



UKRAINE: ENERGY EFFICIENCY SUPPORT PROGRAM IN RESIDENTIAL SECTOR

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STATE SUPPORT PROGRAM FOR HOUSEHOLDS {“WARM LOANS” PROGRAM}

Established: Oct'2014

Mechanism: Partial reimbursement of the loans obtained by Individual Households & Home Owners Associations (HOAs) – in multi-dwelling buildings

Financial intermediaries: Oschadbank, Privatbank, Ukreximbank, Ukrgazbank

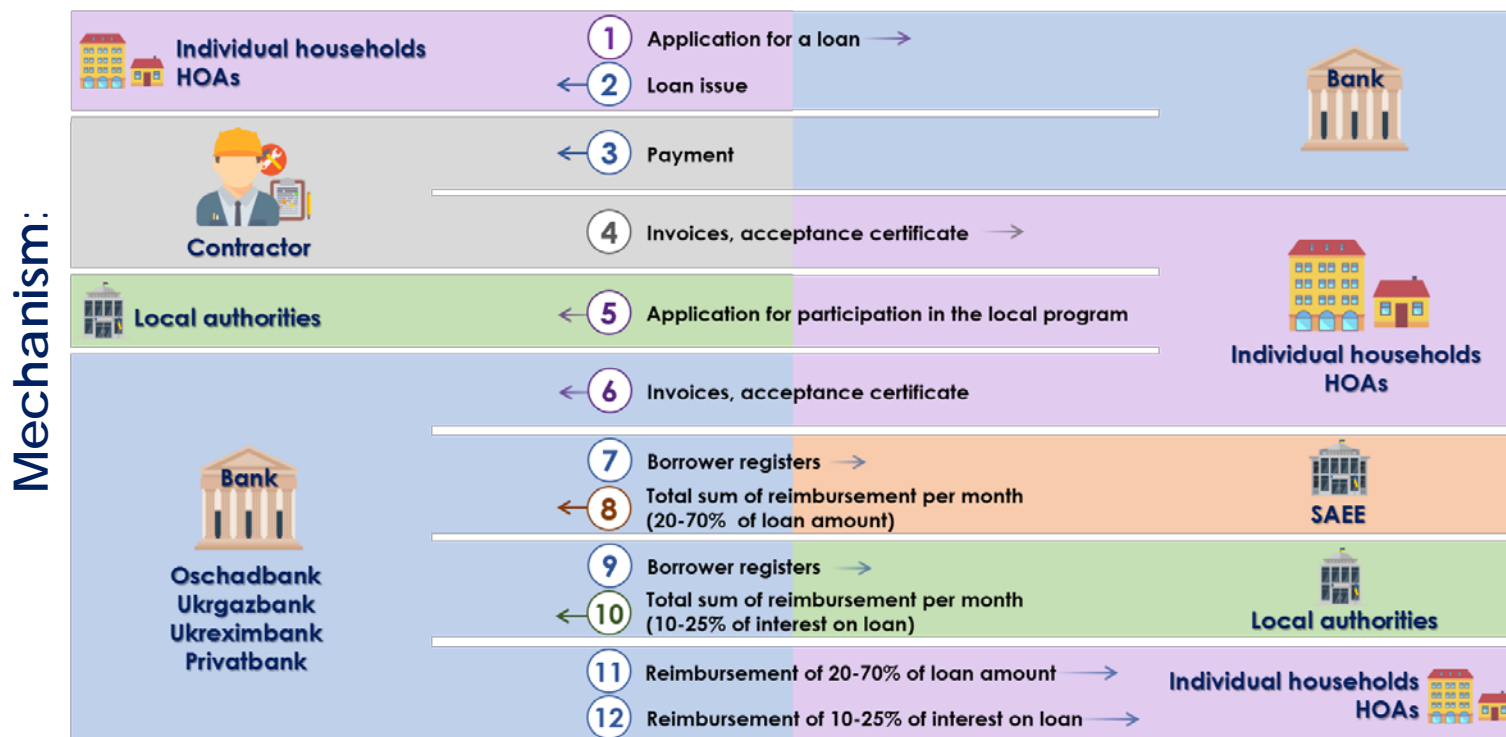
Amount of reimbursement:

20% - for biomass boilers

35% - for energy efficiency measures for individual households

40% - for HOAs

35% / 70% - for individual households / families from HOAs who are obtainers of housing subsidies



STAGES OF “WARM LOANS” PROGRAM

2014 (October) – Start of the Program

Just for private households to install "non-gas" boilers, 20% of the loan amount

2015 – Prolongation of the Program

April 2015: Spreading the mechanism to individual households and HOAs for energy efficiency measures, 30% and 40% of the loan amount respectively.

2 more banks (Ukreximbank and Ukrgazbank) were added.

August 2015: Introduction of specific reimbursement conditions for subsidy obtainers, 70% of the loan amount for all measures

2016 – Prolongation of the Program

July 2016: Increased reimbursement (from 30% to 35%) for individual households, reduced reimbursement (from 70% to 35%) for subsidies obtainers for installation of non-gas boilers and energy efficiency measures for individual households.

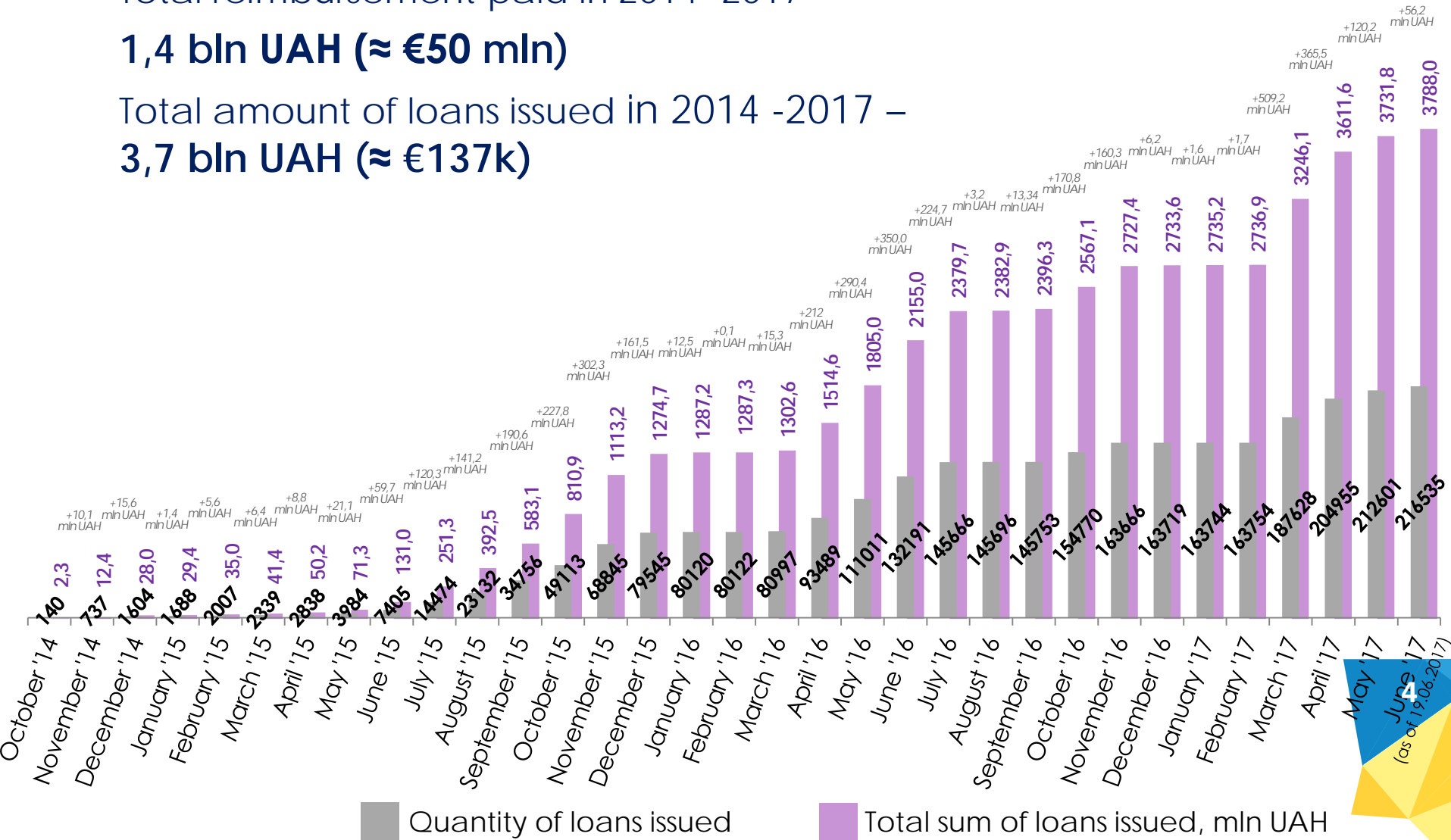
2017 – Prolongation of the Program

Inclusion of one more bank – Privatbank
Mandatory metering

DYNAMICS OF "WARM LOANS" PROGRAM: ALL PARTICIPANTS

Total reimbursement paid in 2014 -2017 –
1,4 bln UAH (≈ €50 mln)

Total amount of loans issued in 2014 -2017 –
3,7 bln UAH (≈ €137k)

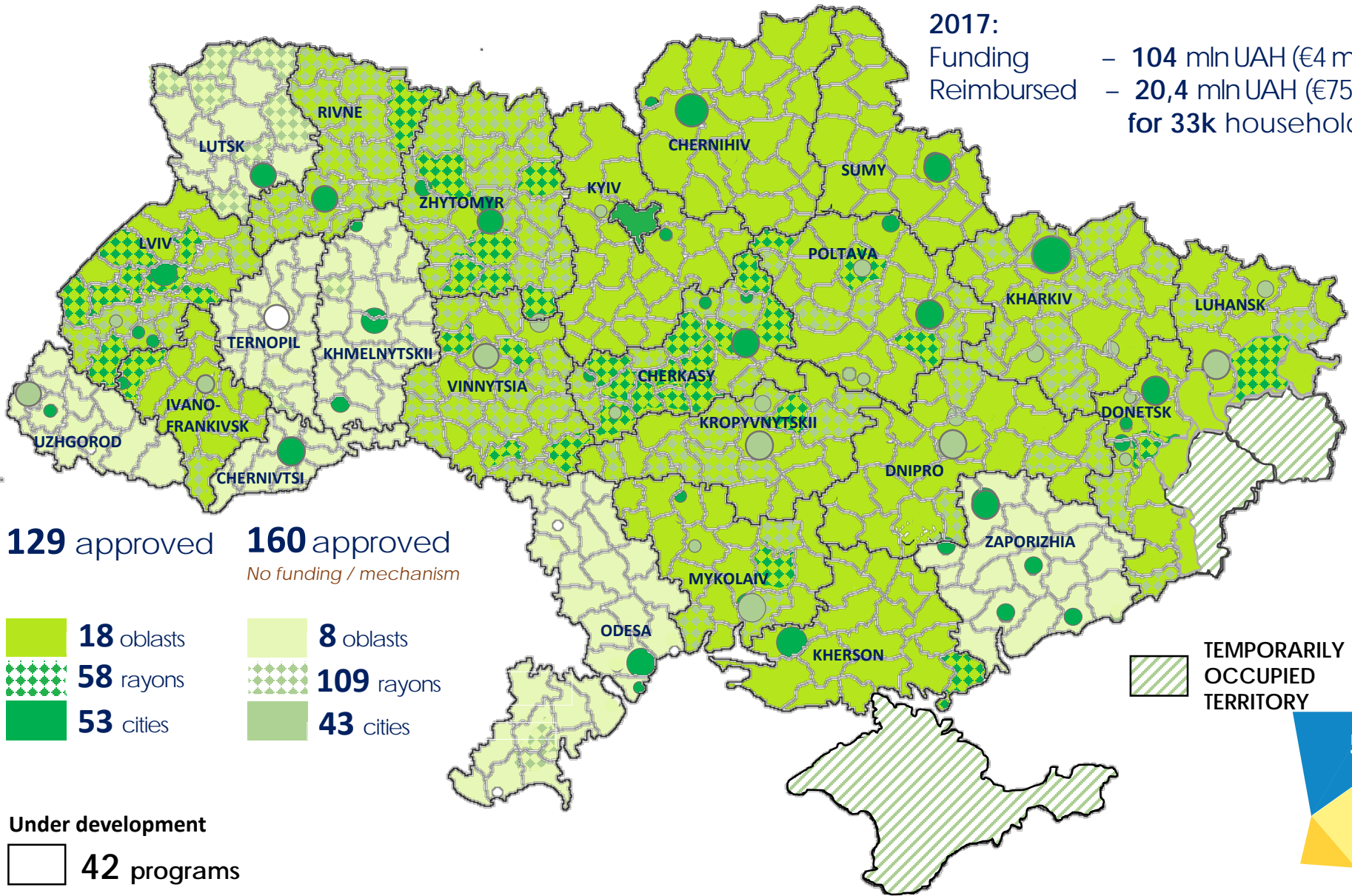


REGIONAL ENERGY EFFICIENCY PROGRAMS

There are **289** local programs of additional reimbursement of % or the amount of "warm" loans

2017:

Funding – 104 mln UAH (€4 mln)
 Reimbursed – 20,4 mln UAH (€750k)
 for 33k households



129 approved

160 approved

No funding / mechanism

18 oblasts

8 oblasts

58 rayons

109 rayons

53 cities

43 cities

Under development

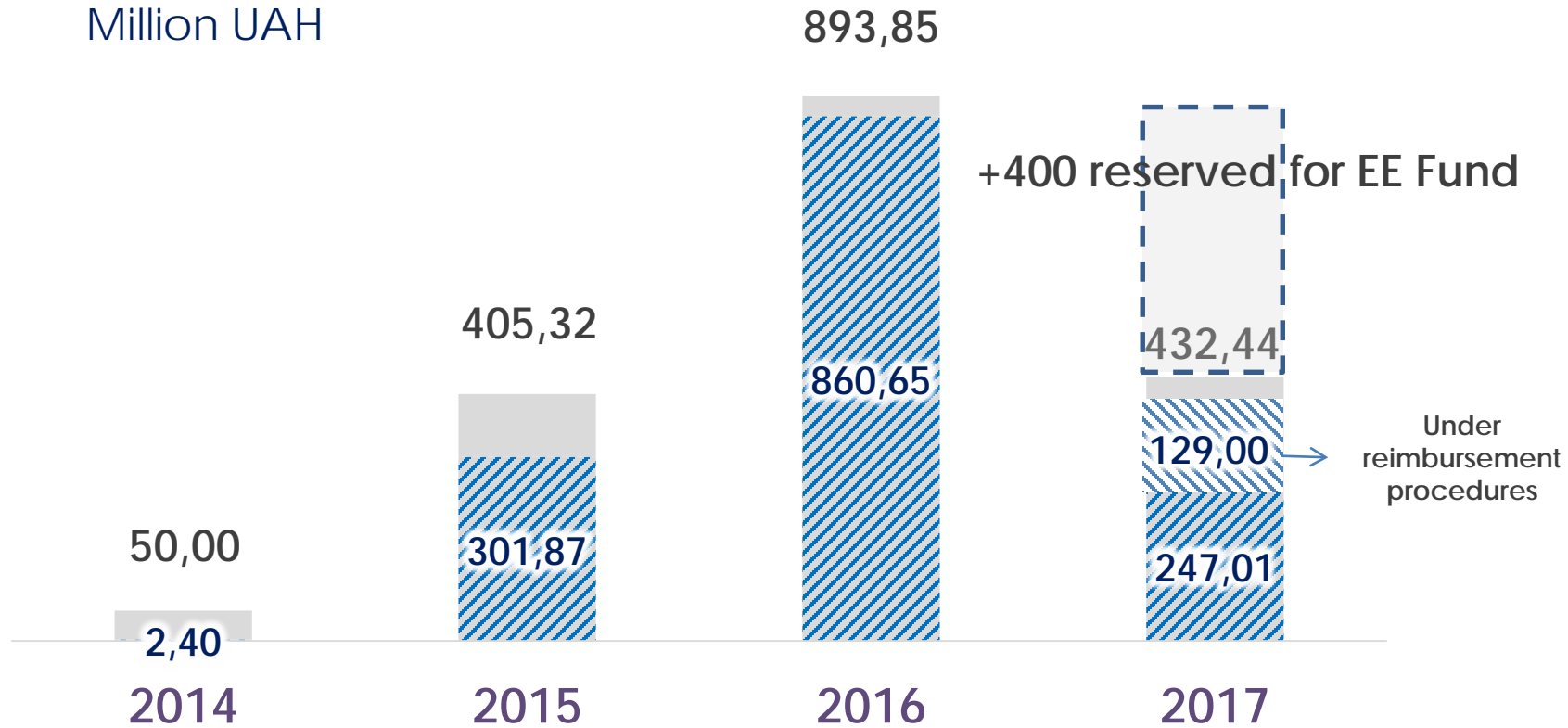
42 programs

TEMPORARILY OCCUPIED TERRITORY



FUNDING OF "WARM LOANS" PROGRAM

Million UAH



Total funding



Reimbursement paid



RESULTS OF “WARM LOANS” PROGRAM

During 2014-2017:

(individual households, HOAs)

286

thousand households
- participants

>155

mIn EURO

- investments
(via EE equipment purchase)

>50

mIn EURO

- State Budget
expenditures

127

mIn m³

Energy resources
saved
(natural gas equivalent)

EFFECT OF “WARM LOANS” PROGRAM

Savings achieved by each type of energy efficient measures:

(based on results of survey of the Program participants conducted jointly with USAID and IFC)

HOAs



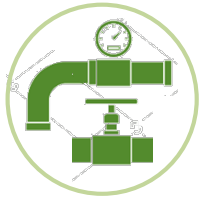
Insulation

24% of heat saved per building



EE windows, doors

14% of heat saved per building



Engineering systems modernization

12% of heat saved per building



Individual heating substations

10% of heat saved per building



EE lighting

71% of electricity saved per building

Individual households



Insulation

29% of gas saved for private house



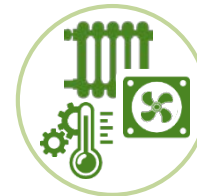
EE windows

12% of gas saved for private house
16% of heat saved for one apartment



Non-gas boilers

40% of gas saved for private house



Modernization of heating/ventilation

21% of gas saved for private house

Lviv

I stage: EE windows installment, II stage: wall insulation

Total value – UAH 1,3 million

Reimbursed:

Regional program – UAH 0,4 million

State program – UAH 0,5 million



Savings achieved – 43% of heat energy

Rivne

Solar collector installment

Total value – UAH 591 000

Reimbursed:

Regional program – UAH 413 000

State program – UAH 63 000



Savings achieved– 10% of heat energy

Kremenchuk (Poltava region)

Individual heating substation installment

Total value – UAH 258 000

Reimbursed:

State program – UAH 92 000



Savings achieved – 45% of heat energy

SUCCESSFUL CASES: Individual households

Zaporizhia

Insulation, EE windows and radiators installment

Loan: – UAH 31,8 thousand

Reimbursed:

Government program – UAH 9,6 thousand



Savings achieved – 25% of natural gas

SUCCESSFUL CASES: Individual households

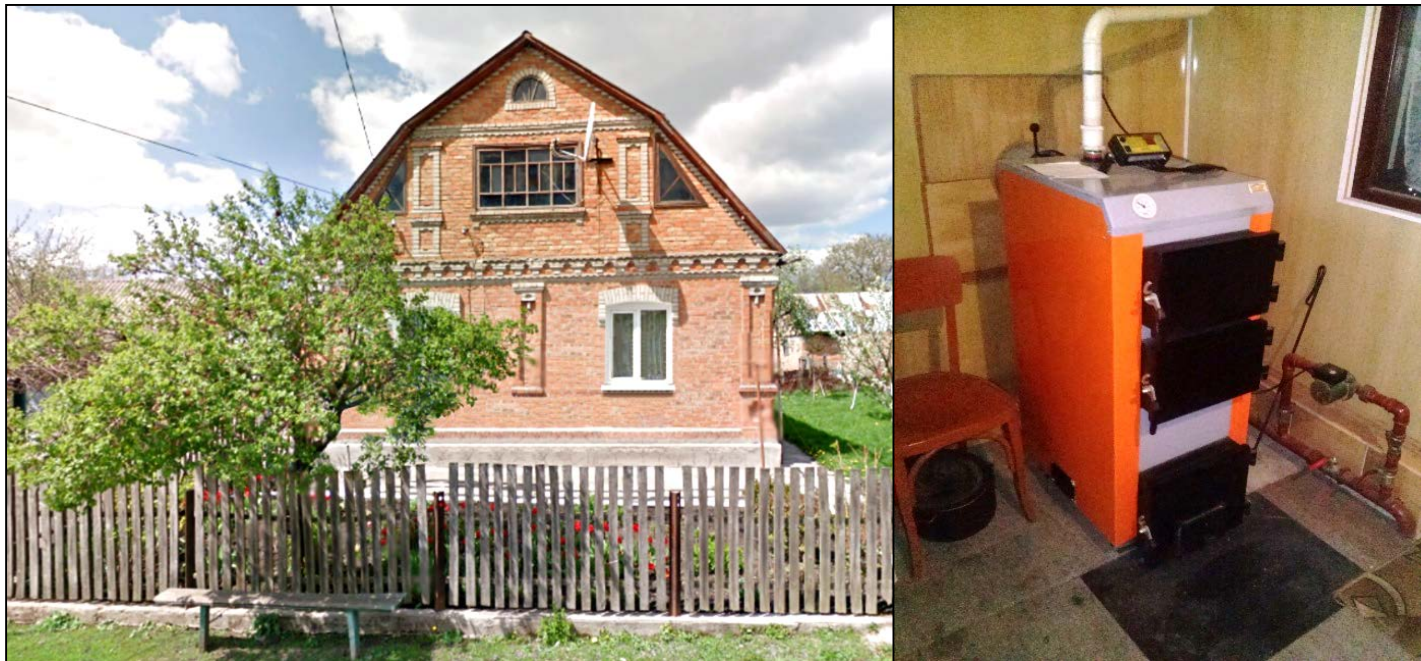
Vinnytsia region

Non-gas boiler installment

Loan: – UAH 8,5 thousand

Reimbursed:

Government program – UAH 6,0 thousand



Savings achieved – 575 m³ of natural gas substituted per month

ENERGY EFFICIENCY FUND CREATION

The Law of Ukraine “On Energy Efficiency Fund” was adopted
22.06.2017

Main purpose of the Fund is to support energy efficiency in buildings and other EE initiatives according to:

- National Energy Efficiency Action Plans
- Paris Agreement
- Acquis communautaire of Energy Community
- Other international obligations of Ukraine on energy efficiency

The Law determines provisions on:

- Charter of the Fund
- Governing bodies
- Share capital and budget
- General operating principles of the Fund
- List of directions of support provided by the Fund etc.

Further steps (3-month deadline):

- Adoption of secondary legislation
- Launching the Fund in operation
(including formation of the Governing bodies, developing the financial mechanisms, determination of financial intermediaries etc.)

“WARM LOANS” PROGRAM – FURTHER STEPS



Additional funding in 2017 due to redistribution of expenditures from the Energy Efficiency Fund (**+300 million UAH**)



Additional funding in 2017 due to the Law on amendments to the State Budget-2017 (**+100 million UAH**) (draft Law was adopted in the first reading, 22.06.2017)



Improvement of monitoring and control over the implementation of the Program



Sample survey of the Program participants involving the international technical assistance (similar to the one carried in 2016) with obtaining additional data from utility companies concerning energy consumption



The possibility of **introducing the same mechanism of state support for electric vehicles** is under considering and developing



Prolongation of the Program for 2018 (paragraph 191 of the Government Priority Action Plan, approved by the Cabinet of Ministers of Ukraine as of April 3, 2017 No. 275-p)



THANK YOU FOR YOUR ATTENTION!

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