

# EBRD lends €300 million to Ukrainian Railways

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The European Bank for Reconstruction and Development (EBRD) announced yesterday that it would lend €300 million to Ukrainian Railways to finance the acquisition of electric locomotives.

The EBRD loan will be co-financed by a parallel investment grant of up to US\$ 190 million from the United States of America, administered by the World Bank.

The sovereign-guaranteed loan will help Ukrainian Railways renew its operating fleet and maintain its operations. The aim is to ensure stable and uninterrupted railway cargo operations for agricultural exports and critical imports, and passenger services, which are “*vital for people, the economy and the continued functioning of the private sector, as well as for humanitarian efforts*”, the EBRD said in a press release.

The funding will help to reduce greenhouse gas emissions, improve energy

efficiency, and support demobilised workers through a new veterans' reintegration programme.

*“Despite the impact of Russia’s war on Ukraine in 2022, Ukrainian Railways has managed to maintain its cargo and passenger services in a time of great need,”* the EBRD said. *“The state-owned national railway operator is one of Ukraine’s largest employers and single contributors to the country’s GDP.”*

The new loan follows €200 million in 2023 to upgrade rail links with the European Union and €150 of emergency liquidity finance to Ukrainian Railways in 2022 to help Ukraine keep its trains running.