

Public Information Summary

Host Country	Ukraine
Guaranteed Party	European Bank for Reconstruction and Development (“EBRD”)
Project Description	A DFC counter-guaranty of 50% of EBRD’s repayment risk for guaranties of trade-related finance payment obligations of approved Ukrainian banks under EBRD’s Trade Facilitation Program (“TFP”).
Proposed DFC Guaranty	The DFC counter-guaranty of up to \$50 million will cover EBRD guaranties issued during a six-year term in Ukraine. The maximum tenor of a covered EBRD guaranty is eighteen months and the maximum exposure is \$25 million per transaction.
All-Source Funding Total	\$407,000,000
Policy Review	
Developmental Objectives	<p>International trade, a significant driver of Ukraine’s economic growth, has been severely disrupted by Russia’s invasion in early 2022. Export and import trade routes have been particularly impacted and while businesses are finding alternative transportation routes (i.e., railway, trucking, and seaports of neighboring countries), these changes have significantly increased time and cost. A rising demand for imports during the war has created an increased need for enhanced trade finance facilitation.</p> <p>In response to these challenges, the Project is expected to have a positive development impact in Ukraine by helping to address the country’s growing demand for economy-sustaining imports, including energy inputs for power generation, medical supplies/equipment, fertilizers, agricultural machinery, and other critical goods. By supporting trade facilitation, the Project will support an increased volume of critical imports to the Ukrainian market, mobilize private sector activity in the country, and demonstrate to the international finance community the feasibility of doing business in Ukraine. Given the Project’s characteristics, it is categorized as Highly Impactful per DFC’s Impact Quotient.</p>
Environment and Social Assessment	<p>The Project has been reviewed against the DFC’s 2024 Environmental and Social Policies and Procedures manual (“ESPP”) and has been determined to be categorically eligible. DFC guarantees to financial institutions for trade financing support provided by six issuing banks in Ukraine under the EBRD’s TFP are screened as a Financial Intermediary C (“FI-C”) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.</p>

	<p>To ensure that the Guaranteed Party’s lending is consistent with the DFC’s statutory and policy requirements, the DFC guaranty will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy (“ESP”) that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC’s ESPP, the Guaranteed Party is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. A desk based due diligence assessment indicates that because the Project will use the DFC counter-guarantees to support loans provided by six Issuing Banks in Ukraine under the EBRD’s TFP, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Guaranteed Party has an environmental and social policy as described in IFC PS 1, grievance mechanisms, and human resources policies commensurate with its investment strategy. The Guaranteed Party will be required to provide its summaries of E&S Action Plans (“ESAPs”) for the 6 (six) issuing banks to ensure alignment with DFC’s 2024 Environmental Policy and Procedures.</p>
--	--