



Challenges of recovery
and reconstruction:
EBRD's role (example:
power sector of
Ukraine)



European Bank
for Reconstruction and Development

THE EBRD'S ROLE IN UKRAINE



Our commitment to Ukraine

The EBRD is supporting Ukraine and its real economy when the country needs it most – in the here and now.

We are committed to providing €3 billion of financing over 2022-2023 to help keep Ukraine's businesses and economy functioning.

In 2022 we deployed €1.7 billion in support of Ukraine. In addition €200 million was also directly mobilised from partner financial institutions. We wouldn't have been able to do all this without the generous grants and guarantees provided by donor partners – more than €1 billion for Ukraine in 2022.

We have been operating in Ukraine for over three decades and are the largest institutional investor there.

€3 billion

Financing committed over 2022-2023

€1.7 billion

Deployed in 2022

€200 million

Mobilised from partner financial institutions

The story so far

529

projects in Ukraine

€18,096 million

cumulative EBRD investment

€4,670 million

current portfolio of projects

The EBRD is the largest
institutional investor in Ukraine

As of December 2022



On a visit to Kyiv, EBRD President Odile Renaud-Basso told Ukraine's President Volodymyr Zelenskyy of the Bank's determination to support Ukraine against Russia's aggression.



Our response to the war

The EBRD strongly condemned the Russian invasion from the start, and our response was immediate and wide-ranging, channelling finance and assistance where needed most.

We have continued to disburse funds to clients, for example by providing working capital, and enhanced our Trade Facilitation Programme to provide extra support for the import and distribution of essential goods.

Our support for Ukraine targets five main areas:

- ▶ Trade finance
- ▶ Energy security
- ▶ Vital infrastructure and provision of liquidity to municipalities
- ▶ Food security
- ▶ The private sector.

Portfolio Composition



EBRD's response to the war on Ukraine focused on urgent liquidity financing and restructuring of existing loans with SOEs



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With an overall commitment of **EUR 3.0 billion** in 2022-2023 – **total investments in Ukraine are expected to amount to EUR 1.5 billion by 2022 year end**, including support to:



Vital Connectivity with Ukrainian Railways

- **Repurposed EUR 149 million** of the existing undrawn commitment to state railway cargo and passenger transportation provider that allowed to address critical liquidity needs, ensuring **vital railway transport services are available** for people and business affected by the war



UKRENERGO
National power company

Energy Security with Ukrenergo

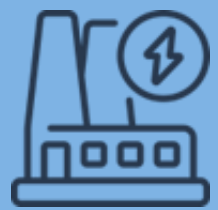
- **Provided liquidity support of EUR 147 million** in two tranches to enable the stable functioning of the Ukrainian electricity grid, inject liquidity via Ukrenergo into generation businesses, including renewables, and maintain power supplies to industries and households.
- **Approved an additional EUR 370 million** to finance the emergency procurement of new equipment and provide capital structure support funding to restore the functioning of the high voltage transmission grid.



Critical Gas Purchases with Naftogaz

- **Put in place a financing package worth just under EUR 500 million** to assist Naftogaz (NAK) in acquiring gas for two annual gas purchase and supply cycles, securing heating for households, schools and offices; producing electricity and maintaining economic activity.

Energy aid: ensuring timely and transparent distribution of aid



129 affected energy enterprises

15,000+ registered aid requests



40 types of reports generated



Google Spreadsheet used to collect and process data

84 donor entities



from **29** countries

78,000+ items received

5,051 tons of aid received



361 cargoes

240% ↑ increase in Nov-Jan following attacks on critical infrastructure

Going Forward: The need for rebuilding a Mid Term view for the energy sector that can attract investments in recovery and reconstruction



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- ❑ Ukraine will need to mobilize an unprecedented amount of investments to rebuild the energy sector
- ❑ At the moment investors are afraid to invest in the country due to the war uncertainty and economic challenges
- ❑ Preparatory work for creating a sustainable investment framework for reconstruction should start already now

Current energy sector challenges:

- Major share of core power assets destroyed/damaged;
- Political consensus needed for a long term view for sector development;
- Consolidation of different work streams into a single strategic action plan;
- Response flexibility for unprecedented and fast changing situation,

Pillars for a sustainable investment framework for reconstruction

- Address immediate needs of energy security; energy and heat assets and network restoration
- Increase physical interconnection with the EU and implement EU acquis in national legislation
- Build back better (BBB) by moving capex infrastructure investments towards resilient and low carbon energy solutions
- Recreate a positive investment climate in the energy sector by introducing competitive and transparent market mechanisms and regulations

EBRD/IFIs Support

- Emergency and Infrastructure investments
- Policy and capacity for reforms implementation (like RSTs)
- Address investment barriers – develop structures to de-risk and incentivize investments with donor finance mobilization

Contacts



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