

Luxembourg, 11/12/2024

Environmental and Social Data Sheet

Overview

Project Name: UKRAINE DISTRICT HEATING
 Project Number: 2024-0526
 Country: UKRAINE
 Project Description: Financing of intermediated municipal district heating and energy efficiency projects in Ukraine.

EIA required: Multi investment projects, EIA requirement vary

Project included in Carbon

Footprint Exercise¹: No

Environmental and Social Assessment

Environmental Assessment

The UKRAINE DISTRICT HEATING (UDH) operation is a lending envelope for Multiple Beneficiary Intermediated Loans (MBIL) to be implemented by Financial Intermediaries (FIs) in Ukraine, to finance eligible projects carried out by municipalities and municipal district heating companies as Final Beneficiaries.

This project is financed in the context of the energy rescue plan for Ukraine related to EU-backed emergency heating and power projects ahead of winter season. The MBILs should ensure allocations to be financed will be in line with the specific approach and requirements defined for critical energy projects in the public and private sectors to meet urgent heating and power needs of wartime Ukraine.

The Bank will assess the Environmental and Social Management System (ESMS) of the FIs to make sure that they have adequate policies, procedures and capacity to identify, assess, manage, monitor and report E&S related risks and impacts to ensure that the sub-projects supported by EIB's resources are in line with the requirements of national E&S laws and EIB's E&S standards.

If the Bank's assessment concludes that the FI's capacity is not adequate, then the technical assistance will be used to support the FI strengthening the E&S capacity including compliance with environmental and social standards and energy efficiency standards, as well as for sub-project implementation.

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.

Luxembourg, 11/12/2024

Conclusions and Recommendations

Conditions for disbursement:

Given the MBIL nature of this operation, the sub-operations to be financed under it are not defined at this stage hence there are no Condition Precedent envisaged at this stage.

Undertakings:

The Financial Intermediaries shall:

- Not commit any EIB funds against projects that require an ESIA report or biodiversity assessment according to national law without, prior to commitment, receiving the consent from the competent authority.
- Verify that the sub-projects obtain, maintain and comply with the requirements of environmental and social permits or authorisations provided by competent authorities, including the mitigating measures resulting from the ESIA process.
- Ensure access to the Bank to all relevant documents related to the sub-project upon request, including environmental and social studies and plans related to the ESIA process
- Exclude sub-projects with significant negative social or environmental impacts and sub-projects that involve involuntary resettlement of persons. Temporary displacement, if needed, would follow the regulatory framework for temporary relocation in Ukraine and the procedures developed under the Project social management plan.

Under these conditions, it is expected that the assessment, management and monitoring procedures to be carried out for individual sub-operations will appropriately address E&S risks and impacts to ensure that the sub-operations to be financed under this operation will be implemented in accordance with the Bank's requirements and the operation is considered acceptable for the EIB in environmental and social terms.