



**EBRD**  
**Ukraine Sustainable Energy**  
**Lending Facility**

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***USELF Launch 26 October 2010***

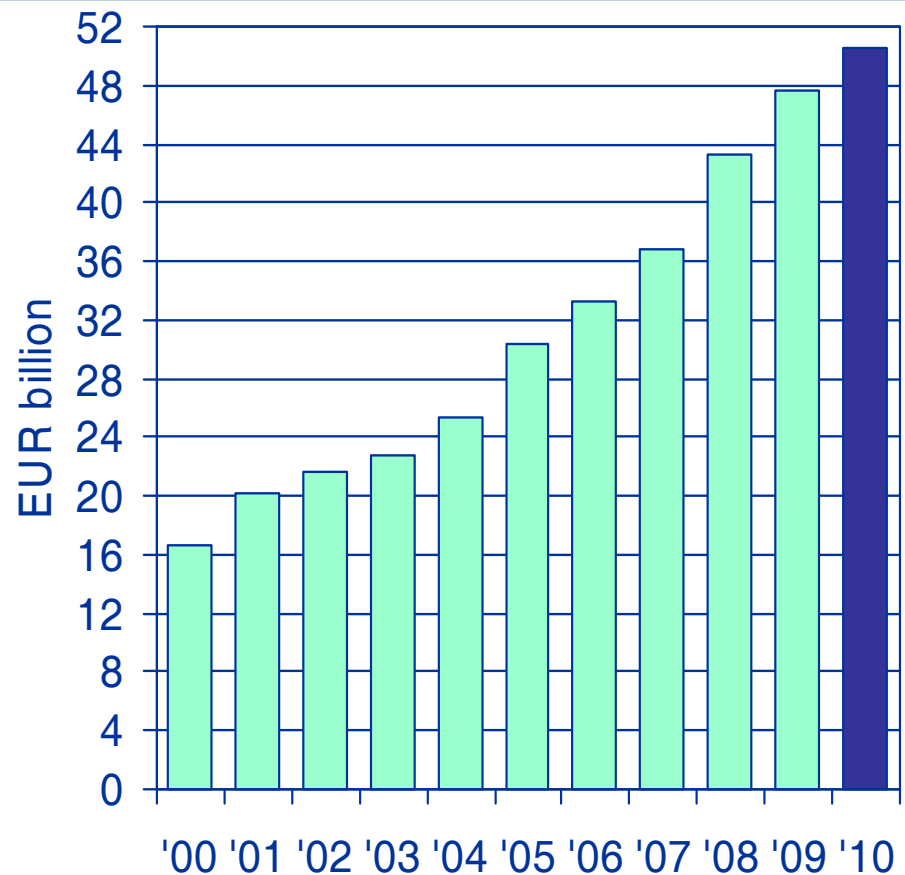


# EBRD USELF Launch - Presentation Outline

- About the EBRD
- Sustainable Energy Initiative
- Why launch USELF?
- USELF outline



# What is the EBRD?



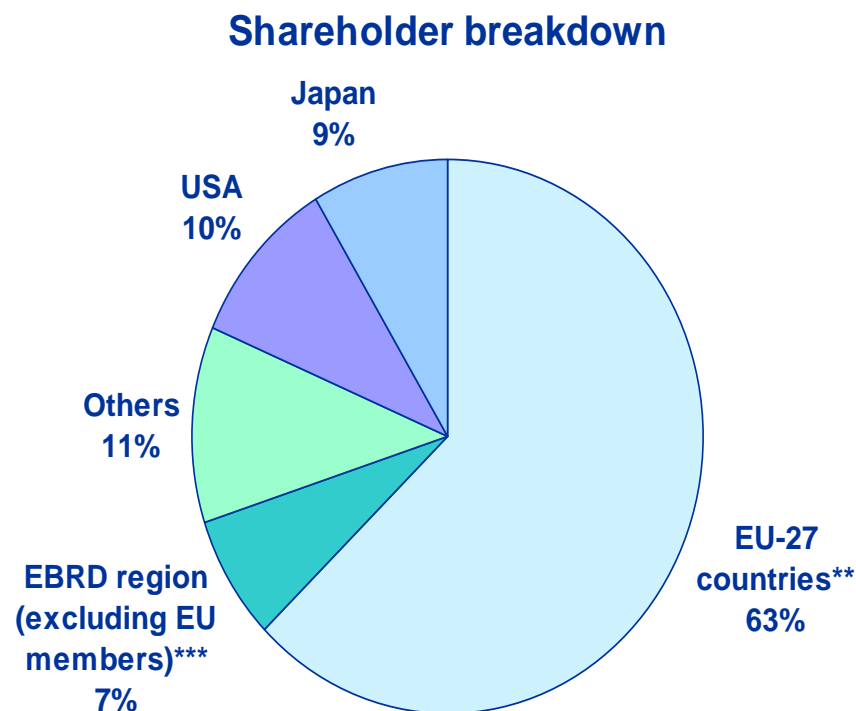
*Cumulative commitments of EUR 50.5 billion*

- International financial institution, promotes transition to market economies in 30 countries from central Europe to central Asia



# EBRD Capital Structure

- Owned by 61 countries and two inter-governmental institutions
- Strongly capitalised with members' equity and callable capital totalling EUR 26.6 bn
- Authorised capital EUR 30.0 bn\*



•At the Annual Meeting in Zagreb in May 2010, the Board of Governors approved the Bank's capital increase from €20bn to €30bn authorised capital.

•\*\* Includes European Community and European Investment Bank each at 3%; France, Germany, Italy, UK each at 8.6%

\*\*\* Russia at 4%



# EBRD – General Focus / Priorities

- The EBRD's focus is on providing funds to promote the development of sustainable businesses.
- The Bank is active in providing both debt and equity to companies in the private and public sector.
- EBRD acting as a catalyst for new debt
- Sustainable Energy is a Key Priority – Sustainable Energy Initiative launched in 2006



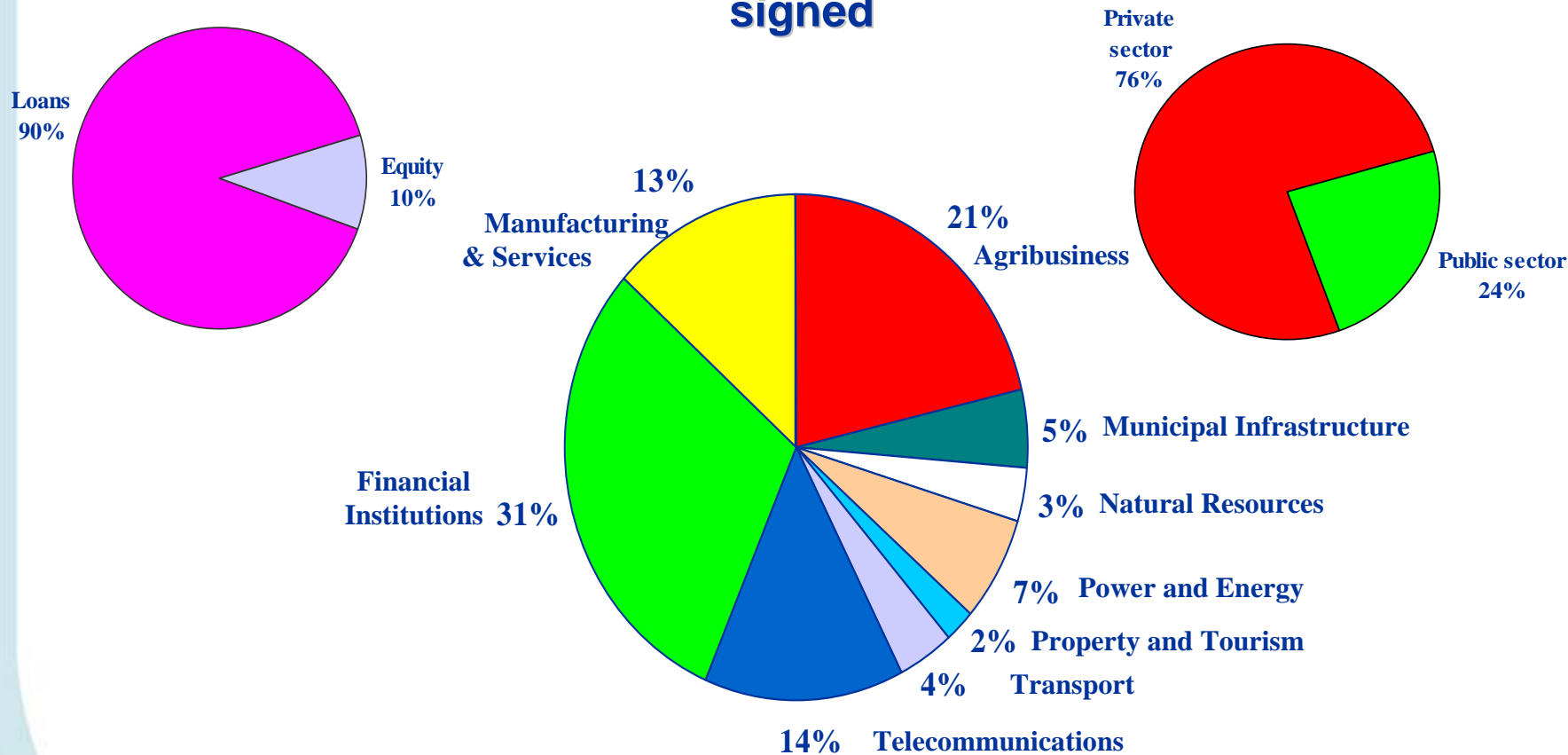
## EBRD's Profile in Ukraine

- Ukraine is the Bank's largest country of operation after Russia.
- 18 years of experience in the local market
- Total investments in Ukraine of over USD 7 billion
- Approximately USD1.5 billion invested last year
- The EBRD is the largest financial investor to the private sector in Ukraine



# EBRD Net Cumulative Investment in Ukraine by Sector (1 August 2010)

Cumulatively 203 projects for the total amount of EUR 5.27 bln were signed



## SUSTAINABLE ENERGY INITIATIVE (SEI) OVERVIEW AND OBJECTIVES

The SEI responds to the specific needs of the energy transition in the EBRD countries of operations, as well as to the call of the G8 at the 2005 Gleneagles Summit for the IFIs to scale-up climate change mitigation investment.

SEI Phase 1 (for the period 2006-2008) was launched in May 2006 with the objectives to:

- scale up EBRD sustainable energy investments to €1.5 billion
- strengthen the EBRD capacity to scale up delivery and “mainstream” climate and energy efficiency across the Bank’s operations
- expand the market for sustainable energy technologies in the region





## SEI OVERVIEW & PHASE 2 TARGETS

### SEI Results (2006- 2009):

- SEI investments: €4 billion through 237 projects for total project value of €19 billion
- Impact: 24 million tonCO<sub>2</sub> reductions p.a. (= emissions of Croatia)

### SEI Phase 2 Targets (2009 – 2011)

- EBRD SEI financing: €3 to 5 billion (total project value of €9 to 15 billion)
- Carbon emissions reduction: 25 to 35 million tonnes CO<sub>2</sub>/annum
- TA grant funding mobilisation: €100 million , Investment grants – €250 million

### Capital Resource Review 4 (CRR4)

SEI has become a key pillar of CRR4



# Why launch EBRD USELF?

- Ukraine has great potential for renewables but this is hardly exploited
- Great engineering skills but limited experience in project development and financing
- New regulatory framework lays the foundation for sound commercial deals and demonstrates commitment of government
- USELF will help address constraints through both provision of finance and technical assistance



# EBRD USELF – Main Features

- EBRD €50m finance framework
- Technical assistance programme funded by GEF grant:
  - Project implementation support to developers: (Fichtner/IMEPOWER/Dewey & LeBoeuf)
  - Regulatory support to NERC: (Mercados)
  - Strategic Environmental Assessment (Black & Veatch)



# TA Programme – Regulatory Support and Institution Building

- Assessment of full life cycle from land acquisition and planning to grid connection and off-take, identifying bottlenecks and constraints to be addressed
- Working with Government, NERC and private sector to continuously support legislative process and development of regulations for renewables
- Assistance to all involved licensing authorities to prepare streamlined, transparent and clear procedures for approval of renewable energy projects
- Working with developers to assist in communication with government and involved authorities and agencies



# TA Programme – Environmental Assessment and Procedures

- Strategic Environmental Reviews: to assess cumulative impact of renewable energy projects and establish overall capacity for specified renewable energy projects in a region and criteria to be met for approval
- Environmental approval procedures and standards: to be assessed and guidance given on best practice and adapting to specific needs of renewable energy projects



# TA Programme – Capacity Building

- Focus on developers, banks and investors:
  - Assess knowledge gaps and training needs
  - Develop training materials and programmes
  - Train the trainers
  - Implement training activities
- Awareness raising and marketing of investment opportunities



# TA Programme – Project Development Support

- Initial assessment to help the Bank screen projects
- Support to developers providing guidance on:
  - Project permitting & licensing
  - Feasibility studies
  - Commercial negotiations
  - Legal support in preparing loan documentation
  - Project management
  - Environmental and social project support



# EBRD Contact Details

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