

April 9, 2013

## **Approval by Mail: Ukraine Renewable Energy Program (EBRD/IFC)**

Dear CTF Trust Fund Committee Members:

Please find attached a program document entitled, *Ukraine Renewable Energy Program*, submitted by the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) for your review and approval.

The *Ukraine Renewable Energy Program* has been prepared in conjunction with the preparation of a revised Investment Plan for Ukraine, which is to be presented for consideration at the upcoming Trust Fund Committee Meeting in May. The revised plan, which is available on the CIF website [here](#), proposes reallocating an additional USD 40 million to the program from other programs and projects, without raising the overall indicative allocation to the plan.

However, the wind energy project in Ukraine is moving ahead quickly, and what was originally envisaged as a two-phased project is now going ahead in one phase. As a result, IFC is requesting that the CTF Trust Fund Committee proceed with an approval of the program and a first tranche of funding (EUR 19.5 million, approximately equivalent to USD 25 million) prior to endorsement of the revised investment plan. It should be noted that this first tranche is consistent with the allocation under the current investment plan.

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

**The CTF Trust Fund Committee approves EUR 19.5 million in CTF loan funding, to be administered by IFC, for the program *Ukraine Renewable Energy Program*, submitted by EBRD and IFC under the investment plan for Ukraine.**

**The CTF Trust Fund Committee also approves, contingent on the endorsement of the revised investment plan for Ukraine by the Committee, the following additional funding:**

**(a) EUR 30.5 million in loan funding (EUR 19.0 million for IFC and EUR 11.5 million for EBRD);**

**(b) USD 300,000 in grant funding for advisory services and knowledge management (USD 200,000 for IFC and USD 100,000 for EBRD);**

**(c) USD 670,000 for project implementation and supervision services (USD 500,000 for IFC and USD 170,000 for EBRD).**

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

<b>Ukraine: CTF Investment Plan</b>	<b>USD million</b>
CTF Allocation (endorsed March 15, 2010)	350.000
Projects Approved	
Ukraine Renewables Direct Lending Facility (EBRD)	27.603
Novoazovsk Wind Farm (EBRD)	20.689
Project Preparation Grants Approved	1.575
Energy Efficiency Project (UEEP)	1.000
Energy Efficiency Project (UEEP)*	0.050
Ukraine: Smart Grid Project	0.500
Ukraine: Smart Grid Project*	0.025
Project Submitted for Approval	
Ukraine Renewable Energy Program	
For approval	64.970
Loan	24.960
Contingent on endorsement of revised investment plan	
Loan	39.040
Grant	0.300
Project implementation and supervision services	0.670
<b>Total allocation remaining if all funding requested for above project is approved</b>	<b>235.163</b>

\*Project implementation support and supervision services

For the purposes of this table, an exchange rate of 1 EUR = 1.28 USD is used

If we do not receive an objection to this proposed decision by close of business on **April 23, 2013**, the decision will be approved.

Sincerely,

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