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M-KAT Green Solar Power Plant

Location:	Kazakhstan
Project number:	50025
Business sector:	Energy
Notice type:	Private
Environmental category:	B
Approval date:	12 Dec 2018
Status:	Repaying
PSD disclosed:	29 Aug 2018

As permitted by paragraph 2.6 of Section III of the Access to Information Policy, disclosure of this PSD was deferred in accordance with paragraph 1.4.4 of the Directive on Access to Information.

Project Description

Provision of financing for the construction of a 100 MW solar power plant in the Zhambyl region of Southern Kazakhstan (the "Project") in the form of an up to EUR 50 million senior loan. The Asian Development Bank will provide the remaining portion of debt in KZT equivalent to co-finance the project.

Project Objectives

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

Transition Impact

ETI score: 60

This will be the second involvement in the Kazakh market for the sponsors of this Project (Total EREN SA) closely following their first project of Nomad Solar power plant construction that is also being co-financed by the EBRD. The Project is expected to have a demonstration effect with a potential to pave the way for an increase in volume of foreign investment in the renewables sector of Kazakhstan. Furthermore, the Project will demonstrate the viability of project finance structures that are still scarce in the Kazakh market. The Project could result in carbon savings estimated at around 125,000 tonnes of CO₂ for the country in a sector which is dominated by aged coal-fired plants.

Client Information

M-KAT GREEN LLP

M-KAT Green LLP, a special purpose entity established in the Republic of Kazakhstan to implement the Project, will act as a borrower. The borrower is owned at 100% by Total EREN SA (France).

EBRD Finance Summary

KZT 21,462,021,000.00

Up to EUR 50 million senior loan to M-KAT Green LLP with no recourse to the Sponsors.

Total Project Cost

KZT 66,425,822,727.00

EUR 113,000,000.00

Environmental and Social Summary

Category B (ESP 2014). Environmental and social aspects associated with construction and operation of a greenfield 100 MW solar photovoltaic power plant can be readily assessed as part of an Environmental and Social Due Diligence (ESDD) and mitigated via an Environmental and Social Action Plan (ESAP). This Project is associated with GET and its share makes 100%.

An independent ESDD has confirmed that technology is state-of-the-art and in line with good international practices, the Project is fully compliant with the host country's EHS legislation and is structured to meet the Bank's Performance Requirements (PRs) through employment of good E&S management practices, implementation of ESAP and monitoring.

The Project is not located near to sensitive receptors or protected areas and will have no impact on biodiversity and natural resource use. The impact on the land use, community activities and livelihood are marginal and can be addressed with help of proper Stakeholder Engagement activities.

Any potential adverse environmental or social impacts are associated mainly with the construction activities and use of the contractor's work force, specifically: labour and social aspects, construction health&safety and E&S management systems.

A number of the environmental and social management improvements items were included into ESAP, inter alia: enhancement of the EHS management system, contractor and supply chain management, traffic management, emergency preparedness, grievance mechanism and Stakeholder Engagement Plan. As part of implementing the ESAP requirements, the Company will implement Corporate Social Responsibility Program (CSR) aimed at community development and increasing awareness of the Project. The CSR will also include a community outreach program and the Company plans to support the local social infrastructure.

The ESAP has been agreed with the Client and its implementation and overall E&S performance will be monitored by the Bank via the review on the Annual Environmental and Social Reports. Stakeholder Engagement Plan (SEP) and Non-Technical Summary (NTS) and for the Project were prepared and disclosed on the Company's web site. The Bank will monitor the implementation of the ESAP and CSR program.

Technical Cooperation and Grant Financing

TC funding will be sought to co-finance due diligence costs under the existing Kazakhstan Renewables Framework Programme (KAZREF) designed to support renewable energy projects in Kazakhstan or the GET Project Preparation and Implementation Support Programme.

Company Contact Information

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Implementation summary

The Project introduced a solar PV power plant with installed capacity of 100 MWp in Zhambyl region of Kazakhstan, which is in the Southern Power Zone with chronic deficit of electricity. The construction of the power plant was completed in December 2019 on budget, and since that time, the Project has been operating without interruptions with electricity production in line with expectations. The Project is a

critical part of the Kazakhstan's green transition; it is estimated that CO2 savings associated with renewable energy produced by the M-KAT solar plant should amount to an equivalent of at least 125,000 tons per annum.

Environmental and Social Action Plan (ESAP) is being implemented by the Borrower and was designed to mitigate any potential adverse environmental and social aspects associated with the construction and operation of the plant. Following the construction completion, the Borrower continues ESAP implementation as planned, including Corporate Social Responsibility Program.

The successful Project implementation contributes to the increase in private sector participation in renewable energy space in Kazakhstan, helps to further advance climate change mitigation agenda and demonstrates the viability of project finance structures that are still scarce on the Kazakh market.


PSD last updated

07 Dec 2021

Related material

➤ Translation: M-KAT Green Solar Power Plant (Russian)

(<https://www.ebrd.com/work-with-us/projects/psd-translation/50025/1395303083133/M->

[KAT_Green_Solar_Power_Plant_\(Russian\).pdf?blobnocache=true](https://www.ebrd.com/work-with-us/projects/psd-translation/50025/1395303083133/M-KAT_Green_Solar_Power_Plant_(Russian).pdf?blobnocache=true)) 

Type: PDF, Published: 09.12.2021, Language: Russian

Understanding Transition

Further information regarding the EBRD's approach to measuring transition impact is available here (<https://www.ebrd.com/what-we-do/economic-research-and-data/transition-impact.html>).

Business opportunities

For business opportunities or procurement, contact the client company.

For business opportunities with EBRD (not related to procurement) contact:

Tel: +44 20 7338 7168

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

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>)

General enquiries

Specific enquiries can be made using the EBRD Enquiries form

(<https://www.ebrd.com/eform/information-request>).

Environmental and Social Policy (ESP)

The ESP (<https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>) and the associated Performance Requirements (PRs) set out the ways in which the EBRD implements its commitment to promoting “environmentally sound and sustainable development”. The ESP and the PRs include specific provisions for clients to comply with the applicable requirements of national laws on public information and consultation as well as to establish a grievance mechanism to receive and facilitate resolution of stakeholders’ concerns and grievances, in particular, about environmental and social performance of the client and the project. Proportionate to the nature and scale of a project’s environmental and social risks and impacts, the EBRD additionally requires its clients to disclose information, as appropriate, about the risks and impacts arising from projects or to undertake meaningful consultation with stakeholders and consider and respond to their feedback.

More information on the EBRD’s practices in this regard is set out in the ESP

(<https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>).

Integrity and Compliance

The EBRD's Office of the Chief Compliance Officer (OCCO) promotes good governance and ensures that the highest standards of integrity are applied to all activities of the Bank in accordance with international best practice. Integrity due diligence is conducted on all Bank clients to ensure that projects do not present unacceptable integrity or reputational risks to the Bank. The Bank believes that identifying and resolving issues at the project assessment approval stages is the most effective means of ensuring the integrity of Bank transactions. OCCO plays a key role in these protective efforts, and also helps to monitor integrity risks in projects post-investment.

OCCO is also responsible for investigating allegations of fraud, corruption and misconduct in EBRD-financed projects. Anyone, both within or outside the Bank, who suspects fraud or corruption should submit a written report to the Chief Compliance Officer by email to compliance@ebrd.com (<mailto:compliance@ebrd.com>). All matters reported will be handled by OCCO for follow-up. All reports, including anonymous ones, will be reviewed. Reports can be made in any language of the Bank or of the Bank's countries of operation. The information provided must be made in good faith.

Access to Information Policy (AIP)

The AIP 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 following its entry into force on 1 January 2020. Please visit the Access to Information Policy (<https://www.ebrd.com/what-we-do/strategies-and-policies/public-information-policy.html>) page to find out what information is available from the EBRD website.

Specific requests for information can be made using the EBRD Enquiries form (<https://www.ebrd.com/eform/information-request>).

Independent Project Accountability Mechanism (IPAM)

If efforts to address environmental, social or public disclosure concerns with the Client or the Bank are unsuccessful (e.g. through the Client's Project-level grievance mechanism or through direct engagement with Bank management), individuals and organisations may seek to address their concerns through the EBRD's Independent Project Accountability Mechanism (IPAM).

IPAM independently reviews Project issues that are believed to have caused (or to be likely to cause) harm. The purpose of the Mechanism is: to support dialogue between Project stakeholders to resolve environmental, social and public disclosure issues; to determine whether the Bank has complied with its Environmental and Social Policy (<https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>) or Project-specific provisions of its Access to Information Policy (<https://www.ebrd.com/what-we-do/strategies-and-policies/access-to-information-policy.html>); and where applicable, to address any existing non-compliance with these policies, while preventing future non-compliance by the Bank.

Please visit the Independent Project Accountability Mechanism webpage (<https://www.ebrd.com/project-finance/independent-project-accountability-mechanism.html>) to find out more about IPAM and its mandate; how to submit a Request (https://www.ebrd.com/eform/IPAM/Request_form) for review; or contact IPAM via email ipam@ebrd.com (<mailto:ipam@ebrd.com>) to get guidance and more information on IPAM and how to submit a request.