

December 13, 2013

Comments from the United Kingdom— Approval by mail: Ukraine: District Heating Energy Efficiency - IBRD (CTF)

Dear Patricia,

Implementation Potential

- Please can you set out what (if any) measures will be taken to protect the poor as heating charges rise? How will these measures be implemented?
- Apart from service surveys what ongoing action will be taken to engage with consumers, monitor their reactions to the new systems and adapt the customer service accordingly? Will the customers have access to official complaints procedures if they fail to come to a resolution within the provider's own processes? What are they doing to ensure billing is transparent to customers?
- Will consumers receive any education regarding how to use their new heating controls?

Transformational Change

- The proposal does not make clear how capacity can be improved in the other weaker DH operators (who arguably require it more). There only appears to be lesson learning component between the 10 DH companies included in the programme. How will the programme ensure that the lessons are shared and capacities of the district heating companies that aren't included in the proposal will be built to ensure that the transformational potential of this project can be realised?

Cost effectiveness calculation

- This calculation is not in line with the what had been asked of the MDBs at the recent Trust Fund Committee meetings. Please can you provide a reference to marginal abatement cost, either a credible source that suggests it is below \$100/t CO₂e or is the IBRD able to conduct the relevant analysis itself?

Risk

- As the DH implementers do not have any experience with working with WB and would need substantial training, what mechanisms are being put in place to ensure any risks of fraud or corruption will be mitigated?
- Given the current uncertain political climate in Ukraine, would it not be wise to defer approval of this project until the situation stabilises?

Technical comments

- How will this programme relate to or integrate with measures to increase the energy efficiency of the buildings that the district heating supplies? It appears that only a portion of the problem is being addressed by this programme. If the

programme does not link with efforts to increase energy efficiencies in buildings,
what plans are being made to do this?

Kind regards

Simon

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