Developmental Effects:
This project will have a positive developmental impact on Kazakhstan, with support for a financial institution that supports grain farms of various sizes. The project company provides loans to farms which are repaid through receivables of grain, including wheat and barley, which is then sold locally or exported to neighboring countries. The project company will be hiring new permanent staff to support the expansion made possible through this loan. Kazakhstan is a largely agrarian country, but as the oil and gas sector continues to expand, it becomes increasingly difficult for businesses in the non-hydrocarbon sector to acquire debt financing.

Environment:
Screening: Operations associated with medium-scale grain and other agro-products distribution are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are limited and readily mitigated. The primary environmental and social concerns related to this Project are associated with worker safety while operating agro-product terminals and quality maintenance of agricultural products.

Applicable Standards: OPIC’s environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation’s (IFC) 2012 Performance Standards (PS):

PS1: Social and Environmental Assessment and Management Systems;
PS2: Labor and Working Conditions;
PS3: Pollution Prevention and Abatement; and
PS4: Community Health, Safety, and Security.

Since the Project involves existing agro-products distribution operations which leases space in two agro-product terminals, PS 5 (Land Acquisition and Involuntary Resettlement) is not triggered. The agro-product terminals (storage and distribution) facilities are located in industrial areas, therefore PS 6 (Biodiversity Conservation and Sustainable Natural Resource Management) is not triggered. There are no Indigenous Peoples or Cultural Heritage sites that are expected to be adversely impacted. Thus, PS 7 and PS 8 are also not triggered.

In addition to the Performance Standards listed above, the IFC’s April 30, 2007 Environmental, Health, and Safety (EHS) General Guidelines and the equivalent of the U.S. Occupational Safety and Health Administration’s (OSHA) 29 Code of Federal Regulations (CFR) Part 1910.272 for grain handling facilities are applicable to this Project.

Environmental and Social Risks and Risk Mitigation: The Borrower leases space in two agro-product terminals under whose operations are consistent with its Corporate policies and in compliance with the local regulations. The leased facilities have adopted detailed procedures relating both to worker safety and quality maintenance of agricultural products. In addition, employees receive extensive orientation training as well as refresher training specific to their jobs.

The Project’s greenhouse gas (carbon dioxide equivalent) emissions are estimated to be less than 7,400 tons per year.

The Borrower will be required to continue implementing its environmental and social management system that will be used to guide the Project's environmental and social performance. The Borrower will also be required to continue implementing its grievance mechanism. In addition, the Borrower will be required to comply with applicable provisions of IFC’s EHS General Guidelines (2007) and the equivalent of the U.S. 29 CFR Part 1910.272 for grain handling facilities.
| Worker Rights: |  |
| Human Rights: | OPIC issued a human rights clearance for this project on October 22, 2013. |