

European Bank for Reconstruction and Development

Financing Support to the Development and Expansion of Sustainable Port Infrastructure

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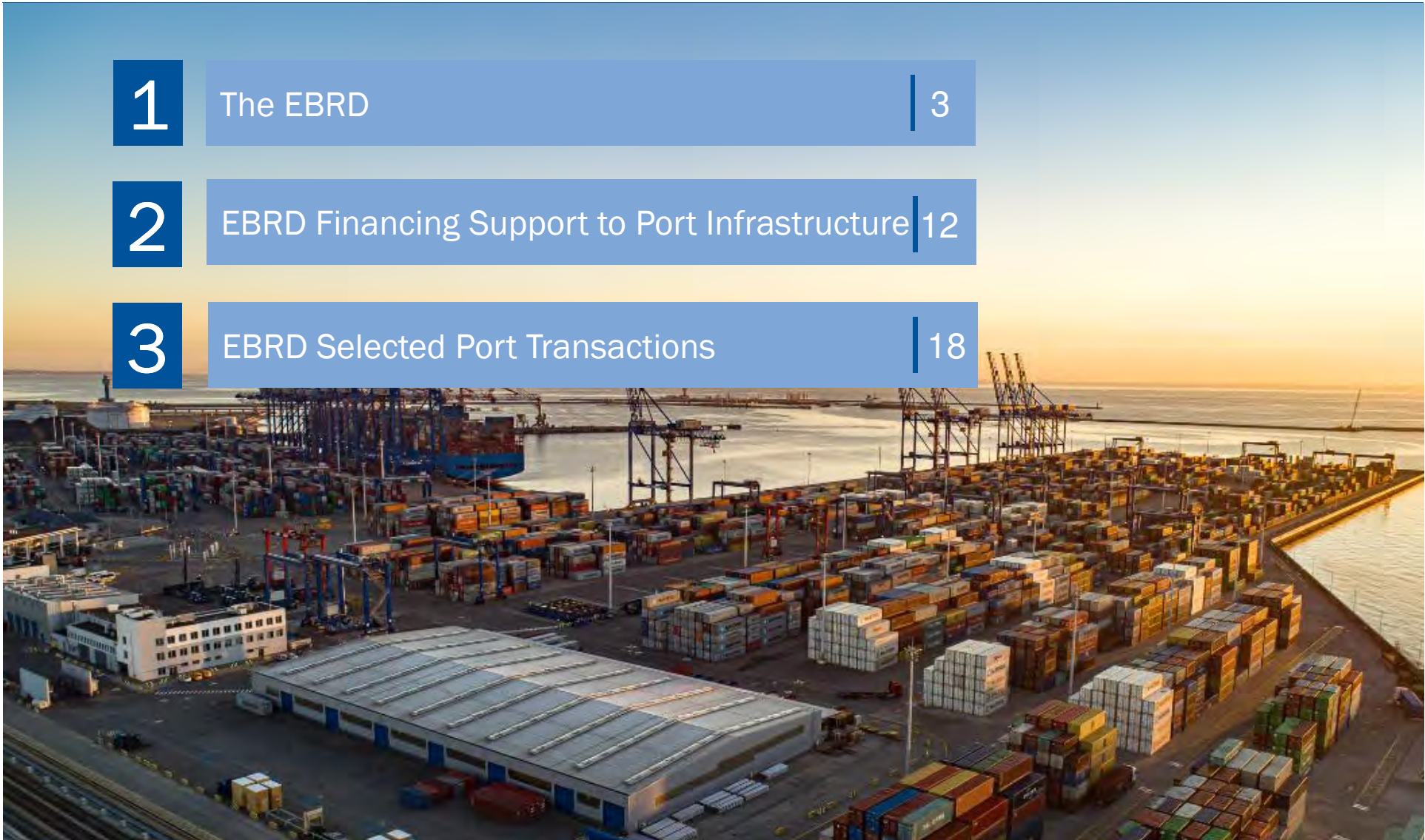
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European Bank
for Reconstruction and Development

A low-angle photograph of a modern skyscraper with a glass facade, set against a blue sky with light clouds. The building's reflection is visible on a dark blue horizontal band that serves as a background for the title text.

The European Bank for Reconstruction and Development

The EBRD

IFI established in

1991

71 shareholders

The Bank is owned by 69 countries as well as the EU and the EIB.

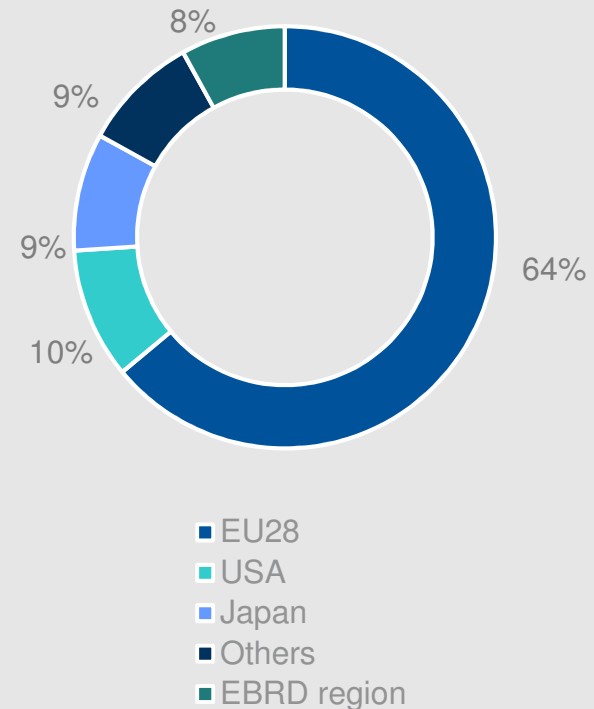
Capital base

€30 billion / Triple-A rating

Unmatched expertise founded on 25+ years of on the ground presence

40+ local offices / London HQ

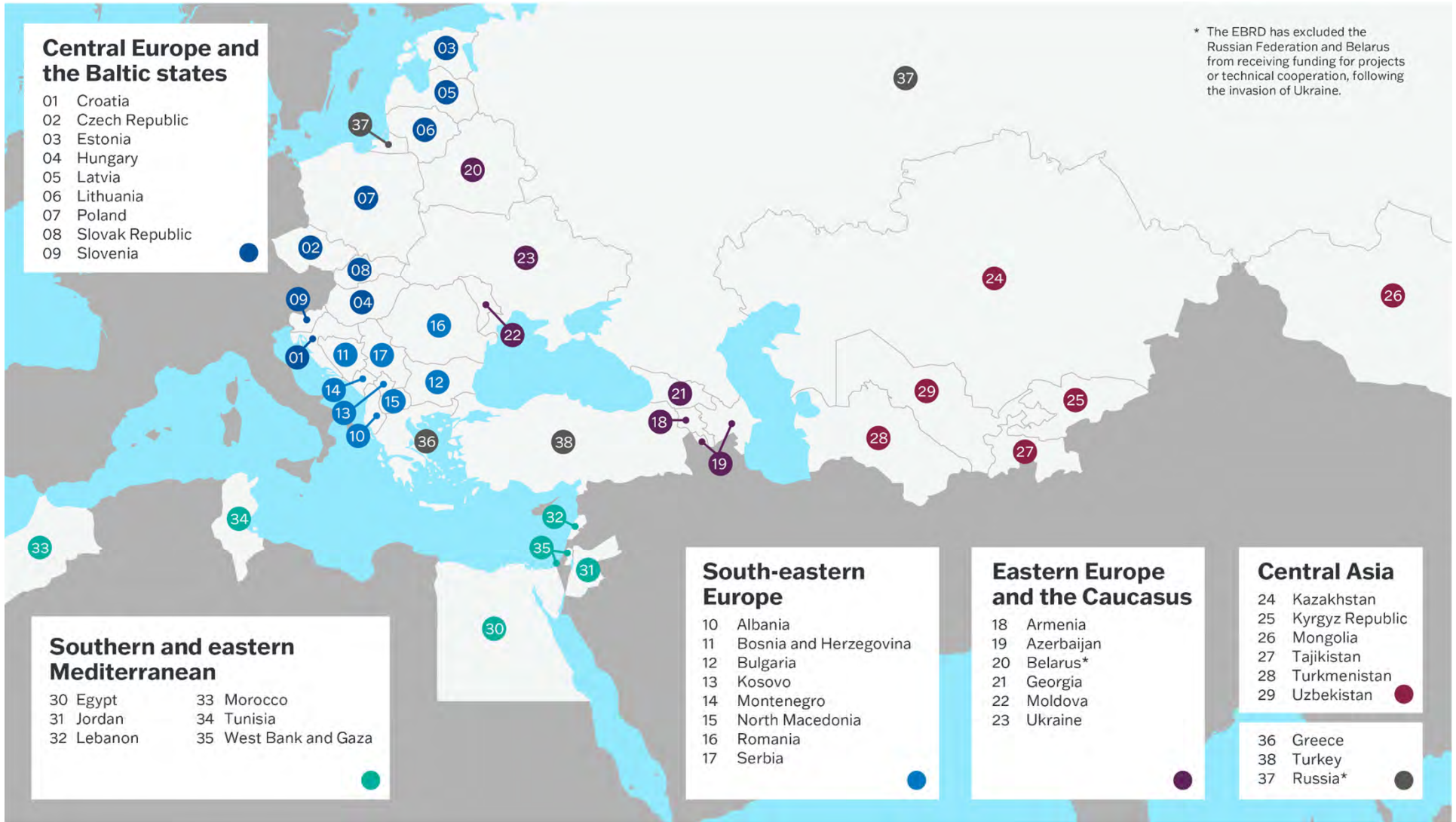
Our shareholders are committed to the Bank's long-term mission



Where we are



Banque Européenne
pour la Reconstruction et le Développement



Impact Investments



Since 1991, the EBRD invested

€164 billion

€10 billion (in 2021)



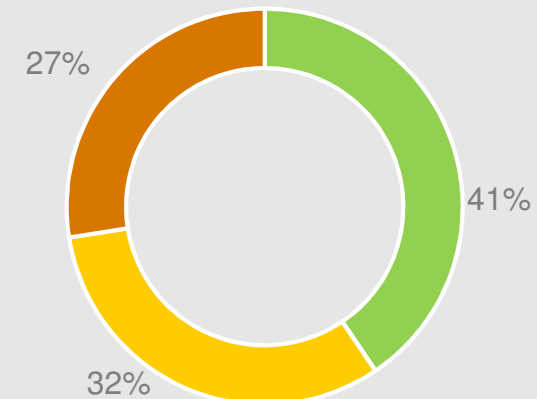
Number of projects

6,297 (since 1991)*

413 (in 2021)

...or an equivalent of circa **200**
transactions worth **€4-5**
billions per annum

Our €34.3 billions operating assets spread across, with SIG contributing to €14.9 billion of operating assets



- Sustainable Infrastructure
- Industry, Com. And Agri.
- Financial Institutions

* as of end of December 2021

Sustainable Infrastructure Group (SIG)



Net cumulative SIG investment

€45.4 billion (since 1991)*

Number of projects



1,387 (since 1991)

103 (in 2021)

In 2021, SIG contributed robustly to the UN Sustainable Development Goals



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Our business revolves around **three** sub-sectors

Energy



Municipal



Transport



...each equally important in **delivering transition.**

Our Products and Beyond

We offer full spectrum of financial solutions ranging from **senior debt** to **straight equity** and **hybrids**.

Beyond this, we provide **Technical Cooperation Funds**, engage in **Policy Dialogue** and raise **Donor Funds**.

Our **Preferred Creditor Status** helps international investors tap into new regions.



Loans

- ✓ Senior, subordinated
- ✓ Floating / fixed rates
- ✓ Reserve currencies (USD, EUR) but also local currencies (KZT, PLN, TRY)
- ✓ Long tenors for corporates (7+ years), project finance (13+ years) and sovereign (17+ years)

Green and Sustainability linked Bonds

- ✓ Currencies: EUR/USD/LCY
- ✓ Aligned with Green Bond Principles (external review)
- ✓ Uses of proceeds: green infra projects
- ✓ Tenor: Up to 10y
- ✓ Bullet repayment

Equity & Hybrids

- ✓ Convertible, mezzanine, straight equity
- ✓ Minority stakes (up to 35%) only
- ✓ Long term investment horizon (7+ years exits)
- ✓ Strategic investor with sizeable resources

SIG strong track record of GET investments:

71% of SIG investment

New ambitions, aiming for EBRD GET investment to reach

50% of investments by 2025

Objective to align with

Paris Agreement

by prioritising investments on green pathways, scaling up renewables and build climate resilience.

SIG Focus

- Expansion of the electrification of the infrastructure sector;
- Support to the decarbonisation of electricity systems;
- Green a wide array of public services across transport and municipal sectors.

Thematic areas of investments

- Energy systems – renewable energy, grids, cross-over investments, etc.
- Sustainable connectivity – electrification, hydrogen-based transport, digital and smart solutions, etc.
- **Joint MDB aligned project list** includes port infrastructure, IWT vessels, electric passenger or freight transport,

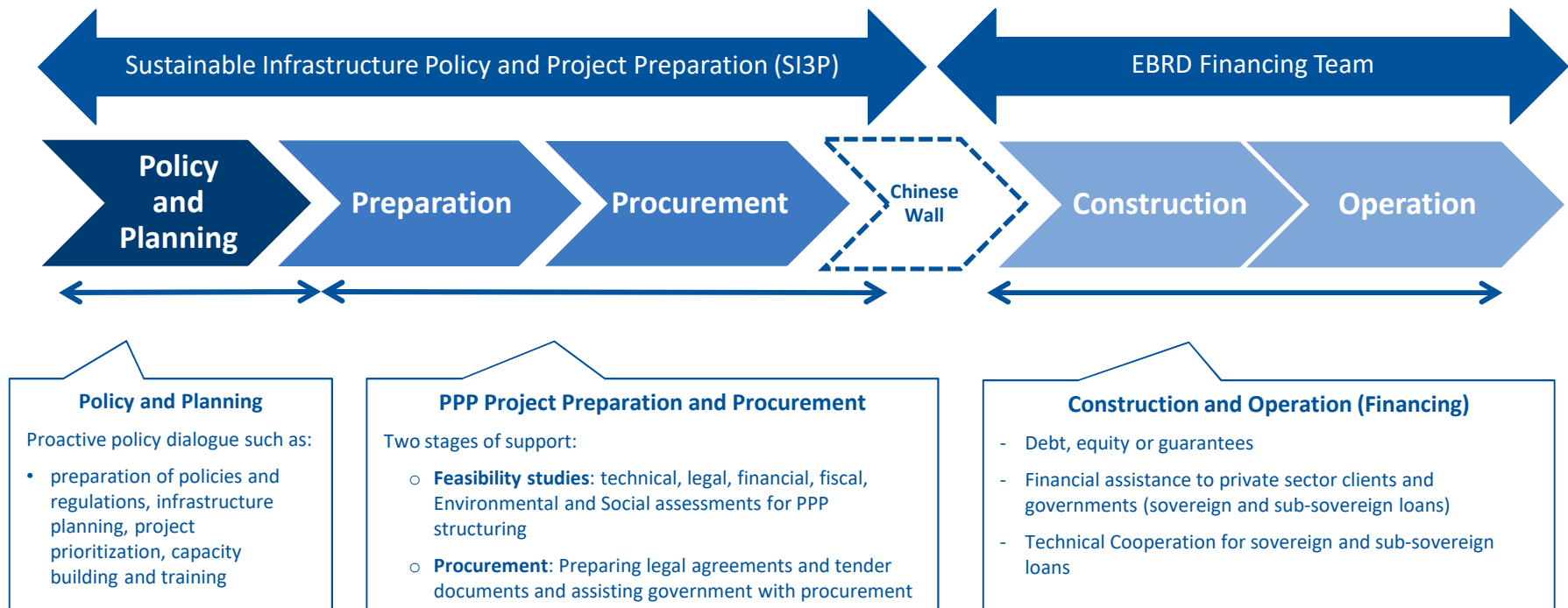


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EBRD Financing Support to Port Infrastructure

Support Across the entire Infrastructure's Lifecycle



EBRD support through the Port Infrastructure lifecycle

Policy dialogue

- Engaging in **policy dialogue** with regional governments in regards to commercialisation of port infrastructure and separation of its management from the state
- Promoting **international best practices** in regards to environmental and energy efficiency and compliance with International Maritime Organization (IMO) regulations to promote sustainable maritime transport
- EBRD is part of 'FIN-SMART' - an initiative on financing **sustainable shipping**.

PPP Project Preparation and Procurement

- A PPP Advisory team that: i) supports public sector clients and assists with technical, legal and financial challenges; ii) provides **expertise, funds and direct advisory**.
- **Strong track record** of PPP project preparation with 12 mandates since establishing the team in 2016
- Supporting projects from pre-feasibility through to tendering and financial close
- PPP Unit and national project preparation platforms

Financing Sustainable projects

- **Private/ public clients** (port authorities, terminal operators, shipping companies)
- **Supporting different business models:** landlord, concessions, PPP, full privatisation (corporate loans), greenfield/brownfield
- Average amount: **EUR 15m**
- **Market-rate** finance
- Objective to **co-finance** larger projects with commercial banks (A/B structure, syndication)
- **Grace period and tenor** linked to project's needs, typical infrastructure tenors up to 15 years
- **Adherence to EBRD policies** (procurement, environmental and social and integrity)

EBRD supported Port Infrastructure in the region



Infrastructure class: Port infrastructure (maritime and inland waterways), equipment, fleet, intermodal operations, logistics

Over the last years, EBRD has provided more than **EUR 1 billion in financing** (debt and equity) for port Infrastructure in the region...

While mobilising more than **EUR 5 million in PPP project preparation support**



EBRD support to Port and Logistic & Intermodal sectors

Ports

- Financing **development and expansion of terminal and port infrastructure**
- Supporting **private sector involvement** in greenfield projects and participating in **port privatisation**
- Support the decarbonisation of maritime sector with a clear focus on **innovation, electrification, digitalisation and adaptation of ports infra, equipment and ships**
- Ports as **clean energy hubs** (green hydrogen, onshore power supply) and strategic multimodal nodes
- Supporting **introduction of innovative, technologies** to promote environmental and energy efficiency best practices
- Investing in **pre-and post-delivery financing of fleet modernisation and retrofitting** as well as **conversion and retrofitting of existing** vessels to promote competition and energy efficiency

Intermodal / Logistics

- Financing **fleet modernisation of private and state-owned companies** to encourage competitive, cost-efficient and flexible transport services
- Providing financing for **freight infrastructure** (i.e. cargo and cold warehousing, machinery), port infrastructure (i.e. container handling operations, inland infrastructure) and intermodal operations (i.e. multipurpose logistics hubs, marshalling yards)
- Supporting private operators to increase **competition** and promote more **widespread private ownership**
- Promoting **development of green logistics and sustainable transport systems** through multimodal networks
- Facilitating **integration and optimisation of freight network services** to streamline operations, reduce fuel costs and emissions, and improve the quality of the services offered to the market



EBRD Selected Port Transactions

Sustainable Infrastructure Group

DCT Gdansk acquisition financing Poland



Strategic objective

- **Restructure existing debt** of DCT Gdansk, provide **acquisition finance** for the acquisition of DCT Gdansk from the SPV, **finance additional CAPEX** for DCT Gdansk
- Development of a **Secondary Market for Maturing PPPs**



Project

- **Client:** DCT Gdansk, a deep-sea terminal lease owner in Poland
- **Project description:** Finance the acquisition of DCT Gdansk and restructure the existing debt .
- **Product:** a senior secured loan of up to EUR 46.25 million part of debt package of EUR 382.5 million
- **Year:** 2019



Results

- Contribute to the continuous involvement of **leading strategic and institutional investors** in the region
- **Facilitate the secondary acquisition** of the Company, a deep-sea terminal lease owner in the Baltic
- **Participate in a consortium** along with international and local financial institutions.



Port of Tallinn Estonia



Strategic objective

- Support to **the first partial privatisation of a major infrastructure** asset in the Baltics through an IPO.
- **One of the largest listings in the Baltic States in recent years**, providing a boost to the development of the local capital market.



Results

- **Demonstrating that the sale of shares in state-owned enterprises can be successfully implemented via local stock exchanges**
- Contributing to an **improved corporate governance standards of Port of Tallinn** reinforced by implementation of a **Corporate Governance Action Plan**.



Project

- **Client:** AS Tallinna Sadam (“Port of Tallinn”), one of the largest cargo- and passenger port complexes in the Baltic Sea region
- **Project description:** EBRD acquired EUR 15.9 million stake in the IPO of the Port of Tallinn on the Nasdaq Tallinn Stock Exchange.
- **Product:** Ordinary Shares
- **Year:** 2018



Mersin International Port Bond II Turkey



Strategic objective

- Support the **first Eurobond issue by an infrastructure project company in Turkey**
- Financing crucial investments for the **Company's ability to run operations smoothly and pursue further growth.**



Results

- Facilitating the growth of the country's economy and the wider region by supporting the development of a port which serves as **the gateway of Turkish industry and agriculture to the Middle East**
- **Contributing to the development of the "Motorways of the Sea" as a more sustainable and environmentally friendly alternative to the land based transport**



Project

- **Client:** Mersin Uluslararası Liman İşletmeciliği A.Ş. (MIP or Mersin International Port), private operator of the port of Mersin, as the Issuer
- **EBRD finance:** US\$90 million participation in a five-year bond issued by MIP
- **Total project cost:** US\$600 million
- **Year:** 2019
- **Use of proceeds:** (i) refinancing, (ii) support ongoing operations (iii) provide additional stability to the company's balance sheet



Olvia and Kherson Pilot Concessions Ukraine



Strategic objective

Capitalize on the **need for additional grain handling capacity** development in the Mykolaiv region due to the continuing market growth (Olvia)

- **Boost the river-sea transshipment** on the Dnipro river **and address the need of handling the increasing volume of grain by-products**, e.g., meal, bran and cake (Kherson)



Results

- EBRD supported the development of **the new Concession Law** in Ukraine adopted in 2019 implementing international best practices
- EBRD / IFC acted as advisors to the Ministry of Infrastructure in the preparation of two pilot concession projects in the ports of Olvia and Kherson



Project

- **Concession tenders** successfully completed and commercial close reached in mid-2020
- 35-year concession over Olvia Port awarded to Qterminal LLC, a port operator from Qatar
- 30-year concession over Kherson Port awarded to a consortium of Risoil SA (port operator) and Petro Oil & Chemicals Ltd (part of Georgian Industrial Group)
- **Total investment commitments** of over USD 150m



DFF - Altintel Port Expansion Turkey



Strategic objective

- Support **Altintel Port** is a liquid bulk port located in the Kocaeli Province in Marmara region of Turkey.
- The loan will enable Altintel Port to **expand its total liquid bulk capacity**.



Results

- **Enhancing energy and cost savings** through introduction of a modern, automated and digital sensor system operating the new port infrastructure
- **Increasing the port's competitiveness** as the new capex is expected to result in cost savings for the Port
- **Facilitating connectivity** by improving the current port infrastructure and increasing capacity.



Project

- **Client:** Altintel Liman ve Terminal Isletmeleri A.S. (Altintel Port)
- **EBRD finance:** Senior loan of up to US\$8.5 million
- **Total project cost:** US\$11.5 million
- **Year:** 2021
- **Use of proceeds:** Finance the Port's expansion through construction and installation of 18 chemical storage tanks and related infrastructure with a modern sensor system



Neptune Grain Terminal Ukraine



Strategic objective

Demonstrate the **effect of significant foreign direct investment in infrastructure in Ukraine** at a critical time for the Ukrainian economy

- **Stimulate market expansion and increased competition** by providing additional port capacity to promote the production and export of grain, as well as to **enhance the corporate governance and business standards**



Results

- Terminal **completed and opened in September 2019**. Cargill **acquired 51% stake** at the Terminal in July 2021
- The Project **increased the country's ability to source and export local grain production** and supported **private sector initiatives in seaports** and privately owned port terminals



Project

- **Client:** a **joint venture** between leading international trader Cargill and leading Ukrainian private stevedoring company MV Cargo
- **Joint EBRD / IFC financing** of USD 74 million
- **Total project cost:** USD 150 million
- **Year:** 2016
- **Use of proceeds:** greenfield development of a new private grain terminal with capacity of **4.5 MM ton** in the Port of Pivdennyi
- The project works included **construction of the Terminal, dredging** of the approaching channel, **new berth and railcar park**





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An aerial photograph of a port and industrial facility. The top half of the image is overlaid with a semi-transparent blue rectangle. The text 'Contact Us' is centered within this blue area. The background shows a large port with numerous shipping containers, cranes, and a large industrial building with a white roof. The sky is a clear blue, and the water is visible in the distance.

Contact Us

Our Contacts



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