

*November 2018*

# **EDB: Investing in Energy Projects**

# Eurasian Development Bank (EDB)

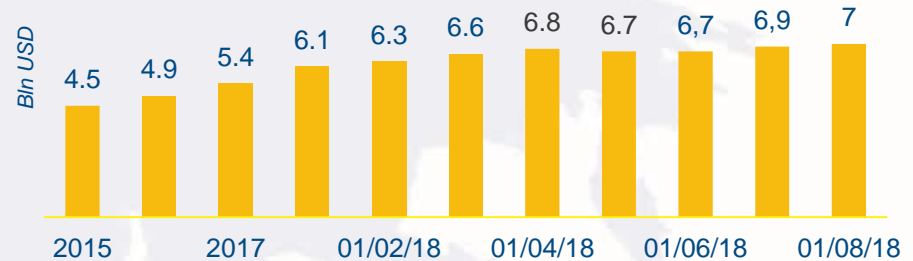
- **International Financial Institution (IFI)** governed by international law.
- **Established in 2006** by Russia and Kazakhstan (founding members).
- **Member states:** *Armenia, Belarus, Russia, Kazakhstan, Kyrgyz Republic and Tajikistan.*
- Other states and international organisations can become members by signing the Agreement Establishing the Bank.
- **Charter Capital** exceeds \$7 billion, including \$1.5 billion of paid-in capital and \$5.5 billion of callable capital.
- **Credit ratings:**
  - “**BBB-**” from S&P;
  - “**Baa1**” from Moody’s.



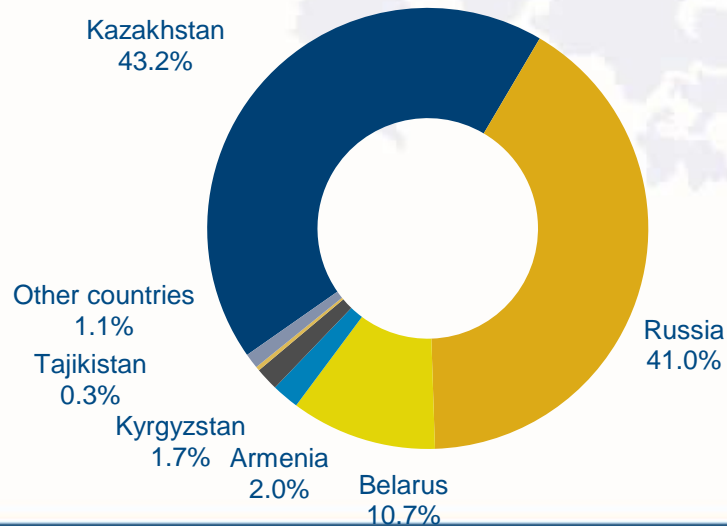
# Investment Portfolio

- Investment portfolio as of 01.08.2018 amount to **\$7,0 billion**
- EBD is financing **76** investment projects in six member states

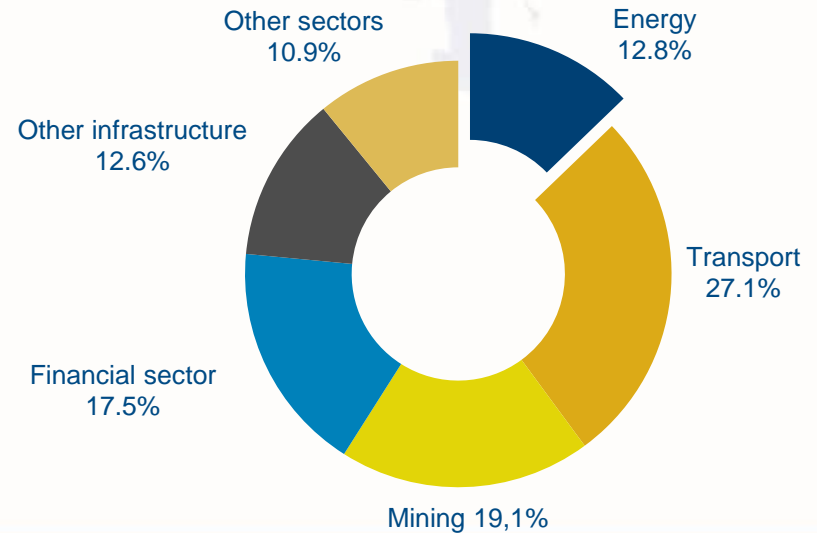
## Investment portfolio



## Investment portfolio by countries



## Current investment portfolio by sectors



# EDB Expertise and Strength

I Ability to provide long-tenor local currency loans at competitive pricing

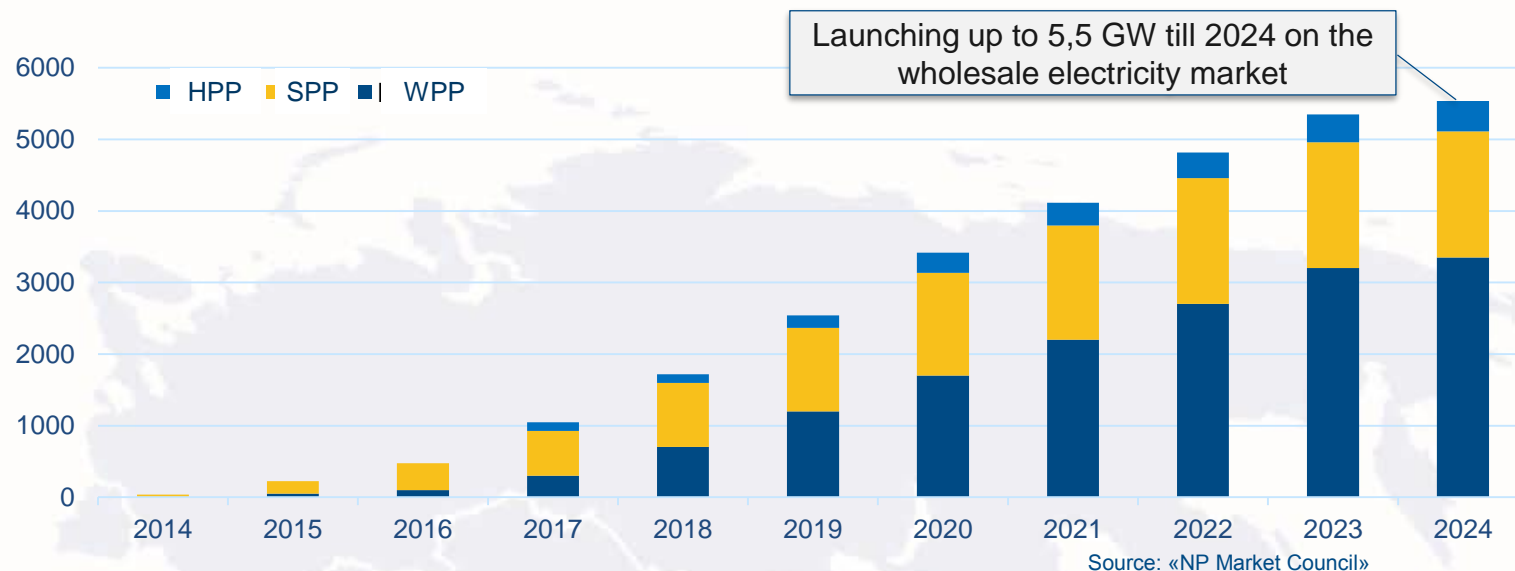
II Understanding of power sector regulations and RES support mechanisms established in Russia, Kazakhstan and other countries of operations

III Readiness to accept risks related to RES projects based on regulatory mechanism in countries of operations

IV Hands on experience in project financing of RES projects in Russia, Kazakhstan and Belarus

V Experience in financing large infrastructure and energy projects

# Renewable Energy in Russia



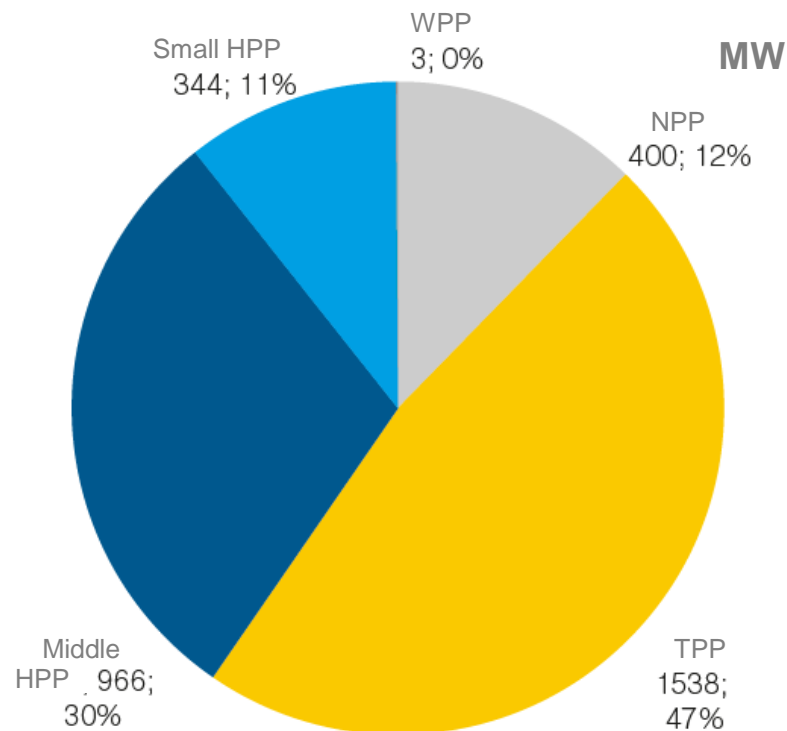
## Equipment localization

	2012	2017	2019
Hevel Group - PV cells	80	160	160
Helios Resource Ltd – solar panels	60	100	100
Solar systems – silicon solar panels		180	180
NovaWind – wind turbine			300
Vestas – wind turbine			300
SiemensGamesa – wind turbine			300
<b>TOTAL</b>	<b>140</b>	<b>440</b>	<b>1 340</b>

Resource: Vygon Consulting

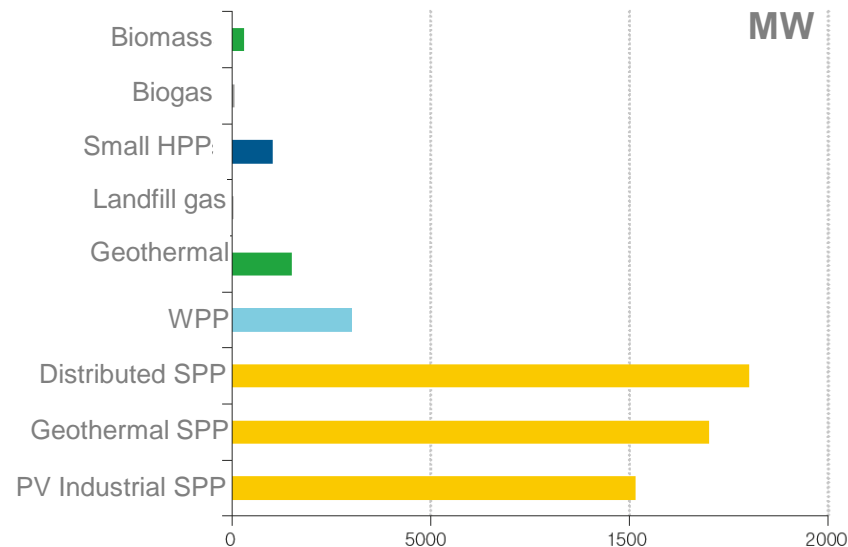
# Renewable Energy in Armenia

## Actual structure of energy capacity



Renewables take a small part in energy structure – 347 MW, 11% mainly small HPP

## Renewable energy potential



Renewables have huge potential mainly in solar energy

EBD has significant experience in financing renewable power plants in countries of operations and is looking forward to take a part in financing new energy projects in Armenia

# Bank's Experience in Financing Renewable Projects (1)

<b>Project</b>	<b>Solar Systems Ltd.</b>
<b>Country</b>	Russia, Astrakhan region
<b>Project's description</b>	Construction financing of 2 SPP with total capacity of 30 MW
<b>Credit volume</b>	3,2 bln RUR (\$ 56 mln)
<b>Mechanism of support</b>	Capacity payment due to DPM contract from 2017 to 2027
<b>EBD's role</b>	Creditor



<b>Project</b>	<b>Nord Hydro Ltd.</b>
<b>Country</b>	Russia, Republic of Karelia
<b>Project's description</b>	Construction financing of 2 HPP with total capacity of 50 MW
<b>Credit volume</b>	8,15 bln RUR (\$ 143 mln)
<b>Mechanism of support</b>	Capacity payment due to DPM contract from 2019 to 2034
<b>EBD's role</b>	Co-Creditor



# Bank's Experience in Financing Renewable Projects (2)

<b>Project</b>	<b>TOO «First Wind Power Plant»</b>
<b>Country</b>	Republic of Kazakhstan, Erementau region
<b>Project's description</b>	Construction financing of Wind power plant with total capacity of 30 MW
<b>Credit volume</b>	14,2 bln tenge (\$94 mln)
<b>Mechanism of support</b>	Tariff that allows return of investment by 2027
<b>EBD's role</b>	Creditor



<b>Project</b>	<b>RUP «Vitebskenergo»</b>
<b>Country</b>	Republic of Belarus
<b>Project's description</b>	Construction financing of Polotskaya Hydro power plant with total capacity 21,75 MW on the Zapadnaya Dvina, under guarantees of Republic Belarus
<b>Credit volume</b>	99,8 mln \$
<b>Mechanism of support</b>	Tariff that allows return of investment by 2021
<b>EBD's role</b>	Creditor





# Bank's Projects in Armenia

<b>Project</b>	<b>ZAO «Armenian Power Grid», Armenia</b>
<b>Country</b>	Republic of Armenia
<b>Project's description</b>	Financing of Armenian distribution grid reconstruction and restructuring of credit portfolio
<b>Credit volume</b>	17 mln Euro (\$20 mln)
<b>Mechanism of support</b>	Consumers payments due to electricity tariff that includes debt service payments
<b>EBD's role</b>	Creditor

