



Luxembourg, 21/03/2024

Environmental and Social Data Sheet

Overview

Project Name: UKRAINE EE REPAIR OF RESIDENTIAL BUILDINGS
 Project Number: 2019-0130
 Country: UKRAINE
 Project Description: Framework loan aimed at energy efficiency components in common areas of privately-owned residential multi-apartments buildings damaged by the war in Ukraine's selected cities.

EIA required: no

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

The proposed operation consists of a Framework Loan to support the energy efficiency refurbishment of residential multi-apartment buildings in needs of major repair after war-related damages in Ukraine.

The EIB loan will be a sovereign loan to the Republic of Ukraine, represented by the Ministry of Communities, Territorial and Infrastructure Development, channelled to local authorities (the Final Beneficiaries) for the benefit of households living in the buildings.

The MCTID was the Promoter of similar operations financed by EIB and is familiar with EIB's Environmental and Social Standards. However, extensive Technical Assistance (TA) support is and will be made available by the EIB to strengthen the Promoter's capacity for preparation and selection of the schemes, including on environmental and social matters. TA will also be made available for efficient project monitoring and implementation of the schemes, both at the local level, and at the central level (to the MCTID and the Ministry of Finance).

Environmental Assessment

Most of the individual investment schemes currently envisaged under this loan are small and are expected to have limited environmental and social impacts. The reconstruction works will only have minor temporary negative impacts during the construction period due to construction noise and dust, etc. The security situation of the location of the buildings shall be safe enough to deploy technical assistance support and deliver subproject implementation and monitoring. However, these risks may be exacerbated by the threat of missile attacks and other military actions, introducing an element of extreme uncertainty and risk that cannot be entirely mitigated by health and safety measures. Furthermore, safety issues limit the EIB's ability to monitor project activities on-site, necessitating reliance on the Promoter and Technical Assistance teams, including experienced environmental specialists, to oversee and manage environmental impacts, provide guidance to local implementing parties, assess and address risks.

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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This Project intends to bring environmental benefits by restoring existing housing buildings to normal condition and increasing their energy performance to reduce consumption and thus help to mitigate climate change. The project will generate savings of 17.6 kt of CO₂-eq/year compared to the situation before the buildings were damaged.

The schemes will not require an EIA as foreseen under the Ukrainian EIA legislation and they would not require, if they were in the EU, an EIA under directive 2011/92/EC, as amended by Directive 2014/52/EC.

The Promoter will implement these refurbishment investment schemes in accordance with the principles of the Energy Performance of Buildings Directive 2010/31/EU as amended by Directive 2018/844/EU and with the Ukrainian Law "On Energy Performance of Buildings", which entered into force on the 23.07.2018.

Social Assessment

The Project may involve temporary resettlement of homeowners during the works, particularly if they are still living in the specific part of the building which have sustained significant war damage. In such case the Bank will require from the Promoter that adequate measures are taken to provide them with suitable accommodation during the restoration of their home.

Due to the nature of the damages and the risks posed by potential unexploded ordnances and potential presence of materials with asbestos, specific attention will be paid to ensure the safety of the workers before the start of the work. This will include a specific Safety review to be carried out before the start of the work, within the Environmental and Social Management Framework to be prepared.

The Project is expected to generate significant positive social impacts. As of May 2023, Ukraine has approximately 5.1 million IDPs, with a substantial portion located in the Eastern part of Ukraine under government control, closest to their original places of residence. According to the Ukraine Rapid Damage and Needs Assessment, the ongoing Russian invasion has damaged an estimated 1.4 million apartments in multifamily buildings.

Public Consultation and Stakeholder Engagement

As a pre-requisite for the participation in EIB project, municipalities will establish/enhance Public Councils which will involve owners of targeted residential buildings. The transparent and non-biased creation and functioning of such Councils will be ensured by Technical Assistance at the local level. Public Council will review and agree the package of sub-projects to be financed by EIB provided resources. The representatives of the Public Council will take part in the tendering process. Public Councils will monitor the actual implementation of construction works and submit reports to municipal authorities, Promoter and EIB.

Other Environmental and Social Aspects

Ukraine has ratified all ILO fundamental conventions. Occupational health safety, as well as labour related provisions will be included in the Project operational manual; including provisions related to freedom of association, specific requirements in the schemes involve removal of asbestos.

The Final Beneficiaries' environmental and social capacity will be strengthened with Technical Assistance for project schemes. The EIB will provide additional Technical Assistance for the



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identification, management and monitoring of any environmental and social impacts and risks triggered by the investment schemes and financed under the Framework Loan at local level.

Conclusions and Recommendations

The Promoter shall, and shall ensure, that the Final Beneficiaries will:

- implement and operate the Project in compliance with EIB Environmental and Social Standards, and procure that the contracts, which it signs with contractors, will contain provisions that require contractors to comply with International Labour Organization standards as well as with occupational health and safety standards;
- prepare an Environmental and Social Management Framework as part of its operational manual and in line with EIB standards, including i) screening criteria for standards triggers, ii) stakeholder engagement framework, iii) environmental and health & safety plan, iv) waste management plan and v) monitoring fiches. When needed, specific Environmental and Social Management Plans will be prepared, commensurate to the size and complexity of the impact identified;
- establish a grievance mechanism accessible for all stakeholders, including but not limited to population benefiting from the refurbished buildings, employees working in the refurbished buildings and employees of subcontractors in charge of the works;
- the Promoter shall ensure that the benefits of each scheme are equally available to people affected by conflict based on the principles of non-discrimination, participation and transparency; that affected people are provided with transparent and accessible information on the assistance available under the Project and under Ukrainian law;
- not use the Bank's funding for sub-projects that require an Environmental and Social Impact Assessment Study according to national without/prior to such study being finalised and approved by the competent authority.

Considered the above, the project is acceptable for EIB financing from an environmental and social point of view.