



Victoria Group (Sojaprotein)

Location:	Serbia
Project number:	37705
Business sector:	Agribusiness
Notice type:	Private
Environmental category:	C
Approval date:	04 Sep 2007
Status:	Repaying
PSD disclosed:	03 Aug 2007

Project Description

The Bank's financing will consist of up to EUR 45 million in the form of a senior loan in three tranches:

- a) up to EUR 30 million for seasonal harvest needs, in particular the procurement of soybean, sunflower and rapeseeds.
- b) up to EUR 10 million for permanent working capital needs.
- c) up to EUR 5 million for investments in the area of energy efficiency.

Transition Impact

The transition impact is derived from increased backward linkages with the farmers as a result of increase quantities of the agricultural commodities to be purchased at the harvest as well as from improved yields of sunflower seeds and soybeans per hectare as a result of the companies' direct work

with farmers. The Bank's financing, secured by agricultural commodities, supports the government initiative to introduce warehouse receipts legislation in Serbia.

Through success of the Project, the Company will further strengthen its corporate governance standards and be in a position to increase financing levels and technical know-how it provides to farmers and cooperatives. Finally, a component of the Project will be related to energy cost savings measures as the crushing industry is capital intensive.

The Client

Victoria Oil (previously named Mladost Sid) and Sojaprotein, joint-stock companies incorporated in Serbia and 100% and 44.7% respectively owned by the Sponsor Victoria Group.

The Sponsor is the biggest processor of soybeans in the region and with combined crushing capacity of 500,000 thousand sunseeds/per annum.

EBRD Finance

EUR 45 million loan consisting from three tranches.

Project Cost

EUR 82.55 million.

Environmental Impact

The purchase of sunflower seeds and soybeans is not typically associated with environmental risk. The processing of these seeds may involve some environmental issues. To better understand these risks a member of ESD visited Mladost Sid in May 2006 to conduct a walkthrough review of the facility and to discuss EHS issues with the company. The company confirmed its compliance with environment, health, safety and labour requirements and demonstrated that it has a number of procedures and practices in place to deal with the key issues associated with production. The company has a number of planned actions with regard to environment and will be asked to formalise these in a time-bound environmental action plan to be agreed with the Bank. This will form part of the legal agreement with the company and be monitored on an annual basis. However, if any part of the EBRD's loan is to be committed to Sojaprotein A.D. under this project, an adequate level of environmental due diligence will need to be performed prior to disbursement.

Technical Cooperation

None.

Company Contact

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Business opportunities

For business opportunities or procurement, contact the client company.

For state-sector projects, visit EBRD Procurement

(<http://www.ebrd.com/pages/workingwithus/procurement.shtml>): Tel: +44 20 7338 6794

Email: 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>)

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 (<http://www.ebrd.com/pages/about/what/policies/pip.shtml>)

Project Complaint Mechanism (PCM)

The Project Complaint Mechanism (<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>) (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 (<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>) page to find information about how to submit a complaint. The PCM Officer (pcm@ebrd.com (<mailto:pcm@ebrd.com>)) is available to answer any questions you may 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>).

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