

# District heating investments in Kremenchuk

The modernisation of the district heating network in the city of Kremenchuk will improve the current district heating infrastructure and result in a sustainable, energy-efficient and reliable district heating system.

## The Project

The project will provide heating to some 25,000 inhabitants in the "Rakivka District", which accounts for ten per cent of the city's district heating customers. Among the many systemic improvements, a 4 MW biomass boiler will be installed utilising the local biomass resources available. New gas boilers will be built, distribution and transmission pipes replaced and 122 new Individual Heat Substations as well as a new central remote control system installed. It is expected that the planned measures and improvements of about 44 MW district heating capacity will have a significant positive climate impact, resulting in reduced gas consumption and consequently a decrease of CO<sub>2</sub> emissions.

## Background

This is the first grant financing provided by the Danida Sustainable Infrastructure Finance (DSIF) Programme in Ukraine and Nefco's first project combined with a DSIF grant. Nefco is administering the DSIF grants through a separate fund agreement.



## Expected outcome



**5,4 Mm<sup>3</sup>**

reductions of natural gas consumption -  
26% compared to the baseline



**10,500**

tonnes CO<sub>2</sub>  
reductions



**25,000**

inhabitants will receive improved  
and reliable district heating

## Financing model

Total investment

**€ 12.7 million**

NEFCO loan	DSIF grant	Kremenchuk city contribution
<b>€ 6 million</b>	<b>€ 4.45 million</b>	<b>€ 2.25 million</b>

Technical implementation assistance from DSIF

**€ 350,000**

## Background about DSIF

The Danida Sustainable Infrastructure Finance (DSIF) Programme, financed by the Ministry of Foreign Affairs of Denmark, finances non-commercial sustainable infrastructure projects in selected developing countries. The projects must contribute to sustainable development in the recipient country in line with the UN Sustainable Development Goals (SDGs).

## Financiers



**DANIDA SUSTAINABLE INFRASTRUCTURE FINANCE**



CITY OF KREMENCHUK

## Contributing to the SDGs

This project contributes to the following UN Sustainable Development Goals (SDGs):



- 3. Good health and well-being
- 5. Gender equality



- 7. Affordable and clean energy
- 13. Climate action



## About NEFCO

NEFCO is an international financial institution (IFI) founded in 1990 by the Nordic countries: Denmark, Finland, Iceland, Norway and Sweden. Our task is to accelerate the shift to green by financing the initial scale-up environmentally of Nordic friendly solutions. To date, we have financed more than 1,400 small and medium-sized, private and public projects across different sectors in over 80 countries. Our financing activities contribute to the Sustainable Development Goals. Read more at [www.nefco.org](http://www.nefco.org)



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