

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:  
**MARCH 2006 PROJECT PIPELINE UPDATE**

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This report was last updated on **02 March 2006**. The information contained on this report will reflect the status of each project and new project entries.

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**I. INTRODUCTION AND GUIDE TO EBRD'S PROJECT PIPELINE:**

Project finance is the EBRD's core business. The EBRD has committed more than €22.7 billion (about \$29billion) to both private and state sector projects. All projects provide a number of procurement opportunities. U.S. companies can access information about EBRD's projects through the EBRD's website [www.ebrd.com/oppor/procure/opps/index.htm](http://www.ebrd.com/oppor/procure/opps/index.htm).

The interval between identification of a project and its approval varies in every case. Each entry in the Project Pipeline identifies the status of a particular project in the project cycle.

After loans are approved, entries are dropped from the Project Pipeline and appear on the Projects Approved page of the EBRD's website.

We would like to draw U.S. companies' attention to state sector projects. In that they are followed with international tendering processes, whereas procurement under private sector projects are completed by the EBRD's client. In which case it would be important to contact the EBRD's client directly.

Inclusion of a project in the Bank's Project Pipeline does not imply any commitment on the part of the Bank to finance the project.

New projects, which appear in the Project Pipeline for the first time, are indicated by the abbreviation (N) before the project name. For additional information on any of these projects, interested parties are requested to contact the executing agencies directly and NOT the European Bank.

## II. PROJECTS SCHEDULED FOR BOARD CONSIDERATION:

Project name	Country	Date disclosed
A Illichevsk Port Modernisation Project	Ukraine	24 Feb 2006
B Moldova Microlending Framework (MMF)	Moldova	22 Feb 2006
C Croatia: Rijeka Bypass	Croatia	22 Feb 2006
D Donetsk District Heating	Ukraine	17 Feb 2006
E Harkiv Wastewater Treatment	Ukraine	17 Feb 2006
F Cherepovets District Heating Loan	Russia	17 Feb 2006
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H Dnipropetrovsk District Heating Loan	Ukraine	17 Feb 2006
I Harkiv District Heating Loan	Ukraine	16 Feb 2006
J Krasnodar Urban Transport Development Project	Russia	14 Feb 2006
K Armenia Multi-Bank Framework II	Armenia	3 Feb 2006
L Capital Media	Regional	3 Feb 2006

### A.

<b>Project name:</b>	Illichevsk Port Modernisation Project
<b>Country:</b>	Ukraine
<b>Project number:</b>	31245
<b>Business sector:</b>	Transport
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	25 April 2006
<b>Status:</b>	Passed final review, Pending board approval
<b>Date PSD disclosed:</b>	24 February 2006
<b>Date PSD updated:</b>	

<b>Project description and objectives:</b>	<p>The proposed project will enable the Port to carry out its modernisation programme, including berth reconstruction, procurement of the cargo handling equipment and dredging works in order to increase operational reliability and efficiency of the Port's services.</p> <p>The Project also includes Port's corporate development programme with the aim to transform it into a more commercial entity through introducing business planning, IFRS audit and strengthening the Port's in-house capacity in strategic development and management of its relationships with the private operators.</p>
<b>Transition impact:</b>	<p>The Bank will promote commercialisation of one of the major ports in the Country and establish a platform for continuing the policy dialogue with the Government on comprehensive reform of the sector, which could eventually enable Ukrainian ports to borrow without sovereign guarantees in the future.</p>
<b>The client:</b>	<p>The Port of Illichevsk is one of the largest ports in Ukraine located on the coast of Sukhoy Liman, 12 miles southwest from Odessa. The Port is divided into three cargo terminal complexes. The main products handled include: metal products, grain, fertilizers, cement, coke, coal, and containers.</p>
<b>EBRD finance:</b>	<p>EURO 26 million loan</p>
<b>Total project cost:</b>	<p>EURO 38.6 million</p>
<b>Environmental impact:</b>	<p>The project has been screened B/1. The project presents significant opportunities to improve environmental and worker health and safety conditions at the Illichevsk Port and reduce its impacts on the environment of the Black Sea. The environmental due diligence, undertaken by independent consultants, has not revealed any significant environmental problems. However, there are a number of issues which will need to be addressed by the implementation of the proposed Environmental Action Plan (EAP) over the next three years. These include investments to improve air emission control, wastewater discharge and solid waste, hazardous and industrial waste management, safe disposal of asbestos and radioactive materials and improvements of occupational health and safety management and training. These actions will help to bring the company into full compliance with national requirements and achieve a higher degree of compliance with applicable EU standards.</p>
<b>Technical cooperation:</b>	<p>Technical co-operation assistance for Bank's due diligence: market, technical and environmental due-diligence financed under the EU TACIS-funded Transport Team framework contract (funds totalled around EUR 100,000).</p> <p>Technical co-operation assistance for Corporate Development: introduction of business planning and development of capital investment policy, management of the Port's relationships with the private operators and introduction of IFRS (EUR 500,000). To be financed under EU IPF 2002.</p> <p>For consultant opportunities for projects financed by technical cooperation funds, visit <a href="#">procurement of consultants</a>.</p>

**Company contact:** EBRD project enquiries not related to procurement:  
Tel: +44 20 7338 7168; Fax: +44 20 7338 7380  
Email: [projectenquiries@ebrd.com](mailto:projectenquiries@ebrd.com)

**Business opportunities:** Visit [EBRD Procurement](#)  
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email:  
[procurement@ebrd.com](mailto:procurement@ebrd.com)

## **B.**

**Project name:** Moldova Microlending Framework (MMF)

**Country:** Moldova

**Project number:** 36301

**Business sector:** Small business

**State/Private:** Private

**Environmental category:** FI

**Board date:** 4 April 2006

**Status:** Passed concept review, Pending final review

**Date PSD disclosed:** 22 February 2006

**Date PSD updated:**

**Project description and objectives:** The proposed project will provide on-lending funds to leading Moldovan banks and non-bank microfinance institutions which will enable EBRD to further expand outreach to creditworthy MSEs throughout the country. Credit lines to commercial banks will be accompanied by an intensive technical assistance programme which will ensure that they develop the necessary skills and capacity to undertake MSE lending profitably.

**Transition impact:** The proposed project will enable the Bank to increase financial intermediation by expanding and deepening outreach as well as facilitate competition through strengthening domestic banks committed to this sector. Competition will result in downward pressure on interest rates thus benefiting MSE borrowers. Additional transition impact will be the transfer of skills and know-how to loan officers as the four PB will benefit from TC.

**The client:** The proposed project will initially be implemented in four local commercial banks.

**EBRD finance:** USD 25 million "Moldova Microlending Framework" in the form senior loans to local commercial banks for on-lending to micro and small enterprises (MSEs).

**Total project cost:** USD 25,000,000 (EUR 20,621,958.26)  
TC of EUR 1.3 million has been provided by the ETC Multi Donor Fund (approved by TC Com on 05 July 2005)

**Environmental impact:** All partner banks will adhere to the Bank's Environmental Procedures for Micro and Small Loans and apply them to all sub-loans financed under this Facility. Sub-loans will be required to comply, at a minimum, with national health, safety and environmental legislation and standards. Each PB will provide EBRD with Annual Environmental Reports.

**Technical cooperation:** TC funding has been provided by the ETC Multi Donor Fund for EUR 1.3 million and this will provide the necessary resources for two years of assistance to the four selected partner banks. Each of the partner banks will also contribute substantial staff resources, management resource and office facilities. Consultants have been selected under EBRD's standard procedures and the Bank is currently engaged in contract negotiations: consultants are expected to commence the TC programme in February 2006. For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

**Company contact:** Sabina Dziurman, e-mail: [dziurmans@ebrd.com](mailto:dziurmans@ebrd.com)

## C.

**Project name:** Croatia: Rijeka Bypass  
**Country:** Croatia  
**Project number:** 31849  
**Business sector:** Transport  
**State/Private:** State  
**Environmental category:** A  
**Board date:** 3 May 2006  
**Status:** Passed structure review, Pending final review  
**Date PSD disclosed:** 22 February 2006  
**Date PSD updated:**

**Project description and objectives:** The proposed project consists in a loan of up to EUR 40 million to Hrvatske Ceste ("Croatian Roads") for the construction of the last section of the eastern bypass in Rijeka, between Sveti Kuzam and Krizisce. The operation will allow Croatian Roads to complete the bypass, relieving traffic in the heavily-congested city centre and facilitating traffic movement to the south. As part of the financing, the Bank will also assist the borrower in the development of performance-based contracts for routine maintenance.

**Transition impact:** The operation will allow the Bank to continue to support road sector reform in Croatia, which began in 2001 with the creation of two new entities, Croatian Roads and Croatian Motorways. Previous Bank loans have also supported other aspects of institutional development. The transition impact of the proposed operation will focus on the development and introduction of innovative procurement practices for road maintenance aimed at improving the effectiveness

and efficiency of the borrower's maintenance operations.

**The client:**

Hrvatske Ceste, or Croatian Roads, is a state-owned company, established by government decree in 2001. The company is responsible for administering over 6,000 km of the country's state roads, and assists county and local authorities with their road programmes and preparation of technical documents. Croatian Roads reports to the Ministry of Transport.

**EBRD finance:**

Loan of up to EUR 40 million.

**Total project cost:**

EUR 114 million.

**Environmental impact:**

The Project has been screened A/0 and has undergone an Environmental Impact Assessment ("EIA") and associated public consultation. An independent environmental consultancy company was contracted by the Bank to update the EIA, originally prepared in 1986, and to carry out the public consultation process in accordance with the Bank's requirements. A public meeting was arranged in Rijeka in March 2004 to identify all issues of concern associated with the Project.

The EIA was then undertaken to investigate potential impacts and to develop measures for mitigating any adverse impacts. The investigations showed that the Project is likely to have a significant positive environmental impact since it will relieve traffic in the heavily-congested centre of Rijeka. Some adverse impacts are likely to occur, but these can be efficiently mitigated.

As a result of the EIA a part of the road section was re-routed within the designated corridor to prevent and to mitigate some potentially significant impacts. The final EIA document was disclosed to the public on 1 July 2004 and was then subject to a 120 day public consultation period. No comments were received. The Company will prepare and implement an Environmental Management and Monitoring Plan as per the recommendations of the EIA. The Company will disclose to potentially affected public the annual environmental reports of the Project as required by the Bank. The Executive Summary of the EIA is available on the Bank's website:

[Executive summary \(English\)](#)  (0.1Mb)

[Executive summary \(Croatian\)](#)  (0.2Mb)

**Technical cooperation:**

EUR 250,000 to be provided in the form of bilateral funding to assist the borrower in the development and implementation of performance-based road maintenance contracts. Donor country to be confirmed prior to Board approval.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

**Business opportunities:**

Visit [EBRD Procurement](#)

Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: [procurement@ebrd.com](mailto:procurement@ebrd.com)

## D.

<b>Project name:</b>	Donetsk District Heating
<b>Country:</b>	Ukraine
<b>Project number:</b>	36035
<b>Business sector:</b>	Energy efficiency
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	16 May 2006
<b>Status:</b>	Passed concept review, Pending final review
<b>Date PSD disclosed:</b>	17 February 2006
<b>Date PSD updated:</b>	

### **Project description and objectives:**

The proposed project involves a loan to the Donetsk Municipal District Heating Networks Utility (the "Company" or "Borrower"), wholly owned by the City of Donetsk (the "City" or the "Guarantor") in Ukraine. The objective of the project is the rehabilitation of the district heating network and the improvement of the operational and financial performance of the Company. The loan will finance the decommissioning and rehabilitation of local small boilers and introduction of individual heating sub-stations in residential apartment buildings in the City equipped with meters. The investments and institutional reforms are expected to achieve significant cost savings and greater efficiency.

### **Transition impact:**

The proposed project will have an impact on the transition process through:

- (i) corporatisation and commercialisation of the Company;
- (ii) billing according to actual consumption;
- (iii) transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance to the best available international engineering practice.

### **The client:**

The borrower is the Donetsk Municipal District Heating Networks Utility. The City of Donetsk acts as guarantor.

### **EBRD finance:**

Senior loan of €20 million to the Municipal District Heating Networks Utility.

### **Total project cost:**

€26 million.

### **Environmental impact:**

The rehabilitation and modernisation of existing district heating sub-stations is associated with limited environmental impacts; therefore, the project was screened B/1. An environmental audit and analysis as well as an environmental action plan (EAP) have been prepared as part of the project feasibility study. The conclusions of the consultants show that the implementation of the project will result in substantial environmental benefits, including significant energy efficiency improvements as follows:

- The decreased heat consumption and a rational prioritisation of further upgrades and renovations of the district heating

system will reduce fuel consumption and emissions from the heat production plants.

- The change towards a demand-driven business strategy, adoption of a least cost district heating strategy, shift to alternative fuels, recovery of waste heat, introduction of heat pumps etc. will further increase efficiency and reduce emissions. The Bank will explore with the Client the possibility for Carbon Finance through the Netherlands Emissions Reduction Co-operation Fund.

The implementation of the proposed EAP for bringing the Company's operations into compliance with Ukrainian and EU standards will be covenanted in the Loan Agreement. The Company has disclosed locally a summary of the Project and the associated environmental issues, in accordance with the provisions for public information for the Bank's "B" category projects.

#### **Technical cooperation:**

The project has benefited from the following technical cooperation programmes:

- Technical Feasibility Study including the development of the Environmental Action Plan, financed by the Finnish Ministry of Trade and Industry
- Financial Due Diligence of the Company, IFRS Audit and review of the municipal budgets financed by the European Union.

It is foreseen that the proposed project would include further technical cooperation support:

- Project implementation support consultant for procurement and contracts supervision. Funding to be identified.
- Corporate Development Support Partner to enhance the company's financial, managerial and operational performance. Funding to be identified.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

#### **Business opportunities:**

Visit [EBRD Procurement](#)  
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## **E.**

**Project name:** Harkiv Wastewater Treatment  
**Country:** Ukraine  
**Project number:** 36375



<b>Business sector:</b>	Municipal and environmental infrastructure
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	25 April 2006
<b>Status:</b>	Passed concept review, Pending final review
<b>Date PSD disclosed:</b>	17 February 2006
<b>Date PSD updated:</b>	
<b>Project description and objectives:</b>	<p>The proposed project involves a loan to the municipal wastewater treatment utility of the City of Harkiv. The proceeds of the loan would be used to finance priority capital investments to improve the municipal wastewater infrastructure and services in the City, which will contribute significantly to decreasing the level of polluting discharges into the Siverski Donets River and the Azov Sea basin. The Project will be focused on:</p> <ul style="list-style-type: none"> <li>• Upgrade of the municipal wastewater collection and treatment facilities, replacement of pumps and renovation of sewage pipes;</li> <li>• Improvement of service standards and strengthening of the operational performance of the Company.</li> </ul>
<b>Transition impact:</b>	<p>The proposed project will have an impact on the transition process through:</p> <p>(i) corporatisation and commercialisation of the Company  (ii) billing according to actual consumption;  (iii) transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance to the best available international engineering practice.</p>
<b>The client:</b>	The borrower will be the municipal wastewater utility (the Company) of the City of Harkiv.
<b>EBRD finance:</b>	A senior loan of EUR 10 million to Harkiv wastewater utility.
<b>Total project cost:</b>	Equivalent to EUR 14 million.
<b>Environmental impact:</b>	<p><b>Environmental classification and rationale</b></p> <p>The EBRD has classified the project B/1. The project is expected to result in significant energy efficiency improvements, which will also bring about environmental benefits. The operation would also support the achievement of important environmental objectives in the Siverski Donets River and the Azov Sea basin by improving wastewater management. The project would be structured in accordance with Ukrainian and EU environmental standards that would be directly applicable to the project. Construction-related impacts that may arise in projects are likely to be localised, short term in nature and can be easily mitigated or prevented by good construction practice. Due to limited financial resources and affordability constraints, the project is focused on a narrow scope of priority investment only and far too limited to help the Company achieve full compliance with EII standards on drinking</p>

water quality and urban wastewater.

The Company and the City will, together with the project implementation unit and with a help of a reputable international consultant, prepare an Environmental Management Plan guiding the Company and the City towards achieving wastewater services compliant with international standards. The EMP will be implemented within a timeframe acceptable to the Bank and other parties involved with an intention to protect the City's water sources from potential further pollution.

**Technical cooperation:**

The project has benefited from the following technical cooperation programmes:

- Technical Feasibility Study including the development of the Environmental Action Plan, financed by the Finnish Ministry of Trade and Industry.
- Financial Due Diligence of the Company, IFRS Audit and review of the municipal budgets financed by the European Union

It is foreseen that the proposed project would include further technical cooperation support:

- Project Engineer for procurement, design and contracts supervision. Funding to be identified.
- Corporate Development Support Partner to enhance the company's financial, managerial and operational performance. Funding to be identified

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

**Business opportunities:**

Visit [EBRD Procurement](#)

Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: [procurement@ebrd.com](mailto:procurement@ebrd.com)

## F.

<b>Project name:</b>	Cherepovets District Heating Loan
<b>Country:</b>	Russia
<b>Project number:</b>	36849
<b>Business sector:</b>	Energy efficiency
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	11 July 2006
<b>Status:</b>	Passed concept review, Pending final review
<b>Date PSD disclosed:</b>	17 February 2006

**Date PSD updated:**

**Project description and objectives:**

The proposed project involves a loan to the Cherepovets Municipal District Heating Company Teploenergiya (the Company or Borrower), wholly owned by the City of Cherepovets (the City or the Guarantor) in the Vologda Region Russia. The business purpose is to finance the rehabilitation and modernisation of existing district heating distribution network and the introduction of new, compact Individual Heating Sub-stations equipped with meters in residential apartment buildings in the City. The investments are expected to achieve significant cost savings and greater energy efficiency for the residents.

**Transition impact:**

The proposed project will have an impact on the transition process through:

- (i) corporatisation and commercialisation of the Company;
- (i) billing according to actual consumption (installation of meters);
- (iii) transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance to the best available international engineering practice.

**The client:**

The borrower is the Cherepovets District Heating Company. The City of Cherepovets acts as guarantor.

**EBRD finance:**

Senior loan of EUR 10 million in RUR.

**Total project cost:**

EUR 14 million.

**Environmental impact:**

The rehabilitation and modernisation of existing district heating network is associated with limited environmental impacts; therefore, the project was screened B/1. An environmental audit and analysis as well as an environmental management plan (EMP) will be prepared as part of the project feasibility study. The project will result in substantial environmental benefits, including significant energy efficiency improvements as follows:

- The decreased heat consumption and a rational prioritisation of further upgrades and renovations of the district heating system will reduce fuel consumption and emissions from the heat production plants.
- The change towards a demand-driven business strategy, adoption of a least cost district heating strategy, shift to alternative fuels, recovery of waste heat, introduction of heat pumps etc. will further increase efficiency and reduce emissions. The Bank will explore with the Client the possibility for Carbon Finance through the Netherlands Emissions Reduction Co-operation Fund.

The implementation of the proposed EMP for bringing the Company's operations into compliance with Russian and EU standards will be covenanted in the Loan and Guarantee Agreements. The Company will disclose locally a summary of the Project and the associated environmental issues, in accordance with the provisions for public information for the Bank's "B" category projects.

**Technical cooperation:**

It is foreseen that the proposed project will include the following technical cooperation support:

- Technical Feasibility Study (EUR 120,000), including the development of the Environmental Management Plan. Funding to be identified
- Financial Due Diligence of the Company and the City finances, estimated at EUR 100,000. Funding to be identified.
- IFRS Audit (EUR 50,000). Funding to be identified.
- Project Implementation support consultant for procurement and contracts supervision (EUR 190,000). Funding to be identified.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

**Business opportunities:**

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Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: [procurement@ebrd.com](mailto:procurement@ebrd.com)

## G.

<b>Project name:</b>	Komercijalna Banka a.d. Beograd pre-privatisation
<b>Country:</b>	Serbia and Montenegro
<b>Project number:</b>	36322
<b>Business sector:</b>	Financial Institutions
<b>State/Private:</b>	Private
<b>Environmental category:</b>	FI
<b>Board date:</b>	23 March 2006
<b>Status:</b>	Passed structure review, Pending final review
<b>Date PSD disclosed:</b>	17 February 2006
<b>Date PSD updated:</b>	

**Project description and objectives:**

EBRD's pre-privatisation equity investment in Komercijalna Banka (KB) will be the first step for full privatisation through an IPO in 3 to 5 years. EBRD's presence will be particularly important as it will actively participate in the preparation for the IPO through the design and implementation of a comprehensive institution building plan, with particular emphasis in such key areas as improved corporate governance, strengthened credit and risk management procedures, internal re-organisation and upgraded customer services. EBRD's investment will fund necessary investments particularly in IT, branch network upgrading and staff training. The main objective will be the development of KB into a modern, efficient bank in an increasingly competitive financial sector, taking full advantage of its branch network, the largest in Serbia. Further EBRD's long-term debt finance will help KB to expand its

operations and introduce new products, particularly to finance residential mortgages in Serbia.

**Transition impact:**

The proposed project is expected to contribute to the transition process of the Serbian banking sector and the overall economy of the country. The transition impact potential of the project is built around the following elements:

1. Preparation of KB for full privatisation by upgrading its key business and control functions and strengthening corporate governance. The project, through an institution building plan, will re-shape the bank's business and operations in preparation for full privatisation.
2. Facilitation of the transfer of ownership to the private sector through EBRD involvement and conditionality.

**The client:**

KB is currently Serbia's third largest bank by assets with a market share of 9.8%. KB is also Serbia's largest financial institution still majority owned by the State, which directly and indirectly holds 70.0% of the bank's capital.

KB recorded total assets of EUR 874.0 million and equity of EUR 104.5 million as at December 2005.

**EBRD finance:**

Acquisition of up to 25% of KB's capital by subscribing to newly issued shares.

In addition, EBRD will also extend to KB a facility for mortgage finance.

**Total project cost:**

tbc

**Environmental impact:**

KB will carry out its operations in accordance with EBRD's Environmental Procedures for Local Banks. In implementing these procedures, KB will require its borrowers to comply, at a minimum, with national /local health, safety, environmental and public consultation requirements.

**Technical cooperation:**

As mentioned above, EBRD's equity investment will be complemented by an institution building plan. EBRD is procuring donor funds for this programme.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

**Company contact:**

Komercijalna Banka  
Svetog Save 14, 11000 Beograd  
e-mail: [posta@kombank.com](mailto:posta@kombank.com)  
Phone: (381) 11 30 80 100  
Fax: (40)-264-407179

**Business opportunities:**

For business opportunities or procurement, contact the client company.

## H.

**Project name:**

Dnipropetrovsk District Heating Loan

**Country:**

Ukraine

**Project number:**

36741

<b>Business sector:</b>	Energy efficiency
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	5 September 2006
<b>Status:</b>	Passed concept review, Pending final review
<b>Date PSD disclosed:</b>	17 February 2006
<b>Date PSD updated:</b>	
<b>Project description and objectives:</b>	The proposed project involves a loan to the Dnipropetrovsk Municipal District Heating Networks Utility (the "Company" or the "Borrower"), a municipal unitary enterprise, wholly owned by the City of Dnipropetrovsk (the "City" or the "Guarantor") in Ukraine. The loan will finance the rehabilitation and modernisation of existing district heating distribution network and the introduction of new, compact Individual Heating Sub-stations in residential apartment buildings in the City equipped with meters. The investments and institutional reforms are expected to achieve significant cost savings and greater efficiency.
<b>Transition impact:</b>	The proposed project will have an impact on the transition process through: <ul style="list-style-type: none"> <li>(i) corporatisation and commercialisation of the Company;</li> <li>(ii) billing according to actual consumption;</li> <li>(iii) transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance to the best available international engineering practice.</li> </ul>
<b>The client:</b>	The borrower is the Dnipropetrovsk Municipal District Heating Networks Utility. The City of Dnipropetrovsk acts as guarantor.
<b>EBRD finance:</b>	Senior loan of EUR 15 million to the company.
<b>Total project cost:</b>	EUR 17 million.
<b>Environmental impact:</b>	The rehabilitation and modernisation of existing district heating network is associated with limited environmental impacts; therefore, the project was screened B/1. An environmental audit and analysis as well as an environmental management plan (EMP) will be prepared as part of the project feasibility study. The project will result in substantial environmental benefits, including significant energy efficiency improvements as follows: <ul style="list-style-type: none"> <li>• The decreased heat consumption and a rational prioritisation of further upgrades and renovations of the district heating system will reduce fuel consumption and emissions from the heat production plants.</li> <li>• The change towards a demand-driven business strategy, adoption of a least cost district heating strategy, shift to alternative fuels, recovery of waste heat, introduction of heat pumps etc. will further increase efficiency and reduce emissions. The Bank will explore with the Client the possibility for Carbon Finance through the Netherlands</li> </ul>

## Emissions Reduction Co-operation Fund.

The implementation of the proposed EMP for bringing the Company's operations into compliance with Ukrainian and EU standards will be covenanted in the Loan and Guarantee Agreements. The Company will disclose locally a summary of the Project and the associated environmental issues, in accordance with the provisions for public information for the Bank's "B" category projects.

### Technical cooperation:

- Technical Feasibility Study to be financed by the Finnish Ministry of Trade and Industry.
- IFRS Audit financed by EU IPF 2002 facility.
- Corporate Development Support Partner for the Company. Funding to be identified.
- Project implementation support consultant for procurement and contracts supervision. Funding to be identified.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

### Business opportunities:

Visit [EBRD Procurement](#)  
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: [procurement@ebrd.com](mailto:procurement@ebrd.com)

## I.

<b>Project name:</b>	Harkiv District Heating Loan
<b>Country:</b>	Ukraine
<b>Project number:</b>	36374
<b>Business sector:</b>	Energy efficiency
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	25 April 2006
<b>Status:</b>	Passed concept review, Pending final review
<b>Date PSD disclosed:</b>	16 February 2006
<b>Date PSD updated:</b>	

### Project description and objectives:

The proposed project involves a loan to the Harkiv Municipal District Heating Networks Utility (the Company or Borrower), wholly owned by the City of Harkiv (the City or Guarantor) in Ukraine. The objective of the project is the rehabilitation of the district heating network and the improvement of the operational and financial performance of the Company. The loan will finance the decommissioning and rehabilitation of local small boilers and introduction of individual heating sub-stations in residential apartment buildings in the City equipped with meters. The investments and institutional reforms are expected to achieve significant cost savings and greater efficiency.

### Transition impact:

The proposed project will have an impact on the transition process

through:

- (i) corporatisation and commercialisation of the Company
- (ii) billing according to actual consumption
- (iii) transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance to the best available international engineering practice.

**The client:** The borrower is the Harkiv Municipal District Heating Networks Utility. The City of Harkiv acts as guarantor.

**EBRD finance:** Senior loan of EUR 15 million to the Municipal District Heating Networks Utility.

**Total project cost:** EUR 18.6 million.

**Environmental impact:** The rehabilitation and modernisation of existing district heating network is associated with limited environmental impacts; therefore, the project was screened B/1. An environmental audit and analysis as well as an environmental action plan (EAP) will be prepared as part of the project feasibility study. The project will result in substantial environmental benefits, including significant energy efficiency improvements as follows:

- The decreased heat consumption and a rational prioritisation of further upgrades and renovations of the district heating system will reduce fuel consumption and emissions from the heat production plants.
- The change towards a demand-driven business strategy, adoption of a least cost district heating strategy, shift to alternative fuels, recovery of waste heat, introduction of heat pumps etc. will further increase efficiency and reduce emissions. The Bank will explore with the Client the possibility for Carbon Finance through the Netherlands Emissions Reduction Co-operation Fund.

The implementation of the proposed EAP for bringing the Company's operations into compliance with Ukrainian and EU standards will be covenanted in the Loan Agreement. The Company will disclose locally a summary of the Project and the associated environmental issues, in accordance with the provisions for public information for the Bank's "B" category projects.

**Technical cooperation:** The project has benefited from the following technical cooperation programmes:

- Technical Feasibility Study including the development of the Environmental Action Plan, financed by the Finnish Ministry of Trade and Industry.
- Financial Due Diligence of the Company, IFRS Audit and review of the municipal budgets financed by the European Union. It is foreseen that the proposed project would include technical cooperation support

It is foreseen that the proposed project would include further



technical cooperation support:

- Project Engineer for procurement, design and contracts supervision. Funding to be identified.
- Corporate Development Support Partner to enhance the company's financial, managerial and operational performance. Funding to be identified.

For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

**Business opportunities:**

Visit [EBRD Procurement](#)  
Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: [procurement@ebrd.com](mailto:procurement@ebrd.com)

## J.

<b>Project name:</b>	Krasnodar Urban Transport Development Project
<b>Country:</b>	Russia
<b>Project number:</b>	35842
<b>Business sector:</b>	Municipal and environmental infrastructure
<b>State/Private:</b>	State
<b>Environmental category:</b>	B
<b>Board date:</b>	15 June 2006
<b>Status:</b>	Inactive
<b>Date PSD disclosed:</b>	14 February 2006
<b>Date PSD updated:</b>	

**Project description and objectives:**

The proposed project would involve a loan to the Krasnodar Tram and Trolleybus Company (the Borrower), backed by a full financial guarantee of the City of Krasnodar (the Guarantor), the wholly owner the Borrower. The project would focus on modernization of the tram fleet and related workshop equipment.

**Transition impact:**

The proposed project will have an impact on the transition process through the following:

- (i) commercialization of the Tram and Trolleybus Company through introduction of Public Service Contract, transformation into a joint-stock company, improving business planning and financial reporting, including introduction of IFRS, as well as improving operational efficiency of the company.
- (ii) tariff reform: bringing tariffs to cost recovery levels
- (iii) transfer of skills during the implementation phase including the procurement, design, installation and contracts supervision in accordance with the best available international engineering practice

**The client:**

The borrower is the Krasnodar Tram and Trolleybus Company, a municipal unitary enterprise. The City of Krasnodar will act as the

	Guarantor.
<b>EBRD finance:</b>	Senior loan to the Krasnodar Tram and Trolleybus Company in RUR equivalent of up to € 10 million, backed by a full financial guarantee of the City of Krasnodar.
<b>Total project cost:</b>	Equivalent to EUR 13 million.
<b>Environmental impact:</b>	Screened B/1. The potential project has significant environmental objectives. The refurbishment of the tram fleet will improve public transport as well as reduce traffic noise and air pollution in the City of Krasnodar. The trams will need to comply with Russian and EU environmental standards. An Environmental Audit and Analysis will be carried out by international consultants as part of the project preparation. This section will be updated and amended as soon as the environmental due diligence has been completed.
<b>Technical cooperation:</b>	Project Preparation: <ul style="list-style-type: none"> <li>• Project Preparation Study (EUR 100,000) financed by Germany.</li> <li>• IFRS Audit (EUR 60,000) financed with MISP 2001 Facility (EU funded).</li> </ul> <p>Grant financing will be sought for project Implementation:</p> <ul style="list-style-type: none"> <li>• Procurement management and implementation supervision (EUR 150,000)</li> <li>• Assistance to management in restructuring and development of the Tram and Trolleybus Company including business and reorganisation plan for the company and drafting Public Service Contract (EUR 200,000)</li> </ul> <p>For consultant opportunities for projects financed by technical cooperation funds, visit <a href="#">procurement of consultants</a>.</p>
<b>Business opportunities:</b>	Visit <a href="#">EBRD Procurement</a> Enquiries: Tel: +44 20 7338 6794; Fax: +44 20 7338 7472, Email: <a href="mailto:procurement@ebrd.com">procurement@ebrd.com</a>

## K.

<b>Project name:</b>	Armenia Multi-Bank Framework II
<b>Country:</b>	Armenia
<b>Project number:</b>	36647
<b>Business sector:</b>	Small business
<b>State/Private:</b>	Private
<b>Board date:</b>	23 March 2006

<b>Status:</b>	Passed concept review, Pending final review
<b>Date PSD disclosed:</b>	3 February 2006
<b>Date PSD updated:</b>	
<b>Project description and objectives:</b>	The USD 40 million framework aims to support the increase of financial intermediation of Armenian banking system and support the economic progress of the country by making much needed medium-term funding available to Armenian micro and small business via credit lines to selected Armenian commercial banks. Specifically, the new framework will include senior debt facilities for mortgage lending and energy efficiency lending, and leasing. In addition the framework would further expand senior debt facilities for Micro and SME lending, as well as convertible debt and equity investments. This USD 40 million multi-bank framework builds on the positive experience of a previous EUR 10 million framework for the Armenian financial sector.
<b>Sub-projects:</b>	View a list of <a href="#">sub-projects</a> for this and other framework projects.
<b>Transition impact:</b>	The facility will support the Armenian financial sector through a combination of debt and equity financing and will promote adherence to best practices in corporate governance, strengthen financial performance and financial discipline. In addition, the facility will provide significant support to the micro, small and medium-sized enterprise sector in Armenia by providing access to medium and long-term financing. The technical assistance to be provided under this operation will support the institutional development and micro and small business lending units of the participating banks and leasing companies.
<b>The client:</b>	Existing and new partner banks as well as leasing companies. The first partner bank under the new facility will be Anelik Bank, an existing client of the Bank.
<b>EBRD finance:</b>	A USD 40 million multi-bank framework facility. The first funding to be provided is proposed to be a USD 2.5 million SME loan to Anelik Bank.
<b>Total project cost:</b>	Not applicable.
<b>Environmental impact:</b>	The project will comply with EBRD's Environmental Procedures for Small and Micro Loans and for Intermediated Financing through Local Banks in respect to MSME components. These include compliance with applicable national environmental, health and safety legislation, adherence to the Environmental Exclusion List, submission of Annual Environmental Report to the Bank and nomination of a senior staff member in charge of the environmental issues.
<b>Technical cooperation:</b>	In 2005 USAID committed USD 1.5 million in TC funding for MSE credit under the original framework. This amount has been supplemented by USD 360,000 (EUR 300,000) from EBRD's multi-donor ETC fund. The total of USD 1.86 million will be used to support the funding provided for MSE lending under both the original framework and the second framework. For consultant opportunities for projects financed by technical cooperation funds, visit <a href="#">procurement of consultants</a> .

## L.

<b>Project name:</b>	Capital Media
<b>Country:</b>	Regional
<b>Project number:</b>	36371
<b>Business sector:</b>	Telecoms and Media
<b>State/Private:</b>	Private
<b>Environmental category:</b>	C
<b>Board date:</b>	7 March 2006
<b>Status:</b>	Passed final review, Pending board approval
<b>Date PSD disclosed:</b>	3 February 2006
<b>Date PSD updated:</b>	
<b>Project description and objectives:</b>	Long-term bank financing to CME will support further development and restructuring of this TV broadcasting group with proceeds to be used for capital expenditures and acquisitions in the operating TV stations.
<b>Transition impact:</b>	The proposed project will enable CME to enhance and extend its operations and operational efficiency in its current countries of operation: the Ukraine, Romania, Croatia, Czech Republic, Slovakia and Slovenia. It will support the development of competitive TV broadcasting markets in Croatia, Romania and Ukraine and stimulate corporate restructuring of the Company's businesses in the Czech Republic and Slovakia. The project is also expected to have a positive impact on the development of local TV production industries in the region.
<b>The client:</b>	CME is a NASDAQ-listed company and the leading TV broadcasting group in the CEE region with operations in Croatia, Czech Republic, Romania, Slovenia, Slovakia and Ukraine.
<b>EBRD finance:</b>	EBRD debt financing of EUR 50 million alongside two commercial banks under a EUR 100 million EBRD "A/B" loan structure.
<b>Total project cost:</b>	EUR 100 million.
<b>Environmental impact:</b>	Screened C1. The project is unlikely to be associated with any significant environmental issues. The corporate environmental audit has confirmed legal compliance of the Sponsor and examined environmental implications of the proceeds. The Sponsor will be required to ensure that sub-projects comply with, at a minimum, national environmental, health, safety and labour standards and requirements as well as good international practice and to submit annual reports on environment, health and safety issues.
<b>Technical cooperation:</b>	None. For consultant opportunities for projects financed by technical cooperation funds, visit <a href="#">procurement of consultants</a> .
<b>Company contact:</b>	Romana Tomasova, Director of Corporate Communications

Central European Media Enterprises  
Tel: +44 (0)20 7430 5430

**Business opportunities:** For business opportunities or procurement, contact the client company.

### III. ADDITIONAL INFORMATION AND ASSISTANCE:

**A. US Advocacy Center-EBRD Liaison Office (AC-EBRD):** AC-EBRD is an integral part of U.S. representation at the EBRD with a mandate to increase the effectiveness of U.S. participation in the Bank's projects. For more information about project opportunities at the European Bank for Reconstruction and Development (EBRD) please contact:

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At the Advocacy Center - EBRD Liaison Office  
Tel: 44-20-7588-8490, fax: 44-20-7588-8443.  
Web: [www.buyusa.gov/ebrd](http://www.buyusa.gov/ebrd)

Note: AC-EBRD can offer its services only to US companies. EBRD procurement opportunities can be viewed at [www.ebrd.com/oppo/procure/ops/index.htm](http://www.ebrd.com/oppo/procure/ops/index.htm). An updated list of EBRD publications can also be found on the main website [www.ebrd.com](http://www.ebrd.com)

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