Early Warning System

DFC-2024-UKRENERGODEBT

Ukrenergo Debt Conversion for Energy Grid Resilience

Quick Facts

Countries	Ukraine
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	B
Borrower	Mavka Finance DAC
Sectors	Energy, Finance, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 494.75 million
Project Cost (USD)	$ 494.75 million

Project Description

According to the Bank’s website, the project consists of a debt restructuring of the state-owned company Ukrenergo, which is expected to generate approximately $145 million to enable the company to rebuild energy infrastructure damaged by the war and to maintain and enhance the resilience of existing energy infrastructure throughout Ukraine.

Early Warning System Project Analysis

The Project is screened as **Category B** because potential adverse impacts are limited, site-specific and can be reversed or readily mitigated by adequate risk management systems.

Given that the Project involves reconstruction of existing, damaged infrastructure, no additional land acquisition, or impacts to biodiversity, indigenous peoples or cultural heritage are anticipated.

The key policy issues associated with the Project include the need for robust risk management systems, updated contractor management systems, and occupational and community health and safety management plans to mitigate risks related to construction and operational activities.

Investment Description

- US International Development Finance Corporation (DFC)

DFC Product Type: Political Risk Insurance
Investment Type: Debt
DFC Insured Amount: $494.75 million (plus interest)
Total Project Costs: $494.75 million

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Mavka Finance DAC (Financial Intermediary)

Private Actors Description

Mavka Finance Designated Activity Company (DAC) is an active special-purpose financial vehicle registered in Dublin, Ireland, primarily known for issuing $494.75 million in Secured Reconstruction Notes due 2041.

National Energy Company Ukrenergo is a 100% state-owned company, a natural monopoly and the sole electricity transmission system operator (TSO) of Ukraine.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Ukrenergo	Undisclosed	-

Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure [Original Source]