

Financial solutions in Ukraine

Provided by the
Export and Investment
Fund of Denmark (EIFO)



EIFO is Denmark's Export Credit Agency. EIFO can provide financing on commercial and semi-commercial terms for export and investments in Ukraine to rebuild critical infrastructure and to develop the private sector and the economy of Ukraine.

- › **EIFO provides financing on commercial terms for private Ukrainian companies for the purchase of Danish exports and to cover related project costs of the buyers.**
- › **EIFO provides financing with a 40 % grant element for public Ukrainian institutions for the purchase of Danish exports and to cover related project costs of the buyers.**
- › **EIFO ensures mitigation of Danish exporters' risks when investing in Ukraine and their risk of loss during the construction period.**
- › **EIFO provides loans and guarantees to Danish companies doing business in Ukraine.**

EIFO's financial solutions function as a loan and guarantee scheme backed by the government of Denmark:

EIFO thus secures financing on attractive terms for Ukrainian private companies' and public institutions' purchases of Danish exports, covers related project costs, and reduces the financial risks for Danish companies engaging in Ukraine.

EIFO's project portfolio in Ukraine after Russia's full-scale invasion is allocated an amount of EUR 550 million by the Danish Government. EIFO has already issued a range of loans and guarantees in Ukraine in 2023/24 including the following financial solutions: Contract guarantee, Investment guarantee, Supplier credit guarantee and EIFO loans. EIFO is currently working on projects involving other financial solutions as well as guaranteeing private credit insurance companies' short-term guarantees for export to Ukraine.

EIFO encourages Ukrainian buyers, together with their Danish counterparts, to contact EIFO for a discussing of potential new projects and to express interest for financing and guarantees.



EIFO's financial solutions

EIFO provides the financial solutions listed below with a highlight of some Terms and conditions presented on the following pages.

Financing for Ukrainian buyers

Direct loan from EIFO with a 40 % grant element to public buyers

EIFO provides loans to public buyers in Ukraine with a 40 % grant element. The remaining loan is on commercial terms.

Direct loan from EIFO to private Ukrainian companies

EIFO provides loans to private Ukrainian buyers on commercial terms.

Buyer credit guarantees with EIFO risk cover

To banks who issue loans to public and private Ukrainian buyers, EIFO provides a guarantee of up to 100 % covering political and commercial risks.

Supplier credit guarantees with EIFO risk cover

To Danish exporters who offer supplier credit to Ukrainian buyers, EIFO provides a guarantee of up to 100 % covering political and commercial risks.

Leasing guarantees with EIFO risk cover

To Danish exporters leasing products to Ukrainian companies and public organisations, EIFO provides a guarantee of up to 100 % covering political and commercial risks.

Short-term and long-term L/C with EIFO risk cover

To the accepting bank of a Ukrainian Letter of Credit (L/C), EIFO provides a guarantee of up to 100 % covering political and commercial risks.

Project finance loans and guarantees with EIFO risk cover

To banks who issue loans to a SPV behind a project financing project, EIFO provides loans or guarantees of up to 100 % covering political and commercial risks.

Guarantees for Danish exporters

Investment guarantees with EIFO risk cover

EIFO provides a guarantee of up to 100 % covering the political risk of Danish investors in Ukraine, including the risk of war damages.

Contract guarantees with EIFO risk cover

EIFO covers up to 100 % of Danish exporters' political risk during the construction period.

Bond guarantees with EIFO risk cover

To Danish and Ukrainian companies who have issued a bond guarantee, EIFO provides a guarantee of up to 100 % covering the political and commercial risks.

Private credit insurance companies' short-term guarantees with EIFO risk cover

EIFO provides private insurance companies with a 100 % guarantee when the insurance companies cover Danish exporter's short-term credit to Ukrainian buyers with a credit period of up to 180 days.

Financing for Danish exporters

EIFO provides loans and guarantees to Danish companies in most industries and at all stages of their development.

Danish companies can obtain loans directly from EIFO or EIFO can issue a guarantee which facilitates a loan from the bank.

<https://www.eifo.dk/en/our-solutions/loan-financing/>

Prerequisites for EIFO's financing

EIFO can provide a range of financial solutions to private and public Ukrainian buyers and Danish exporters assuming that a number of prerequisites can be fulfilled, including but not limited to:

- › The borrower is a Ukrainian public or private entity.
- › The financing for Ukrainian public entities covers projects within critical infrastructure.
- › The financing for Ukrainian private entities covers projects that contribute to development of the private sector and the economy of Ukraine.
- › Danish content constitutes a minimum of 30 % of the financing amount.
- › The borrower's equity must be at least three times higher than the loan amount. The borrower shall provide audited financial reports covering the last five years.
- › The Danish exporter must fill out and submit "EIFO's application form for state loan and guarantee scheme in EIFO". (The form is attached to this information sheet).

Prioritised criteria for EIFO's financing

When deciding which projects to finance, EIFO's decision will be based on a range of criteria, including but not limited to:

- › Maturity of the project
- › Danish economic interest
- › Experience with trade and finance with western countries
- › Credit risk
- › Risk of war damage

EIFO's guarantees cover political and commercial risks

EIFO's guarantees cover political risks including war damages. EIFO's guarantees can also cover commercial risks, but that is not a prerequisite.

Risk period

Depending on the circumstances EIFO's financing can cover a risk period made up of the pre-shipment period plus up to 15 years' credit period. The credit term can be up to 22 years for projects within renewable energy and water.

EIFO's risk coverage of the value of the export contract

EIFO can finance or guarantee up to 100 % of the total value of an export contract to a project, including deliveries from other entities. EIFO requires a minimum 15 % upfront payment from the buyer.

EIFO's loans and guarantees can cover loans comprising of:

- › Import from Denmark equivalent to at least 30 % of the loan amount.
- › Import from other countries.
- › Local costs in Ukraine can amount to up to 50 % of the total import value.
- › Interest during construction and the guarantee premium can be included in the loan amount and in EIFO's guarantee coverage.

Local costs

EIFO's financing can include local Ukrainian costs amounting up to 50 % of the total import value covered by EIFO's financing.

Currency

Depending on the transaction EIFO's financing can be provided in EUR, USD and other hard currencies.

Prepayment

- › Private buyers must pay at least 15 % upfront of the export contract value.
- › Public buyers receiving a grant element can use part of the grant for the prepayment equivalent to 15 % of the export contract value.

International rules

- › Environmental and social aspects – EIFO complies with IFC performance standards and the Equator Principles.
- › The transactions must be compliant with the international rules applicable to export credit agencies.

Contact EIFO

For further information,
please contact EIFO by mail:

ukrainefond@eifo.dk

or EIFO's Finance Director/Counsellor in Kyiv:
Kaare Andreasen (ksa@eifo.dk)

For more information please view

www.eifo.dk/en/ukraine