

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

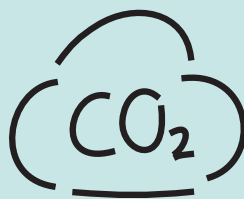
This is the first grant financing provided by the Danida Sustainable Infrastructure Finance (DSIF) Programme in Ukraine and Nefco’s first project combined with a DSIF grant. Nefco is administering the DSIF grants through a separate fund agreement.

### Expected outcome



**26%**

reductions of natural gas consumption compared to the baseline



**10,500**

tonnes CO<sub>2</sub> reductions per year



**25,000**

inhabitants will receive improved and reliable district heating

## Financing model

Total investment <b>€ 12.7 million</b>		
Nefco loan <b>€ 6 million</b>	DSIF grant <b>€ 4.45 million</b>	Kremenchuk city contribution <b>€ 2.25 million</b>

Technical implementation assistance from DSIF

**€ 350,000**

## 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 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



City of Kremenchuk

## About NEFCO

Nefco is an international financial institution (IFI) founded in 1990. Our task is to work with concrete actions to accelerate the green transition and we serve the interests of our owners, Denmark, Finland, Iceland, Norway and Sweden. We have financed more than 1,500 private and public projects across various sectors. By focusing on small and medium-sized projects with tangible results, we have been able to demonstrate how to implement energy-saving and environmental projects in a sustainable and cost-efficient way. We evaluate the impact against the EU Taxonomy, the UN Sustainable Development Goals and our own environmental criteria. Read more on [www.nefco.int](http://www.nefco.int).

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