

**Approval by mail: Ukraine Residential Energy Efficiency Finance Facility
(UREEFF) EBRD (CTF)**

September 11, 2014

Dear CTF Trust Fund Committee members,

Attached please a project proposal entitled, *Ukraine Residential Energy Efficiency Finance Facility (UREEFF)*, along with a minor amendment to the CTF investment plan for Ukraine (Annex A), submitted by the European Bank for Reconstruction and Development (EBRD).

EBRD would like to notify the Trust Fund Committee of a proposed amendment to the Revised Investment Plan for Ukraine endorsed by the Trust Fund Committee in August 2014. The amendment proposes to re-allocate USD 15.0 million of CTF funding canceled from the Renewable Energy Program (EBRD) approved by the Trust Fund Committee on May 20, 2013, to a residential energy efficiency program. The proposed shifting of resources between sectors is less than 15 percent of the funding envelope of the investment plan (USD 350.0 million). According to the *CTF Guidelines for Management of Pipeline and Revisions to Investment Plans* (December 2011, paragraphs 11-13), the proposed amendment to the investment plan only requires notification to (rather than endorsement by) the Trust Fund Committee.

The attached project proposal entitled, *Ukraine Residential Energy Efficiency Finance Facility (UREEFF)*, has been submitted for your review and approval of a CTF allocation of USD 24.152 million.

The CTF Trust Fund Committee is requested to approve the following decision:

The CTF Trust Fund Committee approves a CTF allocation for the project proposal entitled, *Ukraine: Residential Energy Efficiency Finance Facility (UREEFF)*, submitted by the European Bank for Reconstruction and Development (EBRD), as follows:

- a) USD 24.0 million in second-loss Ukrainian Hryvnia/Foreign Exchange (UAH/FE) risk-sharing participation and/or portfolio guarantee for sub-loans to housing collectives;**
- b) USD 44,000 in grant funding for knowledge management and evaluation activities;**
- c) USD 108,000 for project implementation and supervision services.**

For your information, the following (and attached) table summarizes the allocation of resources for the endorsed investment plan for Ukraine. The Trustee has confirmed that there are sufficient resources available for the commitment requested.

CTF Ukraine			
	<u>USD million</u>		
<u>CTF Allocation (Revised August 5, 2013)</u>			350.000
Approved CTF funding	<u>Loan</u>	<u>Grant</u>	<u>Total</u>
<u>District Heating Energy Efficiency (IBRD)</u>	50.000	1.050	51.050
<u>Ukraine Renewables Direct Lending Facility (EBRD)</u>	27.000	0.603	27.603
<u>Novoazovsk Wind Farm (EBRD)</u>	20.150	0.539	20.689
<u>Renewable Energy Program (EBRD/IFC)</u>	49.200	0.800	50.000
<u>Renewable Energy Program (EBRD)*</u>	0.000	0.000	0.000
<u>Ukraine District Heating Modernisation (EBRD)</u>	49.250	0.750	50.000
<u>Ukraine Sustainable Energy Lending Facility (EBRD)</u>	27.000	0.500	27.500
<u>Second Urban Infrastructure Project (UIP-2) (IBRD)</u>	50.000	0.000	50.000
<u>Gender Assessment Grant approved (EBRD)</u>	0.000	0.056	0.056
<i>Sub-Total - Approved CTF Funding</i>	272.600	4.298	276.898
Project Submitted for CTF Funding Approval			
<u>Residential Energy Efficiency Finance Facility (UREEFF) (EBRD)*</u>	24.000	0.152	24.152
Total approved CTF funding if above request is approved			301.050
Total CTF allocation remaining			48.950

Figures as of August 27, 2014.

*EBRD has cancelled USD 15.0 million (USD 14.73 million in loans and USD .27 million in grants) approved by the Trust Fund Committee on May 20, 2013 for the Renewable Energy Program (EBRD) and is proposing to re-allocate these funds to UREEFF, along with USD 9.152 million in additional funds.

If we do not receive an objection to this proposed decision by close of business on **September 24, 2014**, the decision will be approved.

Sincerely,

Mafalda Duarte
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