



## **International Financial Institutions and donors active in Ukraine & Georgia**



### **ANNEX C**



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### Georgia

#### About the country

Capital: Tbilisi

Population: 4,392 mln.

Language: Georgian

GDP (ppp) total/per capita: \$23,934 bln./\$5.449

GDP (nominal) total/per capita: \$12,885 bln./\$2.926

Currency: Georgian Lari (GEL)

Source: IMF (estimate 2011)

#### Energy strategy of Georgia

The main goal of the "Main Directions of State Policy in Georgian Power Sector" is the full satisfaction of the demand of industrial and domestic-communal sector on energy resources on the basis of full utilization of energy resources existing in the country and diversification of imported energy carriers, as well as, achievement of economic independence and sustainability of the sector, provision of energy security (technical, economic and political factors). It is determined under the "Main Directions of State Policy in the Power Sector of Georgia" that great attention in the utilization of local energy resources shall be attributed to the application of main natural resources of the country. At the same time the long term goal of energy policy is to satisfy demand on electric energy by the power generated at local hydro power plants. <http://www.minenergy.gov.ge/en/4546>

#### Covenant signatories: 13

Akhalsikhe; Batumi; Bolnisi; Gori; Kazbegi; Kutaisi; Mtskheta; Rustavi; Tbilisi; Telavi; Telavi City Hall; Tianeti; Zugdidi;

[http://www.covenantofmayors.eu/about/signatories\\_en.html?q=Search+for+a+Signatory...&country\\_search=ge&population=&date\\_of\\_adhesion=&status=](http://www.covenantofmayors.eu/about/signatories_en.html?q=Search+for+a+Signatory...&country_search=ge&population=&date_of_adhesion=&status=)

#### International Financial Institutions, facilities and programmes

1. Asian Development Bank (ADB)
2. European Bank for Reconstruction and Development (EBRD)
3. European Investment Bank (EIB)
4. Global Environment Facility (GEF)
5. KfW
6. World Bank
7. Council of Europe development bank (CEB)
8. Nordic Environment Finance Corporation (NEFCO)
9. U.S. Agency for International Development (USAID)
10. Eastern Europe Energy Efficiency and Environmental Facility (E5P)
11. Sustainable Urban Demonstration Projects – SUDEP
12. Municipal Project Support Facility

#### National financing institutions and programmes

13. Ministry of Finance of Georgia
14. Municipal Development Fund of Georgia

#### Other useful programmes and projects in Georgia

15. INOGATE
16. GIZ
17. SIDA
18. Finance in Motion mandated by the the European Fund for Southeast Europe (EFSE) and the Green for Growth Fund, Southeast Europe (GGF)

## 1. Asian Development Bank (ADB)

### Donor description

The Asian Development Bank (ADB) finances development in the Asia and Pacific region with the aim of reducing poverty and increasing sustainable growth. The ADB has several core areas of operations, including environmental issues and energy. In the 'Environment Operational Directions 2013-2020' of ADB four mutually supportive directions have been identified:

- promoting a shift to sustainable infrastructure
- investing in natural capital
- strengthening environmental governance
- Responding to the climate change imperative. In the energy sector, ADB is focusing on energy efficiency and providing technical assistance on modernization of the district heating distribution networks aimed at stable, safe, and energy-efficient operations.

More info: <http://www.adb.org/documents/environment-operational-directions-2013-2020?ref=about/policies-and-strategies/publications>

ADB established a resident mission in Georgia and began operations in December 2008. ADB and Georgia will continue to implement three large, multi-year partnerships—the Urban Services Improvement Investment Program, the Sustainable Urban Transport Investment Program, and the Regional Road Corridor Investment Program. ADB's assistance includes support to enhance managerial capacity of urban utilities to improve access to key urban services. The government and ADB are also exploring opportunities to help Georgia tap its abundant renewable energy resources and to promote the country's role as an emerging regional energy hub. Financial intermediation and renewable energy generation are priority areas for private sector development.

As of December 2012, ADB's non-sovereign assistance to Georgia amounted to \$95 million. The armed conflict with the Russian Federation in August 2008 and the global economic crises that followed, negatively impacted Georgia's economy. A two-phased Municipal Services Development Project, funded with a \$70 million concessional ADB loan, currently under implementation, supports the rehabilitation of municipal infrastructure, including roads and water supply and sanitation systems across the country. The first phase (\$40 million) was physically completed in 2012, earlier than planned.

More info:

<http://www.adb.org/documents/environment-operational-directions-2013-2020?ref=about/policies-and-strategies/publications>

<http://www.adb.org/countries/georgia/strategy>

<http://www.adb.org/sites/default/files/pub/2013/GEO.pdf>

### Eligibility

ADB uses a classification system to determine the eligibility of developing member countries (DMCs) to borrow from ordinary capital resources (OCR) or the [Asian Development Fund](#) (ADF), which provides grants and loans on concessional terms. DMCs are classified based on two main criteria: gross national income (GNI) per capita, and creditworthiness. Georgia can be granted both ADF and OCR loans.

More information: <http://www.adb.org/site/public-sector-financing/lending-policies> and <http://www.adb.org/sites/default/files/pub/2012/adb-financial-products.pdf>

### Funding info

|                          |               |
|--------------------------|---------------|
| Minimum loan amount      | Not specified |
| Maximum loan amount      | Not specified |
| Maximum share percentage | Not specified |
| Interest rate            | Not specified |

|   |               |
|---|---------------|
| Maturity period   | Not specified |
| <p>The Bank will seek security appropriate for the loan and type of financing.<br/> More information: <a href="http://www.adb.org/site/public-sector-financing/financial-products">http://www.adb.org/site/public-sector-financing/financial-products</a></p>   |               |
| <p><b>Application</b></p> <p>There is no standard form of application for ADB assistance. However, ADB requires some basic information to evaluate a project, including: 1. Executive Summary; 2. Project Description; 3. Feasibility study establishing the technical, financial, economic, and environmental and social viability of the project, prepared by a reputable consultant or consulting firm, if necessary; 4. Background on Sponsor(s); 5. Project Ownership Structure; 6. Project's Implementation Arrangements; 7. Project Operations; 8. The Market; 9. Environmental and Social Aspects; 10. Cost Estimates; 11. Financing Plan; 12. Financial Model; 13. Risk Analysis; 14. Permits and Licenses.<br/> More information: <a href="http://beta.adb.org/site/private-sector-financing/applying-assistance">http://beta.adb.org/site/private-sector-financing/applying-assistance</a> or contact ADB directly</p> |               |
| <p><b>Example project</b></p> <p>In 2009 the ADB approved a sustainable public transport project in Georgia. This project will improve the efficiency, reliability, and affordability of urban transport infrastructure and services in several Georgian cities. In 2010 this was followed by the Sustainable Urban Transport Services Program aimed at various cities in Georgia.<br/> More information: <a href="http://www.adb.org/countries/georgia/projects">http://www.adb.org/countries/georgia/projects</a></p>   |               |
| <p><b>Contact information</b></p> <p>Georgia Resident Mission<br/> 1, G Tabidze Street<br/> 0114 Tbilisi<br/> Georgia<br/> Tel: +995 322 250619<br/> Fax: +995 322 250622<br/> More information: <a href="http://www.adb.org/countries/georgia/contacts">http://www.adb.org/countries/georgia/contacts</a></p>  |               |

## 2. European Bank for Reconstruction and Development (EBRD)

### Donor description

The EBRD is an international financial institution that supports projects in 29 countries from Central Europe to Central Asia and is the largest single investor in this region. The principal forms of direct financing that may be provided by the EBRD are loans, equity and guarantees. EBRD operations in the Eastern Neighbours are carried out in close cooperation with the European Investment Bank (EIB) and the European Commission.

The EBRD actively supports Georgia's transition towards a market economy and by the end of 2012 had signed over 150 projects and invested over €1.7 billion in the country. The Bank's priorities are to support the private sector, further advance the financial sector and to promote reform. As outlined in its country strategy for Georgia (approved in 2010), the EBRD will continue to focus primarily on developing the private sector in the country and will address critical bottlenecks to local private sector investment and foreign direct investment.

The infrastructure sector is a key priority, including power and energy, municipal and transit infrastructure.

In 2012, the bank signed a total of 13 projects worth €97.3 million, with operations focused on the financial, agribusiness and corporate sectors.

More information: <http://www.ebrd.com/downloads/research/factsheets/georgia.pdf>

### Eligibility

Typically EBRD funds up to 70% of the total project cost for public sector projects. Smaller projects may be financed through financial intermediaries or through special programmes for smaller direct investments in the less advanced countries.

To assess the eligibility of a project, the EBRD requires information on:

- project: brief description of the project, detailing how the Bank's financing will be used, background information on the sponsor, details of the product or service that will be developed and a review of the market
- financing: accurate breakdown of project costs and how funds will be used, summary of implementation requirements, additional funding sources and project's anticipated financial performance
- environmental: summary of environmental issues.

A useful tool is the EBRD funding adviser: <http://www.ebrd.com/work-with-us/project-finance/funding-adviser.html>

### Funding info

|                          |   |
|--------------------------|---|
| Minimum loan amount      | € 5 million, although this can be less in some cases  |
| Maximum loan amount      | € 250 million   |
| Maximum share percentage | 35% for private, 70% of total capital for public sector projects  |
| Interest rate            | Based on current market rates, such as EURIBOR. A margin above the base rate is added to reflect country risk and project-specific risks. |
| Maturity period          | Up to 15 years  |
| Loan repayment           | Normally in equal, semi-annual instalments.   |

More information: <http://www.ebrd.com/pages/workingwithus/projects/products>

The EBRD requires project companies to obtain insurance against normally insurable risks. The Bank does not require insurance against political risk or non-convertibility of the local currency. The EBRD usually requires the companies it finances to secure the loan with project assets (e.g. mortgage on fixed or movable assets).

Source: <http://www.ebrd.com/downloads/research/factsheets/guide.pdf>

### **Application**

To assess the eligibility of a project, the EBRD requires the following information: 1. a brief description of the project, detailing how the Bank's financing will be used; 2. a brief description on the sponsor; 3. details of the product; 4. a review of the market; 5. an accurate breakdown of the costs; 6. a summary of implementation requirements 7. identification of additional sources; 8. an overview of the project's anticipated financial performance; 9. a summary of any environmental issues; 10; details of government licences or permits required, subsidies available and import/export restrictions.

More info:

<http://www.ebrd.com/downloads/research/factsheets/guide.pdf>

If you are interested in obtaining EBRD finance, complete the online form at:

<http://www.ebrd.com/work-with-us.html>

### **Example Project**

The EBRD has provided € 58 million of financing to develop Georgia's hydropower resources including hydro power plant rehabilitation project, improving operational safety of the Enguri power facility and increasing the availability of non-polluting renewable energy in the country.

As part of EBRD Energocredit, the sub-facility for energy efficiency in the housing sector has received a donation from the BP foundation for up-to 15% grants for eligible projects. Loans to approx. 600 projects have been granted.

More information: <http://www.ebrd.com/downloads/research/factsheets/georgia.pdf>

### **Contact information**

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0105 Tblisi

Georgia

Tel. + 995 322 44 74 00

Fax: +995 322 92 05 12

Website: <http://www.ebrd.com/georgia.html>

### 3. European Investment Bank (EIB)

#### Donor description

The EIB is the European Union's bank, owned by the Member States of the European Union, and focuses on:

- Lending to projects in the EU and beyond. The vast majority of the lending is through loans, but EIB also offers guarantees, microfinance, equity investment, etc.
- Blending its loans with other EU funds to increase the impact on projects
- Advising on administrative and project management capacity to facilitate investment.

Renewable energy and energy-efficiency projects are at the heart of the EIBs energy investment and contribute to making Europe's energy supplies more sustainable, competitive and secure. EIB financing for energy-efficiency projects covers both the supply side (e.g. combined heat and power – CHP, district heating) and the demand side (mainly public and private (buildings)).

Lending is by far the principal activity of EIB, accounting for around 90% of their total financial commitment. Additionally EIB has a variety of sophisticated tools to help clients blend its financing with additional sources of investment. EIB generally finances individual projects for which total investment cost exceeds EUR 25 mln. The loans are usually one-third of each project but it can be as much as 50%.

More information: [www.eib.org](http://www.eib.org)

#### Eligibility

The EIB finances projects in most sectors. To be eligible projects must contribute to EU economic policy objectives. The Bank supports projects that make a significant contribution to growth, employment, regional cohesion and environmental sustainability in Europe and beyond. Specifically, the six priorities, as defined in the Operational Plan are:

- Small and medium sized enterprises & mid-caps: the creators of 80% new jobs
- Regional development: to address economic and social imbalances
- Environmental sustainability: including both climate action and investment in the urban and natural environment
- Innovation: promoting skills and innovation at every level
- Trans-European Networks: linking Europe's infrastructure, principally in transport
- Energy: building competitive and secure supply

More information: <http://www.eib.org/projects/priorities/index.htm>

#### Funding info

|                          |   |
|--------------------------|---|
| Minimum loan amount      | € 25 million  |
| Maximum loan amount      | no specific amount mentioned  |
| Maximum share percentage | Up to 50% of the project costs  |
| Interest rate            | Interest rates can be fixed, revisable or convertible (i.e. allowing for a change of interest rate formula during the lifetime of a loan at predetermined periods). |
| Maturity period          | Up to 25 years, depending on the project type   |
| Loan repayment           | Repayment is normally on a semi-annual or annual basis  |

The EIB gives either direct loans, or global loans through financial intermediaries (banks). The Bank will review the promoter's own comprehensive feasibility studies, and make a preliminary assessment of certain aspects of the project including: 1. technical; 2. Environmental; 3. Economic; 4. Financial; 5. Legal.

<http://www.eib.org/products/loans/index.htm>

### **Example project**

The Bank invested € 360 million in Georgia so far. To date, the EIB has provided funds for the development of Georgia's energy and water infrastructure, including loans to support the construction of high-voltage power transmission lines, the rehabilitation of the Enguri and Vardnili cascade of hydropower plants and the repair and upgrading of municipal water facilities. The EIB has also provided in Georgia credit lines to partner financial institutions to support indirectly smaller projects usually implemented by small and medium-sized companies.

More information: <http://www.eib.europa.eu/infocentre/press/releases/index.htm?lang=en>

### **Application**

Project promoters are required simply to provide the Bank's Operations Directorate with a detailed description of their capital investment together with the prospective financial arrangements.

Individual loans for projects over €25 million may be requested directly from the EIB. Given the range and diversity of potential projects there is no standardised documentation requirement. The layout and content of documents to be submitted to the EIB are the responsibility of the project promoter. For further details on how to apply please contact the service desk (see contact information)

More information: [http://www.eib.europa.eu/projects/cycle/applying\\_loan/index.htm](http://www.eib.europa.eu/projects/cycle/applying_loan/index.htm)

### **Contact information**

EIB Switchboard  
98-100, Boulevard Konrad Adenauer  
L-2950 Luxembourg  
Tel. +352 43 79 1  
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#### 4. Global Environment Facility (GEF)

##### Donor description

The Global Environment Facility (GEF) unites 182 member governments — in partnership with international institutions, and the private sector — to address global environmental issues. The GEF was established in 1991 as a pilot program in the World Bank to assist protection of the global environment and to promote environmental sustainable development. Climate change from human-induced emissions of heat trapping greenhouse gases (GHGs) is a critical global issue, requiring substantial action. These actions include investment to reduce emissions of GHGs and adaptation to climate changes including variability. GEF projects in climate change help developing countries and economies in transition to contribute to the overall objective of the United Framework Convention on Climate Change (UNFCCC). The GEF is today the largest funder of projects to improve the global environment. The GEF partnership consists of 10 agencies, including the EBRD, UNDP, UNEP, UNIDO, the ADB and the World Bank.

Since Georgia joined and applied for grants, it received GEF grants totaling US\$ 23,510 leveraging US\$ 63,716 in co-financing resources for 16 national projects. And 13 regional and global projects financed by the GEF totaling US\$ 35,731 leveraging US\$ 383,093 in co-financing resources. These include one project in biodiversity, three in multifocal area, ten in international waters and two in POPs area. During the current replenishment period (GEF- 5), from July 2010 to June 2014, Georgia has received an indicative allocation to formulate and execute projects for US\$ 2,000,000 in climate change.

More information: <http://www.thegef.org/gef/sites/thegef.org/files/publication/Georgia.pdf>

##### Eligibility

The GEF funds a broad range of project types that vary depending on the scale of GEF resources, the project needs and the issue addressed. In order to be approved each project follows a specific project cycle. Each GEF country has designated an officer responsible for GEF activities, known as GEF Operational Focal point, who plays a key role in assuring that GEF projects are aligned to meet the needs and priorities of the respective country.

To be taken into consideration a project has to fulfil the following criteria:

- it is undertaken in an eligible country
- it addresses one or more of the GEF focal areas
- it is consistent with the GEF operational strategy
- it seeks GEF financing only for the agreed-on incremental costs on measures to achieve global environmental benefits
- it involves the public in project design and implementation
- it is endorsed by the government of the country in which it will be implemented

GEF provides grants for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer and persistent organic pollutants.; and sustainable forest management. GEF has various project options:

- Full-sized projects: Project concepts may be developed by governments, communities, the private sector, or other civil society entities but must respond to both national priorities and GEF focal areas.
- Medium-sized projects (MSP): MSPs are intended to follow expedited procedures and allow for more diverse participation by NGOs and other civil society organizations in project development and implementation.
- Enabling Activities: Enabling activities projects are usually processed under expedited procedures and approved by the CEO on a rolling basis throughout the year.

More information: [http://www.thegef.org/gef/who\\_can\\_apply](http://www.thegef.org/gef/who_can_apply)

|   |                     |
|---|---------------------|
| <b>Funding info</b>   |                     |
| GEF provides grants to various types of projects ranging from several thousand to several million dollars.  |                     |
| Minimum loan amount   | Several thousand \$ |
| Maximum loan amount   | Several millions \$ |
| Maximum share percentage  | Not specified       |
| Interest rate   | Not specified       |
| Maturity period   | Not specified       |
| More information: <a href="http://www.thegef.org/gef/guidelines">http://www.thegef.org/gef/guidelines</a>   |                     |
| <b>Application</b>  |                     |
| <p>To be taken into consideration, a project proposal has to fulfil the following criteria: 1. it should address one or more of the GEF Focal Areas, improving the global environment; 2. it is consistent with the GEF operational strategy; 3. it seeks GEF financing only for the agreed-on incremental costs on measures to achieve global environmental benefits; 4. it involves the public in project design and implementation; 5. it is endorsed by the government(s) of the country in which it will be implemented. For more specific information about financing, contact the Georgian Focal Point (see contact information).</p> <p>Before drafting a project proposal, the applicant should contact the Country Operational Focal Point (see contact information) and verify that the proposal complies with the criteria mentioned above. If the project is eligible, the proponent should develop the Project Identification Form (PIF), in close coordination with the GEF Agency and following the internal project cycle procedures. Prioritization of PIF proposals for submission to the GEF for funding and utilization of resource envelopes is managed at the country level – ultimately by the GEF Operational Focal Point. Projects will normally be processed on a first-come, first-served basis.</p> <p>The PIF can be found on: <a href="http://www.thegef.org/gef/guidelines">http://www.thegef.org/gef/guidelines</a></p> <p>More information: <a href="http://www.thegef.org/gef/who_can_apply">http://www.thegef.org/gef/who_can_apply</a></p> |                     |
| <b>Example project</b>  |                     |
| <p>Promoting the Use of Renewable Energy Resources for Local Energy Supply: In 2012 a project was completed to promote investments in small hydro power based on IPP/PPA frameworks and to promote geothermal energy for municipal hot water supplies based on municipal government investment and operation. Project \$12.85 m.; GEF \$4.3 m.</p> <p>More information: <a href="http://www.thegef.org/gef/project_detail?projID=1137">http://www.thegef.org/gef/project_detail?projID=1137</a></p>   |                     |
| <b>Contact information</b>  |                     |
| <p>Ms Nino TKHILAVA<br/> Operational Focal Point<br/> Head Ministry of Environmental Protection and Natural Resources of Georgia<br/> 6 Gulua Street,<br/> No. 0114<br/> Tbilisi<br/> Georgia<br/> Tel: +995 32 75 2128<br/> Fax: +995 32 27 5728<br/> Email: <a href="mailto:ntkhilava@moe.gov.ge">ntkhilava@moe.gov.ge</a>, <a href="mailto:geoairdept@caucasus.net">geoairdept@caucasus.net</a></p>  |                     |

## 5. KfW

### Donor description

KfW is Germany's leading development bank and is an integral part of KfW Bankengruppe. Although their main client is the German federal Government also the European Commission and the governments of other countries commission KfW to implement their development cooperation programmes and projects. On behalf of the German Government Financial Cooperation (FC) is carried out. In this KfW follow two main principles: strengthen their partner country's sense of ownership and align their work with the country's national development strategies and structures. The partner countries themselves propose projects and programmes. These can be financed with a differentiated mix of grants, low-interest loans with long maturities or equity participations. Particularly for environmental and climate protection a multitude of special facilities and programmes are available here as well. This range is complemented by innovative approaches such as fund solutions that also encourage private sector investment. Some constellations even permit purely private sector financing projects.

More information: [http://www.kfw-entwicklungsbank.de/ebank/EN\\_Home/About\\_Us/index.jsp](http://www.kfw-entwicklungsbank.de/ebank/EN_Home/About_Us/index.jsp)

### Eligibility

The bank conducts the appraisal of the borrower, evaluates their plans and decides whether to finance the project and to apply for a loan from KfW.

### Funding Info

Loans from KfW are available practically around the corner. Savings banks, cooperative banks and commercial banks are KfW's main distribution partners. One exception to the on-lending principle applies to grants. Currently, grants are available for energy-saving investments in homes which can be applied for directly with KfW and are disbursed directly by KfW to the recipients. In general, KfW provides loans directly to public borrowers such as cities and municipalities.

### Example project

OeEB provides EUR 20 million to a KfW-Entwicklungsbank commitment for the construction of the Black Sea Transmission Network in Georgia. The Black Sea Transmission Network will expand the Georgian transmission network with new, approximately 260 kilometers long 500 kilovolt lines from Gardabani and Zestaponi and will connect the grid to the Turkish grid. Further substations in Georgia will be adapted. Through the use of Georgian hydropower, about one million tons of CO<sub>2</sub> emissions will be avoided annually in Turkey. Electricity is expected to start flowing to Turkey by the end of 2012. The project is to be completed by 2013.

<http://www.oe-eb.at/en/projects/Pages/black-sea-transmission-network.aspx>

### Application

Projects and programmes within Financial Cooperation (FC) between a partner country and KfW Entwicklungsbank go through the same project cycle. They are subject to a comprehensive quality assurance system at every stage of the cycle. The application always has to be submitted before the start of a project (for example before the first binding contract/order or the conclusion of a purchase agreement) because debt restructurings and ex-post financings are not possible.

More info:

[http://www.kfw-entwicklungsbank.de/ebank/EN\\_Home/About\\_Us/How\\_we\\_work/Project\\_cycle\\_-\\_systematic\\_support.jsp](http://www.kfw-entwicklungsbank.de/ebank/EN_Home/About_Us/How_we_work/Project_cycle_-_systematic_support.jsp)

### Contact information

KfW Office Tbilisi  
4 Elene Akhvlediani Agmarti  
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Fax + 995 32 55 03-19  
E-mail [kfw.tbilisi@kfw.de](mailto:kfw.tbilisi@kfw.de)

## 6. World Bank

### Donor description

The World Bank is a vital source of financial and technical assistance to developing countries around the world. The Bank consists of two development institutions owned by 188 member countries: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while IDA focuses on the world's poorest countries. The World Bank provides low-interest loans, interest-free credits, and grants to developing countries. These support a wide array of investments. Some of the projects are co-financed with governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors.

More information: <http://go.worldbank.org/7Q47C9KOZO>

### Eligibility

Identified projects can range across the economic and social spectrum from infrastructure, to education, to health, to government financial management. The government and the World Bank review the work done during the identification and preparation phases and confirm the expected project outcomes, intended beneficiaries and evaluation tools for monitoring progress. The final steps are assessment of the project's readiness for implementation and agreement on conditions for effectiveness (agreed upon actions prior to implementation).

More information: [www.worldbank.org/projects](http://www.worldbank.org/projects)

### Funding info

The International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) provide average annual lending commitments for investment projects. These funds are used by recipient countries to purchase goods and equipment, construct civil works, and obtain the consulting services needed to implement these projects. Each project may involve many separate contracts and business opportunities for suppliers, contractors, and consultants worldwide. When pursuing business opportunities in projects financed by the World Bank, it is essential to understand that the implementing agency in the recipient country is responsible for procurement. All contracts are between the borrower (usually the government department that is its implementing agency) and the supplier, contractor or consultant. The Bank's role is to make sure that the borrower's work is done properly, that the agreed procurement procedures are observed, and that the entire process is conducted with efficiency, fairness, transparency and impartiality.

More information: <http://treasury.worldbank.org/bdm/htm/index.html>

### Example project

No relevant projects have been implemented by the World Bank in Georgia so far.

### Application

Contact the local office for more information

### Contact information

The World Bank Office in Tbilisi  
5A, Nino Ramishvili Str. Tbilisi, Georgia 0179  
Tel: +995 32 291-30-96  
Fax: +995 32 291-34-78  
External Affairs Officer: Ms. Inga Paichadze  
E-mail: [ipaichadze@worldbank.org](mailto:ipaichadze@worldbank.org)

## 7. Council of Europe Development Bank (CEB)

### Donor description

The Council of Europe Development Bank (CEB) is a multilateral development bank with exclusively social mandate. Through the provision of financing and technical expertise for projects with high social impact in its member states, it actively promotes social cohesion and strengthens social integration in Europe. Georgia accessed to the CEB in 10 January, 2007. Having joined the CEB in 2007, Georgia is one of the Bank's newest members. The country has had over € 100 million approved in social financing from the Bank since 2011. All approved projects have been in the sector "creation and preservation of viable jobs."

CEB is one of the implementing agencies in Eastern Europe Energy Efficiency and Environmental Facility - E5P.

On 15 May, 2015 Governor Wenzel met with the Minister of Finance of [Georgia](#), Nodar Khaduri. They agreed that there was scope for further strengthening the cooperation between the CEB and Georgia, particularly in the area of public infrastructure, and concluded that discussions in that respect would continue at the technical level.

More information: <http://www.coebank.org/en/news-and-publications/news/governor-wenzel-georgia-talks-ceb-members/>

### Eligibility

Priority includes projects in building renovation and waste management.

### Funding info

CEB negotiation for funding conditions is on technical level with Government of Georgia

### Example project

Municipal projects have not been supported so far.

The JSC TBC Bank, one of the leading banks in Georgia, has credit lines to finance start-ups and small companies in Georgia, a country with one of the lowest per capita income in the CEB's target group.

<http://www.coebank.org/en/news-and-publications/news/project-approvals-september-2013/>

### Application

Municipalities can apply to CEB through Ministry of Finance.

### Contact information

Ms. Jasmina Glisovic,  
Country Manager  
[Jasmina.GLISOVIC@coebank.org](mailto:Jasmina.GLISOVIC@coebank.org)

## 8. Nordic Environment Finance Corporation (NEFCO)

### Donor description

NEFCO is an international financial institution established by the five Nordic countries. NEFCO finances green growth investments and projects primarily in Russia, Ukraine and Belarus as well as climate projects across the world. NEFCO's main focus is to generate positive environmental effects of interest to the Nordic region.

In February 2014 NEFCO and the Georgian government have signed a new framework agreement that acknowledges NEFCO's status as an international financial institution in Georgia. This will pave the way for new projects with environmental benefits in the country.

NEFCO is one of the implementing agencies of the Eastern Europe Energy Efficiency and Environmental Facility - E5P. The newly signed framework agreement and NEFCO's expanded geographic mandate conform to the objectives of the E5P to extend operations to other countries in South-Eastern Europe and the Caucasus region. NEFCO has co-financed a range of E5P-initiated projects in Ukraine in the last two years.

Major financing instruments are:

- **NEFCO Investment Fund:** The fund provides loans and equity financing. With a capital of EUR 113.4 million, NEFCO operates as a partner, lender or guarantor in economically viable projects. Priority to small and medium-sized projects that have positive environmental effects.
- **Nordic Environmental Development fund (NMF):** NMF was set up to provide concessional financing for environmental projects. Concessional financing initiatives include revolving credit programmes and other innovative forms of support. The Fund runs several programmes with distinctly different aims.
- **The Energy Savings Credit (ESC) Facility** supports a range of small municipal energy-efficiency measures in the social sector, i.a. schools, kindergartens, hospitals, sports facilities and street lights where repayment of the loan is directly tied to energy and related financial savings.

NEFCO administers several special purpose funds on behalf of different donors, for the specific support of certain projects. Among the list of donors to these project specific funds are the Nordic countries, the European Commission and the Swedish Energy Agency.

More information:

[http://www.nefco.org/news/nefco\\_signs\\_new\\_framework\\_agreement\\_with\\_georgia](http://www.nefco.org/news/nefco_signs_new_framework_agreement_with_georgia)

### Eligibility

The project should have relevant environmental effects. The project should be carried out in one of NEFCO's countries of operation. The project must be feasible. The environmental, technical, institutional, economic and financial feasibility of the project should be demonstrated, normally through an adequate feasibility study. NEFCO requires projects to meet reasonable profitability criteria but, this having been established, focuses more on the environmental effects. In this NEFCO represents a green equity concept, unlike commercial investment funds.

NEFCO supports projects that contribute, directly or indirectly, to environmental improvements in the project countries. Priority is given to feasibility studies that contribute to improving energy efficiency, reducing resource consumption, more efficient manufacturing processes, and sustainable energy solutions and innovations in the field of the environment. NEFCO also supports internationalization projects that indirectly benefit the environment, such as investments in technology, automation and process equipment, IT and infrastructure and services with a positive environmental impact

Detailed project eligibility: [http://www.nefco.org/how\\_to\\_work/eligible\\_projects](http://www.nefco.org/how_to_work/eligible_projects)

**Funding info**

Technical negotiation on funding conditions is not completed with government.

**Example project**

In June 2015 the NOBEF (administered and financed by NEFCO) credit committee has approved financing for 15 new projects carried out by Nordic small and medium-sized enterprises. The total value of these grants is EUR 503,000. The feasibility studies concern investments in projects carried out on all continents, for example in China, Australia, Ghana, Chile, the USA and Turkey as well as in two of NEFCO's main countries of operation; Russia and Georgia.

[http://www.nefco.org/news/nopef\\_to\\_fund\\_15\\_new\\_feasibility\\_studies](http://www.nefco.org/news/nopef_to_fund_15_new_feasibility_studies)

**Application**

Municipalities can apply to CEB through Ministry of Finance. Requirement for application by NEFCO is shown here:

[http://www.nefco.org/how\\_to\\_work/how\\_to\\_apply](http://www.nefco.org/how_to_work/how_to_apply)

**Contact information**

Mr. Bo Nyhus,  
Country representative  
Bo.Nyhus@nefco.fi

## 9. U.S. Agency for International Development (USAID)

### Donor description

The U.S. Agency for International Development (USAID) is an independent agency that provides economic, development and humanitarian assistance around the world in support of the foreign policy goals of the United States. Since 1992, the US Government has invested over \$3 billion in Georgia, with approx. half of these resources programmed through USAID. USAID also worked with the Government of Georgia to improve management and operations at Georgia's largest regional energy distribution company to allow consistent electricity in homes and businesses for the first time in 15 years.

More information: <http://georgia.usaid.gov/>

### Eligibility

USAID generally develops its programmes in direct consultation with its Georgian counterparts. With very few exceptions, competitive procedures are followed in the selection of specific contractors and guarantees to implement USAID's activities. In this way, the Mission strives to ensure that all activities concentrate on predefined objectives, are mutually reinforcing, maximize impact and promote cost-effectiveness. Turn to the contact information as mentioned below.

More information: <http://georgia.usaid.gov/en/node/34>

For grants: <http://grants.gov/>

### Funding info

USAID no longer posts solicitations for contract opportunities on the USAID website. Instead, these notices will appear on 'www.grants.gov'. Please visit the Grants.gov website and sign up for email notifications.

### Example project

Currently USAID implements "Enhancing Capacity for Low Emission Development Strategies (EC-LEDS) Clean Energy Program" in Georgia (2014-2017) through Winrock International. Georgian municipalities who are signatories to the EU Covenant of Mayors commitments will receive preference for assistance to implement lower emission development.

<http://www.winrock.org/>

The project "Institutionalization of Climate Change Adaptation and Mitigation in Georgian Regions Apr 2012-Sept 2015 National Association of Local Authorities of Georgia (NALAG) "will attempt to integrate environmental and climate change considerations into policy priorities of local authorities through the establishment of special units on climate change, environment and sustainable agriculture

<http://www.usaid.gov/georgia/environment>

### Application

The majority of USAID's work is done through organizations selected by a competitive procurement process in keeping with the U.S. Government's procurement policy. Procurement opportunities are listed on [USAID's home site](#), and interested parties can sign up to be notified of new procurements via e-mail. Infrequently and under limited circumstances, unsolicited proposals are funded.

All unsolicited proposals will be received and reviewed for funding, but anyone who applies must keep in mind that resources are limited. Potential applicant should be aware that USAID will be able to approve only a small number. To be legally eligible for consideration, unsolicited proposals should be:

- Innovative and unique
- Independently originated and developed by the applicant
- Prepared without U.S. Government supervision, endorsement, direction, or direct Government involvement
- Include sufficient detail to permit a determination that USAID support could be worthwhile and the proposed work could benefit USAID's research and development or other responsibilities



- Not be an advance proposal for a known USAID requirement that can or will be acquired by competitive methods.

**Contact information**

USAID/Caucasus Mission

11 George Balanchine Street

0131 Tbilisi, Georgia

Tel. +995 32 254-40-00

Fax : +995 32 254-41-45

Maka Japaridze

Development Outreach and Communications Officer

at 254-40-00, ext. 4168

[mjaparidze@usaid.gov](mailto:mjaparidze@usaid.gov)

## 10. Eastern Europe Energy Efficiency and Environmental Facility (E5P)

The E5P is a €93 million multi-donor Fund initiated during the Swedish Presidency of the European Union in 2009 to encourage investment in energy efficiency and environmental projects in Ukraine with the intention to include other Eastern Partnership countries. In 2012, the E5P Contributors decided to expand the initiative to Moldova, Georgia, Armenia and Azerbaijan. The Fund is a shared endeavor. It merges financial contributions from the European Union and a group of over ten nations to provide access to both loans and grants for municipal sector projects. The grant allocation criteria are flexible and aim to reduce energy use, pollution and greenhouse gas emissions while avoiding market distortion and increasing competitiveness. The Fund also supports policy dialogue and regulatory improvements.

In October 2013 Georgia pledged a contribution to the E5P fund with the aim of improving energy efficiency and reducing import dependency. Georgia is still heavily reliant on imported gas, which places a heavy burden on the economy. Therefore it is particularly important to develop the potential for energy efficiency, which will contribute to energy security and economic competitiveness. In turn, this will have a positive impact on the environment.

The Eastern Europe Energy Efficiency and Environment Partnership (E5P) and the Ministry of Finance of Georgia have signed a contribution agreement about the country's participation in the partnership, a multi-donor fund to support and facilitate investments in municipal energy efficiency projects aiming at reducing greenhouse gas emissions in the Eastern Partnership countries. The agreement was signed in March 2015 by Georgia's Minister of Finance, Nodar Khaduri, and the EBRD Manager of the E5P Fund, Andres Lund, in Tbilisi. Georgia's contribution will be leveraged with contributions from donor governments.

The main objective of the initiative is to co-finance, with grant support, loans dedicated to municipal energy efficiency projects, for example the rehabilitation of water and wastewater systems, solid waste management and the insulation of public buildings. The initiative allows municipal authorities to invest in energy savings. As a partnership, E5P also includes a strong commitment to policy dialogue, allowing partners to address policy issues to find practical solutions.

The first meeting of the E5P Steering Group for Georgia took place on 12<sup>th</sup> May 2015 in Tbilisi. The participants included the Ministry of Finance of Georgia, EBRD, CEB, KfW and NEFCO, the European Union, the Czech Republic, Poland, Norway, Sweden and the USAID. The Steering Group discussed the proposed project pipeline which would be suitable for E5P co-financing in Georgia. A negotiation on technical conditions on funding is not completed.

The E5P Fund merges contributions from the EU and donor countries (Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Poland, Sweden, Ukraine and the USA, and new donors [Armenia](#), Czech Republic, [Georgia](#), [Moldova](#), [Romania](#), and [Slovak Republic](#)), which are used to leverage national funds and loans from international financial institutions (IFIs). These IFIs include the EBRD, the EIB, the World Bank Group, the Nordic Environment Finance Corporation and the Nordic Investment Bank.

More information: <http://georgia.e5p.eu/>

Website: [www.e5p.eu/](http://www.e5p.eu/)

## 11. Sustainable Urban Demonstration Projects – SUDEP

The program financed by the European Commission includes:

- The grant component, 19 projects (with the participation of 23 local authorities), whose municipal projects in the field of energy have received funding through the call for proposals
- Technical, procedural, communications and networking support from the Special Support Team in Lviv, as well as technical assistance from the European Commission's Joint Research Centre (JRC)
- Facilitating access to finance for investments in energy efficiency and renewable energy through the Municipal Project Support Facility (MPSF) led by the European Investment Bank

More info: <http://www.soglasheniemerov.eu/Demonstracionnye-proekty.html>

## 12. Municipal Project Support Facility (MPSF)

MPSF is a technical assistance facility (TA) of the European Commission coordinated by the European Investment Bank. The TA shall be provided to municipalities that have developed a Sustainable Energy Action Plan (SEAP) in the framework of the European Covenant of Mayors initiative (or similar plan). So far, four projects are under implementation, one of them being a framework project in Ukraine:

The European Investment Bank (EIB) is lending EUR 400 million to finance public infrastructure projects in Ukraine's medium and large municipalities focused on protecting, rehabilitating and avoiding deterioration of municipal infrastructure.

EIB funds will support some 25 to 40 projects fostering substantial improvements in energy efficiency - as district heating, energy efficiency in public buildings, municipal lighting and will contribute to Ukraine's energy security, reduction of water losses, improvements of solid waste management services and of safety and quality of municipal services provided.

More info: <http://www.eib.org/infocentre/press/releases/all/2015/2015-178-eib-supports-the-upgrade-of-municipal-infrastructure-in-ukraine-with-eur-400-million.htm?lang=en>

### 13. Ministry of Finance of Georgia

Ministry of Finance represents first instance to approve loans for municipal projects implementation. Under the law, "Codex of Local Governance" Municipalities are entailed upon approval by Government of Georgia, in practice Ministry of Finance, to take loans and grants from International Financial Institution (IFI) within own competences and by own name to make capital investments. Municipalities are allowed to take loan from IFIs within 10% of the sum of own annual income during recent three budgetary years.

Municipalities are prohibited by this law to use own property as a collateral for loan.

Municipalities can take a loan above 10% limit only form entities controlled by government.

More information: "Codex of Local Governance" (in Georgian)

<http://static.mrdi.gov.ge/5326b29e0cf287919443293a.pdf>

Website: <http://www.mof.ge/en/>

Address:

16 Gorgasali Str.

Tbilisi, Georgia

Tel: +995 32 2 261 444

#### 14. Municipal Development fund of Georgia (MDF)

**The Municipal Development Fund of Georgia** was established in 1997. The Fund is cooperating with all large investment banks and financial institutions operating in Georgia. It is coordinated by the Supervisory Board approved by the Government of Georgia and the Ministry of Regional Development and Infrastructure of Georgia.

**The Municipal Development Fund of Georgia** (hereinafter: the Fund) is a legal entity of public law, the objective of which is:

- to support strengthening institutional and financial capacity of local government units,
- investing financial resources in local infrastructure and services,
- improving on sustainable basis the primary economic and social services for the local population (communities),
- developing renewable energy (midget power plants and geothermal) sources,
- creating sustainable economic basis for refugees,
- rehabilitating irrigation and drainage systems,
- provision of low-interest loans to legal entities and physical persons of Georgia in the framework of the Government Program,
- Technical Assistance for Foreign and Georgian physical bodies and legal entities for business development in Georgia,
- liquidation of damage caused to the population and infrastructure during the conflicts in Georgia.

Under charter approved by the Government of Georgia, MDF is responsible for managing of funds received from local and central budgets, international financial institutions and other donors, as well as principals and interests received from own loans aimed for financing of investment projects and technical assistance in local and regional infrastructure and services.

More information: [http://mdf.org.ge/?site-lang=en&site-path=projects/current\\_projects/](http://mdf.org.ge/?site-lang=en&site-path=projects/current_projects/)

Website: <http://mdf.org.ge/>

Address:

3rd Floor, #150 D. Aghmashenebeli Ave., 0112, Tbilisi, Georgia

**Phone:** (99532) 2437001

**Email:** [mdf@mdf.org.ge](mailto:mdf@mdf.org.ge)

## 15. INOGATE

The INOGATE Programme is an international energy co-operation programme between the European Union and the Partner Countries, including Georgia which was one of the founding members and has been a beneficiary of over 30 of the 56 projects carried out since 1996. Current and recent Inogate support to Georgia includes 1) support for the introduction of technical standards and practices in the oil, gas and electricity sectors 2) support for the development of an energy service company (ESCO) in Georgia 3) recommendations of trading of electricity produced using renewable energy sources with the EU countries 4) capacity building in energy audit analysis for project funding 5) preparing the city of Tbilisi for membership of the Covenant of Mayors 6) Technical support to energy regulatory practices 7) technical assistance to energy saving in the building sector.

Together with several Eastern European and Central Asian countries Georgia benefits from the current project "Energy Saving in the Building Sector" [www.inogate-ee.org](http://www.inogate-ee.org)

Information on completed and ongoing activities of Georgia Inogate cooperation in 2011-2014 and priority activities planned for 2015-2016 can be found in Country work plan: Georgia document.

[http://www.inogate.org/documents/GE\\_CWP.pdf](http://www.inogate.org/documents/GE_CWP.pdf)

### Contact information:

Innogate Caucasus Regional Office  
Georgian Oil and Gas Cooperation (GOGC)  
Kakheti Highway N21  
Tbilisi 0190 Georgia  
4<sup>th</sup> floor, Room 40  
Tel/fax: 995 3222 44050  
Website: [www.inogate.org](http://www.inogate.org)

## 16. GIZ

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit acting on behalf of the German Federal Government and other clients, supports partner countries in implementing the Framework Convention on Climate Change, which aims to reduce emissions of greenhouse gases and to adapt to the consequences of climate change. In addition, GIZ implements climate policy guidelines through a wide range of practical measures in partner countries. In 2009, the Governments of Georgia and Germany agreed on the following priority areas for their cooperation: 1) Sustainable economic development, 2) Democracy, municipal development and the rule of law and 3) Environment and energy. Within these priority areas, five regional programs are implemented in Georgia. These focus on private sector development, support for legal and judicial reform and promotion of municipal development, the sustainable management of biodiversity and the management of public finance in the South Caucasus. In addition, a bilateral economic development program is to be integrated into the regional program in mid-2013

Website: <http://www.giz.de/en/worldwide/359.html>

### Contact information:

GIZ Office South Caucasus  
Country Director  
Martin Homola  
Email: [giz-georgia@giz.de](mailto:giz-georgia@giz.de)

## 17. Sida

Sida is a government organization under the Swedish Foreign Ministry. Swedish development aid follows three thematic priorities; democracy and human rights, environment and climate change and gender equality and women's role. For the period of 2012-2016 Georgia has, in cooperation with World Bank, been granted a contribution of \$ 3.5 million per year for sustainable infrastructure and services.

More information: <http://www.openaid.se/en/contributions/27125?year=2012>

Website: <http://www.sida.se/English>

## 18. Finance in Motion mandated by EFSE and GGF

Finance in Motion is an impact asset management firm exclusively focused on development finance. We are one of the world's leading asset managers in this field, advising funds with an aggregate committed capital of more than EUR 1.5 billion (as at 30 June 2015).

On behalf of public and private investors as well as international finance institutions, we focus on developing and advising scalable and commercially sustainable investment funds with the primary goal of achieving significant economic, social and environmental impact in emerging markets and developing countries

We also serve as investment advisor to the Green for Growth Fund, Southeast Europe (GGF) and the European Fund for Southeast Europe (EFSE), with committed capital of EUR 1,023.9 million (as at 30 June 2015), the EFSE is one of the world's largest microfinance investment funds.

The German GLS Bank (GLS, the Bank) is investing EUR 22 million in the Green for Growth Fund, Southeast Europe (GGF) as part of its impact investment strategy, specifically in the area of sustainable energy. The investment will leverage existing investments from donors and international financial institutions, and provide additional funding for energy efficiency (EE) and renewable energy (RE) projects in the Fund's target region. The funding will be used to finance EE and small-scale RE projects for businesses and households within the Southeast Europe and European Neighborhood regions.

The GGF's target countries are characterized by rising energy demand and a mostly obsolete energy infrastructure; in most countries energy is produced primarily from coal and gas-fired power plants. During the past five years the Fund was able to support more than 26 partner institutions in Southeast Europe and the Caucasus region with funding and/or technical assistance. To date an estimated 218 thousand tons of CO<sub>2</sub> and over 850 thousand MWh of electrical power have been saved annually through energy efficiency and renewable energy investments financed by the GGF.

More information: <http://www.finance-in-motion.com/likecms.php?site=index.html&nav=33&siteid=84&entryid=0&sp=0>

[http://www.finance-in-motion.com/Press-Releases-Archive---Press-Release---2015-03-17-Finance-in-Motion-announces--EUR-22-MILLION-GLS-BANK-INVESTMENT-IN-GGF-FUELS-GREEN-ENERGY-FINANCE-----\\_site.index..html\\_dir.\\_siteid.86\\_nav.106\\_entryid.447\\_likecms.html](http://www.finance-in-motion.com/Press-Releases-Archive---Press-Release---2015-03-17-Finance-in-Motion-announces--EUR-22-MILLION-GLS-BANK-INVESTMENT-IN-GGF-FUELS-GREEN-ENERGY-FINANCE-----_site.index..html_dir._siteid.86_nav.106_entryid.447_likecms.html)

Website: <http://www.finance-in-motion.com/>

### Contact Information:

Mr. Sebastian von Wolff,  
Country representative  
[s.vonwolff@finance-in-motion.com](mailto:s.vonwolff@finance-in-motion.com)

24 Rustaveli Avenue, III Floor  
0108 Tbilisi, Georgia  
Phone: +995 322 611 158  
Fax: +995 322 611 158  
E-mail:[georgia@finance-in-motion.com](mailto:georgia@finance-in-motion.com)



## UKRAINE

### About the country

Capital: Kyiv

Population: 45.250 million

Languages: Ukrainian

GDP (ppp) total/per capita: \$319.376 bln./\$7,057

GDP (nominal) total/per capita: \$135.474 bln./\$2,993

Currency: Ukrainian Hryvnia (UAH)

Source: IMF (estimate 2011)

### Energy strategy of Ukraine to 2030

The energy strategy of Ukraine to 2030 focuses on: increasing production and consumption of electricity generated from alternative sources to decrease Ukraine's dependence on the import of traditional energy sources; reducing negative impact on the environment by consuming electricity generated from alternative sources of energy; attracting domestic and foreign investments and supporting entrepreneurship in the sphere of alternative sources of energy, in the development and implementation of the national and local programmes promoting of alternative energy. The strategy specifies that Ukraine will increase the use of renewable and non-traditional sources of energy from 10.9 mtce in 2005 to 40.4 mtce (18.3% from total energy consumption, incl. 9.2% from biomass) in 2030. This will require investments in this sector in the amount of approximately 60.4 billion UAH. The largest increase is expected in the use of solar energy, methane gas from coal mines and heat pumps operating on low potential heat. The strategy envisages that the electricity production from renewable energy will increase up to 1.6 billion kWh in 2020 and 2.1 billion kWh in 2030.

### Covenant signatories: 94

#### More information:

[http://www.covenantofmayors.eu/about/signatories\\_en.html?q=Search+for+a+Signatory...&country\\_search=ua&population=&date\\_of\\_adhesion=&status=](http://www.covenantofmayors.eu/about/signatories_en.html?q=Search+for+a+Signatory...&country_search=ua&population=&date_of_adhesion=&status=)

### Covenant Supporting Structure: 1

Association Energy Efficient Cities of Ukraine (<http://www.enefcities.org.ua>)

### Covenant Territorial Coordinator: 8

Chernihiv Regional State Administration (<http://cg.gov.ua/>)

Dnipropetrovsk Regional Council (<http://oblrada.dp.ua/>)

Kharkiv Regional Council (<http://www.oblrada.kharkov.ua/ru>)

Kherson Regional State Administration (<http://www.oda.kherson.ua/ua>)

Lviv Regional State Administration (<http://www.loda.gov.ua>)

Ministry of regional development, construction and municipal economy of Ukraine

(<http://www.minregion.gov.ua>)

Mizhhirya Regional Council (<http://mizg-rada.gov.ua/>)

Poltava regional state administration (<http://www.adm-pl.gov.ua>)

### International Financial Institutions, donors, facilities and programmes

1. European Bank for Reconstruction and Development (EBRD)
2. European Investment Bank (EIB)
3. KfW
4. Nordic Environment Finance Corporation (NEFCO)
5. Nordic Investment Bank (NIB)
6. World Bank
7. DemoUkraineDH
8. Eastern Europe Energy Efficiency and Environmental Partnership Program (E5P)
9. GIZ
10. Global Climate Partnership Fund
11. Global Environment Facility (GEF)
12. Swiss Cooperation Office (SECO and SDC)

13. SIDA
14. U.S. Agency for International Development (USAID)
15. IFC Ukraine Residential Energy Efficiency Project
16. Sustainable Urban Demonstration Projects – SUDEP
17. Municipal Project Support Facility
18. EU Horizon 2020 programme

**National financing institutions and programmes**

19. Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine
20. State Agency for Energy efficiency and Energy Conservation of Ukraine (SAEEC)
21. Ukreximbank
22. Ukgazbank

**Other useful programmes and organisations**

23. Energy Efficient Cities of Ukraine (EECU)

## 1. European Bank for Reconstruction and Development (EBRD)

### Donor description

The EBRD is an international financial institution that supports projects from central Europe to central Asia and southern and eastern Mediterranean, covering 34 countries. EBRD invests primarily in private sector clients whose needs cannot be fully met by the market. EBRD provides project financing for banks, industries and businesses, both new ventures and investments in existing companies. EBRD also work with publicly owned companies. Direct investments generally range from € 5 million to € 250 million. The principal forms of direct financing by the EBRD are loans, equity and guarantees. The EBRD does not subsidise projects, nor does it offer soft loans. Typically the EBRD funds up to 35 per cent of the total project cost. Smaller projects may be financed through financial intermediaries or through special programmes for smaller direct investments in the less advanced countries. The EBRD acts in close cooperation with all its members, public and private entities and all multilateral institutions concerned with the economic development of, and investment in countries from central Europe to central Asia. These include the European Union, the European Investment Bank, the World Bank Group, the International Monetary Fund and the United Nations and its specialised agencies. The EBRD's main advantages, compared with private commercial banks, lie in its willingness and ability to bear risk, as a result of its shareholder base. This allows EBRD to act at the frontier of commercial possibilities and be an effective 'demonstrator'.

In Ukraine supports the integration into the European energy market and operations that will increase overall energy efficiency and decrease carbon emissions. The EBRD remains the largest financial investor in Ukraine. As of October 2014 the Bank had committed almost €9.8 billion (US\$ 12.4 billion) across 337 projects in the country. As of 31 December 2011 it had committed over €7.5 billion through 294 projects, of which 17% in the energy sector. In 2011 EBRD also €100 million has been allocated to the E5P fund which will complement energy efficiency investments.

Since the beginning of 2014 the EBRD has already channelled over €800 million to 27 projects in Ukraine and is firmly on course to invest around €1 billion into the national economy by year-end.

In December 2014 the EBRD opened an office in Lviv. The new office will broaden the Bank's outreach to businesses in the western regions of the country in line with its commitment to step up its efforts in Ukraine. The Lviv office will initially focus on supporting small and medium-sized enterprises (SMEs) by facilitating the provision of advisory services and by providing financing in western Ukraine.

More information: [www.ebrd.com](http://www.ebrd.com)

<http://www.ebrd.com/corporate-information/contacts/ukraine.html>

### Eligibility

Typically EBRD funds up to 70% of the total project cost. Smaller projects may be financed through financial intermediaries or through special programmes for smaller direct investments in the less advanced countries.

To assess the eligibility of a project, the EBRD requires information on:

- project: brief description of the project, detailing how the Bank's financing will be used, background information on the sponsor, details of the product or service that will be developed and a review of the market
- financing: accurate breakdown of project costs and how funds will be used, summary of implementation requirements, additional funding sources and project's anticipated financial performance
- environmental: summary of environmental issues.

A useful tool is the EBRD funding adviser: <http://www.ebrd.com/work-with-us/project-finance/funding-adviser.html>

| <b>Funding info</b>   |   |
|---|---|
| Minimum loan amount   | € 5 million, although this can be less in some cases  |
| Maximum loan amount   | € 250 million   |
| Maximum share percentage  | 35% for private, 70% of total capital for public sector projects  |
| Interest rate   | Based on current market rates, A margin is added on to the base rate. The margin is a combination of country risk and project-specific risks. |
| Maturity period   | From 5 to 15 years  |
| Loan repayment  | Normally in equal, semi-annual instalments.   |
| <p>The basis for a loan for a large project is the expected cash flow of the project and the ability of the client to repay the loan over the agreed period. The credit risk can be taken entirely by the Bank or may be partly syndicated to the market. A loan may be secured by a borrower's assets and/or it may be converted into shares or be equity-linked. Full details are negotiated with the client on a case-by-case basis.</p> <p>ERBD requires project companies to obtain insurance against normally insurable risks. The Bank does not require insurance against political risk or non-convertibility of the local currency. The EBRD usually requires the companies it finances to secure the loan with project assets (e.g. mortgage on fixed or movable assets).</p> <p>more information: <a href="http://www.ebrd.com/pages/research/publications/guides/financing.shtml">www.ebrd.com/pages/research/publications/guides/financing.shtml</a></p>                 |   |
| <b>Example Project</b>  |   |
| <p>EBRD has financed in recent years several projects in Ukraine focussing on energy efficiency. These projects are mainly in the field of District Heating, like DH in Chernivtsi (2015), Poltava (2014), Lutsk (2014), Zaprizhzhia (2011), Lviv (2012) and Ternopil (2014). The latter involves a 10 million loan, secured by full municipal guarantee, and is expected to be co-financed by a € 5 million grant from the E5P. The loan is for a municipal district heating utility to finance the installation of individual heating substations, installation of a bio-fuel boiler, modernisation and rehabilitation of existing boilers and sections of networks, installation of controlling and monitoring equipment. Among other projects are: Ukraine Public Transport Framework (2015), Odessa Trolleybus Project (2015), Vinnytsia Automated Fare Collection Project (2015), Lviv Wastewater Biogas Project (2014), Ukrainian Residential EE Financing Facility (2014)</p> |   |
| <b>Application</b>  |   |
| <p>If you are interested in obtaining EBRD finance, complete the online form at:<br/> <a href="http://www.ebrd.com/work-with-us.html">http://www.ebrd.com/work-with-us.html</a></p>   |   |
| <b>Contact information</b>  |   |
| <p>EBRD Office Ukraine<br/> 16, Nemirovicha-Danchenko Street<br/> 01133 Kiev<br/> Tel: +380 44 277 11 00<br/> Fax: +380 44 277 11 60<br/> E-mail: <a href="mailto:kiev@kev.ebrd.com">kiev@kev.ebrd.com</a><br/> Roman Pylypiv <a href="mailto:PylypivR@ebrd.com">PylypivR@ebrd.com</a><br/> <a href="http://www.ebrd.com/pages/country/ukraine">www.ebrd.com/pages/country/ukraine</a></p>  |   |
| <b>Lviv Resident Office</b>   |   |
| <p>20 Dudaeva street<br/> Lviv<br/> Ukraine<br/> Tel: +380 322 32-96-34, 32-96-36<br/> Natalia Bandera <a href="mailto:BanderaN@ebrd.com">BanderaN@ebrd.com</a></p>   |   |

## 2. European Investment Bank (EIB)

### Donor description

The EIB is the European Union's public bank, owned by the Member States of the European Union focused on:

- Lending to projects in the EU and beyond. The vast majority of the lending is through loans, but EIB also offers guarantees, microfinance, equity investment, etc.
- Blending its loans with other EU funds to increase the impact on projects
- Advising on administrative and project management capacity to facilitate investment.

Renewable energy and energy-efficiency projects are at the heart of the EIBs energy investment and contribute to making Europe's energy supplies more sustainable, competitive and secure. EIB financing for energy-efficiency projects covers both the supply side (e.g. combined heat and power – CHP, district heating) and the demand side (mainly public and private (buildings)).

Lending is by far the principal activity of EIB, accounting for around 90% of their total financial commitment. Additionally EIB has a variety of tools to help clients blend its financing with additional sources of investment. EIB generally finances individual projects for which total investment cost exceeds EUR 25 M. Loans are usually one-third of each project but it can be as much as 50%.

The EIB provides sovereign guarantee lending for municipalities which means that the Government guarantees that an obligation will be satisfied if the primary obligor (municipality) defaults.

More information: [www.eib.org](http://www.eib.org)

### Eligibility

The EIB is financing projects in most sectors. All the projects financed by the EIB must be bankable and comply with strict economic, technical, environmental and social standards. The EIB monitors the project from the signature of the loan contract through the project implementation and operation phase until the loan is paid back.

More information: [http://www.eib.org/projects/cycle/applying\\_loan/index.htm](http://www.eib.org/projects/cycle/applying_loan/index.htm)

Based on the experiences with the implementation of municipal infrastructure projects in Ukraine and other countries, the average project size is:

- 5 M EUR for street lighting projects and energy efficiency of buildings.
- 10 M EUR for water supply and solid waste treatment projects, drainage and heating.

All documents and communication with the EIB are in English language.

### Funding info

|                          |  |
|--------------------------|--|
| Minimum loan amount      | € 5-10 million   |
| Maximum loan amount      | € 200 million  |
| Maximum share percentage | Up to 50% of the project costs   |
| Interest rate            | The interest rates for loans can be fixed, revisable or convertible (i.e. allowing for a change of interest rate formula during the lifetime of a loan at predetermined periods) |
| Fees                     | In certain cases the EIB may charge fees for project appraisal, legal services, commitment, non-utilisation etc.   |
| Maturity period          | Up to 25 years, depending on the project type  |
| Loan repayment           | Repayment is normally on a semi-annual or annual basis   |

**Example project**

In July 2015, the EIB is lending EUR 400 million to finance public infrastructure projects in Ukraine's medium and large municipalities focused on protecting, rehabilitating and avoiding deterioration of municipal infrastructure. EIB funds will support some 25 to 40 projects fostering substantial improvements in energy efficiency - as district heating, energy efficiency in public buildings, municipal lighting and will contribute to Ukraine's energy security, reduction of water losses, improvements of solid waste management services and of safety and quality of municipal services provided.

**Application**

No special formalities are involved for the submission of applications to the EIB for individual loans. Project promoters are required simply to provide the Bank's Operations Directorate with a detailed description of their capital investment together with the prospective financial arrangements. For project where the total cost is under €25 million the project promoters should contact banks and other intermediaries.

More information: [http://www.eib.europa.eu/projects/cycle/applying\\_loan/index.htm](http://www.eib.europa.eu/projects/cycle/applying_loan/index.htm)

**Contact information**

EIB resident representation in Ukraine  
101 Vladimirska Street  
01033 Kiev  
+380 44 390 8010  
contact person: Mrs. Lilliya Cherhnyavs'ka  
or EIB Info desk  
Tel: (+352) 437922000  
Fax: (+352) 437962000  
E-mail: info@eib.org

### 3. KfW

#### Donor description

KfW is Germany's leading development bank and is an integral part of KfW Bankengruppe. Although their main client is the German federal Government also the European Commission and the governments of other countries commission KfW to implement their development cooperation programmes and projects.

The partner countries themselves propose projects and programmes. These can be financed with a differentiated mix of grants, low-interest loans with long maturities or equity participations. Particularly for environmental and climate protection a multitude of special facilities and programmes are available here as well. This range is complemented by innovative approaches such as fund solutions that also encourage private sector investment. Some constellations even permit purely private sector financing projects.

KfW Entwicklungsbank has been active in Ukraine since 1992, within the framework of the TRANSFORM-programme. Since 2003, KfW has been implementing FC projects in the finance and energy sectors as well as in social and public infrastructure. By the end of 2011, the German Federal Ministry for Economic Cooperation and Development (BMZ) had committed over € 200 million for these investment projects.

The KfW provides sub-sovereign (municipal) guarantee lending for municipalities.

**More information:** [http://www.kfw-entwicklungsbank.de/ebank/EN\\_Home/About\\_Us/index.jsp](http://www.kfw-entwicklungsbank.de/ebank/EN_Home/About_Us/index.jsp)

#### Eligibility

The bank conducts the appraisal of the borrower, evaluates their plans and decides whether to finance the project and to apply for a loan from KfW.

#### Funding info

Loans from KfW are available practically around the corner. It is true that KfW has no branch offices of its own. But savings banks, cooperative banks and commercial banks are KfW's main distribution partners. One exception to the on-lending principle applies to grants. Currently, grants are available for energy-saving investments in homes which can be applied for directly with KfW and are disbursed directly by KfW to the recipients.

In general, KfW provides loans directly to public borrowers such as cities and municipalities. KfW Development Bank supports Europe's second-largest country in the promotion of small and medium-sized enterprises, in municipal development and in the field of energy.

KfW Development Bank makes funds available to Ukraine with the aim to modernise its energy sector. KfW Development Bank supports the Ukrainian banking sector via a number of programmes, enabling various local partner banks to refinance themselves on favourable terms. In 1996 KfW also established the German-Ukrainian Fund (GUF) through which more than 150,000 loans have been granted to SMEs to date. At the same time, KfW also participated in the ProCredit Bank (PCB) Ukraine, an institution specialising in microcredit. The PCB provides credit for energy efficiency projects.

In the course of the decentralisation process the municipalities in Ukraine are growing in importance. To strengthen them, KfW Development Bank has since 2000 been implementing the Ukrainian Social and Investment Fund (USIF) which, in consultation with citizens and municipalities, implements small-scale infrastructure projects. To make a positive contribution both to energy efficiency and an improved quality of the environment, KfW, on behalf of the German Federal Government, also finances the upgrading of water supply systems in medium-sized municipalities, for example the town of Chernivtsi.

**More information:** <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Development-Bank/Local-presence/Europe/Ukraine/>

#### **Application**

Projects and programmes within Financial Cooperation (FC) between a partner country and KfW Entwicklungsbank go through the same project cycle. They are subject to a comprehensive quality assurance system at every stage of the cycle. The application always has to be submitted before the start of a project (for example before the first binding contract/order or the conclusion of a purchase agreement) because debt restructurings and ex-post financings are not possible.

More information: [http://www.kfw-entwicklungsbank.de/ebank/EN\\_Home/About\\_Us/How\\_we\\_work/Project\\_cycle\\_-\\_systematic\\_support.jsp](http://www.kfw-entwicklungsbank.de/ebank/EN_Home/About_Us/How_we_work/Project_cycle_-_systematic_support.jsp)

#### **Example project**

Municipal budget funds are insufficient to ensure that facilities are maintained and that necessary investments are undertaken to improve the infrastructure. In order to create the prerequisites for reducing poverty under these difficult circumstances, increased efforts to rehabilitate and expand the neglected infrastructure in the rural areas are needed. This is where the "Ukrainian Social Investment Fund" (USIF) comes into effect. From these applications USIF selects those projects with the greatest relevance according to transparent criteria. The measures financed through German Financial Cooperation (FC) encompass schools, kindergartens, medical facilities, community centres, water supply and sewage disposal systems and roads, as well as investments in environmental protection in villages and small cities.

**More information:** <https://www.kfw-entwicklungsbank.de/International-financing/KfW-Entwicklungsbank/Countries-and-programmes/Europa/Ukraine/Projekt-Soziale-Infrastruktur/>

#### **Contact information**

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Wul. Welika Wasilkiwska 44  
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01004 Kyiv  
tel. +38 04 4581 1955  
E-mail: [kfw.kiew@kfw.de](mailto:kfw.kiew@kfw.de)



#### 4. Nordic Environment Finance Corporation (NEFCO)

##### Donor description

The Nordic Environment Finance Corporation (NEFCO) is an international finance institution established in 1990 by the five Nordic countries: Denmark, Finland, Iceland, Norway and Sweden. NEFCO finances projects aimed at reducing environmental harmful emissions. NEFCO offers loans and subordinated loans to businesses and municipalities that invest in environmental projects.

Major financing instruments are:

- **NEFCO Investment Fund:** The fund provides loans and equity financing. With a capital of EUR 113.4 million, NEFCO operates as a partner, lender or guarantor in economically viable projects. Priority to small and medium-sized projects that have positive environmental effects.
- **Nordic Environmental Development fund (NMF):** NMF was set up to provide concessional financing for environmental projects. Concessional financing initiatives include revolving credit programmes and other innovative forms of support. The Fund runs several programmes with distinctly different aims.
- **The Energy Savings Credit (ESC) Facility** supports a range of small municipal energy-efficiency measures in the social sector, i.a. schools, kindergartens, hospitals, sports facilities and street lights where repayment of the loan is directly tied to energy and related financial savings.

NEFCO administers several special purpose funds on behalf of different donors, for the specific support of certain projects. Among the list of donors to these project specific funds are the Nordic countries, the European Commission and the Swedish Energy Agency.

##### More information:

[http://www.nefco.org/financing/the\\_investment\\_fund](http://www.nefco.org/financing/the_investment_fund)

[http://www.nefco.org/financing/nordic\\_environmental\\_development\\_fund\\_nmf](http://www.nefco.org/financing/nordic_environmental_development_fund_nmf)

##### Eligibility

NEFCO requires that the projects financed by the Investment Fund should meet reasonable profitability criteria, but as long as this can be achieved, the primary focus is, however, on the positive environmental impact. NEFCO always carefully examines the technical feasibility and financial profitability of all projects.

Main project criteria for the ESC Facility are: 1) the project is located in one of NEFCO's countries of operation 2) the project has a relevant environmental effect 3) the project is based on long-term cooperation through investments in enterprises, primarily through the formation of joint venture companies or corporate acquisitions 4) the project has a Nordic company or institution as business partner 5) the project is economically, financially, institutionally and technically viable.

More information: [www.nefco.org/financing/energy\\_saving\\_credits](http://www.nefco.org/financing/energy_saving_credits)

As of September 2015, More than 70 municipal projects financed by NEFCO are at different stages of implementation - a significant number knowing that there are 459 cities in Ukraine!

NEFCO and the Bank "Lviv" set up a fund to implement energy saving programmes in small and medium enterprises or private households. The bank "Lviv" is intended to finance one third of the volume of applications borrowing a total of 3 million euros. The fund will finance thermal insulation of buildings, installation of modern boiler equipment and use of environmentally attractive technology. Implementation of energy efficiency projects aims at reducing the cost of heating by about 55-60%.

| <b>Funding info</b>      |   |
|--------------------------|---|
| Minimum loan amount      | There is no specific minimum amount   |
| Maximum loan amount      | € 4-5 million for the Investment Fund<br>For the ESC Facility the maximum loan amount per project is €400.000   |
| Maximum share percentage | For the Investment Fund, NEFCO's financing portion does not generally exceed 50% of the total investment. Regarding share capital, the financing portion is usually around 30%. |
| Interest rate            | According to market terms   |
| Loan repayment           | For the ESC programmes the repayment of the loan is directly linked to savings of the investment with a maximum repayment period of 5 years                                     |

**More information on the loan facilities for Ukraine:**

[http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO%20facilities\\_Ukr.pdf](http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO%20facilities_Ukr.pdf)

[http://www.nefco.org/news/more\\_support\\_for\\_energy\\_efficiency\\_investments](http://www.nefco.org/news/more_support_for_energy_efficiency_investments)

**See also following brochures:**

[http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO\\_IF12\\_0205.pdf](http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO_IF12_0205.pdf)

[http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO\\_CP115X210\\_lores\\_09092010.pdf](http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO_CP115X210_lores_09092010.pdf)

[http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO\\_ESC12\\_screen\\_final\\_0.pdf](http://www.nefco.org/sites/nefco.viestinta.org/files/NEFCO_ESC12_screen_final_0.pdf)

**Application**

It is recommended to contact NEFCO by telephone or through an application form to enquire if projects are eligible for NEFCO funding. If the project(s) appears relevant to NEFCO, initial clarification on the project details (purpose, environmental benefits, investment costs financing plan etc.) and details of the applicant are required for an initial screening of the project.

For the various types of projects application forms are available.

**More information:** [http://www.nefco.org/how\\_to\\_work/how\\_to\\_apply](http://www.nefco.org/how_to_work/how_to_apply)

**Example project**

The city of Konotop in Ukraine and NEFCO have signed a loan agreement to improve energy efficiency in the city health care and educational institutions. Located 244 kilometres north-east of Kyiv, Konotop has around 93,000 inhabitants. The energy efficiency measures include the installation of new boilers and radiators as well as automatic heat regulators. Thermal insulation will also be improved through the replacement of windows and doors and the installation of heat resistant screens. Pipes will also be insulated. All in all, ten institutions will benefit from the project which is expected to generate annual net savings of some UAH 324,000 as a result of the planned energy efficiency measures at pre-schools, secondary schools and health care institutions such as policlinics and the regional hospital.

More information:

[http://www.nefco.org/news/ukraine\\_s\\_konotop\\_benefits\\_from\\_energy\\_efficiency\\_measures](http://www.nefco.org/news/ukraine_s_konotop_benefits_from_energy_efficiency_measures)

NEFCO and the city of Myrhorod have signed a loan agreement to upgrade the street lighting system with energy efficient lamps:

[http://www.nefco.org/news/energy\\_efficiency\\_loan\\_to\\_the\\_ukrainian\\_city\\_of\\_myrhorod](http://www.nefco.org/news/energy_efficiency_loan_to_the_ukrainian_city_of_myrhorod)

**Contact information**

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Kiev 01601, Ukraine

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E-mail:

<http://www.nefco.org/contact>

[info@nefco.fi](mailto:info@nefco.fi) > for general information

Website: [nefco.org](http://nefco.org)

## 5. Nordic Investment Bank (NIB)

### Donor description

The Nordic Investment Bank (NIB) is an international financial institution owned by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Nordic Investment Bank promotes sustainable growth of its member countries by providing long-term complementary financing, based on sound banking principles, to projects that strengthen competitiveness and enhance the environment. NIB's environmental focus areas are: cleaner production and resource management; environmental technology; emission reductions; and renewable energy. The Bank furthermore works together with other international financial institutions (IFIs) and organisations in order to promote sound, coordinated and effective approaches to environmental issues. NIB finances projects in many sectors in member and non-member countries. In particular, NIB aims at providing added value in energy, transport and environmental improvements.

More information: [http://www.nib.int/about\\_nib/mission\\_strategy](http://www.nib.int/about_nib/mission_strategy)

### Eligibility

To fulfil NIB's mandate, all projects financed by the Bank should strengthen competitiveness and/or enhance the environment. To assess the potential impact on competitiveness of projects, the Bank looks at the relative improvement in the company's performance compared to a no-project situation. The client is responsible for supplying the Bank with all the required information. For all projects the information to be supplied to NIB should include but not be limited to: 1) a detailed project description 2) a description of potential significant environmental and/or social impacts (including a quantification of the project's impacts on greenhouse gas emissions) and 3) the client must demonstrate that all applicable permits and licences relating to environmental and/or social aspects are in force for the project.

More information: <http://www.nib.int/loans/eligibilitycriteria>

|                          |  |
|--------------------------|--|
| Minimum loan amount      | Normally more than €50 million   |
| Maximum loan amount      | There is no specific maximum amount  |
| Maximum share percentage | Normally not more than 50% of the project costs  |
| Interest rate            | The interest rate is set on a fixed or floating basis, as preferred by the borrower.   |
| Maturity period          | NIB extends long-term loans. As a general rule, all loans are limited to the economic life of the asset or the relevant underlying contracts supporting the financing. |

### Application

Applications for loan should be directed to NIB's Lending Department. There are no standard forms for a loan application

more information on the loan process: [http://www.nib.int/loans/loan\\_process](http://www.nib.int/loans/loan_process)

### Example project

In the year 2008, the NIB provided a €28 million loan to Ukraine's Alchevsk steelworks to become self-sufficient in electricity supply and cut its greenhouse gas emissions by an amount comparable to those of a large European city.

### Contact information

NIB Lending Department  
Thomas Wrangdahl, acting Head of Lending  
P.O. Box 249  
Fabianinkatu 34  
FI-00171 Helsinki, Finland  
Tel: +358 10 618 0226  
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General information

Tel +358 10 618 001  
info@nib.int

## 6. World Bank

### Donor description

The World Bank is a vital source of financial and technical assistance to developing countries around the world. The Bank consists of two development institutions owned by 188 member countries: the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD aims to reduce poverty in middle-income and creditworthy poorer countries, while IDA focuses on the world's poorest countries. The World Bank provides low-interest loans, interest-free credits, and grants to developing countries. These support a wide array of investments. Some of the projects are co-financed with governments, other multilateral institutions, commercial banks, export credit agencies, and private sector investors. In 2014, the portfolio of the World Bank projects in Ukraine consisted of 12 investment projects with the amount of loans which is about USD 3.24 billion.

### Eligibility

Identified projects can range across the economic and social spectrum from infrastructure to education, health or government financial management. The government and the World Bank review the work done during the identification and preparation phases and confirm the expected project outcomes, intended beneficiaries and evaluation tools for monitoring progress. The final steps are assessment of the project readiness for implementation and agreement on conditions for effectiveness (agreed upon actions prior to implementation).

More information: [www.worldbank.org/projects](http://www.worldbank.org/projects)

### Funding info

In 2012, The Government of Ukraine (GoU) approved a master plan to improve energy efficiency in the District Heating sector. However, its implementation remains slow. In order to speed up implementation of the action plan, GoU requested the World Bank to prepare a project to improve efficiency of the selected DH utilities in line with the recommendations of the report. The proposed US\$382 million **District Heating Energy Efficiency project** funded by the World Bank will improve energy efficiency and service quality of selected Ukrainian DH companies, improve their financial viability and decrease their CO2 emissions.

More info: <http://www.worldbank.org/projects/P132741/district-heating-energy-efficiency?lang=en>

**Cities Energy Efficiency Transformation Initiative (CEETI) of the Energy Sector Management Assistance Program (ESMAP)**, running from September 2014 to July 2015, provides technical assistance to three cities in Ukraine for:

- Energy efficiency assessment of the municipal sectors
- Development of Municipal Energy Efficiency Programs, investment pipelines and pre-feasibility studies
- Assistance in training, knowledge dissemination and institutional capacity building.

More info: <http://www.esmap.org/node/3042>

The World Bank is financing the **'Ukraine Energy Efficiency Programme'** in cooperation with the local Ukreximbank. The programme is financing investments in energy saving measures in industry, municipalities and public owned enterprises as well as ESCOs.

More info: <http://www.worldbank.org/projects/P096586/ua-energy-efficiency?lang=en>

### Example project

Examples of the municipal projects financed via the above mentioned programmes are not publicly available on the World Bank website

### Application procedure

Contact the local office for more information

**Contact information**

The World Bank Office in Ukraine

1, Dniproviskiy Uzviz, 2nd Floor,

01010, Kiev

Tel: (380 44) 490-6671

Fax: (380 44) 490-6670

Email: [ukraine@worldbank.org](mailto:ukraine@worldbank.org)

## 7. Demo UkrainaDH

### Donor description

DemoUkrainaDH is a funding facility established by the NEFCO and the Swedish International Development Cooperation Agency (SIDA), in cooperation with the Ministry of Construction, Housing and Municipal Economy. The objective of the DemoUkrainaDH facility is: 1) to support the development of ten environmental sustainable and energy demonstration projects in Ukraine district heating sector, 2) to achieve energy savings of at least 30% worth € 2.000.000 and 3) to reduce CO<sub>2</sub> emissions by these projects with at least 50.000 tons. The projects will demonstrate how district heating systems can be modernized, be more energy efficient and be more customer oriented, e.g. by application of bio-fuels.

The Facility is also supported by the Eastern Europe Energy Efficiency and Environmental Partnership Program (E5P). Third Call for Applications have started at September 2015

More info: <http://demo-dh.org.ua/en/faq.html>

### Eligibility

To be eligible for funding the project owner should:

- be a public organisation, owned by the state, region or municipality
- has to operate in a Ukrainian city with not less than 100,000 inhabitants
- has the required debt services capacity and resources to fund 15 % of the total project cost
- must be able to provide a guarantee covering € 400,000
- has the institutional capacity to prepare, plan and implement a foreign financed capital investment project
- should be prepared to report to funding agencies and disseminate information on results and achievements

The project itself:

- should be built on well-known and proven technology
- be cost efficient
- be affordable and not having negative impacts on the vulnerable groups of the customers
- increase energy efficiency with minimum 30 % reduction of energy consumption of the system, sub system or component levels
- be environmentally sustainable
- be financially viable, with payback period for the total project cost of maximum 4 years
- be innovative and have the potential to serve as a demonstration project and example of best practice and the use of Best Available Technology (BAT)
- be replicable
- be participatory, involving consumers in planning and preparation

### Funding info

The DemoUkrainaDH facility can provide the following support:

- Capital expenditure grant funding up to a maximum of 50% of the total external funding but not exceeding €300,000 per intervention
- Credit funding to a maximum of € 400,000 per intervention, against e.g. municipal guarantee with an interest rate of 6% and a payback period of 4 years. Additional conditions will be applied.
- Technical Assistance (TA) as an important tool to enable projects.

### Example project

Typical demo projects demonstrate how to solve the most serious problems of the district heating sector in Ukraine (technical inefficiency and insufficient financial viability of the district heating supply) in a small or medium-sized scale replicable scale in larger scale. Typical projects can

demonstrate improvements of the efficiency of generation, transmission and distribution of district heating and can demonstrate demand side energy savings potential.

Following typical investments in district heating systems could be appropriate for funding:

- installation of individual substations with heat meters and control equipment
- replacement of 4 pipe systems
- introduction of renewable fuels
- replacement of district heating pipe lines
- small-scale CHP to replace the heat only boilers.

Sixteen project partners have already been selected for implementation of demonstration projects in different cities in Ukraine. These projects are at various stages of development. The first project (in Vinnytsia) has been completed in spring 2015 and several are expected to be completed prior to the beginning of the coming heating season 2015/2016.

For specific examples see <http://demo-dh.org.ua/en/inspiring-examples-dh>

#### **Application**

Publicly owned district heating companies in Ukraine can submit Indications of Interest (IoI) to the Ukrainian Coordinator in the Ukraine Ministry of regional development, Construction and Municipal Economy. All IoIs will be assessed by the DemoUkraineDH coordination team. An Evaluation and Monitoring commission makes the selection of projects.

Periods for application will be announced to potential project partners. <http://demo-dh.org.ua>

#### **Contact information**

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Project Assistant

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## 8. Eastern Europe Energy Efficiency and Environmental Partnership Program (E5P)

### Donor description

The Eastern Europe Energy Efficiency and Environmental Partnership (“E5P”) unites the Eastern Partnership countries, European Commission and other bilateral donors, and the main IFI active in the region to coordinate and accelerate the implementation of important energy efficiency and environmental projects. E5P was set up under the initiative of the Swedish government during its presidency of the European Union in 2009 and is a EUR 90 million multi-donor fund managed by the EBRD.

The E5P commenced operations in 2011 (establishment of E5P was ratified by the Ukrainian Parliament in July 2011). The fund was designed to promote energy efficiency investments in Ukraine as well as energy intensive countries as Armenia, Azerbaijan Belarus, Georgia and Moldova.

The current donors to the E5P are, the European Commission, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Poland, Sweden the USA and Ukraine.

More information:

[http://eeas.europa.eu/delegations/ukraine/projects/list\\_of\\_projects/306189\\_en.htm](http://eeas.europa.eu/delegations/ukraine/projects/list_of_projects/306189_en.htm)  
[www.ebrd.com/pages/news/press/2011/110224a.shtml](http://www.ebrd.com/pages/news/press/2011/110224a.shtml)

### Eligibility

Grants under E5P will be allocated to four priority areas:

- energy efficient district heating in Ukraine,
- other energy efficiency projects in Ukraine,
- environment projects in Ukraine such as waste water
- additional projects in other Eastern European countries.

The application is discussed in the E5P Steering Group, where all participating IFIs, the Ukrainian Government and the European Commission are members. If the Steering Group agrees the E5P Assembly of contributors will decide on funding. However, no operation in Ukraine will receive funding if the Government of Ukraine does not agree with the proposal.

### Funding info

The E5P through its support fund, co-finances loans from participating international financial institutions with grant funding, and also offers the possibility of financing technical assistance related to IFI investments.

The fund will complement energy efficiency loans provided by financial institutions including the EBRD, the EIB, NEFCO, the Nordic Investment Bank and the World Bank Group. When a participating IFI has worked up a proposal together with a Ukrainian partner, the IFI can apply for the use of resources from the E5P Fund to finance part of the costs.

### Example project

The City and its wholly owned utility service ZhytomyrTeploKomunEnergo (ZTKE) have approached European Bank for Reconstruction and Development (EBRD) in order to implement an energy efficiency and environmental improvement project in Zhytomyr.

ZTKE serves appr 75% of the entire population of the City, and in addition to that several public and commercial houses. The only fuel in the City is natural gas and the services of ZTKE are categorized by high losses in the production as wells as in the distribution of the heat, and part of the equipment is over designed and worn out. The overall investment of appr Euro 18 million is assisted by an investment grant from E5P of Euro 5 million, this will facilitate the investment and mitigate issues with tariff increase etc. The project will include investments in two bio-fuel plants, this investment using biomass waste, this investment will have clear demonstration effects in Ukraine and will mitigate global warming effects.



More info: <http://ukraine.e5p.eu/groundbreaking-investment-in-zhytomyr-district-heating-project-with-assistance-of-ebrd-and-e5p/>

15 energy efficiency projects were financed in the field of refurbishment and modernization of the heat and water utilities in the cities of Mykolayiv, Zhytomyr, Rivne, Ternopil, Lviv, Dnipropetrovsk, Zaporizhzhya, Kamenetz-Podolsk, Ivano-Frankivsk, Alexandria, Krivoy Rog, Vinnitsa, Poltava, Severodonetsk, Luhansk, Donetsk and Kyiv. In average, for 1 EUR of grant provided, cities took a 2.8 EUR loan.

A number of new investment projects are being discussed in the cities of Lutsk, Krivoy Rog, Kiev, Starokonstantinov, Poltava, Alexandria, Cherkasy, Shchelkine, Vinnitsa and Donetsk regions totalling more than EUR 277 M with a grant amount of about EUR 65 M.

<http://www.me.gov.ua/Documents/Download?id=cc02349a-c3f5-42ef-8507-bf420e1d93c5>

#### **Application**

Contact fund representative for more information

#### **Contact information**

EBRD Office Kiev

Country director. Mr André Küüsvek

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Tel.: +380 44 270 6132

Email: [kiev@kev.ebrd.com](mailto:kiev@kev.ebrd.com)

## 9. GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)

GIZ is a federal enterprise which supports the German Federal Ministry for Economic Cooperation and Development in achieving their objectives in the field of international cooperation for sustainable development. GIZ also operates on behalf of other German ministries as well as German states and municipalities and public and private sector clients in Germany and abroad. The main focus of the GIZ work for international clients is vocational training, energy and climate, health, infrastructure and construction, water, and good governance. The GIZ teams consist of regional and technical specialists working together. By combining individual service modules with technical expertise, they are able to produce tailor-made proposals in line with their clients' objectives.

GIZ is currently working on behalf of four German ministries and the European Union (EU) at 16 locations in Ukraine, with more than 90 national and international staff. Around 40 experts are providing support for the public administration, chambers of commerce and SMEs. The GIZ office in Kyiv opened in 2009. Germany's international cooperation with Ukraine focuses on three priority areas:

- sustainable economic development
- energy efficiency
- the HIV/AIDS response.

The Ukrainian-German technical cooperation "Energy Efficiency in Buildings" project was launched by the Ukrainian (Ministry of Regional Development, Construction and Municipal Economy) and German governments in 2007. The key project priorities are to support the development of a strategy for a national energy efficiency policy in the building sector in Ukraine and to improve energy efficiency in the Ukrainian municipal building sector through policies and strategies for implementation in four selected pilot cities: Chernihiv, Ivano-Frankivsk, Myrhorod and Novohrad-Volynskiy.

More info: <http://www.eeib.org.ua/page/start/en/>.

GIZ is advising the Ukraine Government on creating a suitable national legal framework that will promote energy efficiency measures at the local level. Furthermore, GIZ is assisting two regions to set up and pilot energy agencies. These agencies are to provide ongoing support to municipalities on rolling out energy efficiency and energy-saving activities at local level.

More info: <http://www.giz.de/en/worldwide/30667.htm> |

**Contact information** Christiana Hageneder  
Senior Project Manager at GIZ  
E-mail: [christiana.hageneder@giz.de](mailto:christiana.hageneder@giz.de)  
Website: [ww.giz.de](http://ww.giz.de)

## 10. Global Climate Partnership Fund

### Donor description

The Global Climate Partnership Fund (GCPF) is a Luxembourg based innovative public-private partnership. It focuses on financing energy efficiency and renewable energy projects primarily in cooperation with local financial institutions. GCPF will prioritize countries with the largest energy consumption, the most significant greenhouse gas emissions and the highest potential to increase efficiency throughout the production and use of energy. Beneficiaries of GCPF mainly comprise households, home owner associations, leasing companies, SMEs (including ESCOs and small renewable energy companies) as well as municipal entities and which require financing in order to improve energy efficiency performance of their (or their clients') buildings or processes, or to produce renewable energy. GCPF can pursue two types of investment: 1) investments into financial institutions such as local banks and leasing companies and 2) direct investments such as project developers and ESCOs. The goal is to reduce CO2 emission by 20% on average across all energy efficiency measures.

In parallel with GCPF, a Technical Assistance Facility (TA Facility) has been established, primarily to assist investees of the Fund in their development and growth. The services delivered by the TA Facility are therefore to be seen complementary to the Fund's objectives. The GCPF will select TA consultants in line with EU regulations. The costs of projects are generally shared between the recipient and the TA Facility

More info: <http://gcpf.lu/home.html>

### Eligibility

For the investments for financial institutions a step by step approach is used of selection of financial institutions, negotiation of the loan facility, the loan operations and monitoring & reporting. For the direct investments also a step by step approach is used. Selection of projects is done by the project investment manager from various sources. The project evaluation will focus on applicable risk ratios and risk-return considerations fit into environmental objectives before proposed to the Investment Committee. After approval by the committee the loan will be arranged. The project will be monitored on regular base.

More information: <http://gcpf.lu/investment-process-fis.html>

### Funding info

|                          |   |
|--------------------------|---|
| Minimum loan amount      | \$ 5 million in most cases  |
| Maximum loan amount      | \$ 20 million   |
| Maximum share percentage | Total direct investments cannot represent more than 30% of total assets of the Fund |
| Maturity period          | Up to 15 years  |

### Example project

The Global Climate Partnership Fund (GCPF) disbursed USD30m to The State Export-Import Bank of Ukraine (Ukreximbank) under a seven year senior unsecured loan facility. The funding provided shall be used to refinance investments in energy efficiency measures as well as renewable energy production. Projects to be refinanced cover a broad range and include inter alia investments in the insulation of buildings, lightning modernisation or efficiency improvements of ventilation and heating systems. Ukreximbank targets small and medium enterprises as project owners while improvements of generation facilities or the modernisation of production facilities of larger corporates may be included.

### Application

If you are interested in obtaining GCPF finance, please contact the Fund by e-mail.

### Contact information

General information: [info@gcpf.lu](mailto:info@gcpf.lu)

Public sector investors: [public\\_investors@gcpf.lu](mailto:public_investors@gcpf.lu)

## 11. Global Environment Facility (GEF)

### Donor description

The Global Environment Facility (GEF) unites 182 member governments — in partnership with international institutions, and the private sector — to address global environmental issues. The GEF was established in 1991 as a pilot program in the Worldbank to assist protection of the global environment and to promote environmental sustainable development. Climate change from human-induced emissions of heat trapping greenhouse gases (GHGs) is a critical global issue, requiring substantial action. These actions include investment to reduce emissions of GHGs and adaptation to climate changes including variability. GEF project in climate change help developing countries and economies in transition to contribute to the overall objective of the United Framework Convention on Climate Change (UNFCCC). The GEF is today the largest funder of projects to improve the global environment. The GEF partnership consists of 10 agencies, including the EBRD, UNDP, UNEP, UNIDO the ADB and the World Bank.

**More information:** <http://www.thegef.org>

### Eligibility

The GEF funds a broad range of project types that vary depending on the scale of GEF resources, the project needs and the issue addressed. In order to be approved each project follows a specific project cycle. Each GEF country has designated an officer responsible for GEF activities, known as GEF Operational Focal point, who plays a key role in assuring that GEF projects are aligned to meet the needs and priorities of the respective country.

To be taken into consideration a project has to fulfil the following criteria:

- it is undertaken in an eligible country
- it addresses one or more of the GEF focal areas
- it is consistent with the GEF operational strategy
- it seeks GEF financing only for the agreed-on incremental costs on measures to achieve global environmental benefits
- it involves the public in project design and implementation
- it is endorsed by the government of the country in which it will be implemented

GEF provides grants for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer and persistent organic pollutants and Sustainable Forest Management. GEF has various project options:

- Full-sized projects: Project concepts may be developed by governments, communities, the private sector, or other civil society entities – however, they must respond to both national priorities and GEF focal areas.
- Medium-sized projects: MSPs are intended to follow expedited procedures and allow for more diverse participation by NGOs and other civil society organizations in project development and implementation.
- Enabling Activities: Enabling activities projects are usually processed under expedited procedures and approved by the CEO on a rolling basis throughout the year.

### Funding info

GEF provides grants to various types of projects ranging from several thousand to several million US dollars. In the programming period July 2010-June 2014, Ukraine has received an indicative allocation to formulate and execute projects for \$ 22,460,000 in climate change

|               |   |
|---------------|---|
| Minimum grant | Over \$ 1 million for Full-sized projects |
| Maximum grant | Up to \$ 50,000 for Medium-sized projects |

### Application

Before drafting a project proposal, the applicant should contact the Country Operational Focal Point (see contact information) and verify that the proposal complies with the criteria mentioned above. If

there are doubts about the eligibility of the project, it is advisable to have an informal consultation with the GEF Secretariat. GEF Agencies assist eligible applicants in the development, implementation, and management of GEF projects. They are the channel between countries and the GEF for the project approval process and participate in GEF governance as well as in the development of GEF policies and programs. The choice on the Agency should be based on its respective comparative advantages as stated in the document Comparative Advantages of the GEF Agencies Corrigendum. Once these preparatory steps are taken, the proponent should develop the Project Identification Form (PIF), in close coordination with the GEF Agency and following the internal project cycle procedures. Once the PIF is ready, the Agency will submit it to the GEF Secretariat for approval. Prioritization of PIF proposals for submission to the GEF for funding and utilization of resource envelopes is managed at the country level – ultimately by the GEF Operational Focal Point. Projects will normally be processed on a first-come, first-served basis.

More info: [http://www.thegef.org/gef/who\\_can\\_apply](http://www.thegef.org/gef/who_can_apply)

#### **Example project**

Since Ukraine joined and applied for grants, it received GEF grants totalling \$ 63,769,005. Until now, a large number of climate change and biodiversity projects have been implemented in Ukraine through the GEF, for example a \$ 2 million project reducing greenhouse gas emissions through large-scale improvements in energy efficiency in Ukraine's municipal District Heating system in Rivne.

More info: [www.thegef.org/gef/sites/thegef.org/files/publication/Ukraine.pdf](http://www.thegef.org/gef/sites/thegef.org/files/publication/Ukraine.pdf)

#### **Contact information**

Operational Focal Point  
Ministry of Environmental Protection  
Mr. Vadim Pozharskyi  
head of department, International Cooperation and European Integration  
35, Urytskogo Street  
03035 Kiev  
Tel: + 380 44 206 3110  
Fax: + 38 044 206 31 11  
E-mail: [pozhar@menr.gov.ua](mailto:pozhar@menr.gov.ua)

## 12. Swiss Cooperation Office (SECO and SDC)

### Donor description

Swiss cooperation with Eastern Europe and the countries of the former Soviet Union supports the transition to rule of law, democracy and a social market economy by means of knowledge transfer and assistance in problem solving. Since 2008, Switzerland also contributes to the reduction of social and economic disparities in the enlarged European Union. Transition aid and the Swiss Contribution to the enlarged EU are implemented jointly by the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO). Swiss development cooperation also strives to strengthen the ability of its partner countries to take their own initiatives. The on-site activities of Swiss development cooperation are managed through about 50 Cooperation Offices.

Swiss Cooperation Strategy 2011-2014 renews Switzerland's commitment to support Ukraine's transition process towards improved living conditions for citizens, effective public services, and sustainable economic growth. The Cooperation strategy focuses on four thematic domains where Swiss expertise is available and where effective and useful contributions can be made, namely: reproductive health, local governance and public services, financial and economic sustainability, sustainable energy management.

#### Sustainable Energy Management (SECO)

The goal of this domain is to contribute to better living conditions, sustainable economic development, and reduced greenhouse gas emissions by introducing energy-efficient and environmentally sound technologies and financial mechanisms in the residential, municipal and business sectors of Ukraine. The effectiveness of interventions however will depend on Ukraine's ability to increase energy tariffs to real cost level, providing the necessary incentives for sustainable energy management. Switzerland will facilitate energy efficiency and renewable energy use through investments in municipal infrastructure such as district heating, thermal modernisation of public buildings, energy supply, water and sanitation, public lighting, and public transport. Since 2011, demonstration projects in the field of municipal energy efficiency have significantly reduced energy consumption in targeted cities, while considerably improving comfort levels for inhabitants of residential buildings. Municipalities have increased their energy and investment planning capacities and have been able to attract additional funding for energy-efficient measures.

More info: <https://www.eda.admin.ch/erweiterungsbeitrag/en/home.html>

### Eligibility

In order to be considered for funding earmarked for Swiss contribution to EU enlargement, project proposals must be submitted in accordance with the procedures established in the bilateral Framework Agreement signed with each country and must match the thematic priorities. The National Coordination Unit (NCU) provides timely information regarding the various project proposal options. Only projects that are in the public interest will be financed through the Contribution to enlargement. No support will be given to commercial projects.

### Example project

The Energy Efficiency and Renewable Energy Infrastructure project in Vinnytsa offers a very high potential for significantly reducing CO2 emissions due to energy efficiency measures in both the investment and the soft components (mainly through the introduction of the "European Energy Award" approach). The output of the project is expected to encompass the rehabilitation of parts of the municipality's district heating system in combination with measures at the multi-family residential buildings level, which allow shifting from a supply driven to a demand driven heat supply. The objective of the project is to improve municipal infrastructure and its energy efficiency, including

increasing energy efficiency in the district heating system, building capacity and raising awareness about energy efficiency and renewable energy.

**More information:** <http://www.vmr.gov.ua/Lists/CityNews/ShowNews.aspx?ID=138>

**Application procedure**

Contact the Ukraine office for more information

**Contact information**

Swiss Cooperation Office Ukraine

4, Hlybochyt'ska St.

04050 Kyiv - Ukraine

Phone +380 44 23 86250

Fax +380 44 23 86251

Email: [kyiv@sdc.net](mailto:kyiv@sdc.net)

### 13. The Swedish International Development Cooperation Agency (Sida)

Sida is a government agency working on behalf of the Swedish parliament and government with the mission to reduce poverty in the world. SIDA is also conducting reform cooperation with Eastern Europe which is financed through a specific appropriation.

Sida focuses on environment, climate change and sustainable development by supporting initiatives within five areas:

- 1) Improved institutional capacity within public institutions
- 2) Improved food supply including sustainable management of ecosystems
- 3) Improved management of water resources and supply of clean water and sanitation services
- 4) Increased access to sustainable energy resources
- 5) Sustainable urban development.

Sida also finances a number of climate change adaptation initiatives funded by the Swedish Government's Special Climate Change Initiative. Funds to promote environment and climate are also supplied through the Swedish Ministry for Foreign Affairs, primarily through support to UN organisations, development banks as well as for the Global Environment Facility (GEF).

Sweden's targets in the area of natural resources and environment in Ukraine are:

- Increasing Ukrainian authorities' ability to implement EU-adapted legislation and regulations within the area of the environment and climate.
- Reducing pollution in the air, on the ground and in the water, as well as higher energy efficiency.

More information <http://www.sida.se/English/>

#### Contact information

SIDA  
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105 25 Stockholm  
SWEDEN  
Tel.: +46 8 698 50 00  
Email: [sida@side.se](mailto:sida@side.se)



## 14. U.S. Agency for International Development (USAID)

### Donor description

The U.S. Agency for International Development (USAID) is an independent agency that provides economic, development and humanitarian assistance around the world in support of the foreign policy goals of the United States. Global climate change is thereby seen as one of the major challenges of this century. One of the objectives in the area of climate change is investing in clean energy technologies.

### Eligibility

Beneficiaries are municipalities and NGO's

### Funding info

USAID no longer posts solicitations for contract opportunities on the USAID website. Instead, these notices will appear on [www.grants.gov](http://www.grants.gov). Please visit the Grants.gov website and sign up for email notifications.

### Example project

Currently USAID supports a three-year Municipal Heating Reform Project (MHRP) in Ukraine. This \$16 million USAID project aims to create a viable municipal heating sector that delivers reliable and efficient services to residents, public institutions and local industries. The project works closely with the national government of Ukraine to establish the legal and regulatory basis for heating sector reform at all levels. The project is also assisting 36 municipalities across Ukraine to improve their district heating. Another project concerns the Cooperation in Research and Education in Science and Technology (CREST) and the *Centre for Energy Efficiency* at Ivano-Frankivsk University which is working to develop solutions and technologies for energy conservation and efficiency.

More info: <http://ukraine.usaid.gov/programs/economic-growth-en/energy-en>

### Application procedure

The majority of USAIDs work is done through organizations selected by a competitive procurement process in keeping with the U.S. Government's procurement policy. Procurement opportunities are listed on [USAID's home site](#), and interested parties can sign up to be notified of new procurements via e-mail. Infrequently and under limited circumstances, unsolicited proposals are funded.

All unsolicited proposals will be received and reviewed for funding, but anyone who applies must keep in mind that resources are limited. USAID will be able to approve only a small number. To be legally eligible for consideration, unsolicited proposals should be:

- Innovative and unique
- Independently originated and developed by the applicant
- Prepared without U.S. Government supervision, endorsement, direction, or direct Government involvement
- Include sufficient detail to permit a determination that USAID support could be worthwhile and the proposed work could benefit USAIDs research and development or other responsibilities
- Not be an advance proposal for a known USAID requirement that can or will be acquired by competitive methods.

More information: <http://ukraine.usaid.gov>

### Contact information USAID/Ukraine

USAID

4 Igor Sikorsky Street

04112 Kyiv

Tel.; +38 044 521 5000

Email: [kyivinfo@usaid.gov](mailto:kyivinfo@usaid.gov)

Ukraine website: [ukraine.usaid.gov](http://ukraine.usaid.gov)

Global website: [usaid.gov](http://usaid.gov)

### 15. IFC Ukraine Residential Energy Efficiency Project

The IFC Ukraine Residential Energy Efficiency Project is designed to create an effective legal and institutional platform to support Ukrainian homeowner associations and housing management companies in obtaining access to finance for the energy-efficient modernization of multifamily buildings. Through the project, IFC aims to facilitate energy efficiency investments in Ukraine's residential sector. The approach has 3 components:

- Develop legislation in close cooperation with government agencies to enable local homeowner associations and housing management companies to access finance to improve energy efficiency in residential buildings.
- Increase awareness about residential energy efficiency among key market stakeholders by relationship-building and development of information campaigns.
- Work with Ukrainian banks to develop and market financially viable energy efficient housing loan products targeted at homeowner associations and housing management companies for the purpose of energy efficiency renovations to multifamily buildings.

The project is supported with funds from the Swiss Confederation.

More information: Grzegorz Stefan Gajda, Project manager

Email: [Ggajda@ifc.org](mailto:Ggajda@ifc.org)

### 16. Sustainable Urban Demonstration Projects – SUDEP

The program financed by the European Commission includes:

- The grant component, 19 projects (with the participation of 23 local authorities), whose municipal projects in the field of energy have received funding through the call for proposals
- Technical, procedural, communications and networking support from the Special Support Team in Lviv, as well as technical assistance from the European Commission's Joint Research Centre (JRC)
- Facilitating access to finance for investments in energy efficiency and renewable energy through the Municipal Project Support Facility (MPSF) led by the European Investment Bank

More info: <http://www.soglasheniemerov.eu/Demonstracionnye-proekty.html>

Contact:

Jan Waanders

[jan.waanders@eumayors.eu](mailto:jan.waanders@eumayors.eu)

### 17. Municipal Project Support Facility (MPSF)

MPSF is a technical assistance facility (TA) of the European Commission coordinated by the European Investment Bank. The TA shall be provided to municipalities that have developed a Sustainable Energy Action Plan (SEAP) in the framework of the European Covenant of Mayors initiative (or similar plan). So far, four projects are under implementation, one of them being a framework project in Ukraine:

The European Investment Bank (EIB) is lending EUR 400 million to finance public infrastructure projects in Ukraine's medium and large municipalities focused on protecting, rehabilitating and avoiding deterioration of municipal infrastructure.

EIB funds will support some 25 to 40 projects fostering substantial improvements in energy efficiency - as district heating, energy efficiency in public buildings, municipal lighting and will contribute to Ukraine's energy security, reduction of water losses, improvements of solid waste management services and of safety and quality of municipal services provided.

More info: <http://www.eib.org/infocentre/press/releases/all/2015/2015-178-eib-supports-the-upgrade-of-municipal-infrastructure-in-ukraine-with-eur-400-million.htm?lang=en>

## 18. EU Horizon 2020 programme

Researchers, businesses and innovators from Ukraine will now be able to fully participate in Horizon 2020, the European Union's research and innovation funding programme, on equal terms with EU Member States and other associated countries. This is thanks to the Agreement for the Association of Ukraine to Horizon 2020, signed in March 2015 in Kiev.

With a budget of almost € 80 billion for 2014-2020, Horizon 2020 is the largest multinational programme dedicated to research and innovation.

Secure, Clean and Efficient Energy is one of the programme priorities and local authorities and regions are eligible beneficiaries.

More info:

<http://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>

[http://europa.eu/rapid/press-release\\_IP-15-4640\\_en.htm](http://europa.eu/rapid/press-release_IP-15-4640_en.htm)

### **19. Ministry of Regional Development, Construction and Housing and Municipal Economy of Ukraine (MinregionUA)**

Ministry of Regional Development, Construction, Housing and Municipal Economy of Ukraine (MinregionUA) is a main body in a system of executive power which activity is directed and coordinated by the Cabinet of Ministers of Ukraine. Main tasks of MinregionUA are creation and support to state policy implementation in the following areas:

- Improvement of territorial organization of power, administrative and territorial structure; development of local self-governance;
- Construction, architecture, urban planning, construction materials, preservation of the traditional character of settlements environment;
- Municipal economy, housing policy, household waste disposal, technical inventory of real estate property;
- Architectural and building control, control of housing and utilities;
- Provision of technical regulation in the field of construction, municipal engineering, building materials, housing and communal services.

Resulting from a statutory meeting of the Working Group on Coordination of International Technical Assistance Projects and Programs held on 9 February 2012, the Ministry issued an order about establishment of permanent working group to coordinate international technical assistance projects and programs related to housing and communal services in municipalities

More info: [www.minregion.gov.ua](http://www.minregion.gov.ua)

### **20. State Agency for Energy Efficiency and Energy Conservation of Ukraine (SAEEEC)**

The State Agency for Energy Efficiency and Energy Conservation of Ukraine is a central authority of executive power with special status. Its activities are directed and coordinated by the Cabinet of Ministers of Ukraine by the Minister of Economic Development and Trade of Ukraine.

Its main tasks are:

- implementing state policy in the area of efficient utilization of energy resources and energy conservation;
- controlling in the area of fuel resource efficiency;
- increasing share of renewable energy and alternative types of fuels in the country energy balance

The European Union and Ukraine continue cooperation in implementation of the measures agreed in the EU-Ukraine Association Agenda in the areas of energy efficiency and renewable energy sources, including the implementation of the road map agreed under the Energy Memorandum of Understanding in these areas. Currently one of the major tasks on the agenda is to set up an appropriate institutional framework to sustain implementation of such measures in the long term. To contribute to setting up of such institutional framework the EU launched in 2011 a technical assistance project "Capacity Building of the State Agency for Energy Efficiency and Energy Conservation".

More info: <http://saee.gov.ua>

## 21. UKREXIMBANK (JSC «The State Export-Import Bank of Ukraine»)

Today Joint Stock Company “The State Export-Import Bank of Ukraine” (JSC Ukreximbank):

- is 100% [state-owned](#);
- is one of the [major operators](#) in the Ukrainian banking market;
- services a considerable proportion of export and import activities effected by Ukrainian enterprises and enjoys unique experience in the Ukrainian market in various areas of export-import banking, including documentary business and trade finance;
- acts as [the sole financial agent](#) of the Government of Ukraine with respect to loans from foreign financial institutions, which are originated, borrowed or guaranteed by Ukraine;
- is a partner of the World Bank under the largest [Export Development Project in Ukraine](#), a partner of the European Bank for Reconstruction and Development (the EBRD) under the EBRD [Trade Facilitation Programme](#) and the EBRD Energy Efficiency Programme, a partner of Kreditanstalt fur Wiederaufbau (the KfW) under [Small and Medium Enterprises Program](#);
- has the widest amidst Ukrainian banks foreign network of correspondents and long-standing reliable partners world-wide;
- is favoured with credit lines from global financial institutions for short-term documentary and [trade finance transactions](#) and is the only Ukrainian bank recognised by over 30 primary [Export Credit Agencies](#) as a direct borrower/guarantor on medium and long term financing;
- has a well developed branch network, which embraces all main regions and industrial centres of Ukraine.

The purpose of the Energy Efficiency Project , that are implemented with the IBRD, is reduction of the energy intensity in the Ukrainian industry and decrease of energy losses in the residential sector, particularly, in heating and household maintenance. Ukreximbank will apply the 30-year maturity funding to provide medium- and long-term financing of energy efficiency investment projects to Ukrainian industrial and municipal enterprises. Ukreximbank will provide loans under the Project both directly to the final beneficiaries as well as via Ukrainian commercial banks selected pursuant to the eligibility criteria established jointly with the World Bank. Disbursement of the facility funds is under way.

Ukraine Energy Efficiency Programme (UKEEP) with the EBRD in the amount of USD 50 million to finance investment projects of private Ukrainian companies aimed at decreasing energy intensity and introducing modern technologies to improve their competitive positions. Under UKEEP, considerable attention is paid to environmental protection. Following successful implementation of the Programme, in December 2008 the EBRD extended the loan facility to Ukreximbank by additional USD 50 million, designated for sustainable energy sub-projects of private Ukrainian companies. Furthermore, in February 2012 Ukreximbank and the EBRD signed a Loan Agreement to focus on further strengthening of joint support of sustainable energy projects of the

Along with the EBRD/EIB Multilateral Carbon Credit Fund (MCCF), Ukreximbank arranged carbon financing for its customers, stipulating purchase of greenhouse gases (GHG) emission reduction units (ERUs). GHG emission reduction allows additional income from sale of ERUs under the Kyoto Protocol mechanisms.

Ukreximbank and EIB signed a loan agreement in the amount of EUR100 million to be directed to SME projects as well as energy efficiency and environmental projects. In accordance with the terms and conditions of the loan agreement Ukreximbank will provide subloans to final borrowers to finance investment projects with maximum exposure of up to EUR25 million per a borrower and maturity of up to 10 years.

The EIB funds will be channeled for development of local private sector, social and economic infrastructure, including transportation, energy and environmental infrastructure, IT and communication technologies, as well as mitigation of and adaptation to climate change. The projects eligible for financing under the program include renewable power (solar, wind, biomass, small hydro plants) and environmental projects, projects of high efficiency heat and power

cogeneration, energy transportation, modernization of heating, water supply and sewage systems.

In February 2012, the GCPF and the EBRD signed a facility agreement in the amount of USD 30 million to finance investment projects in Ukraine aimed at decreasing energy intensity and introducing modern technologies to improve their competitive positions. The Facility is used for energy efficiency and small renewable energy projects of Ukrainian enterprises including small- and medium-sized enterprises (SMEs). The tenor of the funds provided under the Facility will be up to 7 years. Investment projects implemented under the program will result in energy savings of average 20% with respective reduction of emissions of greenhouse gases. The program also envisages financing of thermal protection of buildings, modernization of lighting, ventilation, heating systems, etc, for SMEs and utility companies.

<http://www.eximb.com/ukr/corporate/>

|                      |  |   |
|----------------------|--|---|
| Distribution loan of | EBRD   | EIB   |
| objective of credit  | Financing capital investment of development renewable energy and EE projects | Development local private sector, social and economic infrastructure, adaptation to climate changes |
| Max amount           | 3 mln USD  | 12 mln Euro   |
| period               | 5 year   | 2-10 year (no longer payback period)  |
| currency             | USD  | USD, Euro   |
| cofinancing          | 30%  |   |
|                      | possible the grace period  | IRR > 10%   |
|                      | IRR > 10%  |   |

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Volodymyr Khrebet  
 Head of Energy Efficiency Programs Unit  
 IFI Programs Department  
 JSC "Ukreximbank"  
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## 22. UKRGASBANK

UkrGasbank is a mid-sized Ukrainian bank headquartered in Kyiv, capital of Ukraine.

Since its inception in 1993, the Bank has undergone a progressive transformation from a corporate lending institution financing and servicing Ukraine's oil & gas sector to the bank with a high growth, low risk and diversified business model. A controlling stake of 87.72% of the Bank's equity belongs to the Ministry of Finance.

Being a universal bank, it provides full range of services to both retail and corporate customers. Present across all Ukrainian regional administrative centers through all its business lines, UkrGasbank has one of the largest networks on the local market with 3,700 employees.

UKRGASBANK began lending to unions of apartment house owners and housing cooperatives for energy saving purposes. Loans of up to UAH 3 million are issued for purchasing energy saving equipment or materials and performing installation works for the period of up to 5 years at the rate of 25% per annum. According to the program, the Agency for Energy Efficiency and Energy Saving of Ukraine will refund up to 40% of the cost of equipment and materials for unions of apartment house owners and housing cooperatives for energy efficiency and energy saving measures.

<http://www.ukrgasbank.com/ukr/sme/credit/osbb/>

UKRGASBANK has issued 7 loans for the total of over UAH 700 thousand for the first two months since the program started. There are 60 applications from unions of apartment house owners and housing cooperative under consideration at the moment. The first such loan for the installation of the individual heat metering unit and the setting of the intrabuilding electrical network was granted to the union of apartment house owners and housing cooperative "Barvy" in Lutsk city and the second – for the purchase of the energy efficient triple-pane glasses and external walls insulating materials in Kozyatyn city of Vinnytsya region.

[http://www.ukrgasbank.com/upload/gasdev/information\\_system\\_59/8/7/0/item\\_870965/information\\_items\\_properties](http://www.ukrgasbank.com/upload/gasdev/information_system_59/8/7/0/item_870965/information_items_properties)

UKRGASBANK joined the government initiative focused on the public support of the energy saving measures by partially compensating the loan amount. Thus, the bank issues loans under the program "Warm home" for a term up to 3 years at 25% p.a. for the purchase of energy saving equipment and materials (heating boilers except natural gas boilers), heaters with heating control units, energy saving windows, walls insulation etc.) aiming to equip either houses or apartments. The state compensates up to 30% of the loan amount to the borrower.

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### 23. Energy Efficient Cities of Ukraine (EECU)

EECU was founded in 2007. Today EECU unites more than 40 Ukrainian cities, both large and small scale, from all regions of Ukraine. EECU itself is a member of two European associations of local governments – "Energy Cities" and "Climate Alliance" – and the only national support structure of the Covenant of Mayors in Ukraine.

**The priorities of EECU include:**

- Development of organisational and management capacity of local governments to solve problems of the urban energy sector based on the international standard ISO 50001:2011 "Energy Management Systems"
- Combine efforts and mobilise available resources of all stakeholders for working out and implementing a new energy policy
- Introduction of modern technical and financial approaches to improve energy conservation, energy efficiency and energy security
- Creation of a new social attitude and behaviour pattern at home for the use of traditional and renewable energy sources and for environmental protection

EECU constantly provides consultations, organises conferences, discussion panels, seminars and workshops, implements joint projects and study visits for its member cities. All activities are intended to help cities implement an energy management system, develop an action plan for their energy policy and involve the public to act together in response to local energy challenges.

More information: [www.enefcities.org.ua/en/projects](http://www.enefcities.org.ua/en/projects)

#### Contact information

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**Further information:** [www.soglasheniemerov.eu](http://www.soglasheniemerov.eu)

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