



EBRD-42608

NAK Naftogaz Emergency Pipeline Upgrade and Modernisation

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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### Quick Facts

<b>Countries</b>	Ukraine
<b>Financial Institutions</b>	European Bank for Reconstruction and Development (EBRD)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2014-12-10



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### Project Description

TRANSLATED VERSION OF THIS PSD:UKRAINIAN

Ukrainian

#### PROJECT DESCRIPTION

The project consists of the replacement of four sections of the Urengoy-Pomary-Uzhgorod gas pipeline, which are in need of repair as well as the modernisation of the Romny gas compression station. The Urengoy-Pomary-Uzhgorod is a key part of the Ukrainian gas transit system ensuring deliveries of gas from Russia to Europe and reverse imports of gas by Ukraine from the European Union countries. This is part of an emergency upgrade and modernisation project under which Ukraine has initiated repair of three sections of pipeline and needs support from EBRD and EIB to finance the remaining sections and compressors.

#### TRANSITION IMPACT

The transition impact potential of the Project stems primarily from: (i) assisting in the institutional reform process for the Ukrainian gas sector; (ii) improving corporate governance, environmental, social and health & safety practices at Ukrtransgaz. (iii) improving the performance of operation of the Romny compressor station and the pipelines that will be modernised, including energy efficiency and reduction of related carbon emissions.

#### THE CLIENT

The project will be implemented by Public Joint Stock Company Ukrtransgaz ("Ukrtransgaz"), the gas transmission operator in Ukraine. Ukrtransgaz is 100 per cent owned by PJSC National Joint Stock Company Naftogaz of Ukraine, a State oil and gas holding company under the control of the Ministry of Energy and Coal of Ukraine.

#### EBRD FINANCE

A sovereign loan of up to EUR 150 million to Ukraine with proceeds to be on-lent to Ukrtransgaz as the implementation agency for the Project. Parallel co-financing by the European Investment Bank is envisaged.

#### PROJECT COST

The IFI financed part is up to EUR 300 million out of a total project cost of up to EUR 466.3 million

#### ENVIRONMENTAL IMPACT

Categorised B. The scope will include the repair of existing pipes, including the replacement of severely corroded original welded joints and cathodic protection stations, for those individual sections of the pipeline where critical faults were identified by a technical study. The Bank will finance four non-continuous sections, and the cumulative length of individual sections to be repaired is 119 km. The individual pipe sections are located at the extreme western and eastern regional sections of the UPU pipeline and include Romny-Grebinkiv section (26.7 km): Grebinkiv-Soviivka section (31.5 km): Bar-Gusiatyn section (33.7 km)



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### Investment Description

- European Bank for Reconstruction and Development (EBRD)



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### Contact Information

#### ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form, [http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en). You can learn more about the PCM and how to file a complaint at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>.



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### Other Related Projects

- EBRD-56152 NAK Emergency Gas Finance (NAK III)