

Luxembourg, 22.01.25

Environmental and Social Data Sheet

Overview

Project Name:	UKRAINE DISTRICT HEATING UKREXIMBANK
Project Number:	2024-0760
Country:	UKRAINE
Project Description:	Financing district heating and energy efficiency investments through eligible financial intermediaries in Ukraine and in particular through Ukreximbank
EIA required:	Multi investment projects, EIA requirement vary

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

The UKRAINE DISTRICT HEATING UKREXIMBANK operation is a sub-operation of a Multiple Beneficiary Intermediated Loan (MBIL) to be implemented by UKREXIMBANK in Ukraine, to finance eligible energy efficiency and district heating projects carried out by municipalities and municipal district heating companies as Final Beneficiaries.

This project is financed in the context of the energy rescue plan for Ukraine related to EU-backed emergency heating and power projects ahead of winter season. The operation should ensure allocations to be financed will be in line with the specific approach and requirements defined for critical energy projects in the public and private sectors to meet urgent heating and power needs of wartime Ukraine.

Environmental Assessment

Due to the project's type of activities, such as district heating generation and distribution, energy efficiency, the expected small size of the investments, the location mostly in urban areas, the project is not likely to have significant impact on environment.

Social Assessment, where applicable

The sub-operation will ensure the supply of critical services for next winters, help decreasing the demand of energy use. The project will help to reduce energy dependence and alleviate energy poverty.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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Other Environmental and Social Aspects

Ukreximbank has been supported by other MDBs and the performance on environmental and social (E&S) issues to date has been satisfactory. Based on the fact that the Ukreximbank has Environmental Management Policy, has staff nominated to manage E&S issues and has adequate E&S risk management procedures integrated into the credit appraisal process. Nonetheless, a technical assistance to be provided by the EIB to Ukreximbank will strengthen Ukreximbank's environmental and social capacity and risk management to ensure that the sub-projects supported by EIB's resources are in line with the requirements of national E&S laws and EIB's E&S standards.

Conclusions and Recommendations

With the support of the expected technical assistance, Ukreximbank's environmental and social policies and management system and its ability to ensure that sub-projects are in alignment with applicable national legislation and EIB's Environmental and Social standards are expected to be adequate and commensurate to the E&S risk of the underlying sub-projects.

Conditions for disbursement:

- Before the first disbursement TA contracts must be in place supporting both the bank and its client municipalities.

Undertakings:

- EIB will provide Ukreximbank a list of sensitive sectors (i.e., NACE code list) that aligns with Annex I and Annex II of the EIA Directive, and when relevant sub-projects will need to be sent to EIB for review and pre-approval before allocations can be made.
- Ukreximbank is not allowed to commit any EIB funds against projects that require an EIA or biodiversity assessment according to national law without, prior to EIB approval and commitment, receiving the consent from the competent authority, and the EIA having been made available to the public.
- Where relevant, verify that the sub-projects obtain, maintain and comply with the requirements of environmental and social permits or authorisations provided by competent authorities, including the mitigating measures resulting from the EIA process.
- Ensure access to the Bank to all relevant documents related to the sub-project upon request, including environmental and social studies and plans related to the EIA process, when applicable.

Under these conditions, it is expected that the assessment, management and monitoring procedures to be carried out for individual sub-projects will appropriately address E&S risks and impacts and the operation is considered acceptable for the EIB in environmental and social terms.