



**USAID**  
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**UKRAINE**

# GLOBAL CLIMATE CHANGE

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*USAID assistance in Ukraine has been the motivating factor in the country's energy sector reforms contributing to greenhouse gas (GHG) emissions reductions. Increasing energy efficiency through capacity building, technical assistance, and GHG mitigation projects has helped Ukraine make strides in addressing the effects of climate change. Although the main focus has been in the energy sector, USAID's extensive assistance in the land use/forestry sector has also been of great support.*

**Background.** Ukraine is the 11th largest industrial emitter of carbon dioxide. Ukrainian emissions result from the fact that a high proportion of the economy is devoted to manufacturing using energy-intensive equipment and outdated technology. As its industry, agriculture, and energy sectors increase output, emissions of greenhouse gases (GHGs) will rise unless significant interventions are made to restore sinks and minimize sources.

**Sector-Specific Climate Change Activities.** USAID's programs in energy efficiency, waste minimization, alternative energy sources, renewable energy, power and coal sector reform, and natural resources conservation have provided significant support for the climate change-related priorities of the Ukrainian government.

Until the end of May 2003, when Ukraine's Climate Change Initiative ended, USAID had been the most significant source of international technical assistance to Ukraine on climate change policy and capacity building. In general, without USAID assistance, it would have been difficult for Ukraine to meet its commitments under the United Nations Framework Convention on Climate Change (UNFCCC).

**Capacity Building.** USAID/Ukraine supported an information and project management center that provided government officials and nongovernmental organizations (NGOs) with Ukrainian translations of UNFCCC documents and other climate change materials. With USAID support, articles were published and disseminated on such topics as GHG mitigation, carbon sequestration, and project-based activities.

On average, USAID delivered one training course per month across Ukraine on a variety of climate change topics. All training courses were regularly updated to comply with newly issued international guidance and procedures as well as Ukrainian regulations. A new course was designed for the training of government forestry experts and decision makers to help the government define its climate change policy for the land use, agriculture, and forestry sectors. The total number of trainees exceeded 500 people, half of whom were women. All of the customized training modules are available on a Ukrainian/English climate change Web site maintained by USAID implementers ([www.climate.org.ua](http://www.climate.org.ua)). This Web site is a unique resource for building capacity in Ukraine that includes articles, analyses, and reports on climate change issues. Through multimedia sources, USAID's involvement was integral to promoting citizen and NGO participation in the development of Ukraine's climate change policy.

**USAID's partners in climate change activities in Ukraine include\*:**

- Alliance to Save Energy
- Canadian International Development Agency (CIDA)
- European Bank for Reconstruction and Development (EBRD)
- Finance and Credit (Ukrainian commercial bank)
- Ministry of Ecology and Natural Resources
- Ministry of Fuels and Energy
- PA Government Services
- PADCO Inc.
- State Committee on Energy Conservation
- Ukraine's Industry Council on Climate Change
- Institute of Energy
- UkrESCO
- United Nations Economic Commission for Europe (UNECE)
- U.S. Department of Energy's Pacific Northwest National Laboratory (PNNC)
- U.S. Environmental Protection Agency (EPA)
- World Bank/Global Environment Facility (GEF)

\* Because partners change as new activities arise, this list of partners is not comprehensive.

*Technical Assistance.* Technical assistance is being provided to assist in the implementation of evolving climate change policy. To understand the impact of policy and monitor the progress of GHG mitigation, it is necessary to be aware of the changing levels of emissions and quantify the amount avoided. To help achieve this, USAID developed recommendations to improve current methods for the preparation of Ukraine's GHG emissions inventory. In collaboration with the U.S. Environmental Protection Agency, USAID provided technical assistance to a variety of Ukrainian inventory specialists on a regular basis. USAID supported meetings of Ukraine's Industry Council on Climate Change, an ad hoc body that provides political and economic incentives for the government to develop GHG mitigation projects.

*Addressing Climate Change Through Energy Efficiency Projects.* USAID identified over 30 new projects in Ukraine that have the potential to reduce GHG emissions. In the land use/forestry sector, proposed sequestration projects include planting 3,029,200 hectares of new forests, which will significantly increase the carbon sink capacity of Ukraine. Most of these GHG mitigation projects, however, are in the energy sector. USAID has worked in several Ukrainian cities to improve energy efficiency in buildings. For example, in Lviv under the Municipal Energy Efficiency Project, USAID launched demonstration projects to weatherize and install heat controls at a boarding school, providing both considerable savings for the school and avoiding 120 metric tons of carbon dioxide emissions. USAID assisted the surrounding cities to establish the Ukrainian NGO Network of Energy-Efficient Cities (UNEEC). UNEEC provides a mechanism for sharing information between cities on how energy efficiency can relieve the burden of high energy costs to municipal budgets.

*EcoLinks in Support of Energy-Efficient Technologies.* To further environmental initiatives in Ukraine, USAID utilized the regional EcoLinks Program. EcoLinks is a USAID grant program in Europe and Eurasia that supports energy efficiency technology project development as well as assistance and market-based solutions to environmental problems throughout the region. Through the EcoLinks Partnership Grants Program, USAID provided over \$40,000 in Ukraine to develop economic feasibility studies to assess options for using biomass from wood waste as an alternative fuel for production of heat and hot water in the Verkhovyna district of the Ivano-Frankivsk oblast (region). This project was the first Ukrainian project under the UNFCCC Activities Implemented Jointly Pilot Program. USAID also assisted in the preparation of an application to the Global Environment Facility and private investment companies for funding of this project. In addition, EcoLinks provided over \$300,000 to help eight Ukrainian industries, utilities, and urban areas conduct feasibility studies to use energy resources more efficiently. EcoLinks awarded challenge grants to strengthen institutional capacity for cleaner production, water quality management, and global climate change. A \$50,000 challenge grant was

provided to the city of Donetsk for developing a climate change mitigation strategy. Donetsk, an industrial city in the region that is responsible for about one-third of the pollution in Ukraine, is known for its concentration of heavy industry that results in extremely high energy consumption and elevated levels of GHG emissions. Through this challenge grant, a GHG emissions inventory, a strategy for reducing GHG emissions, and a shortlist of promising GHG reduction projects was developed.

*Financing Energy Efficiency Projects.* In the financial and municipal development assistance sector, USAID worked closely with the UkrESCO (a European Bank for Reconstruction and Development-sponsored credit facility for financing energy efficiency projects in Ukraine) and the World Bank to obtain loans for modernization of water pumps stations in Ukrainian cities. The Ukrainian commercial bank Finance and Credit provided 50% of the financing for a yeast factory project and additional business plans were developed for presentation to potential investors. A USAID-supported public buildings energy efficiency project is valued at just over \$30 million and includes substantial funding from the Kiev City Administration as well as an \$18 million implementation loan from the World Bank. This energy efficiency project is expected to generate \$5.7 million per year in cost savings and reduce GHG emissions by over 62,000 tons per year.

For more information on Ukraine, visit  
USAID/Ukraine's Mission Web site at:

- <http://www.usaid.kiev.ua/>