Project Description
The EBRD has approved a USD 65 million loan to JSC Myronivsky Hliboprodukt for financing its working capital associated with expanding operations (i.e. purchasing of sunflower seeds and other raw materials for further processing and/or use in production of poultry meat) as well as for the construction of a biogas plant at the poultry farm Oril Leader.

Transition Impact
The Bank’s financing will facilitate

(i) energy savings resulting from installation of a biogas plant,

(ii) strengthening of backward linkages to farmers as the client will buy higher volumes of sunflower seeds from numerous farmers and agro-producers, which will improve and increased demand for farmers’ product and will provide farmers with higher liquidity, which is particularly valuable during the
ongoing economic downturn, and

(iii) the client’s expansion strategy aimed at satisfying growing demand for protein products and ensure market expansion and competition

The Client

JSC Myronivsky Hliboprodukt (JSC MHP), incorporated in Ukraine, is a company of MHP group (“MHP”) - the largest vertically integrated poultry meat producer in Ukraine. JSC MHP is wholly owned by MHP S.A., a holding company in Luxembourg.

EBRD Finance

A USD 65 million debt facility.

Project Cost

USD 65 million.

Environmental Impact

Categorised B. The environmental and social due diligence comprised an independent third party corporate audit conducted by specialist environmental, health and safety and animal welfare experts. The Bank also co-operated closely with the International Finance Corporation (IFC) who shared their due diligence findings with the Bank. IFC has previously provided two loans to the Company and agreed an environmental and social action plan with the Company, which they are now monitoring under their own requirements. The EBRD due diligence reviewed the Company’s environmental and social management systems and its performance against EBRD’s Performance Requirements (PRs) and included site assessments of a selection of the company’s production facilities.

The consultants found that the company's facilities are generally operating to a level consistent with national and EU standards for environment, occupational health and safety, animal welfare and biosecurity. The facilities are generally very modern and advanced. Labour practices are in line with Ukrainian requirements and the company's activities do not adversely impact local communities. The audit did, however, identify a number of improvements needed to comply with the Bank’s PRs, such as animal welfare and OHS improvements. There is also a need to develop and implement a corporate level environmental and occupational health and safety management system. The recommendations resulting from the due diligence were formulated into a time-bound costed Environmental and Social Action Plan (ESAP) which was finalised and agreed with the Client prior to EBRD Board approval of the project. The ESAP covers a number areas including corporate level management actions, generic actions uniform across production sites, and site specific actions.

The Company has been providing updates to EBRD, through the annual environmental and social reporting process, on the implementation of the ESAP. It is evident from these reports, that the Company is making good progress in the implementation of the ESAP and that there are no actions which are
behind date. EBRD will continue to monitor progress through both annual environmental reports and site visits as and when considered necessary.

Technical Cooperation
None.

Company Contact
Victoria Kapelyushnaya
Tel: +38 044 207 0053
E-mail: v.kapelyushnaya@mhp.com.ua

Business opportunities
For business opportunities or procurement, contact the client company.

For state-sector projects, visit EBRD Procurement:
Tel: +44 20 7338 6794
Email: procurement@ebrd.com

General enquiries
EBRD project enquiries not related to procurement:
Tel: +44 20 7338 7168
Email: 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.

Project Complaint Mechanism (PCM)
The Project Complaint Mechanism (PCM) is the EBRD's accountability mechanism. It provides an opportunity for an independent review of complaints from individuals and organisations concerning EBRD-financed projects which are alleged to have caused, or are likely to cause, environmental and/or social harm.

Please visit the Project Complaint Mechanism page to find information about how to submit a complaint. The PCM Officer is available to answer any questions you may have.
have regarding the submission of a complaint and criteria for registration and eligibility, in accordance with the PCM Rules of Procedure (http://www.ebrd.com/documents/occo/project-complaint-mechanism pcm-rules-of-procedure.pdf).