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Promoting energy efficiency

With the Energy Efficiency Fund Ukraine supports thermal modernisation of residential buildings

The challenge: the energy consumption of buildings is too high

When it comes to heating residential buildings, Ukraine has one of the highest levels of energy consumption in Europe. In fact, the building sector accounts for almost a third of total energy demand. This is due to the poor energy efficiency of housing in Ukraine, most of which was constructed before 1990. The situation is impacting residents, the environment and the climate, and is also jeopardising energy security amid the ongoing war.

Reducing energy consumption and costs means investing extensively in renovation. In 2018, the Ukrainian Government therefore set up the Ukrainian Energy Efficiency Fund (EEF) with support from the EU and Germany's Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. The EEF supports homeowner associations in renovating apartment buildings. Through its Energodim programme, launched in 2019, the EEF provides grants for thermal modernisation. In the initial phase, GIZ supported the scheme through the First Movers programme, which covered the project preparation costs of the first 15 participants.



Project title:	Support of the National Energy Efficiency Fund and of a Climate-Friendly Reform Agenda (S2I)
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The results are impressive. Thermal upgrades cut energy consumption by up to 50 per cent, easing the financial burden on households and reducing the need for state energy subsidies. At the same time, the EEF is making Ukraine's energy system more resilient and supporting the country in progressing towards its climate targets under the Paris Agreement.

Our approach: supporting the renovation of residential buildings

On behalf of the German Federal Ministry for Economic Affairs and Climate Action (BMWK), the project "Support of the National Energy Efficiency Fund and of a Climate-Friendly Reform Agenda (S2I)" is supporting the Ukrainian Government in managing the ongoing strategic development of the EEF. The project is part of the German Government's International Climate Initiative (IKI).

Specifically, we support the EEF in making its structures more efficient, expanding its funding programmes and enhancing the skills of its employees through training. We also assist Ukrainian construction service providers in broadening their expertise in the areas of energy auditing, project design documentation and other technical fields so that they can work effectively with the EEF. In addition, we facilitate dialogue and exchange with other International Climate Initiative projects.



This apartment building in Novoyavorivsk completed thermal modernisation as part of the First Movers pilot programme.

The ongoing war is having a major impact on the project. Thousands of residential buildings have been destroyed or severely damaged. The conditions for building renovation are tougher now due to planning uncertainty and higher construction and financing costs. However, many homeowner associations are continuing with renovation projects with support from the EEF. In 2023, the EEF Supervisory Board adopted a new strategy in response to the change in the overall conditions – despite the difficult situation, 808 buildings are to be renovated by 2026. In 2024, to meet the increasing demand for decentralised energy solutions, the EEF launched its GreenDim programme. The objective is to promote renewable energy use in apartment buildings and thus reduce electricity bills and improve energy supplies in the event of power outages.



Individual heat substation installed in a multi-apartment building under “Energodim” programme in Svitlovodsk city.



Representatives of the EEF, GIZ and a homeowner association discuss the introduction of alternative energy sources in Ukraine’s housing sector.



‘I consider the implemented energy efficiency project a great success’

Vasyl Kotsyuk, chair of one of the 15 homeowner associations that took part in a pilot project with EEF funding

Our results: 396 building renovations completed

- 396 EEF-funded renovation projects were successfully completed in full or in part. Each modernised building delivers energy savings of around 34 percent.
- At 34 Ukrainian universities, 114 energy audit trainers received qualifications, and in turn held around 60 training courses with more than 600 participants. In 2021, a manual was developed for use by partner universities to support the training of energy auditors for apartment buildings, and five training courses were organised for more than 40 construction experts to improve the quality of thermal insulation in apartment buildings.
- We are also assisting the EEF with digitalisation. Starting in 2020, funding applications can be submitted and tracked online and in 2023, a digital marketplace for services was set up to connect homeowners with construction firms. An online calculator that works out project and financing costs was implemented in late 2023.
- Up to the end of 2023, we managed the International Climate Initiative’s interface in Ukraine and facilitated dialogue and exchange between IKI implementing organisations, for example through workshops, newsletters and a joint website.

‘Our building now meets the latest standards of energy efficiency. What’s more, the application process brought all the neighbours together, so they got to know each other. Even today, new tenants say how friendly the residents are. I think that’s a great success.’

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