26th ENERGY EFFICIENCY COORDINATION GROUP MEETING AND WORKSHOP

Ukraine Energy Efficiency Fund

Yuliia Holovatiuk-Ungureanu, CEO of the EE Fund, Ukraine
Mai Nguyen, Program Manager, Energy Efficiency for Ukraine, IFC
Key stakeholders of EEF

- **CMU**
- **BUDGET**
- **Contribution**
  - UAH 2.7 bn

**Board of directors**
- Technical Office
- Finance Office

**Technical support of projects**
**Support and Verification**

**MDTF** (managed by IFC)
- Contribution
  - €100 mn
- Financing of technical support

**Implementing Agencies**
- (GIZ, UNDP, etc.)

**Contributions**

**Formation and replenishment of Charter Capital**
- 1 member in Supervisory Board

**Technological support of EE measures**
- Part of grant
- Part of grant financing

**Bank**

**HOA**
The Law of Ukraine was adopted "About the Energy Efficiency Fund"

Fund registration as a legal entity

The first meeting of the Supervisory Board

Formed Management

Signature agreement with IFC

Approved Energodim Program and the Fund's Strategy for 2019-2025

The first application to participate

Received the first 100 applications for participation

Received 316 applications for participation

692 Applications

23 Completed projects

For today

3
Key results to date

 Applications received: 692

 - Package «Light» (A) - 123
 - Package «Comprehensive» (B) - 569

 Project value:
UAH 5.4 bn (€166.7 mn)

 Value of grants:
UAH 3.5 bn (€108 mn)

 Energy savings:
303.8 mn kW*hour/year or
UAH 402.6 mn (€12.4 mn)

Declared annual reduction of CO₂ emissions:
80.43 K tons’ year

Declared total number of households:
62 K

As of June 18, 2021
Alignment with municipalities

EEF assists municipalities with

- Design of standard of local HOA support programs
- Customization of existing local programs

As of June 18, 2021

- Memoranda of cooperation signed: 226
- Local support programs approved: 78
- Local programs are accepted as is: 28
- Communities are in the pipeline for approval: 36
EEF’s ambition 2022

GOAL: 2022

To become a client-oriented state institution meeting the client needs through provision of grants and services in accordance with the best international standards in EE

TOP THREE PRIORITIES FOR 2021

- Digitalization
- Product and service improvements
- Alignment of the EEF Program with municipal programs

VALUES

- Serving society
- Transparency
- Professionalism and teamwork
### Key challenges and solutions

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Solutions</th>
</tr>
</thead>
</table>
| Low capability of HOAs to meet EEF requirements | ✓ Establishment of a client support department  
✓ Introduction of compensation for project management services  
✓ Help banks to customize products  
✓ Step-by-step verification  
✓ Test the approach of disbursing the grant prior to full payment to contractors  
✓ Compilation of standard technical solutions  
✓ Training for industry participants |
| High cost for HOAs to participate in the Program | |
| Undeveloped construction sector | |

### Next steps

<table>
<thead>
<tr>
<th>Next steps</th>
</tr>
</thead>
</table>
| ✓ Implementation of an IT-platform to speed-up an application process  
✓ Simplification of procedures  
✓ Amendments to the legislation  
✓ Development of standard replicable project designs  
✓ Creation of the marketplace |

---
Energy efficiency in Ukraine: IFC’s role

Before EEF
- Introduced the concept of EE in residential sector in Ukraine
- Supported the Government with legislation, banks with new product

Designing, setting up and ensuring sustainability of the EEF
- Supported the design of the fund’s operational model, corporate governance and the Program
- Supported the creation of a new service in the residential EE market – EE Project Managers
- Ongoing capacity building in various areas

Facilitating partnerships with financial institutions
- Engagement with selected partner banks to align their lending product to home-owner associations with the EEF’s Program

Creating demand for EE building modernization
- Network of 30 regional advisors to facilitate the participation of homeowners in the Program
- Country-wide educational & promotional campaign for end-users, media and other stakeholders
### Key challenges and lessons learned

<table>
<thead>
<tr>
<th>Depth (of renovation) and reach</th>
<th>✓ Complex EE modernization is expensive, thus, fewer projects; light-touch renovations are cheaper/quicker, thus many projects – what the policy should be?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate governance in an SOE</td>
<td>✓ Independent supervisory board is the key for ensuring EEF’s independent and transparent decision-making.</td>
</tr>
</tbody>
</table>
| Energy Efficiency Fund’s sustainability | Currently, IFC’s network of regional advisors is the de facto EEF’s business development arm. What happens when the IFC project ends?  
✓ Private sector solution: Creation a market of EE Project Managers as professional EE project facilitators for HOAs to perform the functions of IFC’s regional advisors and more. |
Best practices of thermal modernization

Schurata 8, Lviv «Comprehensive» package

✔ Total project value €174,800
✔ EE Fund contribution €122,360
✔ Lviv City Council contribution €16,755
✔ HOA contribution €35,685
✔ Estimated savings for co-owners 543,950 kW*hour or €20,000 energy saving
✔ Avoided CO₂ emissions 141.6 tons/year
✔ Number of co-owners 177
✔ Number of apartments 76
✔ Year of construction 1995
Lypy 2, Novoyavorivsk «Comprehensive» package

- Total project value €126,277
- EE Fund contribution €88,393
- Yavorivska district council contribution €33,072
- HOA contribution €4,812
- Estimated savings for co-owners 363,900 KWh or €11,704 energy saving
- Avoided CO₂ emissions 64.3 tons/year
- Number of co-owners 132
- Number of apartments 54
- Year of construction 1992
Dbaylyva Oselya, Lviv «Comprehensive» package

- Total project value: €147,324
- EE Fund contribution: €102,224
- Lviv City Council contribution: €12,028
- HOA contribution: €33,072
- Estimated savings for co-owners: 360,700 KW*hour or €13,689 energy saving
- Avoided CO₂ emissions: 119.7 tons/year
- Number of co-owners: 133
- Number of apartments: 72
- Year of construction: 1976

33% energy saving

Best practices of thermal modernization
Best practices of thermal modernization

29 Konyakina, Lutsk, «Comprehensive» package

- Total project value €147,324
- EE Fund contribution €103,126
- City Council contribution none
- HOA contribution €44,198
- Estimated savings for co-owners 260,900 KW*hour or €12,462 energy saving
- Avoided CO₂ emissions 48.71 tons/year
- Number of co-owners 300
- Number of apartments 72
- Year of construction 1994

26% energy saving