



USELF

Ukraine Sustainable Energy
Lending Facility

FICHTNER



USELF - Phase II Launch Event

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European Bank
for Reconstruction and Development



Technical assistance funded by:





What is USELF

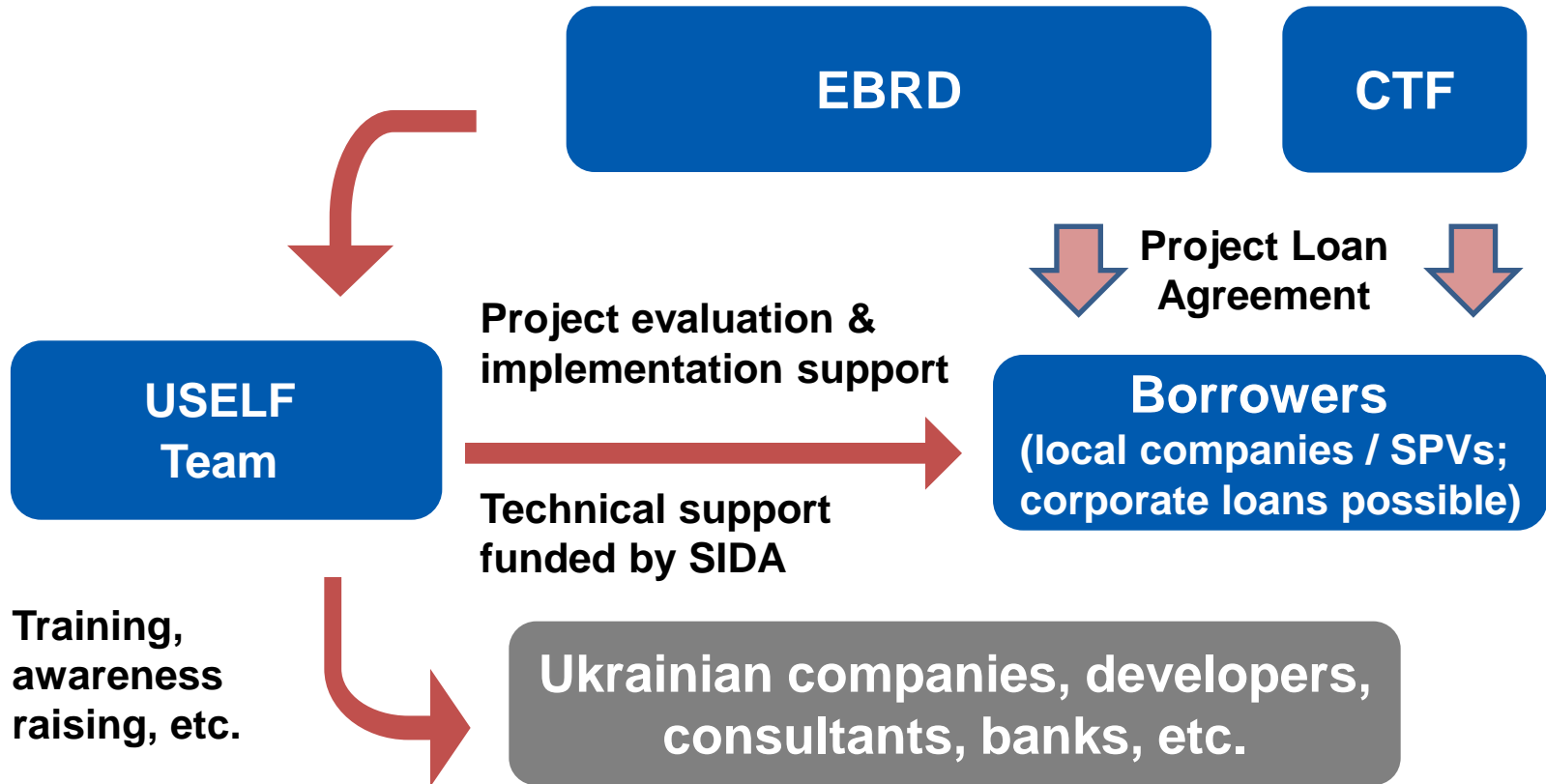
- Lending facility with a total loan volume of € 100 million from EBRD after recent replenishment
- Additional € 40 million from Clean Technology Fund
- Loans made available to borrowers directly by EBRD without involvement of local banking system
- Supports investment in Renewable Energy projects for electricity generation
- Supplemented by free technical assistance during development and implementation process



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USELF Organization



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USELF Loan - Main Features

- Loans ranging from 1.5 mn to around 15 mn Euro
- Share of EBRD and CTF financing combined up to 60% of total project costs
- Interest rates at market conditions for EBRD loan, possibly lower for CTF portion
- Maturity up to 10 years for EBRD loan and possibly up to 15 years for CTF loan portion
- Free technical assistance to project developers
- Special focus on project financing



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Typical RE Project Categories (1)

Main objective is the generation of electricity from renewable resources

- **Small Hydro Power Plants (SHPP)**
 - Rehabilitation of existing plants
 - Development of new SHPP sites
- **Biomass Projects**
 - Steam generation for power and heat
 - Biomass gasification (proven designs and track record of supplier)
- **Biogas Projects**
 - Biogas generation from manure or renewable 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

Not eligible project types

- Liquid biofuels (biodiesel, ethanol) are not eligible
- Unproven technologies and prototypes



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 EBRD environmental requirements
- Projects must be financially viable



Project Cycle

Submission of the Technical Application Questionnaire



Project Eligible



**Preliminary Technical Screening
(Project Screening Report)**

Mandate Letter with EBRD



**Technical and environmental
due diligence (Project Appraisal Note)**



**Decision on
loan approval
(EBRD)**

Project implementation and monitoring



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USELF Application Process

- Direct contact with USELF team via:
 - USELF Helpline
 - USELF Office
 - USELF website Application Questionnaire
- Contact through EBRD Office Kyiv
- Documents required for initial eligibility assessment
 - General information on company (incl. financial)
 - Description of project with cost estimate, technology, capacity and estimated generation, preliminary financial viability calculation, etc.



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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 formulation of commercial agreements with contractors and equipment suppliers and during negotiations
- Support in preparation of loan documentation
- Support in overall project management for project development and preparation
- Support to developers regarding environmental and social impact assessment (particularly for SHPP)
- Monitoring of project implementation for EBRD

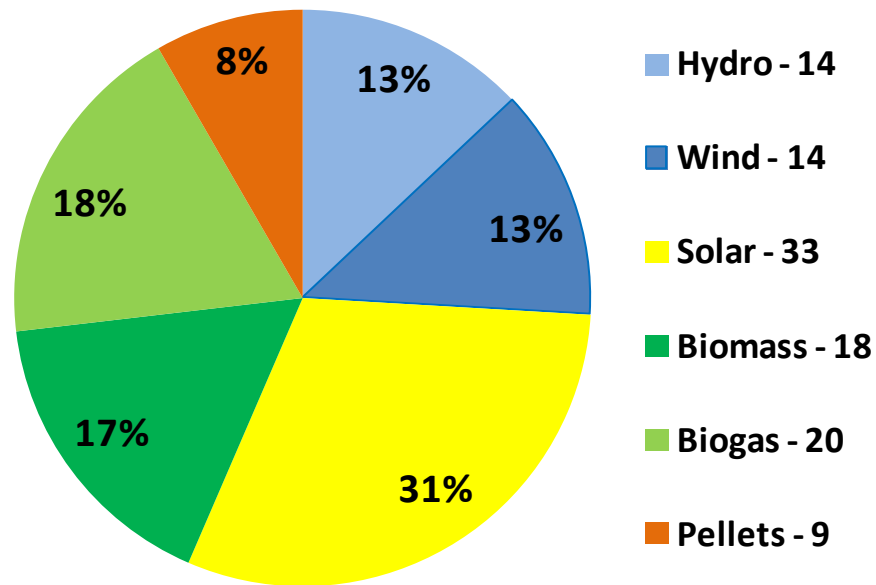
Achievements of USELF phase 1

- 108 applications received, about 25 projects are feasible
 - Most proposed projects require substantial additional work and improvement during development stage for bankability
 - 22 Preliminary Screening Reports prepared
 - 11 Mandate Letter prepared, 8 Mandate Letter signed
 - 8 Project Appraisal Notes prepared
 - 7 Loan Agreements signed
- | | |
|---------------------------|-----------|
| Overall investment volume | 87 mn EUR |
| USELF loan volume | 52 mn EUR |
- 3 projects commissioned (13.2 MW, solar)



Applications by RET type

Total of 108 applications

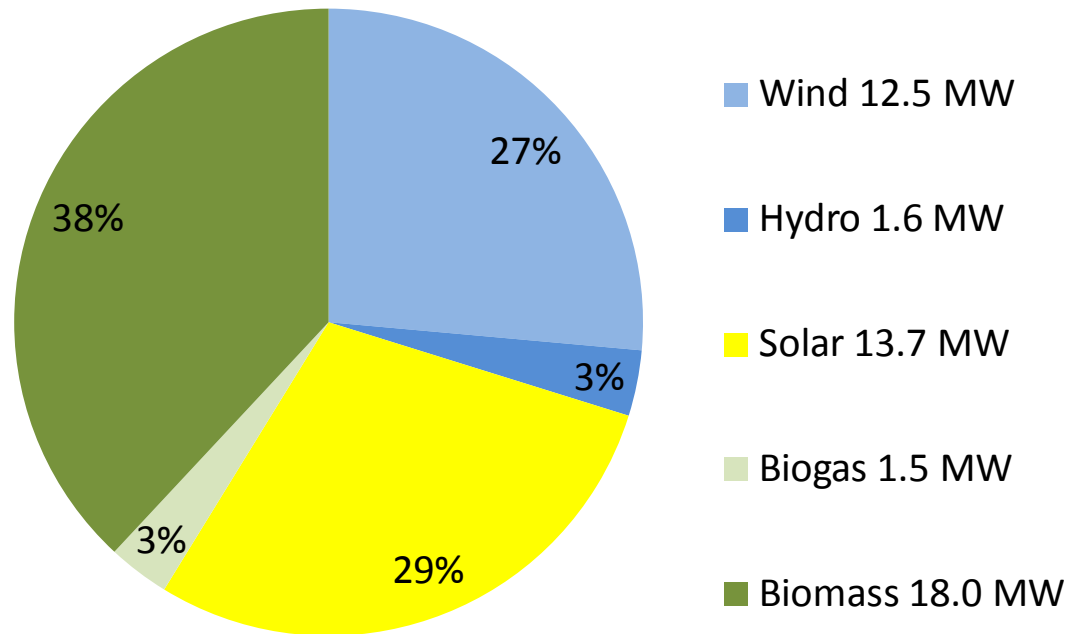


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Financed Projects by Capacity

Financed Projects by Capacity (47.3 MW)



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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





Thank you for your attention!

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