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# Burnoye Solar Plant Extension

<b>Location:</b>	Kazakhstan
<b>Project number:</b>	48545
<b>Business sector:</b>	Power and energy
<b>Notice type:</b>	Private
<b>Environmental category:</b>	B
<b>Approval date:</b>	07 Jun 2017
<b>Status:</b>	Repaying
<b>PSD disclosed:</b>	28 Oct 2016

Translated version of this PSD: [Russian \(/sites/Satellite?c=Content&cid=1395253566641&d=&pagename=EBRD%2FContent%2FDownloadDoc](/sites/Satellite?c=Content&cid=1395253566641&d=&pagename=EBRD%2FContent%2FDownloadDoc)

## Project Description

The EBRD is considering financing extension of a ground-mounted solar PV power plant in the Zhambyl region, Southern Kazakhstan. As an extension of the first large-scale solar power plant in Kazakhstan, the project has the potential of becoming an example of successful implementation of a project-financed renewable energy project in the country.

## Project Objectives

Located in the electricity-constrained southern part of the country the Project will help reduce dependence on the electricity imports from other regions (mostly coal fired plants in the North) and reduce associated transmission losses.

## Transition Impact

The project will have a demonstration effect to potential developers and private sponsors illustrating that solar PV projects can be successfully implemented during macroeconomic turbulence and within a still nascent Kazakh renewable energy market.

Furthermore it will demonstrate the viability of project finance structures in a market which has historically relied largely on corporate finance.

The project could result in carbon savings for the country in a sector which is dominated by aged coal-fired plants.

## Client Information

BURNOYE SOLAR 2 LLP

The Project is owned by the special purposed company established for the Project by Samruk Kazyna United Green LLP. Samruk Kazyna United Green LLP, in turn, is a joint venture between the UK private company United Green LLP and Kazakh Samruk Kazyna Invest LLP, the investment arm of JSC Sovereign Wealth Fund Samruk-Kazyna.

## EBRD Finance Summary

USD 50,000,000.00

## Total Project Cost

USD 100,000,000.00

## Environmental and Social Summary

Category B (ESP 2014). The project category was confirmed following an Initial Environmental and Social Examination (IESE) and subsequent Environmental and Social Due Diligence (ESDD) undertaken by the Bank. The project is an extension of an existing solar plant financed by the Bank in 2015, and the ESDD included an assessment of cumulative impacts and review of the current status of compliance. Overall, environmental and social issues associated with the construction and operation of a solar power plant can be readily assessed and mitigated. A local Environmental Impact Assessment (EIA) has been undertaken for the two Phases of development.

The main impacts as identified in the phase 1 of the Project relate to the land use and grazing rights. The site is not located near to any sensitive habitats and environmental and social impacts are limited. The Bank has agreed a comprehensive Environmental and Social Action Plan (ESAP) with the company as part of the Burnoye-1 and a CSR program is under implementation.

The current ESDD has confirmed that the Company is in compliance with the agreed ESAP and has the capacity to implement the Bank's Performance Requirements (PRs) and that the Project is structured to comply with the Bank's PRs. The technology is state-of-the-art and in line with best international practices.

The key issue is associated with land use and interaction with the local community, as the solar plant is being developed on historic pasture lands. The potential expansion of the power plant (under consideration by the Sponsors) will further reduce the size of these historic pasture lands. The Company has undertaken actions to limit the impact, compensate where appropriate and continue monitoring so as to implement additional mitigation measures if required. The Company has undertaken public consultations on the Project inclusive of discussions of the second phase and further impacts on future land use. Based on consultations and ESDD, an Environmental and Social Action Plan (ESAP) has been agreed with the Company. By registering the Company in the local authority, the community will benefit through local taxation. The implementation of the ESAP will allow the Project to comply with the Bank's Environmental and Social Policy. An additional Compensation Program subject to Bank's approval will be further prepared to address the land use issue.

A Non-Technical Summary and Stakeholder Engagement Plan (SEP) for the Project are available on the Company web site.

The NTS is also available in English (</sites/Satellite?c=Content&cid=1395253678310&d=&pagename=EBRD%2FContent%2FDownloadDocument>) and Russian (</sites/Satellite?c=Content&cid=1395253678511&d=&pagename=EBRD%2FContent%2FDownloadDocument>).

Client website (<http://bs-1.kz/finfo/bs2.php>)

As part of implementing the ESAP requirements the Company is developing a Corporate Social Responsibility (CSR) program aimed at community development and increasing awareness of the Project. The CSR will include further expansion of the existing community outreach program and the Company plans to support the local social infrastructure.

The Bank will monitor the implementation of the ESAP and CSR program.

## Technical Cooperation

TC funding will be sought to co-finance due diligence costs under the existing Kazakhstan Renewables Framework Programme (KRFP) designed to support renewable energy projects in Kazakhstan and funded by the Clean Technology Fund.

## Company Contact Information

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## Business opportunities

For business opportunities or procurement, contact the client company.

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

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

## Public Information Policy (PIP)

The PIP sets out how the EBRD discloses information and consults with its stakeholders so as to promote better awareness and understanding of its strategies, policies and operations. Please visit the Public Information Policy page below to find out how to request a Public Sector Board Report.

Text of the PIP (<https://www.ebrd.com/pages/about/what/policies/pip.shtml>)