



## Promotion and Facilitation of Investments in RE (Georgian Practice)

*Second Preparatory Meeting of the 27th OSCE  
Economic and Environmental Forum*

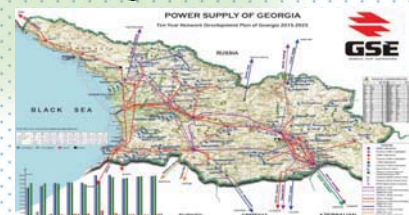
*Bratislava, 27 - 28 May 2019*

*Nugzar Khaindrava*

## Overview of Energy Sector of Georgia



- Over the 2013-2018 the demand for electricity in Georgia grew by 5,5% p.a. to 13 TWh (driven mainly by industrial and commercial demand)
- The average annual electricity growth rate for 2019 – 2030 is expected to be 4.6%. Demand will reach 22 TWh
- Since 2012, Georgia's installed capacity has increased by 25.3%, reaching 4.2 GW in 2018. However, this was not enough to satisfy the growing demand.





# Background



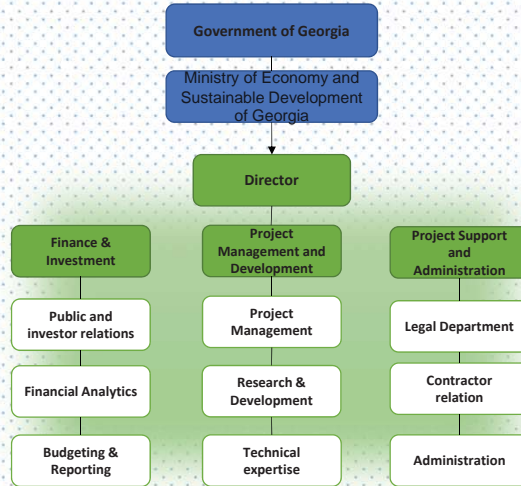
Georgian Energy Development Fund (GEDF) is a joint stock company established by Government of Georgia (GoG) on December 13, 2010, in order to promote and develop clean energy projects in the country



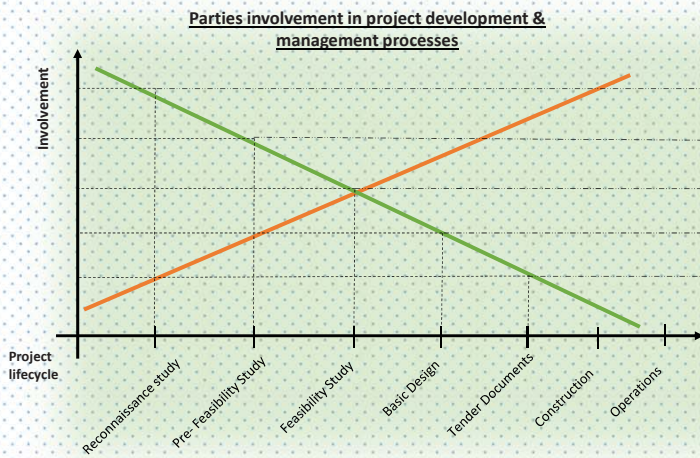
GEDF is managed by the Ministry of Economy and Sustainable Development of Georgia and serve as an investable vehicle in clean energy project development in Georgia.



GEDF supports clean energy project development either through early project development investment and/or through an offering of the government's shares in GEDF to potential investors



# GEDF's activities

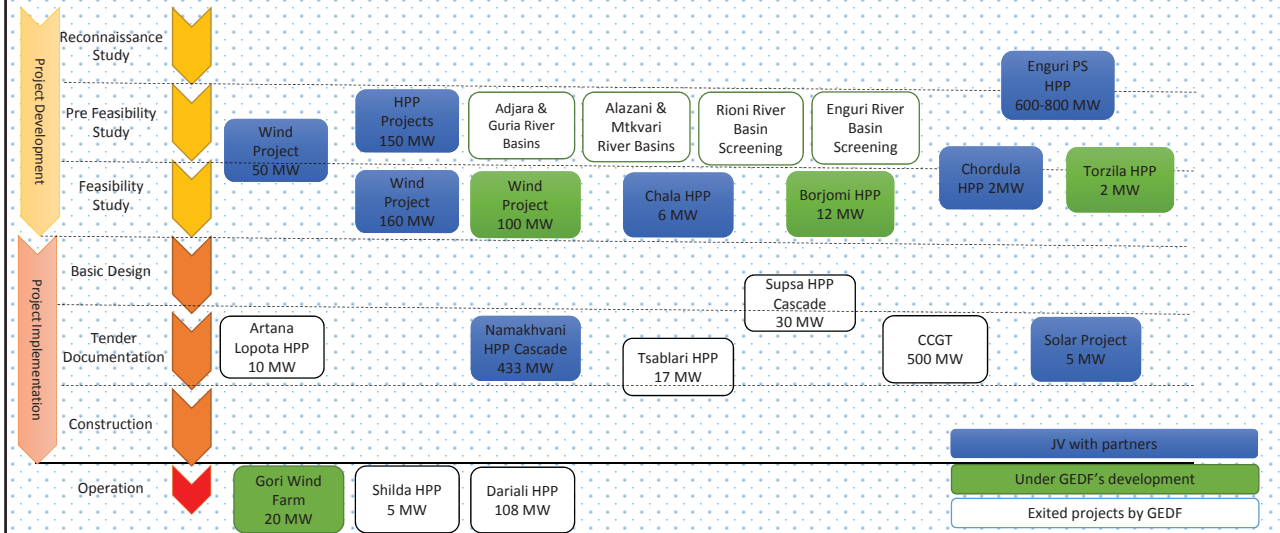


**Core activities of Georgian Energy Development Fund**

- Identification and analysis of potential "greenfield" sites including river-basin planning – and investigation of other renewable energy projects
- Finance initial costs related to the development of identified energy projects
- Jointly – with a private investors – develop projects with an exit option for the Fund at various stages of development;
- Support developing energy projects;
- Facilitate project investment promotion;
- Support potential financing arrangements with international financial institutions and/or private financial entities

— GEDF's involvement  
— Investor's involvement

# GEDF's Portfolio



# Project Initiation Process



## Project Initiation by GEDF

**Tender Opening and Investor Selection** – The tender for the investor selection will be governed based on the rules and criteria's published by GEDF on the official Web Page (The investor proposing the most favorable exit Terms for the Fund will be awarded.)

**Investor selection**

**Investor's commitment**  
**Bank Guarantee** - The Selected Investor will be obliged to submit the Bank guarantee in amount of the necessary (agreed in the shareholders agreement) equity contribution within 5 (five) working days from the MoU /PPA signature Date.

**Call for investor**

**MoU with GoG**

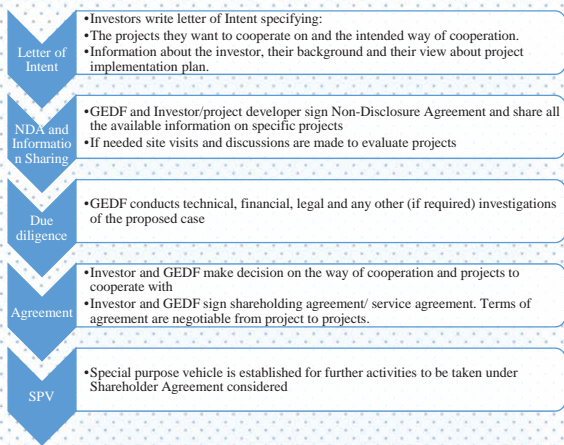
**MOU / PPA** - Ensured Continuity of the project – The Investor will be obliged to Obtain the Construction MoU and the PPA during the previously agreed time period

**Shareholder Agreement**

**Shareholder Agreement** - The Basic terms and Conditions of the Shareholder Agreement will be also published on the official Web Page of the Fund along with the requirements; The Details will be agreed with the selected investor.

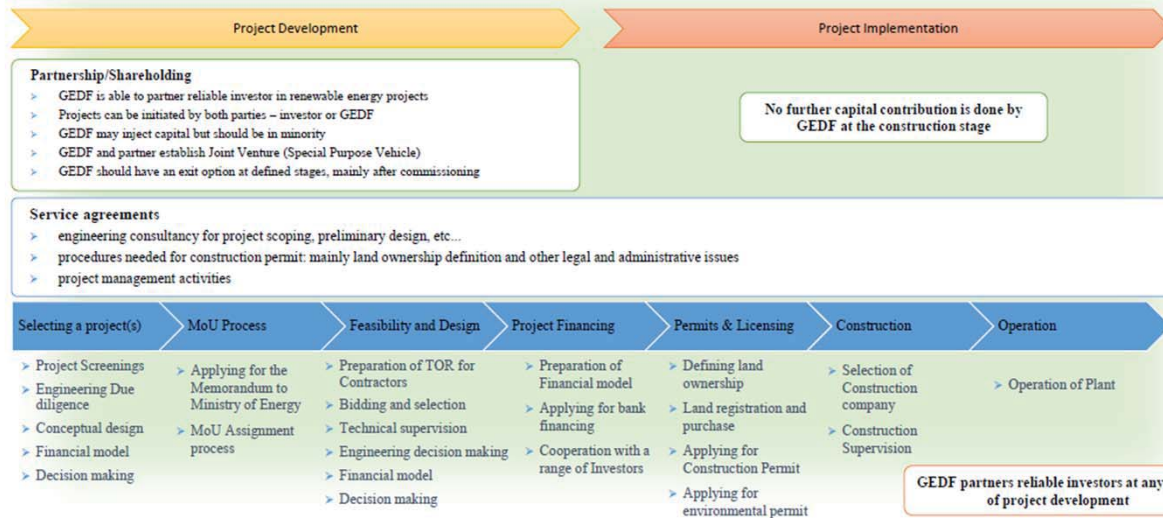
**JVC** – The Joint Venture Company will be governed based on the rules and principles and equity contribution issues previously agreed in the shareholder agreement.

## Project Initiation by Investor





# Cooperation schemes with GEDF



Thank you for your attention!

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