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EBRD invests in second solar park in Kazakhstan, Burnoye-2

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Together, Burnoye Solar-1 and 2 will create one of the largest renewable energy generators in eastern Europe and largest in Central Asia

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The EBRD is financing the 50 MW Burnoye Solar-2 project in Kazakhstan (<https://www.ebrd.com/kazakhstan.html>) in partnership with the multilateral Clean Technology Fund (CTF).

The investment in the southern Zhambyl region follows Burnoye Solar-1, the award-winning first utility-scale renewable energy project in Kazakhstan under the new legislation which enabled private investment in the sector.

Coming as part of a comprehensive US\$ 200 million EBRD renewable energy financing framework for Kazakhstan, Burnoye Solar-2 is the second stage of an ambitious solar park demonstrating that renewable energy is taking hold in the country, which is still over 70 per cent dependent on coal for energy production. Burnoye Solar-1 and 2 are expected to result in CO2 emission savings of 150,000 tonnes annually, neutralising carbon emissions from 30 MW of domestic coal-fired power plants.

The signing on the sidelines of the Expo 2017 in Astana came just days after the EBRD Board of Directors (<https://www.ebrd.com/directors-of-the-ebrd.html>) approved a US\$ 500 million financing envelope for solar energy in Egypt (<https://www.ebrd.com/egypt.html>), cementing its leading place as renewable energy financier in its region.

Burnoye Solar-2 will be built by the same investors as the first stage of the solar park: Samruk Kazyna United Green Energy Ltd, a joint venture between UG Energy Ltd, a privately owned investment company registered in the United Kingdom (<https://www.ebrd.com/who-we-are/structure-and-management/shareholders/uk.html>), and Samruk-Kazyna Invest, a division of the sovereign wealth fund.

The EBRD will provide a loan in Kazakh tenge in the amount equivalent to up to US\$ 44.5 million with a tenor of up to 15 years. Such long-term local currency financing is currently not available in the country.

CTF is participating with a US\$ 10 million loan for up to 20 years. The rest of the project cost, expected to be up to US\$ 80 million, will be invested by the owners of the future solar park.

The loan agreements were signed by the EBRD Director for Energy and Natural Resources in Russia, Caucasus and Central Asia Aida Sitdikova, and Nurlan Kapenov, General Director of Burnoye Solar-2 LLP. The Project Support Agreement was signed by the Minister of Energy of the Republic of Kazakhstan Kanat Bozumbayev, the EBRD Managing Director for Energy and Natural Resources Nandita Parshad (<https://www.ebrd.com/who-we-are/senior-management/nandita-parshad.html>) and Investment Director of UG Group, Albrecht Frischenschlager.

Nandita Parshad said: "Kazakhstan needs more projects like Burnoye. I am proud that we are signing it just as vital discussions about clean, secure and affordable energy in the region kick off at the high-level Ministerial Conference on Energy, part of the Astana Expo 2017. Following the success of Burnoye Solar-1 this second project is a demonstration that Kazakhstan is truly a part of the global renewable energy revolution that is happening right now."

The EBRD is not only the largest financier of renewable energy generation and related energy sector modernisation in its region of operations but also a leading force in policy engagement, supporting governments in their efforts to create the enabling environment for investors to build renewable energy projects. In Kazakhstan, the EBRD is actively working with the authorities to provide advice and support for the new renewable energy law, which provides local and foreign investors with opportunities to enter the sector.

The EBRD is also a top international provider of finance in local currency, tenge, the first supranational issuer of tenge bonds, and is at the forefront of efforts to develop a green financial system as part of the Astana International Financial Centre which is to open on the grounds of Expo 2017. In addition to its US\$ 200 million envelope dedicated to future renewable energy projects, the Bank is working on providing finance and advice for female entrepreneurs, small and medium-sized enterprises, and other areas where development finance is crucial.

To date, the Bank has invested €7.3 billion in Kazakhstan, of which €1.7 billion is invested in sustainable energy and resources. In 2016 Kazakhstan became the EBRD's second-largest country of operations by volume. Investment is expected to continue at a high level in 2017.

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