

Ukraine to increase energy efficiency of public buildings with €300 million loan from EIB



- Ukraine will increase the energy efficiency of some 1 000 public buildings and reduce energy consumption with a €300 million loan from the EIB.
- The loan will save 1 250 000 tonnes of CO₂ and benefit 2.5 million people.
- Substantial grant contributions from the E5P and the EU are expected to complement the loan.
- The EU bank's investment will improve the medium and long-term resilience to COVID-19 of the country's public buildings, especially hospitals.

The European Investment Bank (EIB) and the Ministry of Communities and Territories Development of Ukraine signed a €300 million loan to improve the energy efficiency of some 1 000 public-owned buildings, including schools, cultural centres, kindergartens and hospitals. The loan was signed during the 22nd EU-Ukraine Summit to help the country limit the economic impact of COVID-19 by stimulating faster economic and social growth after the pandemic.

In its role as the EU's climate bank, the EIB will support Ukraine in implementing an ambitious energy efficiency programme. It will extend the operational life of key social, healthcare, administrative and cultural buildings by at least 20 years and reduce CO₂ emissions by 1 250 000 tones.

The loan will benefit a large number of small and medium-sized municipalities in Ukraine that have lacked the support and sustainable funding to carry out the necessary renovations. The loan will enable the installation of modern equipment in buildings, such as meters and energy consumption control systems, the modernisation of heating, ventilation and lighting systems, and upgrades to exterior surfaces (facades, roofs, slab insulation, basement ceilings, replacement of windows and doors). The Ukrainian healthcare sector will directly benefit from upgrades, with new cooling systems and the integration of renewable energy sources and other [COVID-19 response](#) measures.

EIB Vice-President Teresa Czerwińska said: *“As the EU's climate bank, we are very pleased to be supporting the increased energy efficiency of public buildings and Ukraine's greater energy independence. Projects like this one improve quality of life, protect the environment and significantly reduce building operating costs, making Ukraine an even better place to live and do business. With some 2.5 million people benefiting from the loan thanks to energy-efficient schools, hospitals, cultural centres and administrative buildings, as well as reduced energy costs, this investment will also contribute towards a climate neutral Europe, which is something the whole world will benefit from.”*

Ambassador of the European Union to Ukraine Matti Maasikas said: *“The EU is actively contributing to improving energy efficiency in Ukraine both in public and residential buildings. We can significantly increase Ukraine’s energy security through reduced energy consumption, and we are also helping Ukraine to diminish the impact of the COVID-19 crisis by expanding a new market and creating new jobs. We welcome the launch of this new project aiming at a large-scale renovation of some 1,000 public buildings all across Ukraine. We trust that it will contribute to further cooperation by the European Union and the European Investment Bank with municipalities, building their capacities in energy efficiency and energy management and reinforce local budgets’ sustainability.”*

Oleksiy Chernyshov, Minister for Communities and Territories Development of Ukraine, said: *“On behalf of the Ukrainian government, I would like to thank the EIB for its cooperation. This project is fully aligned with national policies and Ukraine’s current energy strategy. It aims to set up the necessary support that will allow municipalities to apply for and receive sustainable loans with long-term repayment deadlines. This, in turn, will help reduce energy consumption in public buildings, in particular for heating in kindergartens, hospitals and schools. In addition, it will significantly boost job creation, which is a priority for the development of the country’s regions. By supporting a clean energy transition, the project will contribute to Ukraine’s efforts to safeguard its economic stability.”*

The Ukraine Public Buildings Energy Efficiency project was prepared with the support of a [€150 000 donation](#) from the Eastern Partnership Technical Assistance Trust Fund ([EPTATF](#)) awarded in June 2020. The project is also expected to be further financed by substantial grant contributions from [the E5P](#) and the EU.

Background information

As the largest multilateral [borrower](#) and lender by volume, the EIB provides finance and expertise for sound and sustainable investment projects which contribute to furthering EU policy objectives. More than 90% of EIB activity is focused on [Europe](#), but it also supports the [EU’s external and development policies](#).

The EIB finances projects in [Ukraine](#) on the basis of the EU External Lending Mandate. This provides the EIB with a guarantee covered by the EU budget for projects of significant interest to the EU and its [Eastern Neighbours](#) in the areas of social and economic infrastructure, local private sector development and climate action.

[The Eastern Europe Energy Efficiency and Environment Partnership \(E5P\)](#) is a multi-donor and multi-IFI support fund created thanks to an initiative of the Swedish Presidency of the European Union in 2009. The E5P fund for Ukraine totals €134 million representing pledges made by the European Union, as the largest contributor (€40 million), Sweden, Germany, Norway, Switzerland, United States, Denmark, Poland, Finland, Estonia, Iceland, Latvia, Lithuania, Ireland and Slovakia. Ukraine is also a donor to the E5P with €20 million. The E5P grants are used alongside the IFI loans to support municipal

infrastructure investments that will boost Ukraine's energy efficiency, while also having a beneficial impact on the environment and combating climate change.

[The Eastern Partnership Technical Assistance Trust Fund \(EPTATF\)](#) is a multi-purpose and multi-sector funding instrument for specific technical support in the Eastern Partnership countries. It provides these countries with know-how and resources to improve capacity in project preparation and implementation, which facilitates the mobilisation of financing for EIB-supported investments. The EPTATF provides high added value because better project preparation increases the bankability of projects and improves the development impact of investments in the beneficiary countries.

[The Ministry of Communities and Territories Development of Ukraine](#) is the Ukrainian government ministry responsible for public housing infrastructure development.