

Project Summary

| Project Overview | |
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| Project Name | Two Loans to EDB and IIB for Nord-Hydro |
| Country | Russian Federation |
| Sector | Renewable Energy; Sustainable Development. |
| Approval Date (by the Board) | 16 July 2016 |
| Closing Date | 15 August 2021 |
| Total Project Cost | USD 161.9 million |
| Loan Amount | USD 100.0 million |
| Borrower | Eurasian Development Bank (EDB); International Investment Bank (IIB) |
| Implementation Agency | Nord Hydro Bely Porog |

I. Introduction

Russia has vast untapped renewable energy resources, with non-fossil fuel based energy currently only accounting for 3% of total primary energy consumption of the country. In Karelia, a federal subject of Russia, energy generation capacity is low, with power imported from other regions of Russia. Power supply in Karelia is still not sufficient. Developing power generation projects in Karelia using renewable sources will help tackle this challenge and contribute to the region's sustainable development. In this context, the project, with Nord-Hydro as a model project, is designed to enhance power generation capacity in the region and facilitate renewable energy development. The project is in alignment with the New Development Bank's (NDB) objective to accelerate green financing and promote renewable energy development.

II. Project Description

The NDB will provide two loans to support Eurasian Development Bank (EDB) and International Investment Bank (IIB) to on-lend to renewable energy projects. The two loans will finance the Nord-Hydro project to increase energy supply in Karelia region through renewable energy resource. The project is supported by the Russian government with a preferential tariff. With this project, a small dam and two hydroelectric generation plants will be constructed, providing a total installed capacity of 49.8 MW. A 220 kV power transmission line of 10-km will be constructed.

III. Environmental and Social Aspects

The proposed hydro power generation will avoid 48,000 tons of carbon dioxide emissions per year.

To avoid the common issues with constructing hydro-electric power plants, the dam parameters for this project were designed to avoid resettlement and minimize impact on ecology. The Implementing Agency shall closely monitor implementation of proposed mitigation measures and the NDB shall conduct annual supervision.

IV. Financials

The total cost of the project is USD 161.9 million. The two NDB loans add up to USD 100 million. A loan of USD 50 million is provided to Eurasian Development Bank (EDB). The other loan of USD 50 million is provided to International Investment Bank (IIB).

| Financier | Amount (\$ million) |
|----------------------|----------------------------|
| New Development Bank | 100.0 |
| Other Bank Loans | 6.1 |
| Subordinate Loans | 29.0 |
| Equity | 26.8 |

V. Implementation

The project is estimated to be implemented over 3 years. Suppliers for the project will be selected through a competitive and transparent bidding process. Selection criteria include technical expertise, experience in execution of similar projects and costs of construction.

VI. Contact

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