



Overview of Ukraine Sustainable Energy Lending Facility



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What is USELF

- Lending facility with a total volume of € 50 million from EBRD
- Additional € 20 million from Clean Technology Fund
- Made available to borrowers directly by EBRD
- Supports investment in Renewable Energy projects for electricity generation
- Supplemented by free technical assistance

USELF Organization

Contract funded
by Global
Environment
Facility

EBRD

CTF

Project evaluation,
application support



Loan
Agreement

USELF
Team

Borrowers

Training,
awareness
raising, etc.

Ukrainian companies, developers,
consultants, banks, etc.



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Ukraine Sustainable Energy
Lending Facility



USELF Features

- Loans ranging from 1 mln to around 15 mln Euro
- Share of EBRD financing up to 50% of investment
- Interest rates at market conditions
- Maturity up to 12 years for EBRD loan and possibly longer for CTF loan portion
- Grace period possible for CTF loan portion
- Free technical assistance from German and local consultants to project developers
- Special focus on project financing

Typical RE Project Categories (1)

Objective is generation of electricity

- **Small Hydro Power Plants (SHPP)**
 - Rehabilitation of existing plants
 - Development of new SHPP sites
- **Biomass Projects**
 - Steam generation for heat and power
 - Biomass gasification
- **Biogas Projects**
 - Biogas generation from manure or energy crops
 - Extraction of gas from landfills



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Typical RE Project Categories (2)

- Wind Power Plants
 - Individual wind turbines
 - Wind farms
- Solar Power Plants
 - Photovoltaic (PV) power generation

Special eligibility arrangements

- Exception from power generation is financing of pellet production under special arrangement
- Liquid biofuels are not eligible

Support Provided by USELF Team

- Support to developers for improvement of feasibility studies and documents required for project appraisal
- Support in permitting and licensing process
- Support in commercial negotiations related to agreements required by developers
- Legal support in preparation of loan documentation
- Support in overall project management for project development and preparation
- **In addition: training provided to local consultancy firms and banks**

Eligibility Criteria for Companies

- Private companies formed under the laws of the Republic of Ukraine and operating in Ukraine
- Companies must have proven financial and commercial track record and sound financial structure
- Satisfactory results under EBRD's integrity due diligence
- Company must operate in compliance with environmental, health and safety legislation and standards
- Companies shall not be engaged in activities prohibited under EBRD's Exclusion List (tobacco, alcohol, gambling and arms)
- Company must be willing to introduce International Financial Reporting Standards



Criteria for Projects

- Projects shall replace electricity generated from conventional energy sources (coal, gas, etc.)
- Projects shall provide significant reduction of greenhouse gas emissions
- Projects shall use proven technology and equipment for power generation
- Projects must meet environmental requirements
- Projects must be financially viable



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Project Cycle

Submission of the Technical Application Questionnaire



Project Eligible



Preliminary technical screening

Mandate Letter with EBRD



Technical and environmental due diligence



Decision on loan approval (EBRD)

Project implementation and monitoring



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USELF Application Process (1)

- Direct contact with USELF team
 - USELF Helpline
 - USELF Office
- Contact through website Application Questionnaire
- Contact through EBRD Office Kyiv

USELF Application Process (2)

Documents initially required

- General information on company (incl. financial)
- Description of project with cost estimate, technology, expected output, preliminary financial viability calculation, etc.

Why Invest in Renewable Energy

For You

- Avail of opportunity of green tariff
- Implement a financially viable project that ensures you a stream of income for 20 years

For your country and the environment

- Increase the energy security of Ukraine
- Reduce environmental hazards and greenhouse gas emission and help combate global warming



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Investment in renewable energy - a step for the future!

Did you know that Ukraine imports up to 80% of the fuels to cover its primary energy needs while its own generating assets are ageing and highly polluting?

For Ukraine, the need to improve energy security and reduce the environmental impact of its energy sector is acute. Renewable energy can play a key role in addressing both these issues.

Although it has great potential for renewable energies, Ukraine has as yet hardly exploited this. The main reason for this low level of activity is that, until now, the legislative and regulatory frameworks have not been adequate to allow implementation of the numerous potentially feasible projects in this area.

In order to encourage businesses to pursue sustainable energy projects, the European Bank for Reconstruction and Development (EBRD) has launched the Ukraine Sustainable Energy Lending Facility (USELF). To promote projects that are often challenging to finance and implement, the Facility not only provides tailor-made financing, but also assistance by technical consultants for businesses and local authorities.

USELF is part of the EBRD's Sustainable Energy Initiative (SEI) addressing the challenges of climate change and energy efficiency. Since the launch of the SEI in 2006, the EBRD is at the forefront in helping countries from Central Europe to Central Asia to secure sustainable energy supplies, and finance the efficient use of energy that will cut demand and imports, reduce pollution and mitigate the effects of climate change.

Facility developed by:



European Bank
for Reconstruction and Development

Project Consultants:

FICHTNER



DEWEY & LeBOEUF



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Thank you for your attention!

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