

European Investment Bank in Ukraine

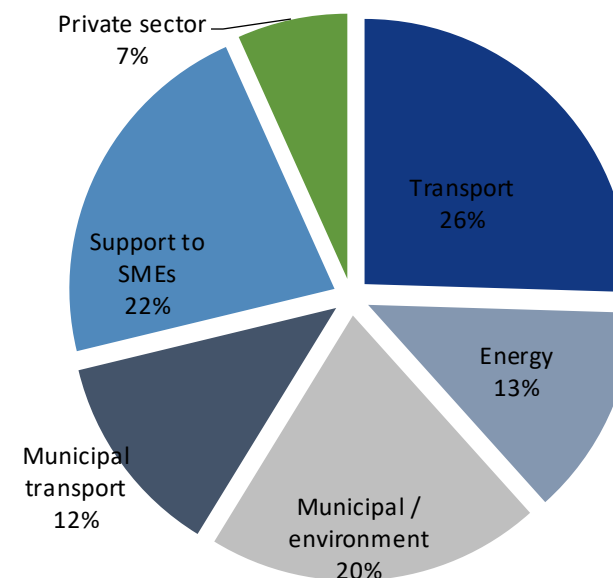
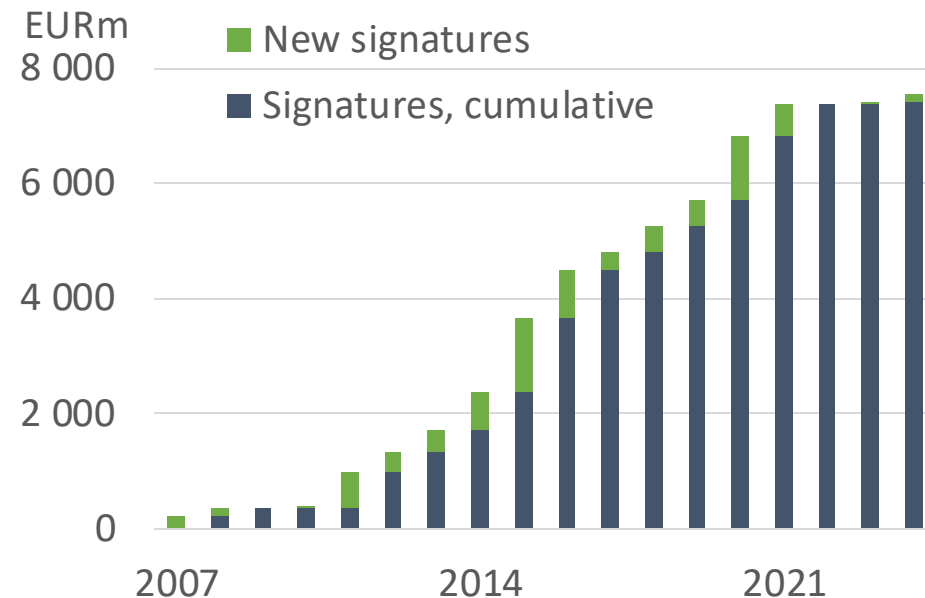
American Chamber of Commerce in Ukraine

December 11, 2024



EIB Financing in Ukraine: an Overview

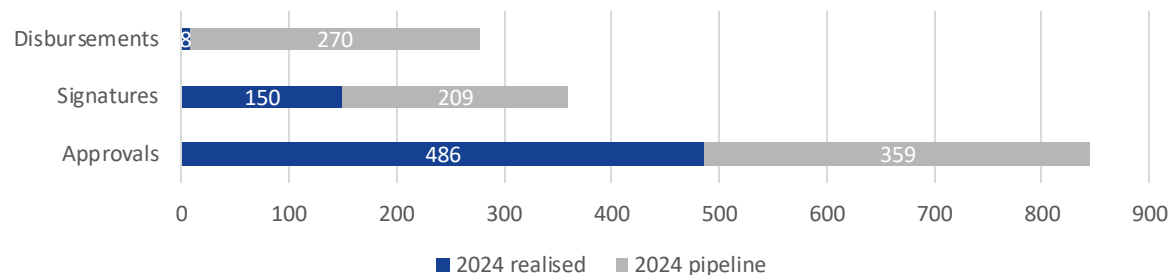
- **EUR 7.5bn of operations since 2007** – strong acceleration since 2014.
 - **70%** in support of **public infrastructure** (municipal, transport, energy, social infrastructure)
 - **30%** in support of **private sector** (MSME – including via EIF, corporates).
- Following the full-scale Russian invasion: over **EUR 2bn of financing**
 - **First IFI** disbursing in Ukraine: **EUR 668m starting in March 2022**. Additional repurposed operations: **EUR 1.1bn** (fully disbursed)
 - Resumed operations **EUR 536m** (EUR 288m disbursed)
 - One impact financing private equity operation: **EUR 25m**
- Strong focus on **procurement procedures and anti-corruption safeguards**



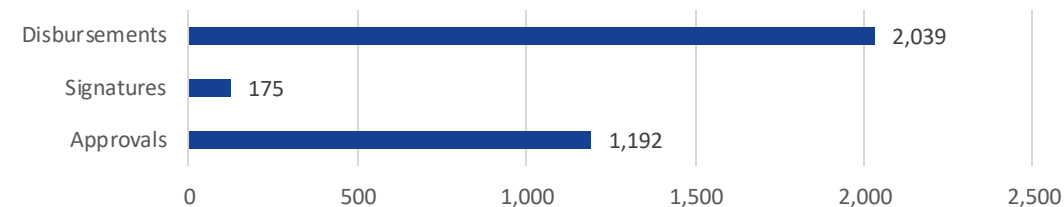
EIB Group Projects in Ukraine since 2022 in Context

Business delivery (EUR m)

EIB in Ukraine in 2024



Total realised since 2022



Signed operations since 2022

Operation	Amount	Source	Priority sector
HORIZON CAPITAL GROWTH FUND IV	EUR25m	EU4U Fund	SMEs
UKRAINE RECOVERY III FL	EUR100m	EFSD+ IW1	Local infrastructure

Deployment of guarantees

EIF EU Export Credit Agency pilot (EUR300m): Call for expression of interest launched to ECAs. Deadline end of 2024.	EUR420m of requests received from 8 ECAs.	InvestEU	SMEs/ private sector
EU4Business Guarantee Facility: Call for expression of interest launched to Ukrainian banks. Deadline end of September 2024.	EUR40m (expected investment XXX)	Ukraine Facility (top up)	SMEs/ private sector
Partial Portfolio Guarantee: EIF documentation under negotiation.	EUR150m (expected investment XXX)	Ukraine Facility	SMEs/ private sector

Ongoing initiatives

Country Strategy

EIB Group strategy for Ukraine under discussion with PJ. Looks at processes and organisational implications for war and long-term reconstruction. Final draft expected in November. To be followed by sectoral strategies.

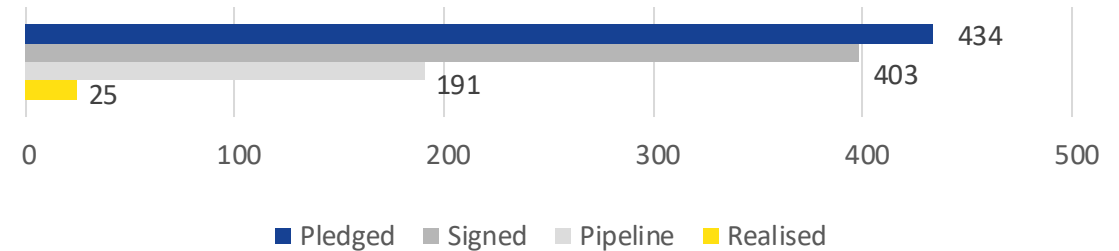
Energy Rescue Plan

Sector strategy for the energy sector, including derogations that allow the financing of small gas turbines until the end of 2025 in the context of the current energy crisis and preparations for “winterisation”. Endorsed/approved by the October Board.

EU4U Initiative Launched in 2023 as a Bridging Mechanism

- **EU4U Trust Fund**
 - EUR 434m pledged; 398m signed
 - Contributions from EU Member States: 2 signed and 4 approved operations
 - Target: impact finance; grants and interest rate subsidies; de-risking of operations on the EIB balance sheet to achieve bankability and concessionality
- **EU4U Advisory (Ukraine and Moldova)**
 - EIB own funds
 - EUR 100m in funding, of which EUR 30.8m is approved
 - Provides capacity-building, supports project preparation and implementation, and helps strengthen compliance and safeguards
 - Complementary to JASPERS and Ukraine FIRST project preparation

Status of EU4U Funding: Available Resources



Operations to date

8			
	Project	Status	Amount (mEUR)
20230284	HORIZON CAPITAL GROWTH FUND IV	Disbursed	25
2023-0351	IMPROVEMENT ROAD NETWORKS SOLIDARITY LANES FL	Board approved	64
2019-0130	UKRAINE EE REPAIR OF RESIDENTIAL BUILDINGS	Board approved	32
2020-0250	KYIV CITY URBAN ELECTRIC TRANSPORT B	Board approved	51
2022-0484	UKRAINE DIGITAL EMERGENCY RESPONSE SERVICES	Board approved	43

EIB as Key Implementing Partner of the Ukraine Facility

The EUR 50bn Ukraine Facility includes guarantees and grants across three pillars: (1) MFA, (2) guarantees and blending for IFIs, and (3) interest rate subsidies and TA for EU programmes.

EIB public sector lending

- EIB will use **at least 25% of the Pillar 2 guarantee amount (EUR 1.95bn)** for high priority projects delivering essential public infrastructure in line with the Ukraine Plan.
- Exclusive to guarantee EIB for **operations that are Board approved by end of 2025**
- Guarantee agreement under negotiation. Expected to be signed by year end.
- EIB will apply for associated investment grants and implementation technical assistance grants

EIB Group private sector lending

- EIB and EIF top ups for SME lending agreed, still being contracted
- EIB and EIF will apply for thematic guarantee/blending instruments for private sector and FDIs in the coming months.

Advisory Services in Ukraine

- EIB is rolling out **JASPERS advisory services** in Ukraine with support from the Ukraine Facility. Already started to work on the Public Investment Management (PIM) roadmap. Contribution agreement under negotiation.
- **Ukraine FIRST, a joint EBRD-EIB project preparation facility**, will receive an initial EUR20m of Ukraine Facility funding. Expected to be launched in early 2025.

Project Preparation Framework and Ukraine FIRST

To further complement its project planning and advisory offer in Ukraine, the EIB and the EBRD are currently creating Ukraine FIRST with support from the Ukraine Facility:

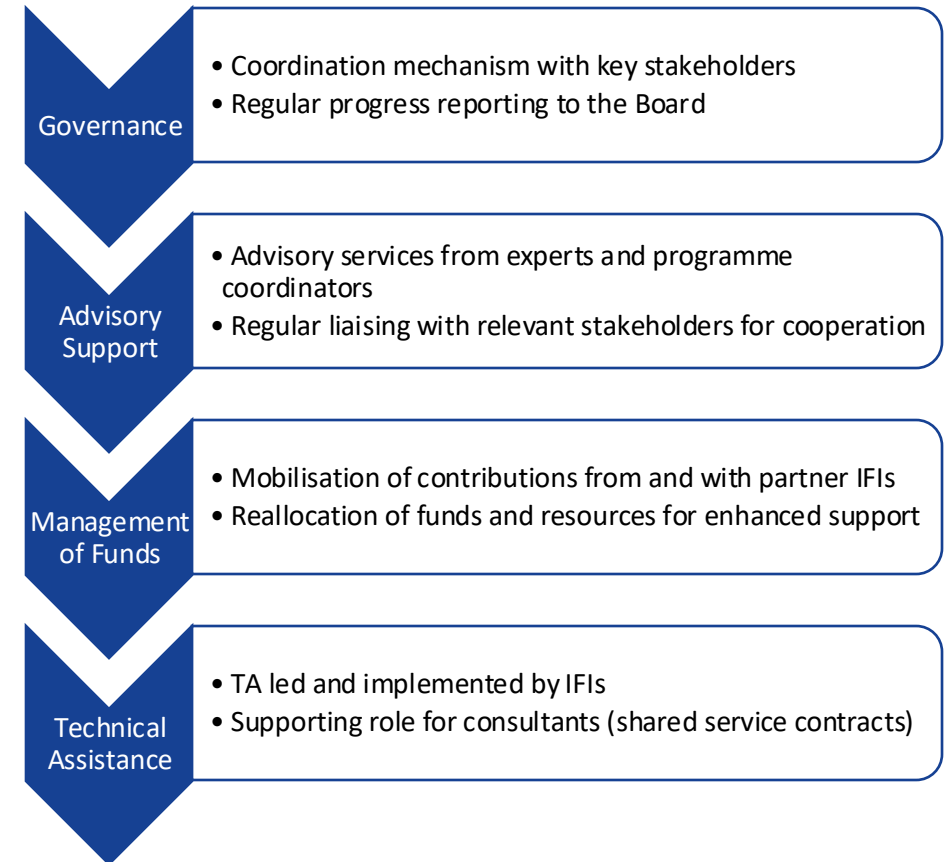
Project: Ukraine Facility for Infrastructure Reconstruction

- **Goal:** Framework to coordinate support for projects in Ukraine's Single Project Pipeline (SPP) by multiple preparation facilities and provide TA for Ukraine Facility-funded projects.
- **Date:** Expected launch in early 2025
- **Funding:** EUR 20m expected from Ukraine Facility.

Key Advantages:

- **Expertise:** Builds on the EIB's experience in the Western Balkans with WBIF based on a SPP, is closely linked to EU accession goals and policy-making and liaises with JASPERS experts.
- **Efficiency:** Proven efficiency and quality of advisory deployment
- **Collaboration:** Strong IFI support, co-design with EBRD, donors & IFIs brought together under a single structure with strong input and ownership from Ukraine Strategic Investment Council

FIRST description and functions: overview

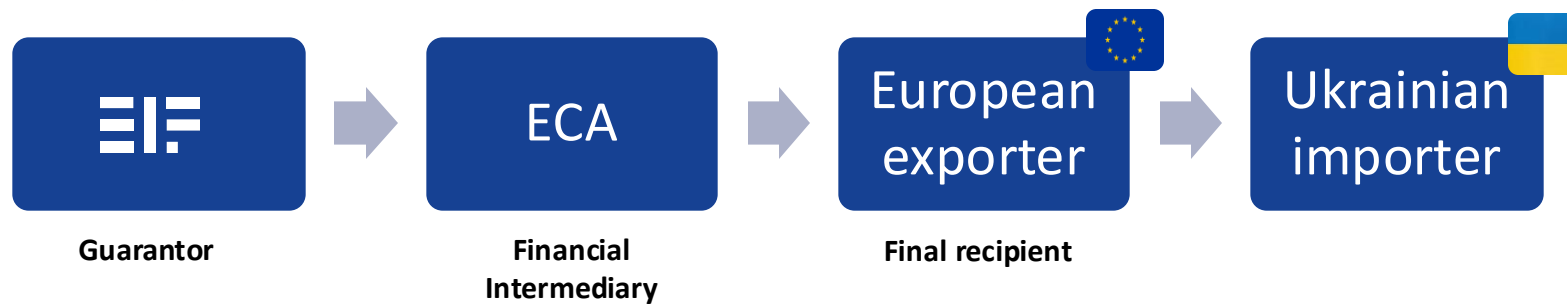


European Investment Fund Support to European Export Credit Agencies

The European Investment Fund (EIF) launched a pilot operation to provide risk sharing **support to European Export Credit Agencies to provide coverage for SMEs for exports to Ukraine.**

- The underlying financing must support the export of goods or services by EU SMEs and Small Mid-caps to entities based in Ukraine. Eligible transactions include including credit insurance, debt financing, letters of credit and financial guarantees.
- This pilot is supported with a EUR 300m grant from InvestEU.
- The call for proposals is open until the end of 2024. Contracts with ECAs will be signed in 2025.

ECA Support Process



EIB Impact: Qualitative Added Value in Ukraine



EU expertise and policy coordination: As the EU's lending arm, the EIB possesses exceptional experience in supporting candidate countries and new member states during the EU accession processes, essential to Ukraine's long-term objectives as a candidate country. The EIB's policies are in full alignment with EC goals and standards, allowing for significant policy synergies as candidate countries align with the *acquis communautaire*.



Project-based approach: The EIB adopts a strong project-based approach, which includes detailed project preparation, close monitoring, disbursements only for specific expenditures, and links with specific results, with a view of enhancing project standards.



Rich experience, local expertise, and advisory services: the EIB has been active in Ukraine since 2007, and since the early stages of the conflict in 2014. The EIB therefore has significant relations with local stakeholders on the ground, including in conflict-based contexts. It also offers strong advisory services from in house experts and cooperation with external (both local and global consultants).

EIB Impact in Numbers: Key Highlights

Since the beginning of the war, the EIB has been supporting substantial infrastructure and economic projects across Ukraine ([EIB, 2024](#)):

- **Infrastructure sector**
 - Financial support for over **56 projects**
 - Renovation of **300+ hospitals, social housing facilities, kindergartens, and schools in 150 cities**
- **SME sector**
 - An estimated **1,500 SMEs** benefit from EIB funding through credit lines and guarantees to local banks
 - This sustains an estimated **260,000 jobs**
- **Transport sector**
 - Upgrades to urban public transport in **20+ cities**
 - Financial support for the modernisation of **250+ km of railway lines**, improving road and transport connectivity
- **Energy sector**
 - Support to the increase energy efficiency of **1000+ public buildings** for **2.5m visitors**
 - Hydropower: over **21 hydropower energy producing facilities** to be renovated and refurbished

EIB Impact: Ukraine Urban Public Transport Project



10 new trams were introduced in Lviv (2024), servicing over 700,000 people

Lutsk city purchased 26 trolleybuses under a EUR 4.36m EIB loan as part of the UUPT



- **Project goals:** support electric urban public transport sub-projects in medium to large size cities that aim at purchasing new rolling stock or rehabilitating exiting urban public transport infrastructure.
- **Cooperation with Ukrainian stakeholders:** UUPT to support the National Transport Strategy of Ukraine approved by the Cabinet of Ministers of Ukraine and implemented by the Ministry of Infrastructure.
- **Date:** Project started in 2019; EIB to support Ukraine through the UUPT until 2030.
- **Funding:** EUR 400m (200m from EIB own resources and 200m from EBRD co-financing).
- **Expected impact:**
 - Providing further transport services for urban development addressing both wartime destruction and Ukraine’s future needs
 - Developing electric transport infrastructure in line with green and sustainability goals
- **Beneficiaries to date:** the UUPT is projected to serve 11 cities of over 100,000 people. This includes Ivano-Frankivsk, Kharkiv, Kyiv, Lutsk, Lviv (picture), Mykolaiv, Odesa, Sumy, Ternopil, and Zaporizhzhia.

EIB Going Forward: Energy

As half of its electricity and heating assets and two thirds of its energy generation capacity has been destroyed since February 2022, Ukraine needs to prepare for its winter energy needs. The EIB supports Ukraine through its new energy strategy:

Short-term goals: Wartime adaptation (up to 2024)

- Construction of protective structures, prioritisation of repair works on critical infrastructure
- Shift in the grid topology for smaller, more flexible distributed assets to increase resilience against attacks

Medium-term goals: Green energy transition (2024-2027)

- Accelerate market reforms to meet EU accession requirements
- Move towards heat and electricity decarbonisation

Long-term goals: EU grid integration (up to 2030)

- Adaptation of grid standards to operate in line with ENTSOE rules
- Construction of new cross-border lines



EIB is financing works to improve Yuri Kondratiuk Poltava Polytechnic University's energy efficiency, in line with the Energy Strategy's medium and long term goals.

Financing: the strategy is expected to cost EUR 400-600 million under the EU Ukraine Investment Framework and EU4U Fund. EUR 26 billion in investments is expected from donors by end 2025, with EUR 1.3 bn worth of donor projects to be completed by end 2025.

EIB Going Forward: Repair of Residential Buildings

In alignment with EU wartime assistance commitments, the EIB is supporting efforts to rebuild homes destroyed or damaged by the war.

- **Project:** Ukraine EE Repair of Residential Buildings
- **Goals:** support the rapid rehabilitation and repair (including energy efficiency measures) of privately-owned residential multi-apartments buildings damaged by the war.
- **Board approval** in March 2024. **Signature** expected by March 2025
- **Financing:** EUR 291m (230m from EIB own resources and 61m from promoter own resources)
- **Technical assistance** provided at central and local levels at all stages of the project cycle
- **Expected impact:**
 - Increase housing stock, improving quality of life and supporting IDP and refugee returns to their homes
 - Alignment with EIB energy and climate action objectives, through a focus on energy efficiency increase and renewable energy development



Repairs to residential buildings across Ukraine as part of the project (March 2024)



EIB Going Forward: Transport and Connectivity

Going forward, the EIB is committed to ensuring greater connectivity between the EU and Ukraine, in line with EU accession goals.

- **Project:** Improvement Road Networks Solidarity Lanes FL
- **Goals:** Finance priority investment needs in the road sector focusing on main export routes, improve railway access to the EU (construction of EU Solidarity Lanes in Ukraine and Moldova), and repair damaged road infrastructure, including bridges
- **Board approval** in December 2023. **Signature** expected in December 2024
- **Financing:** EUR 230m from EIB own resources (under EU4U Fund)
- **Advisory services:** support from JASPERS
- **Priority actions:** deployment of European track gauge on lines to Lviv and Chisinau, improving connectivity between Ukraine and Poland and Moldova and Romania
- **Expected impact:** “Extending the standard gauge of the European railway network to Ukraine and Moldova will facilitate the movement of goods and services, helping the two countries integrate quickly into the EU market and accelerating Ukraine’s post-war recovery.” ([VP Teresa Czerwińska](#))



Refurbishment of 128km of the vital north-south rail corridor in Moldova, improving movement and trade with the EU and Ukraine (Moldova Solidarity Lanes)





Further information

EIB response to the war in Ukraine: <https://www.eib.org/standwithukraine>

EIB past and present involvement in Ukraine:
<https://www.eib.org/en/projects/regions/eastern-neighbours/ukraine/index.htm>

EIB in Ukraine Facebook page: <https://www.facebook.com/EIBinUkraine/>