

September 23, 2014

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

Dear Mafalda and colleagues,

We apologize for the delay in responding to the request for CTF funding for the proposed project for the Ukraine, Residential Energy Efficiency Finance Facility. We have the following questions:

- We note that the proposal indicates that part of the facility will be allocated towards a second-loss UAH/FX risk sharing participation product. Please confirm that this falls into Category 3 (credit guarantee) of the financial products used to support local currency operations. We would also appreciate receiving confirmation from the EBRD that the maximum threshold for FX exposure from a devaluation of UAH will be capped at 40 percent. In addition, we note footnote 7 on page 21 indicates that the currency conversions are based on exchange rates as of March 31, 2011; accordingly, we request that the tables in the Annex B be updated to reflect more current exchange rates.
- CTF funding is also being requested for a potential portfolio guarantee for sub-loans to housing collectives. We would appreciate clarification from the EBRD on whether this is a first or second loss guarantee.
- Please clarify the tenor of the CTF funding requested, as pg 8 indicates that the tenor is five years, whereas Annex B states a four year term.

We look forward to receiving a response on these issues, and request an extension to the project approval by two business days, upon receipt of further information.

Best regards,  
Jennifer

Jennifer Purves

Analyste principale | Senior Analyst

Projets et programmes mondiaux environnement | Environment, Global Programs and Initiatives

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