

Joint Project of Ukraine and the European Investment Bank "UKRAINE AGRI-FOOD APEX LOAN"

The Finance Contract between Ukraine and the European Investment Bank aimed at the implementation of the Project "UKRAINE AGRI-FOOD APEX LOAN" was ratified by the Verkhovna Rada of Ukraine on September 20, 2016.

The European Investment Bank (EIB - www.eib.org) is an International Financial Institution (IFI) whose shareholders are the Member States of the European Union (EU). The bank was established in 1958, in accordance with Article 308 of the Treaty on the Functioning of the European Union. The EIB, together with local financial institutions, is involved in financing programs and investment projects that contribute to the development of the country where they are implemented and to the achievement of EU policy goals.

Under the Project "UKRAINE AGRI-FOOD APEX LOAN" 400 million Euros are sent through Ukrainian commercial banks for further lending to enterprises of the agricultural sector of the economy of Ukraine (grain and oilseeds, fisheries (including aquaculture)).

On August 21, 2020, JSCB "Lviv" concluded a tripartite subfinancing agreement with the Ministry of Finance of Ukraine and JSC Ukreximbank within the framework of the Project "UKRAINE AGRI-FOOD APEX LOAN", which aims to improve value chains for grain and oilseeds, fisheries and aquaculture in Ukraine. This is an opportunity for current and potential clients of JSCB "Lviv", which meet the criteria and objectives of the Joint EIB with Ukraine Project, to obtain more favorable lending conditions.

Benefits for local businesses:

Thanks to the participation of the European Investment Bank, the Final Beneficiaries of the Project will receive financial benefits. JSCB "Lviv" will provide financial benefits to the Final Beneficiaries, which will be reflected in a beneficial interest rate. Such financial benefit will be at least 100 basis points (which is 1% per annum) compared to the annual interest rate that JSCB "Lviv" would apply to such loans without the participation of the European Investment Bank.

The Project " UKRAINE AGRI-FOOD APEX LOAN " is implemented by providing the Ministry of Finance of Ukraine loans JSCB "Lviv" for further lending up to 100% of the value of medium and long-term investments (up to 10 years) and medium-term working capital (from 2 years) of private sector enterprises of the economy of Ukraine, namely:

- Small and medium-sized enterprises (SME)– with less than 250 employees on a consolidated basis prior to the investment;
- Mid-Cap companies (Mid-Cap)– from 250 to 3000 employees on a consolidated basis prior to the investment;
- Eligible Enterprises (EE) – with more than 3000 employees.

The term of the Sub-Loans granted to the Final Beneficiaries is of a minimum of 2 years and shall not exceed the economic and technical life of the Sub-Project financed. It can be used to finance from very small projects to investments with a maximum cost of EUR 50 million. The EIB's contribution, however, cannot exceed EUR 25 million.

EIB lending under this Project and the EU Guarantee is possible provided that the EIB's compliance with the company's activities, project objectives and project procurement, as well as the company's

compliance with the legislation of Ukraine and the European Union on environmental protection and availability of all necessary permits for project implementation.

Information can be obtained by calling +380673403129 Natalia Krupska

Read more:

EIB Guide to Procurement: <https://www.eib.org/en/projects/cycle/procurement/index.htm>

EIB's Environmental and Social Standards:

<https://www.eib.org/en/infocentre/publications/all/environmental-and-social-standards.htm>

The revised user guide to the SME definition: <https://ec.europa.eu/docsroom/documents/42921>