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Astarta

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Summary of Proposed Investment

Project Number	Company Name	Date SPI Disclosed
30830	ASTARTA-KYIV,TOV	Jul 12, 2012
Country	Industry	Projected Board Date
Ukraine	Agribusiness and Forestry	Aug 13, 2012
Status	Sector	
Completed	Sugarcane and Beets	

Department

Gbl Ind, Manufact, Agribus & Services

Environmental Category

B

Previous Events

Approved : Aug 13, 2012

Signed: Nov 6, 2012

Invested: Dec 5, 2012

Project Overview

The Project will support LLC Astarta-Kyiv (the "Company" or "Astarta"), a leading primary agriculture producer in Ukraine with 240,000 ha of land under cultivation.

Astarta's principal activities include (i) production of sugar beet and sugar processing, and (ii) production of other crops including wheat, barley, corn, sunflower, and soya. The Company owns and operates 8 sugar plants across 7 business units and 4 operational regions in Ukraine.

IFC's financing will support one of the leading grain and sugar producers in Ukraine. IFC financing will support the (i)

construction of a 700 tpd soybean crushing facility to process locally grown soybeans into meal for the local market and oil, potentially for export, (ii) construction of a biogas facility, (iii) expansion of agricultural land, (iv) purchase of supporting farm machinery, storage and dairy infrastructure to increase production volumes of crops and (iv) further modernization of sugar production and storage capacity. IFC's financing will also support a viable economic activity and create new jobs in some of the poorest frontier rural regions of Ukraine (Vinnytsya, Khmelnytsky, among others).

Sponsor / Cost / Location

Project Sponsor and Major Shareholders of Project Company

36.99% of Astarta is owned by Viktor Ivanchyk and 25.99% by Valery Korotkov, with the remaining 37.02% floated on the Warsaw Stock Exchange.

Total Project Cost and Amount and Nature of IFC's Investment

IFC will provide corporate financing to the Company in the form of an up to US\$50 million long-term loan to support Astarta's on-going modular investment program aimed at providing value addition and diversification to its main business units.

The IFC long-term loan will partly finance the Company's FY2012-2013 capex program of approximately US\$175 million. The remaining portion of the capex will be financed from long term loans from other financial institutions and internal cash generation.

Board Approved IFC Investment

50.0 million (USD)

Product Line	IFC Investment (million USD)
Risk Management	
Guarantee	
Loan	50.0
Equity	

* These investment figures are indicative

Location of Project and Description of Site

Astarta is headquartered in Kiev, Ukraine. The company conducts modern farming operations on 240,000 ha of leased land in over four regions across Ukraine: Khmelnytsky, Vinnytsya, Poltova, and Kharkiv.

Development Impact

Anticipated Impact Measurement & Monitoring (AIMM) Assessment

The project is to support the growth and diversification of one of the leading farm enterprises in Ukraine, engaged in the production of crops, sugar and milk. The corporate investment program will include in particular: (i) a cost reduction program for sugar production; (ii) a biogas capture component that will both reduce GHG emissions and improve energy efficiency in processing; and, (iii) a soybean processing project that will add value to the local production of soybeans while serving the needs of the fast developing livestock and poultry sector. This program will contribute to the growth of the Ukrainian economy, to global food security by increasing production of key crops exported from Ukraine, while supporting direct and indirect employment in rural areas where alternative job opportunities remain scarce.

IFC's Expected Development Contribution

IFC's expected additionality stems from its ability to engage strategically with the Company by offering:

- (i) Long term tenors: the IFC facility will allow Astarta to secure a significant part of its growing financing needs at a time when available financing in the region is becoming scarcer, particularly for long term maturities.
- (ii) Technical expertise and global knowledge: as the Company is increasingly diversifying its activities into new areas that are subject to international competition, it is keen to draw on IFC's global knowledge of the sector to benchmark its strategic choices.
- (iii) Political risk cover: IFC's presence will offer Astarta and its lenders certain protection from arbitrary political action through IFC's reputation and relationship with the Government.

Environmental and Social Issues - Category ➤

This is a category B project according to IFC's Environmental and Social Sustainability Policy. The Project's limited environmental and social adverse impacts can be avoided or mitigated by adhering to national laws and regulations, generally recognized performance standards and WBG's EHS guidelines.

Contacts

Related ESRS

[Environmental and Social Review Summary_\(ESRS\)](#)

Attachments

No documents.

Additional Documents

No related documents.

Map

