



NATIONAL AGENCY  
OF INVESTMENT  
AND PRIVATIZATION  
REPUBLIC OF BELARUS

## **Investment offer**

Construction of Mogilev hydropower station on the river Dnieper in Mogilev region (5.1 MW)




# Investment offer

## The project

- **Project name:** Construction of Mogilev hydropower station on the river Dnieper in Mogilev region (5.1 MW).

Project implementation is stipulated by the State program of construction in 2011-2015 of hydroelectric power stations in Republic of Belarus approved by the Resolution of Council of Ministers of Republic of Belarus from 17.10.2012 No. 1838.

- **Project location:** 4 km from Mogilev higher up the river Dnieper on the territory of Mogilev and Shklov districts (cross-section – in the area of Pavlovka village region).
- **Anticipated start date of the project:** 2013.
- **Total investment** - \$29.4 mln.
- **Financing requirement** - \$29.4 mln.
- **Type of investor participation:** public and private partnership according to the BOT scheme (building – operation – transfer)



*The Dnieper River is the 4th largest river in Europe that flows from Russia, through Belarus and Ukraine, to the Black Sea. The total length is 2,285 kilometres. Multiple dams and hydroelectric stations are operating on the river.*

## Infrastructure available

- Railway lines and roads: Belarusian Railway : 2 km, republic-wide roads : 2 km
- Communications availability: power grid (voltage 10 kV, distance: 0.5 km)



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## Competitive advantages and benefits from project realization

- A substantial government support for Renewable energy (RE) sector development:
  - guaranteed connection to the state-owned energy grid;
  - guaranteed purchase by the state energy supplying organizations of all proposed energy produced from renewables, as well as its payment at preferential tariffs (for electricity only);
  - protection against unfair competition, including from legal entities dominating in Belarusian energy production market;
  - expansion (reconstruction, modernization) of RE plants if design documents are provided as prescribed by law;
  - independent identification of energy facilities location.
- High feed-in-tariffs compared to EU standards.
- Conclusion of investment agreement granting preferences and benefits for investors.
- No VAT on renewable energy equipment imported into the territory of the Republic of Belarus.
- No land tax on land plots occupied by RE installations, as well as on land plots allocated for the period of construction (reconstruction) of RE plants.

## Preliminary indicators of project efficiency

- Pay-back period: **9.4 years**
- Dynamic pay-back period (DPBP): **12.2 years**
- Internal rate of return (IRR): **9.05%**
- Net present value (NPV): **\$1.8 mln.**
- Discount rate: 7%
- Business plan/feasibility study availability: feasibility statement (2011 year)



# Contact details



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