

# INTERNATIONAL INVESTMENT BUSINESS FORUM ON ENERGY EFFICIENCY AND RENEWABLE ENERGY

## ATTRACTING INTERNATIONAL INVESTMENTS TO EE AND RE IN UKRAINE



# ATTRACTING INTERNATIONAL INVESTMENTS

## AGENDA

1. The UA MAP investment project template
2. Financing sources for energy efficiency and renewable energy projects in Ukraine
3. Perspectives







# The UA MAP investment project template

# THE UA MAP INVESTMENT PROJECT TEMPLATE

## THE OBJECTIVE

- A consistent format for presentation of Ukrainian EE and RE investment opportunities that balances the needs of investors and project promoters.
- Standard structure including information needed by most external investors for initial assessment.
- Easy identification of relevant opportunities based on selection of technology, size, etc.
- Easy screening of project basics, including stage of development, available approvals.
- Indication of financial feasibility through promoter's assessment of expected investment, revenues and financial return.
- Possibility to link to supplementary presentations, feasibility studies, etc.

# THE UA MAP INVESTMENT PROJECT TEMPLATE

## MANDATORY FIELDS

- Project type
- Title of investment project
- Name of entity responsible for the project
- Type of promoter
- Contact details of project promoter
- Date of entry
- Project description
- Current stage of project development
- Location of project (Region)
- Location of project (Town and address)
- Total investment
- Income sources
- Total electricity capacity (MWe)
- Total heat capacity (MWth)
- Annual power production
- Annual heat production
- Power price
- Heat price
- Expected financial return

# THE UA MAP INVESTMENT PROJECT TEMPLATE

## OPTIONAL FIELDS

- Available documents
- Expected timeframe
- Approvals
- Technology
- Type of financing sought
- Share of project equity offered
- Existing equity
- Existing debt
- Supporting material
- Picture of project

# Overview of financing sources for EE and RE in Ukraine



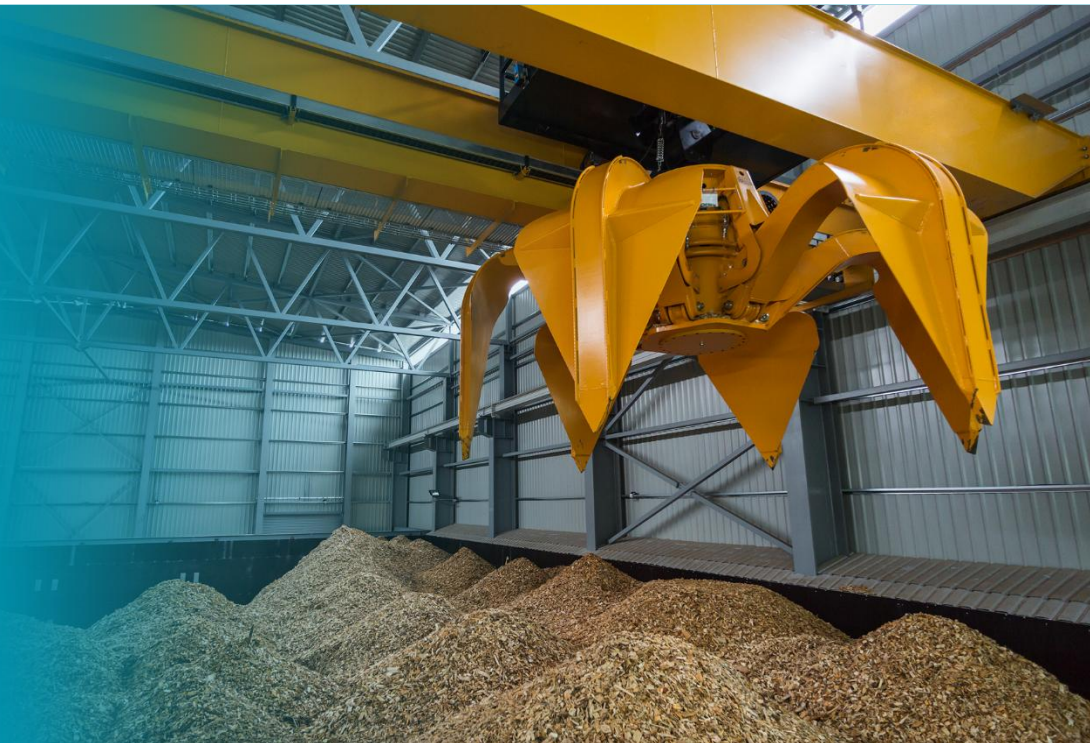


# OVERVIEW OF FINANCING SOURCES FOR EE AND RE

## KEY TYPES OF ACTORS

- Multilateral Development Banks (MDBs)
- National Development Finance Institutions (DFIs)
- Export Credit Agencies (ECAs) and other risk mitigation mechanisms
- Private Investment Funds
- Ukrainian Government and Commercial Bank Programs

*International actors will generally require compliance with environmental, social and governance standards.*





# OVERVIEW OF FINANCING SOURCES FOR EE AND RE

## SELECTED MULTILATERAL DEVELOPMENT BANKS (MDB) ACTIVE IN UKRAINE

Institution / Program	Activities in Ukraine	Financial products offered
European Bank for Reconstruction and Development (EBRD)	Sustainable Energy Lending Facility (USELF), Renewables Direct Lending Facility, Innovative Voucher Program	Equity, loans, guarantees
European Investment bank (EIB)	Development of Municipal Infrastructure of Ukraine	Loans
Nordic Environmental Finance Corporation (NEFCO)	DemoUkrainaDH (Demo-Ukraine)	Equity, Loans and grants.
The World Bank (IBRD)	District Heating Energy Efficiency Project (UHDEEP)	Loans, guarantees
The International Finance Corporation (IFC)	Renewable Energy Program	Equity, Loans, Venture Capital, Trade/Supply Chain Finance

# OVERVIEW OF FINANCING SOURCES FOR EE AND RE

## SELECTED NATIONAL DEVELOPMENT FINANCE INSTITUTIONS (DFI) ACTIVE IN UKRAINE

Institution / Program	Activities in Ukraine	Financial products offered
IFU (Denmark)	EUR 70+ million investments in active projects in Ukraine including recent EUR 10 million investment in a wind farm (2016)	Equity, loans, guarantees
FMO (Netherlands)	Recent investments USD 15 million in Ukraine within agribusiness (2016)	Equity, loans, guarantees
KfW – DEG (Germany)	Investments include an investment company operating in Ukraine	Equity, loans, guarantees. Renewable energy is a focus area.
Swedfund (Sweden)	Investments include manufacturing in Ukraine	Equity, loans. Energy is a priority sector.
Finnfund (Finland)	Investments include manufacturing in Ukraine	Equity, loans, guarantees. Renewable energy and energy efficiency are focus areas.

# OVERVIEW OF FINANCING SOURCES FOR EE AND RE

## SELECTED EXPORT CREDIT AGENCIES (ECA) ACTIVE IN UKRAINE

Institution / Program	Activities in Ukraine	Financial products offered
EKF (Denmark)	Currently requires buyers to meet requirements that limit EKF's risk liability	Export credit and investment guarantees against political risks
EGAP & CEB (Czech Republic)		Export credit (CEB) and investment guarantees against political risks (EGAP)
Euler Hermes Credit Insurance & Hermes Cover (Germany)		Export credit and investment guarantees (HC), credit insurance (EHCI)
Multilateral Investment Guarantee Agency (MIGA)	Recent (2016) guarantee for food factory will cover the investment for up to 10 years against risks of expropriation, transfer restriction and war and civil disturbance.	Coverage for key non-commercial risks: Currency Inconvertibility and Transfer Restriction; Expropriation; War, Terrorism, and Civil Disturbance; Breach of Contract; Non-Honoring of Financial Obligations.

# OVERVIEW OF FINANCING SOURCES FOR EE AND RE

## PRIVATE INVESTMENT FUNDS ACTIVE IN UKRAINE

Institution / Program	Activities in Ukraine	Financial products offered
Green for Growth Fund	EE financial product investment of EUR 10 mill in 2012	Equity investments to enhance energy efficiency and foster renewable energies
EuroCape New Energy	Wind farm investment in 2008	Equity investments in onshore wind energy



# OVERVIEW OF FINANCING SOURCES FOR EE AND RE

## UKRAINIAN GOVERNMENT AND COMMERCIAL BANK PROGRAMS

Institution / Program	Activities in Ukraine	Financial products offered
State Agency for Energy Efficiency and Energy Saving	Funding through State Energy Efficiency Program	Facilitation and project preparation for external financing
Regional Development Fund	Financing regional development projects on a competitive basis	Equity, guarantees
Ощадбанк	Credit program "Savings house"	Credit
Bank "Львів"	Credit for energy saving	Credit, investment financing
Отпбанк		Credit
Укргазбанк	Energy Efficiency Credit Plan for Heat House for ACMB and HLC	Credit

# ATTRACTING INTERNATIONAL INVESTMENTS

## PERSPECTIVES

- MDBs and DFIs are active in the EE and RE sector in Ukraine
- ECAs and Private Investment Funds are still reluctant
- Ukraine has taken important steps to reform the energy market
- There are substantial opportunities in EE and RE in Ukraine
- The new UA MAP platform can help mobilize international capital for realizing these opportunities
- So use it – if you are a project developer or a potential investor in EE and RE projects!

