



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS

Investment offer

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



Investment offer

General information

Project name: Construction of Orsha hydropower station (5.1 MW) on the Dnieper river

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: Vitebsk region

Anticipated start date of the project: 2013

Total investment: \$48.1 mln

Financing requirement: \$48.1 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

- Distance to Belarusian railway: 1.5 km
- Distance to Republic-wide roads: 2 km
- Power grid (voltage: 10-35 kv, distance: 1.5 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

- Sales revenue (VAT not incl.): **\$2.139 mln**
- Pay-back period: **23 years**
- Internal rate of return (IRR): **3.6%**
- Net present value (NPV): **\$13.3 mln**
- Discount rate: 10%
- Business plan/feasibility study availability: available
- Annotations: the calculation of the financial indicators of the project was performed based on 0.11 US dollars / kWh tariff



Contact details



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