

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 February 2022 the TFP has supported over €140 million (as of the end of June 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 seeds and vegetable oils to Egypt, Morocco, Turkey and Tunisia.
- This is a part of the EBRD's initial [€2 billion resilience package](#) approved in March 2022 for Ukraine and affected neighbouring countries.



Case study: Importing grain storage equipment from Italy

The war on Ukraine has severely disrupted the export routes of grain, sunflower seed/oil and rapeseed from the country. This means that grain silos are full and farmers are struggling to find storage for the summer crops. To tackle this situation, a Ukrainian distributor of agricultural machinery resumed its operations and started importing machinery and accessories from an Italian company for grain storage facilities. A Ukrainian bank issued a standby letter of credit for €700,000 and an Italian bank confirmed the standby letter of credit. The EBRD covered 100 per cent of the political and commercial payment risk.

In numbers

as of the end of 2021

Number of transactions

3,089

Total transaction value
since 1999

€3.8 billion

Number of issuing
banks in Ukraine

10

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Case study: Helping Ukraine to import agricultural machinery from France

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

To help, a Ukrainian agricultural machinery distributor wanted to import machinery and spare parts from a French company. A Ukrainian bank issued a standby letter of credit for €345,000, an Austrian bank confirmed the standby letter of credit and the EBRD covered 100 per cent of the political and commercial payment risk.



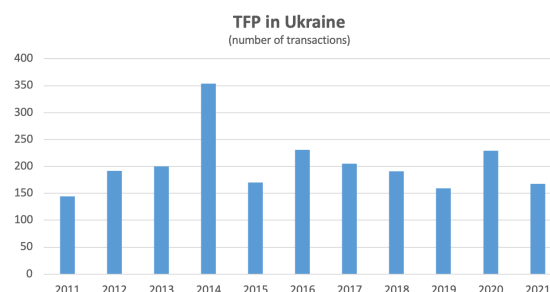
Case study: Supporting the import of fertiliser for grain production

With the war on Ukraine, many farmers in the country have struggled to plant new crops to harvest in autumn 2022. However, there are some in southern and central parts of the country who have been able to keep operations running. But they need fertiliser for grain production.

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.

Long-standing cooperation with partner banks

Since the first limit for a Ukrainian bank was set up in 1999, the TFP has supported 3,089 foreign trade transactions for Ukraine for a total of €3.8 billion (as of the end of 2021). 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.

