

Ecoclub provided recommendations to the "Ukraine Plan"

Ecoclub joined the second round of consultations with NGOs as part of the preparation of Ukraine's Plan for the implementation of reforms for the Ministry of Economy of Ukraine. We presented our positions on reforming the EIA procedure, district heating, and conditions for the development of renewable energy sources, and emphasized the importance of taking into account climate factors and installing solar power plants at critical infrastructure facilities.

The need to reform environmental impact assessment.

Suggested steps

- Analyze the main problems of the EIA procedure in Ukraine.
- Reform the institutional structure that ensures the EIA procedure achieves its effectiveness.
- Create joint platforms between business/public and government for effective communication on specific projects.
- Take into account the EIA procedure when planning post-war reconstruction.

Expected result of EIA reform in Ukraine

- The EIA system in Ukraine complies with the basic principles of Directive 2011/92/EU.
- The public has a direct influence when the authorized body issues permit to companies planning activities that may have an impact on the environment and the health of the local population.
- The EIA procedure is open and transparent, and the authors of the reports are competent professionals who are responsible for the documentation they prepare.
- Businesses are encouraged to take into account environmental principles when planning their activities through fines, subsidies, and a coordinated information campaign.
- Effective and independent control and monitoring of compliance with environmental requirements by a business entity.

Why it is important?

Since the environmental impact assessment procedure is one of the main tools for public participation in decision-making, its inefficiency can often lead to violations of the citizens' right to free access to information on the state of the environment and the right to a sustainable and healthy environment. The current procedure can be an obstacle for many restoration projects.

Reforming the EIA legislation is important to create optimal mechanisms for taking into account the interests of the public, business, and government in this procedure, especially during the reconstruction and recovery period. The transparency and efficiency of the procedure will facilitate the implementation of European norms and practices within the framework of Directive

2011/92/EU, which will simplify international relations and improve the perception of Ukraine in the international arena.

If the EIA procedure becomes more efficient and predictable, it will facilitate investment and business development. Businesses will have a clearer procedure for planning and implementing projects, which will help create new jobs.

Improving the EIA procedure will help reduce negative environmental impacts and improve the quality of life for future generations.

As a result of these changes, the effectiveness of EIA will improve, which can lead to increased investment, improved environmental conditions, improved quality of life, compliance with European standards, and promotion of sustainable development, which in turn can have a positive effect on GDP, budget revenues, and overall development of Ukraine.

Reform of district heating

Suggested steps

- Adopt a position paper at the state level on the need to preserve district heating systems as a way to provide heat and hot water to the population.

- Prepare a concept for reforming district heating.

A working group should be formed to prepare the reform concept. The working group should include representatives of central and local authorities, district heating operators, civil society, experts, and relevant technical assistance projects. The working group should be tasked with preparing a concept that will ensure the development and modernization of district heating; increase in customer satisfaction with its services; promotion of energy efficiency on the part of both district heating operators and end users; transparency and clarity of pricing for district heating services; further development of decentralization reform; and transition to carbon-neutral heating.

- Increase the share of heat production using renewable energy sources and the latest technologies without the use of fossil fuels

- Establishment of a Fund (or assignment of responsibilities and resources to the existing Energy Efficiency Fund of Ukraine) as a tool for attracting concessional funds for the modernization of district heating systems by municipalities. This program is necessary to replace existing central/main pipelines with heat losses of 30 % or more.

- Establish an affordable/concessional loan program for heat producers that would allow them to raise funds specifically for the purchase of equipment for the production of heat and hot water from RES and heat pumps. Access to such a program should be equal for both commercial producers and utility companies.

- Provide economic incentives at the legislative level:

- economic incentives for both local governments and end users to use district heating;

- requirements for modernization and renewal of the district heating infrastructure;

- Diversification of energy sources for heating and transition to (a) electric heating with the use of heat pumps or (b) sustainable biomass;

- stimulating the use of biomass for the production of biogas fuel, which should become a carbon-neutral alternative to natural gas.

Why is it important?

District heating (DH) is mostly in communal ownership/subordination. Since Ukraine's independence, this system has become even more physically and morally outdated. Accidents are becoming more frequent, and heat losses in the networks are increasing. Municipalities do not have the funds for global modernization. The utilities themselves have no profit due to the national tariff policy and cannot restore the systems either. Thus, the amount and percentage of heat generation by district heating systems are constantly decreasing. The country is switching to individual and autonomous heating. This carries the risk of increasing CO₂ emissions and the inability to switch to renewable and environmentally friendly energy, and further increases dependence on fossil resources/price. In addition, the transition of the residential and commercial sector to individual and autonomous heating (which is what is happening now) will lead to even more unprofitable operations of the industry. The refusal of the state and municipalities and their buildings from district heating will lead to costs that will be many times higher than those required to modernize the system.

The existence of district heating infrastructure in Ukrainian cities has the potential to significantly reduce the transition to low-carbon urban heating. However, in most cases, this infrastructure is in poor condition and heat losses can reach 30 %, as in Rivne. In addition, consumers are extremely dissatisfied with the quality of district heating services, and new buildings are not connected to DH. To reverse this negative trend, it is necessary to develop a feasible reform concept that takes into account the interests of all stakeholders and meets the requirements of European integration.

SPP for critical infrastructure facilities

Suggested steps

Create a state program/fund that will allocate funds for critical infrastructure facilities that have preliminary documents (pre-feasibility study, feasibility study, project design, etc.) for the implementation of RES projects. The priority is to implement pilot projects. Implementation of such a program/fund will require the following steps.

1. Preparatory work:

- Analysis of the identification of critical infrastructure facilities and their financing needs;
- Identification of facilities that have preliminary documents (pre-feasibility study, feasibility study, project design, etc.) for the implementation of RES projects.

2. Concept development:

- Creation of a concept for a state program or fund, including the goal, objectives, amount of funding, and priorities;
- defining the legal basis for the program or fund;
- preparation of legislative acts;

- development and approval of the necessary draft laws to establish the program or fund;
 - conducting public consultations and public hearings to engage stakeholders.
3. Adoption of laws in accordance with the established procedure.
 4. Establishment or reorganization of an appropriate institution that will be responsible for administering the program or fund.
 5. Identify sources of funding for the program or fund and develop a budget and funding procedures.
 6. Determine the procedures and criteria for selecting pilot projects through open calls for proposals or other selection procedures.
 7. Development of project documentation:
 - requirements for project documentation;
 - preparation of documents for pilot projects, including pre-feasibility studies, feasibility studies, project design documents, etc.
 8. Project evaluation and selection.
 9. Implementation of pilot projects.
 - Conclusion of agreements with selected projects;
 - Monitoring and control over project implementation.
 10. Reporting and evaluation.
 - publishing reports on the implementation of the program or fund;
 - evaluating the results and making necessary changes to the program or fund.

This process can take considerable time and requires cooperation between various government agencies, NGOs, and other stakeholders. It is also important to ensure that the program or fund is managed in a transparent and efficient manner to achieve positive results

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Why is it important?

Among the important reasons for creating a state program/fund to finance RES projects for critical infrastructure:

- Ensuring resilience to crises (war): Critical infrastructure facilities with solar power plants (or other RES facilities) can ensure resilience to war, bad weather, man-made disasters, and other emergencies. Especially during power outages, an additional source of energy can keep hospitals, water utilities, etc. running. For example, a 32.4 kW solar station in Zviahel (Zhytomyr Oblast) provides 11 lung ventilators in the city hospital.
- The deployment of renewable energy sources to power water utilities and hospitals, even in times of war, has a payback period of about 5 years. Such projects mean a reduction in electricity consumption from the grid, which increases the reliability of its operation.

- GDP growth. Investing in critical infrastructure development contributes to a more efficient functioning of the economy and an increase in GDP. Improved infrastructure contributes to increased production and a better business environment.
- Increased competitiveness: Improved infrastructure increases the country's competitiveness, which can lead to foreign investment and exports, which has a positive impact on the balance of payments.
- Reduced costs. Improved infrastructure can reduce the cost of maintaining and repairing worn-out facilities and reduce environmental risks. This saves money for the government and businesses. In addition, the saved money for electricity can be invested in infrastructure development. Solar energy costs 2-3 times less than grid electricity for critical infrastructure facilities.
- Improvement of the life quality. Convenient infrastructure improves the quality of life of the population, reduces the time and cost of transportation, increases access to education and medical services, which contributes to the overall well-being of society.

The need to take into account the climate change challenges already taking place in Ukraine

Suggested steps

1. Enshrine in law and implement the main provisions of the Strategy for Environmental Security and Climate Change Adaptation until 2030, approved by the Cabinet of Ministers of Ukraine on October 20, 2021, No. 1363, namely:
 - a) conducting a vulnerability assessment in all communities of Ukraine based on Oblast assessments;
 - b) development of a community adaptation plan to climate change in all communities of Ukraine;
 - c) integrating the results of the vulnerability assessment into all strategic documents of the community, including recovery plans;
 - d) implementation of adaptation measures in the communities where they were developed.
2. Conduct training for local government representatives on conducting vulnerability assessments and developing adaptation plans in cooperation with relevant NGOs and the Covenant of Mayors.
3. Ensure that communities have access to climate and statistical data and consultations with experts.

4. Establishment of a special body (department, position) within the structure of the city council that will be responsible for developing a vulnerability assessment, coordinating/implementing adaptation measures and organizing monitoring of implementation and review of the vulnerability assessment (every 4 years).

5. Development of technical documentation and a set of standard solutions for adaptation of community infrastructure to climate change in communities where an Adaptation Plan has already been developed.

Why is it important?

In order to receive European investment, post-war reconstruction plans must meet the criteria set out by EU legislation, in which climate change adaptation must be integrated into sectoral and local policies, taking into account the impact of climate change on society, the economy, infrastructure and the environment. Climate adaptation measures should be integrated into local economic and social development recovery strategies, which will allow for the inevitable effects of climate change.

Some of the communities in Ukraine that are signatories to the Covenant of Mayors have already developed detailed plans to reduce carbon emissions and develop adaptation measures. These Sustainable Energy and Climate Action Plans (SECAPs) calculate the community's potential to reduce carbon dioxide emissions and adapt to climate change based on real-world indicators and propose specific measures to be taken to achieve this goal. The measures include a description of the necessary steps and economic justification.

At the same time, a significant part of the measures for adaptation of human settlements does not require significant investments, if:

- - they are taken into account at the planning or development stage of a particular infrastructure element (for example, rainwater drainage in road infrastructure - creation of water-capturing and water-retaining roadsides);
- - changes in traditional approaches and behavioral patterns of staff applied (e.g., maintenance of green spaces or control over waste removal);
- - are implemented during repair or maintenance of infrastructure elements (depressurization of space — replacing the traditional continuous covering of urban spaces with asphalt, concrete or other waterproof materials with a covering that allows precipitation to seep into the ground, for example, various types of tiles).
- Implementation of adaptation measures will also allow to:
 - - comprehensively affect the state of the environment and reduce the negative environmental impact of urbanized areas;
 - - contribute to the preservation of human capital by increasing the level of comfort of the population and improving the quality of life, which can be an additional argument for both the return of internally displaced persons from abroad and the settlement of internally displaced families in new places of residence;
 - - promote the development of local businesses and the creation of new jobs;
 - - reducing the cost of dealing with the consequences of adverse climatic events (e.g., reducing the number of street floods caused by stormwater precipitation in the case of road infrastructure with rain gutters, gardens, reducing the sealing of space, etc.)