



EU4BUSINESS | EBRD Credit Line

Finance and Advisory Programme supporting SMEs

**Are you ready to increase your
business with EU countries?**



European Bank
for Reconstruction and Development



EU4Business

DCFTA-related Investments in Agriculture help Companies Prepare for Expansion into Europe – Energy Savings are the Value Added Bonus

VALUE-ADDED BENEFITS - INVESTING TO ALIGN WITH EU DIRECTIVES ENABLES COMPANIES TO:

- Improve their competitiveness in their home market
- Increase their export capability and revenues from exports to EU markets
- Improve the quality of products and services offered in their home markets
- Value Added benefits from energy and resource savings:
 - reduce the company's cost base and improve the company's profitability
 - improve green image of the company

The EU4Business-EBRD Credit Line is part of the broader European Union driven 'EU4Business initiative', which supports SMEs in countries like Ukraine in taking full advantage of the open market access opportunities offered by the Deep and Comprehensive Free Trade Area Association Agreement (DCFTA/ AA). That means Ukrainian businesses will be able to use their relatively low cost base to compete successfully with other companies in the large EU and regional markets, provided their processes are aligned with EU Directives. The aim of the EU4Business-EBRD Credit Line is to help companies achieve this through:

- **Grant supported Leasing** of equipment that support international production standards available via OTP Leasing
- **Free technical assistance** helping companies choose the right equipment and improve processes that enable Ukrainian companies meet the required EU Directives
- Additional support from **EBRD'S ASB programme** to obtain ISO, HACCP and other certification and/or other improvements

Investing in energy efficiency, renewable energy and resource efficiency is an added bonus, whether this investment is made intentionally with the aim of saving energy and resources or a side effect of the investment made to align with other EU Directives (non energy/resource) related.

How can an investment to align with EU Directives generate benefits with regards to energy and resource savings?

- To align with EU Directives, companies often have to upgrade their production machinery and processes. Replacing old farming processes/machinery against modern technologies. These may include:
 - Tractors and seeders
 - Field preparation equipment
 - Milking equipment
 - Cold storage and general storage
 - Administrative and operational building improvements
- And, as an added bonus, these improvements automatically lead to energy savings, often in excess of 20%. This is a very attractive side-effect.

Who can Apply for EU4Business-EBRD Loans and Grants?

- Individual entrepreneurs, sole proprietors and SME companies with less than 250 employees and an annual turnover below € 50 million
- Registered and operating in Ukraine
- At least 51% privately owned
- Below 25% ownership owned by non-SME companies
- Company/business is not included on EBRD's list of persons or organizations ineligible to be awarded an EBRD- financed contract or for EBRD funding

If you are not sure if your company or business meets these general eligibility criteria, please contact our project office for advice.

How does this work?

The EU4Business-EBRD Credit Line and grant support scheme is a flexible program that can essentially support almost any modernization project. For grant supported leasing with OTP Leasing, the following approach applies:

Standard LET Approach – 10% grant

Credits for leasing of specialized agricultural and food processing equipment as well as auxiliary equipment such as HVAC, Boilers, Cold storage, equipment, etc

The Process is Simple

- Select your desired equipment from our LET Technology Selector (www.list-of-eligible-technologies.com).
- Complete the application form (available from our website) and submit the completed form to OTP Leasing. OTP Leasing will indicate its general willingness to finance your project.
- Your preferred equipment cannot be found in our LET Technology Selector? In any case, please do your application, our project team will check if your choice of equipment can be financed under the Standard LET Approach and, if eligible, we will add the equipment to the Selector.
- If you and OTP Leasing have reached a financing agreement and the project has been implemented, an independent Verification Consultant will check the project. Once this verification has been successfully completed, you will receive your 10% cash-back grant. Even though the cash-back grant is financed by the EU, it will be paid to you by OTP Leasing.



CASE EXAMPLE

EU4Business-EBRD Credit Line loan was used for the replacement of farm machinery.

A company specialized in the cultivation of cereal, wheat, sunflowers and corn took a EUR 78,000 loan to invest in a new harvester for crop cultivation. The new harvester was purchased with a EU4Business-EBRD Credit Line loan using the simple LET approach for standardised equipment. After successful project verification, the company received € 7,800 as a grant cash-back (10% of the loan amount), funded under the EU4Business initiative of the European Union.

The new harvester allowed the company to increase its productivity, produce higher quality output and safeguard the health and security of its workers/equipment operators. In addition, the new machine uses less energy than the old one. As a result of the investment the company now meets the following EU Directives:

- Regulation (EU) No 167/2013 of the European Parliament and of the Council of 5 February 2013 on the approval and market surveillance of agricultural and forestry vehicles
- Regulation (EC) N. 661/2009 of the European Parliament and of the Council concerning type-approval requirements for the general safety of motor vehicles, their trailers and systems, components and separate technical units intended therefor
- Directive 2006/42/EC on machinery, and amending Directive 95/16/EC



Take Action Now:

The EU4Business-EBRD Credit Line supports a wide range of projects that increase the competitiveness and capacity of Ukrainian SMEs in EU export markets AND that save energy as an additional benefit.



Contact OTP Leasing for financing options:
Kiev oblast, Petropavlivska Borschagivka, Ozerna St. 5
+38 044 5947060
www.otpleasing.com.ua

Visit the programme website for more detailed information about eligible technologies and more information: www.eu4business-ebdcreditline.ua or contact the programme experts for free advice on: info.Ukraine@eu4business-ebdcreditline.com
+38 050 4623732

The EU4Business-EBRD Credit line is a joint initiative of EU and EBRD to help Ukrainian SMEs finance investments, which enable them to seize the opportunities presented by the Deep and Comprehensive Free Trade Agreement (DCFTA). All technical assistance and grants are financed by the EU.

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The views expressed herein are those of the Consultant and can therefore in no way be taken to reflect the official opinion of the European Union.*



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