations/43466.pdf)

Project Description

The EBRD is considering providing a loan to Agrotrade Group to finance its working capital and investments in grain handling and storage infrastructure, as well as processing in Ukraine.

Transition Impact

The proposed project is expected to have a substantial demonstration effect. Additional grain handling and storage facilities will improve operating efficiency of Agrotrade Group in respect of collection and processing of grain, grain quality and will also provide access to additional quality storage facilities for farmers. The loan will further support Agrotrade Group in expanding its grain sourcing and farming.

The Client

Agrotrade group of companies ("Agrotrade Group"), one of the leading grain value chain operators and agricultural producers in Ukraine.

EBRD Finance

Up to USD 20 million working capital loan and up to USD 8 million term loan.

Project Cost

Approximately USD 34 million.

Environmental Impact

This project was categorised B. Environmental and social due diligence comprised a review of documentation provided by Agrotrade Group and a site visit to the client and its selected facilities by a member of the EBRD's Environment and Sustainability Department.

The due diligence confirmed that the client's operations are in compliance with Ukrainian legislative requirements and the proposed project will not have any significant adverse environmental impacts or socio-economic impacts.

Key issues associated with the client's activities include control of dust, storage, handling and use of agro-chemicals, water use, and general health and safety management. There were also some discussions on the impact of farming activities on biodiversity although with the use of more modern farming techniques such as minimum tillage and the use of GPS for pesticide application the client is reducing any such potential impacts. The client is not a source of significant source of risk to local communities.

Agrotrade Group will be required to comply with the EBRD's Performance Standards. As part of this, an environmental and social action plan has been drafted including points on the creation of a more formalised environmental management system, the appointment of dedicated environmental, health and safety staff, the improvement of facilities for the storage of oil and chemicals, and the development of stakeholder engagement processes. The ESAP will form part of the legal agreements with the EBRD and will be the subject of regular environmental and social reporting to the EBRD.

Technical Cooperation

None.

Company Contact

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Related material

Framework project

➤ Framework: Direct Finance Framework non SME (<http://www.ebrd.com/work-with-us/projects/psd/direct-finance-framework-non-sme.html>)

Published: 01.06.2017

Business opportunities

For business opportunities or procurement, contact the client company.

For state-sector projects, visit EBRD Procurement (<http://www.ebrd.com/pages/workingwithus/procurement.shtml>): Tel: +44 20 7338 6794

Email: procurement@ebrd.com (<mailto:procurement@ebrd.com>)

General enquiries

EBRD project enquiries not related to procurement:

Tel: +44 20 7338 7168

Email: projectenquiries@ebrd.com (<mailto:projectenquiries@ebrd.com>)

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