Early Warning System

EBRD-57450

RLF - Kharkiv District Heating

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Quick Facts

Countries	Ukraine
Specific Location	Kharkiv
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-06-12
Borrower	City of Kharkiv
Sectors	Energy, Infrastructure, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 17.30 million
Project Cost (USD)	$ 36.92 million

Project Description

According to the Bank’s website, the project consists of a senior loan of up to EUR15 million to the City of Kharkiv in Ukraine, to finance the acquisition of distributed, resilient heat and electricity generating assets to restore heat supply tor residential, public and other buildings in the wake of the critical damage to the City's largest combined heat and power plant. The Loan is part of a broader financing package, which also includes a EUR17 million investment grant from the European Union ("EU"). Given war-triggered risks, the Loan will also benefit from a partial guarantee provided by the EU on the first loss risk cover basis.

The Loan and the EU grant proceeds will finance the acquisition of up to 22 small and medium-sized natural gas-fired modular boiler houses along with cogeneration units as well as 5 small cogeneration units in existing boiler houses. The implementation of the Project will result in restoration of District Heating ("DH") services, which were disrupted in February 2026 following the critical damage sustained by the Kharkiv combined heat and power plant No. 5 ("CHP-5").

The total annual reduction in greenhouse gas emission from the Project is calculated at 19,091 tonnes of CO2e.

Early Warning System Project Analysis

Categorised B (2024 ESP). The facilities will be installed on brownfield sites owned by the City within existing urbanised areas, in accordance with the Master Plan of the City of Kharkiv and Detailed Territorial Development Plans, and with existing gas and electricity distribution infrastructure. No sensitive ecological receptors or protected areas will be affected.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

A €15 million senior loan, cofinanced with up to €17 million investment grant from the European Union.

Private Actors Description

Kharkiv is the second largest city in Ukraine (and the centre of a metropolitan area comprising many satellite towns), accounting for ca. 3 per cent of national population (at the pre-war estimates). It is located in the north-eastern part of Ukraine. The City hosts a significant internally displaced population, with 212,000 IDPs officially registered as of the beginning of 2026.

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html