

IFU, the Danish DFI in Ukraine

INVESTMENTS IN ENERGY AND CLIMATE IN TIMES OF WAR

UKRAINE TOWARDS THE EU

OCTOBER 15, 2024, KYIV

green deal
UKRAINA

**A member of EDFI family
(European Development
Finance Institutions)**



IFI partners:



 <p>British International Investment UNITED KINGDOM</p>	 <p>BIO Investing in a Sustainable Future BELGIUM</p>	 <p>CDP Development Finance ITALY</p>	 <p>COFIDES Investment and development SPAIN</p>
 <p>DEG GERMANY</p>	 <p>Finnfund FINLAND</p>	 <p>FMO Entrepreneurial Development Bank THE NETHERLANDS</p>	 <p>IFU DENMARK</p>
 <p>Norfund NORWAY</p>	 <p>OeEB AUSTRIA</p>	 <p>Proparco FRANCE</p>	 <p>SIFEM SWITZERLAND</p>
 <p>SIMEST ITALY</p>	 <p>SOFID PORTUGAL</p>	 <p>Swedfund SWEDEN</p>	

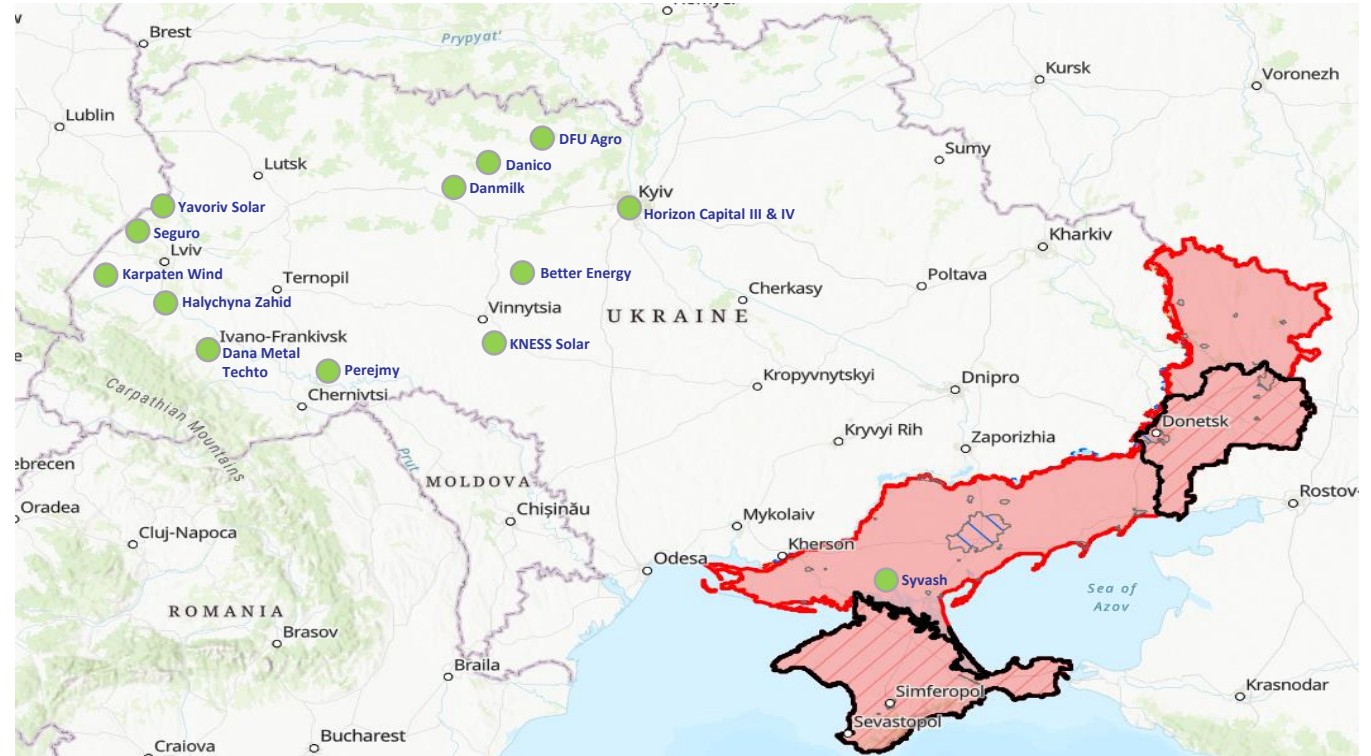
IFU in Ukraine – at a glance

History

- Active in Ukraine for more than 25 years
- 60+ investments made

Current portfolio

- 17 investments: renewable energy, agriculture, fund investments, metal processing, electronics
- Current exposure to Ukraine: ~ EUR 80 million
- Located mostly in central and the western parts of Ukraine
- Co-financing with other DFIs (EBRD, NEFCO, IFC, Swedfund, Finnfund)



IFU project requirements and typical terms

Requirements

- Commercially viable projects – business plan and financial model in Excel
- Exclusively private sector financing
- Impact creation (working places, revenues, taxes). **Rebuild back greener.**
- Satisfactory KYC on the project partners, not on the exclusion list
- No requirements for Danish content, but the preference

Typical terms

- Loan
- Ticket size: EUR 5m - EUR 10m
- Approximate loan cost: 6-month EURIBOR + 4-5% p.a. risk margin (+ PRI)
- Approximate loan tenor: 6-8 years
- Project approval takes 5-6 months
- IFU can take up to 49% of the total project cost

Challenges of investing in renewables in Ukraine

- Security situation assessment. Insurance options.
- Ukraine's strategic vision on renewables
- Policy, regulatory stability
- To what extent the merchant risk is acceptable?
- Are corporate PPAs reliable?
- Cheap money expectations. KYC, PEP risks. Sufficient E&S studies.
- Geographic preference
- Money repatriation

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Ukraine remains a priority Investment country for IFU

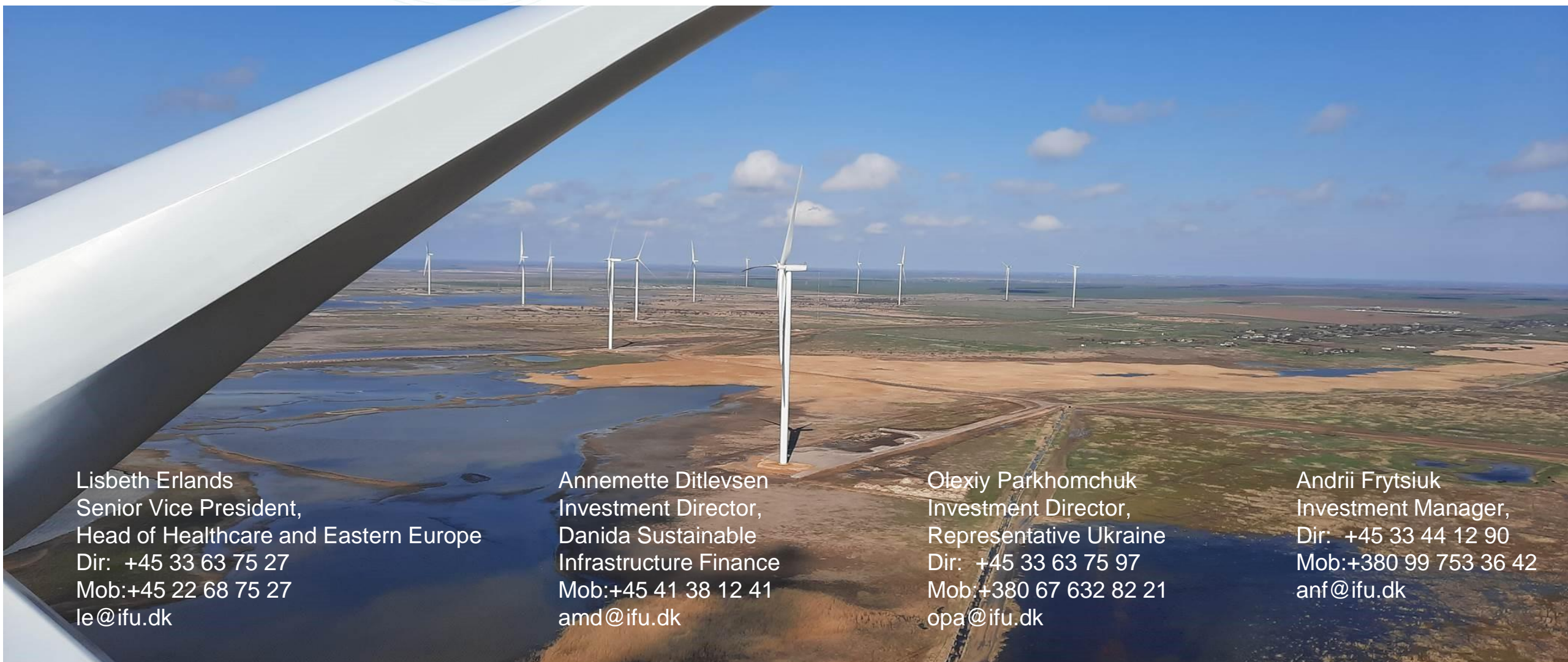
Photo: Syvash wind park, temporarily occupied area of the Kherson oblast'

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