

EBRD TFP

Supporting Ukraine



European Bank
for Reconstruction and Development

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The EBRD has been a major institutional investor in Ukraine and its banking sector. The Trade Facilitation Programme (TFP) plays an important role in supporting the country's import and export activity, which is vital for the country's economy.

- Since the war on Ukraine started in February 2022, trade flows and supply chains in Ukraine have been severely disrupted. This includes the agriculture sector, which accounts for 11 per cent of the country's GDP, nearly 20 per cent of its labour force, and nearly 40 per cent of total exports.
- On top of the physical disruption to land and transport routes, the effect on the financial intermediation is significant; foreign commercial banks stopped taking any direct risk on Ukrainian trade finance transactions.
- To tackle this issue, the TFP significantly increased its headroom for Ukrainian banks, and stepped in to cover part of the higher demand. Since the war started in February 2022, the TFP supported EUR 437 million (as of the end of December 2022) in trade transactions for the most crucial goods for the Ukrainian economy, such as the import of agricultural machinery and fertilisers.
- The TFP also supports the whole supply chain to address food security concerns – it facilitates the import of seeds, fertilisers, fuel, tractors and harvesters into Ukraine as well as the export of grain, oil seed and vegetable oil to neighboring countries such as Moldova, Poland and Turkey and countries in the SEMED region (Egypt, Morocco and Tunisia).
- The EBRD committed to providing up to EUR 3 billion over 2022-2023 to support Ukraine's businesses and economy. The TFP will continue its support of the real economy of Ukraine in 2023.

Case study: Helping Ukraine to import agricultural machinery from Switzerland

With the war on Ukraine, many farmers in the country struggled to plant new crops to harvest in autumn 2022. However, there were some in southern and central parts of the country who were able to keep operations running. But they need machinery such as tractors and harvesters.

To help, a Ukrainian agricultural machinery distributor wanted to import machinery and spare parts from a Swiss company. A Ukrainian bank issued a standby letter of credit for €4 million, an Italian bank confirmed the standby letter of credit and the EBRD covered 100 per cent of the political and commercial payment risk.



In numbers

as of the end of 2022

Number of transactions

3,213

Total transaction value
since 1999

€4.4 billion

Number of issuing
banks in Ukraine

10

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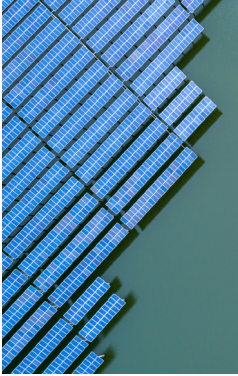
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Case study: Supporting the import of fertiliser for grain production

Ukraine with the largest area of agricultural land in Europe has fertile soils and has been a major producer of grain and foodstuff in the region. Despite the war, grain produced in Ukraine remains an important energy source for many countries, particularly those in North Africa. Farmers in Ukraine need fertiliser to keep grain production running.

To help, a Ukrainian soft commodity trader imported fertiliser from a Czech wholesaler. A Ukrainian bank issued a letter of credit with deferred payment for €1,100,000 by order of the trader while a Czech bank confirmed the letter of credit. The EBRD covered 100 per cent of the political and commercial payment risk.



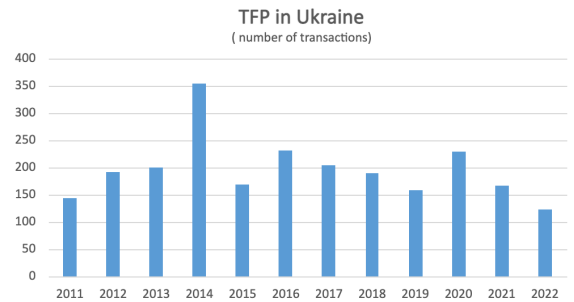
Case Study: Supporting the export to Poland in renewable sector

The on-going war on Ukraine has made businesses in Ukraine challenging, but Ukrainian companies have made tireless efforts to continue their business as usual. One such Ukrainian business is a leading renewable energy company that provides construction and engineering services in the region. Through its subsidiary in Poland, it signed a contract with an investor in Poland to provide construction and engineering services to build solar power stations in north-west Poland.

A bank in Germany issued an advanced payment guarantee for EUR 600,000 to the investor in Poland, whilst a bank in Ukraine issued a counter guarantee to ensure the performance of the Ukrainian company. The EBRD issued a standby-letter of credit on top of the counter guarantee, taking the political and commercial payment risks of this export deal undertaken by the Ukrainian bank.

Long-standing cooperation with partner banks

Since the first limit for a Ukrainian bank was set up in 1999, the TFP has supported 3,213 foreign trade transactions for Ukraine for a total of €4.4 billion (as of the end of 2022). The popular sectors and products in recent years have been agribusiness and non-food commodities, chemicals (including fertilisers), clothing, energy commodities, industrial equipment and materials, and vehicles and spare parts. Examples include the import of harvesters from Belgium, Germany, Italy and Switzerland; and fertilisers from traders in France, Italy, Spain, Switzerland and the United States of America.



Partner banks in Ukraine

- Bank Lviv
- Credit Agricole Bank
- OTP Bank
- Piraeus Bank
- Pravex Bank
- Raiffeisen Bank
- The State Export-Import Bank of Ukraine (Ukreximbank)
- State Savings Bank of Ukraine (Oschadbank)
- Ukrgasbank
- Ukrsibbank

How the TFP works

The programme promotes foreign trade to, from and within the EBRD regions and offers a range of products to facilitate this by taking on the risks of partner banks in the EBRD regions.

For importers and exporters

If you sell to, or buy from, any of the economies where the EBRD invests, the TFP can help you secure payment or performance from your clients or suppliers.

The EBRD guarantees payment under trade finance instruments issued or guaranteed by local issuing banks to international confirming banks. Trade finance instruments include letters of credit, payment and other types of guarantees, bills of exchange or promissory notes, performance bonds and bid bonds.

The EBRD takes on the commercial and political risk of non-payment by issuing banks. Issuing banks take on the risk of local companies. The final beneficiaries of the programme are importers and exporters.

Please contact your local banks under the [TFP](#) to discuss further details.

