

“Promotion of Renewable Energies in Armenia” (GAF-RE) Loan Program

implemented by

Program Management Unit of German-Armenian Fund

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German-Armenian Fund Overview

- “German-Armenian Fund” (GAF) was established in 1998
- PMU GAF was established by Central Bank of Armenia (CBA) in 2001
- Main purpose - realization and monitoring of the Loan Programs
- Main donor organization – KfW
- Other donor organizations - Government of Armenia and World Bank
- 3 KfW financed loan programs currently under PMU GAF management
- 1 KfW Program closed in 2010 (Credit Guarantee Fund)
- 1 KfW Program in inception phase (Agricultural finance)
- 3 Non-KfW programs currently managed by PMU



German-Armenian Fund

Existing Loan Programs

- Promotion of Micro, Small and Medium Enterprises (funded by KfW)
since 1998
- Promotion of Renewable Energies (funded by KfW)
since 2004
- Development of a Sustainable Housing Finance Market in Armenia (funded by KfW)
since 2005
- Agricultural finance (funded by KfW)
since 2012
- Credit Guarantee Fund (guarantee by KfW)
2007 to 2010
- Promotion of Micro, Small and Medium Enterprises (funded by RA Government)
since 2008
- Access to Finance for Small and Medium Enterprises (funded by World Bank)
since 2009
- Fund for economic stability (funded by RA Government)
since 2009

“German-Armenian Fund: Promotion of Renewable Energies” Program (GAF-RE)





GAF-RE Objective

To provide reconstruction and modernization loans to operating small hydroelectric power plants (SHPP) as well as investment loans for construction of new SHPPs through selected banks.

The process should foster and improve production and supply of clean electric and further contribute to the development of the economy of Armenia.



GAF-RE (Phase I) Overview

- KfW and the CBA concluded EUR 6 million Loan Agreement and EUR 1.5 million Financial (Grant) Agreement for the implementation of the Program “Promotion of Renewable Energies” on 24 November, 2004
- The Program had two consultants:
 - Banking Consultant - “Savings Bank Foundation for International Cooperation” (SBFIC)
 - Technical Consultant - “Lahmeyer International” and “HydroEnergetica”



GAF-RE (Phase I) Overview

- 14 SHPPs (8 new plants and 6 in rehabilitations) have been financed within the framework of the first Phase of Program since 2007
- Installed capacity of 8 new plants – 13.9 MWt, 6 rehabilitation plants – 4.8MWt
- Entire amount of funds received from KfW has been allocated by mid 2009
- 6 Partner Banks selected by tender, 5 of them have provided loans to SHPPs under GAF-RE (Phase I) Program
- Loans disbursed to the Partner Banks amount AMD 2.9 billion
- 2 SHPP projects amounting AMD 200 million have been refinanced out of the means of the revolving fund



GAF-RE (Phase II) Overview

- Great success of the GAF-RE (Phase I) resulted in initiation of the second phase of the Program
- Governments of Armenia and Germany signed agreement on providing additional EUR 18 million funds for development of Renewable Energy
- 16 Banks were selected by tender led by CBA and GAF PMU as Partner Banks for the second phase of the Program
- In February 2012 “Fichtner” in cooperation with “Frankfurt School of Finance & Management” was selected as the new consultant of the Program



GAF-RE (Phase II) Overview

- 13 SHPPs have received technical and financial approval from the consultant and are subject for refinancing within the framework of the second Phase
- Financing of 11 SHPPs out of 13 approved have started since July 2011
- The total volume of loans required by the 13 approved projects is about AMD 7.1 billion (EUR 13.8 million)



GAF-RE General overview

- GAF-RE Program has refinanced 12% (15 out of 126) of operating SHPPs.
- Installed capacity of operating SHPPs refinanced by GAF-RE – 23.8 MWt (12% of total 204.3 MWt)
- GAF-RE Program is refinanced 13% (10 out of 77) of constructing SHPPs.
- Future capacity of constructing SHPPs refinanced by GAF-RE – 22.7 MWt (14% of total 161 MWt).
- 50 SHPP loan applications currently in GAF-RE project pipeline (long-list).
- Projected capacity of the 50 SHPPs in long-list – 108MWt.
- Requested loan amount – EUR 46.1 million



GAF-RE Refinanced SHPP Projects

Phase I

Zovashen
Amberd
Karaglukh
Aygedzor
Tsav
Gegharot
Vorotna
Karakaya
Mushegh
Shaki
Afamia
Sarnakunkh
Heghnajur
Sisakan

Phase II

Sarnakunkh
Gyumri
Amberd 2
Vardenik
Arpa
Amasia
Artik 1
Iskhanasar
Vorotan 7
Yegheg
Shenik
Getik 4
Zovashen

Thank you !!!