

**“FASTER AND GREYER”**

or

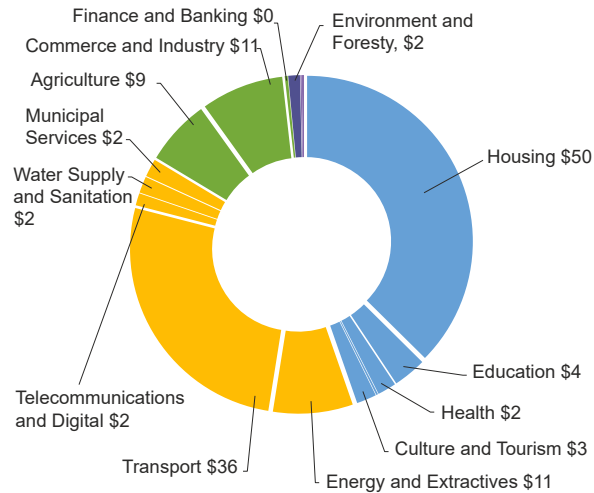
**“SLOWER AND GREENER”**

**Challenges for Ukraine’s  
“green” reconstruction**

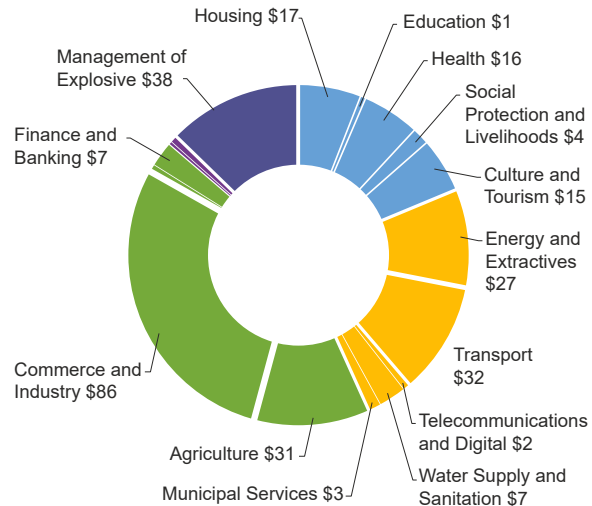
**RRR4U**  
Consortium, Ukraine

# Huge damages - large needs

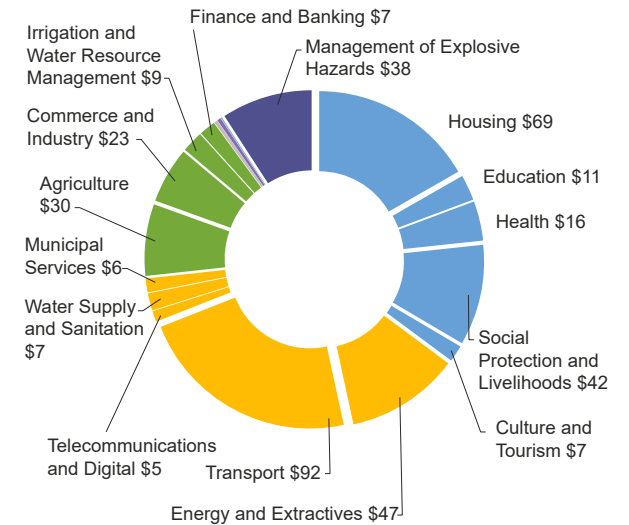
**Total damage:**  
**USD 135 bn**



**Total loss:**  
**USD 290 bn**



**Total recovery and reconstruction need:**  
**USD 411 bn**



# Is there financing available?

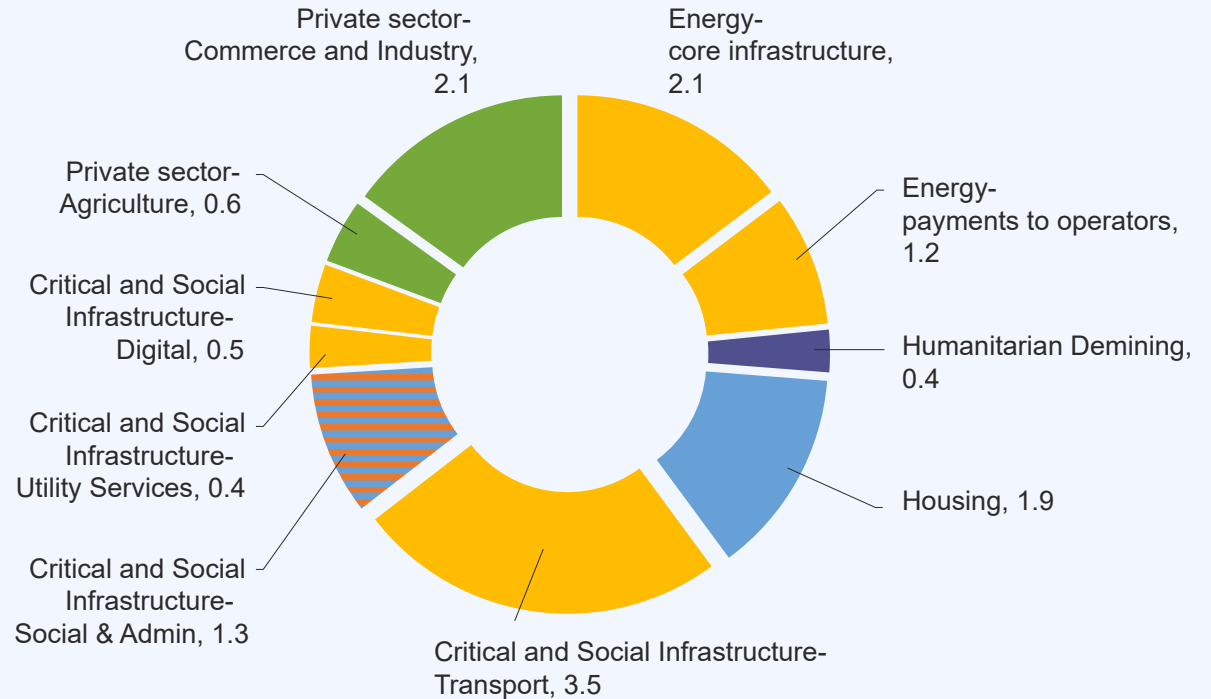
- ◆ **USD 14 bn immediate needs for the emergency reconstruction and recovery in 2023 (USD 11 bn are more or less there)**
- ◆ **in MT: USD 15.6 bn of IMF program for 4 years as a part of USD 115 bn support package:**
  - Large financing is to help Ukraine “keep going”
  - Support includes debt relief and debt restructuring to be negotiated
  - None of the financing is in fact ensured after 2023
  - Financing of recovery and reconstruction is lower than needed
- ◆ **Reliance on FDI: need war insurance**
- ◆ **Low (legal and actual) capacities of local government to borrow and repay debts: even IFIs financing is expensive for them - grants are needed**

# Priority spending for 2023, USD 14 bn

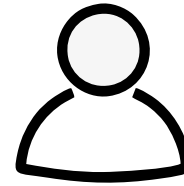
◆ Overall, almost in all directions is the room for eco and green

◆ But:

- What is green?
- Do we have time?
- Do we have enough financing?
- Do we have capacity?



**Some  
of the key  
principles:  
how to find  
a balance?**



**People-oriented**

Balancing  
urgent needs  
and medium- to  
long-term goals

Resilience  
and building back  
better for a more  
sustainable future

## Overall challenges on the local level

- Capacity building
- Shortage of human capital
- Financial resources
- Time and “speed”
- Terminology: what is green?
- Legal framework
- Regional recovery plans

## Challenges in energy sector on the local level

- ◆ Access to data - it is difficult to access energy consumption data
- ◆ Population of the cities and communities changed; energy specialists left many communities and cities and new capacities should be built instead
- ◆ Decentralization in energy means changes to energy legislation and regulation - flexible coordination between the central authorities and local authorities, ability to develop and implement local energy plans
- ◆ New programs to stimulate homeowners associations (HOAs) creation at the local level should be organized





## What we have now



- ◆ **Energy saving programs** in some cities - reimbursement of part of the interest on loans for energy-saving projects from the local budget (e.g. in the city of Kyiv)
- ◆ MinRecovery has started the process of selecting projects within the framework of the Financial Agreement "**Energy Efficiency of Public Buildings in Ukraine**" between Ukraine and the European Investment Bank
- ◆ Ukrainian NGOs launched an initiative **to help Ukrainian communities find partner cities and communities in Europe**, in order to establish cooperation in the field of green recovery of Ukraine

- ◆ The **program of "warm loans"**, which has been popular in Ukraine since 2014, was suspended during the war
- ◆ The programs that operating within the **Energy Efficiency Fund** face a lack of funds for the implementation of planned projects

**Cities have some opportunities, while households/homeowners association still are lacking access to support programs**



## Desire for recovery: EIB case

**340**  
million euros

are allocated in accordance with the Financial Agreement between Ukraine and the European Investment Bank. This money will be used to restore social and critical infrastructure. These are the de-occupied territories of Zhytomyr, Kyiv, Sumy, and Chernihiv regions, as well as Vinnytsia, Dnipropetrovsk, Kirovohrad, Odesa, Poltava, and Cherkasy regions, which have been identified as supporting regions.

Only 83 projects are approved out of 1003 submitted

### How to help with capacity building:

- English language courses would be appropriate
- Increasing financial literacy
- Cooperation with EU cities to exchange experience on various issues
- Legal consultations
- Technical support, etc.



# What to do with all this?

Let's brainstorm and discuss solutions