

**United Nations Development Programme**



*Empowered lives.  
Resilient nations.*

**Country: Ukraine**

**INITIATION PLAN**

**Project Title: Support for Winterization and Repairing of Energy Sector Infrastructure Facilities**

**Implementing parties: UNDP**

<p><b>Programme Period:</b> Dec. 2022-Dec 2023</p> <p><b>Project Title:</b> Support for Winterization and Repairing of Energy Sector Infrastructure Facilities</p> <p><b>Project ID:</b> 00147472</p> <p><b>Project Duration:</b> 12 Months</p> <p><b>Management Arrangement:</b> DIM</p>	<p><b>Total Budget</b> US\$</p> <p><b>Allocated resources:</b> 9,310,621.24</p> <ul style="list-style-type: none"><li>• Government 0</li><li>• Regular (TRAC 1.1.3) 0</li><li>• Other:<ul style="list-style-type: none"><li>○ Donor UNDP: US\$4,000,000</li><li>○ Donor Norway (Funding Window): NOK 53,000,000 (equivalent of US\$ 5,310,621.24 applying exchange rate as at date of signature of agreement)</li></ul></li><li>• In kind contributions 0</li></ul> <p>Unfunded budget: \$ (TBC)</p>
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**Agreed by:**

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**Date:** 29-Dec-2022

## 1. SITUATION ANALYSIS

### a) Background

Since 24 February 2022, the ongoing war in Ukraine has already resulted in significant loss of life, devastating destruction of infrastructure and unprecedented displacement internally and towards neighbouring countries. The scope and scale of damage to critical infrastructure caused by the conflict are devastating in Ukraine. Public service provision continues to be constrained across the country – water, electricity, heating, gas and emergency health and social services – remain under severe pressure. The economic impact of the war is dire.

Since 10 October 2022, attacks against energy infrastructure in Ukraine have intensified across the country, disrupting essential public services of electricity, heating, and water. The latest estimates from UkrEnergo indicate that approximately 50% of Ukraine’s energy infrastructure has been occupied or damaged, while every major power plant and electricity transmission system have suffered damages. Repairs of the infrastructure are ongoing; the Government has sent official requests to the UN and member states for the urgent purchase of materials to ensure that those repairs can continue. Blackouts in the capital and other major cities are a near-daily occurrence. In Kyiv, the latest round of missile strikes on 23 November left approximately 50% of the capital without electricity for several days. The repeated strikes against infrastructure have resulted in prolonged electricity cuts and the continuation of rolling blackouts as the city tries to restore its connections.

Continuing attacks on energy infrastructure are leading to a major energy crisis in the country, with repeated cuts and power outages, not only in the capital Kyiv but also in the newly accessible areas. No electricity means no running water and impedes provision of other basic services, including health and education. Humanitarians continued expanding the reach of assistance to people in villages and towns of Donetsk, Kharkivska, Khersonska, Luhanska and Zaporizka oblasts that Ukraine has retaken over the past months of October and November in 2022.<sup>1</sup> As of the end of November, the Ukrainian energy system was able to cover only 70 per cent of the peak demand to generate power.

The onset of winter brings new dimensions to the humanitarian crisis, as attacks and damage to homes leave millions at risk of deadly temperatures that can drop below -20°C. In their Ukraine Situation Report as of 16 November 2022,<sup>2</sup> the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) highlighted that “millions of people in Ukraine are without electricity, water or heating today, following a wave of missile attacks that hit critical infrastructure in at least 16 of the country’s 24 regions and in the capital Kyiv.” While grid operators work 24/7 to repair damaged transmission systems, civilians will need ways to stay warm in the cold Ukrainian winter.

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<sup>1</sup>OCHA Ukrain Situation Report Updated: 29 Nov. 2022

[https://reports.unocha.org/en/country/ukraine?\\_gl=1%2a14r0wsd%2a\\_ga%2aMTAyMjgyNTY1OC4xNjY0MTg3OTA1%2a\\_ga\\_E60ZNX2F68%2aMTY2OTk4NjExMy4xMC4wLjE2Njk5ODYxMTMuNjAuMC4w](https://reports.unocha.org/en/country/ukraine?_gl=1%2a14r0wsd%2a_ga%2aMTAyMjgyNTY1OC4xNjY0MTg3OTA1%2a_ga_E60ZNX2F68%2aMTY2OTk4NjExMy4xMC4wLjE2Njk5ODYxMTMuNjAuMC4w)

<sup>2</sup> OCHA Ukraine Situation Report Updated: 16 Nov. 2022 <https://reliefweb.int/report/ukraine/ukraine-situation-report-16-nov-2022-enruuk>

## 2. JUSTIFICATION

The UNDP Resilience Building and Recovery Programme was launched in April 2022. It provides a phased, resilience-based approach, and a flexible vehicle to implement the HDP nexus across the whole of Ukraine in close cooperation and coordination with UN agencies, funds and programmes and development partners.

Building on its expertise in converging humanitarian, development and peacebuilding goals, UNDP, as part of the coordinated UN response, is assisting the people and the Government of Ukraine to recover and reconstruct now, ensuring that immediate needs are linked to long-term goals. Leveraging its almost 30-year history in Ukraine and its established presence on the ground, and in close cooperation with state authorities and local communities, UNDP prioritizes approaches that are inclusive, just and green.

Given these enormous challenges that Ukraine faces, UNDP intends to support the restoration and smooth functioning of public services and fulfil the life-saving energy and heating needs according to the UN Flash Appeal for Ukraine in 2022, while promoting recovery and resilience in the war-affected areas by building capacity and social capital and reducing the risk and effects of future negative events.

Repair of critical energy, communications and other infrastructure is set as one of the priorities of Ukraine Flash Appeal for Ukraine in 2022,<sup>3</sup> and Winterization Plan-Winter Priority Procurement & Repair Plan 2022-2023 issued by OCHA emphasized the priority needs for repair of infrastructure for heating as critical, life-saving humanitarian interventions.<sup>4</sup>

In line with the priorities of Humanitarian Flash Appeal for Ukraine 2022 and Winter Priority Procurement & Repair Plan 2022-2023, the project aims to provide immediate and emergency support to the national and local governments to repair critical energy infrastructure to provide basic life-saving services to the populations in the war-affected areas to restore their devastated living conditions and minimise sufferings of Ukrainian people.

## 3. PROJECT OUTPUTS AND ACTIVITIES

To main objective of this project proposal is to support national and local governments to repair critical energy infrastructure to provide basic life-saving services to the populations in the war-affected areas. To this end this project will provide support to the following critical areas:

- 1) Winterization materials and equipment provided to the local authorities and the conflict-affected population
- 2) Natural gas supply to Kharkiv city and its neighbouring areas restored and enhanced for energy and heating use

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<sup>3</sup> <https://ukraine.un.org/en/193988-ukraine-flash-appeal-march-december-2022>

<sup>4</sup> <https://reliefweb.int/report/ukraine/ukraine-winterization-plan-winter-priority-procurement-repair-plan-2022-2023>

The proposed outputs and activities under this project are summarized below:

**Output 1: Winterization materials and equipment provided to the local authorities and the conflict-affected population**

**Activities:**

- 1.1: Conduct consultations with respective local/municipality authorities and community representatives to determine the priority winterisation items to be urgently provided
- 1.2: Purchase and supply the winterisation materials and equipment
- 1.3: Conduct monitoring on delivery of winterisation materials and equipment in the target locations

**Output 2: Natural gas supply to Kharkiv city and its neighbouring areas restored and enhanced for energy and heating use**

**Activities:**

- 2.1: Prepare the detailed technical design and source the qualified company(ies) in accordance with UNDP rules and regulations.
- 2.2: Supply the required equipment and undertake installation and repair work of the gas booster compressor
- 2.3: Conduct training on operation and maintenance of the re-installed equipment for the gas powerplant workers
- 2.4: Purchase and supply winterisation materials and equipment for people in Kharkiv during rehabilitation of the gas booster compressor, providing alternative source of heating/energy.

**4. PROGRAMME MANAGEMENT**

This project will be implemented under the framework of UNDP Country Program Document for Ukraine, applying the Direct Implementation (DIM) modality, where UNDP Ukraine will act as the Implementing Partner. This project complies with policies, procedures and practices of the UNDP, and as such, is consistent with UNDP's Programme and Operations Policies and Procedures. The progress and achievement activities will be reported in accordance with reporting requirements of the respective donors.

UNDP will provide effective project management and coordination support by utilizing the programme manager and specialists in the Country Office Kyiv and at Regional Hub while deploying technical experts for this project. The programme implementation team will benefit from wider support services of the Operations Team of UNDP Ukraine, including procurement, human resources, finance, and other administration aspects.

## 5. WORK PLAN BUDGET SHEET

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Timeframe				RESPONSIBLE PARTY	PLANNED BUDGET		
		1Q	2Q	3Q	4Q		Source of Fund	Budget Description	Amount* (USD)
<b>Output 1:</b> Winterization materials and equipment provided to the local authorities and the conflict-affected population	1.1 Conduct consultations with the respective stakeholders to determine the priority winterisation items	X				Ministry of Communities & Territories Dev., Relevant line Ministries, State Emergency Service of Ukraine (SESU), Municipal authorities	UNDP	72100 Contractual Service - Company	3,561,253.56
	1.2 Purchase and supply the winterisation materials and equipment	X							
	1.3 Conduct monitoring on delivery of winterisation materials and equipment in the target locations	X	X						
	Direct Project Cost, 4%	X	X						
		X	X						
GMS, 8%	X	X					64300 Staff Mgmt Costs - IP Staff	109,577.03	
							74500 Miscellaneous Expenses	32,873.11	
							75100 Facilities & Administration	296,296.30	
<b>Output 2:</b> Natural gas supply to Kharkiv city and its neighbouring areas restored and enhanced for energy and heating use	2.1 Prepare the detailed technical design and source the qualified company(ies) in accordance with UNDP rules and regulations	X				Ministry of Economy, Relevant line Ministries, UGV, Kharkiv Oblast/ Municipal authorities	Funding Window (Norway)	72100 Contractual Service - Company	4,772,305.21
	2.2 Supply the required equipment and undertake installation and repair work of the gas booster compressor		X	X					
	2.3 Conduct training on operation and maintenance of the re-installed equipment for the gas powerplant workers			X					
	2.4 Purchase and supply winterisation materials and equipment for people in Kharkiv during rehabilitation of the gas booster compressor, providing alternative source of heating/energy.	X							
	Direct Project Cost, 4%	X	X	X					
X		X	X						
							64300 Staff Mgmt Costs - IP Staff	146,840.16	
							74500 Miscellaneous Expenses	44,052.05	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Timeframe				RESPONSIBLE PARTY	PLANNED BUDGET		
		1Q	2Q	3Q	4Q		Source of Fund	Budget Description	Amount* (USD)
	GMS, 7%	x	x	x			75100 Facilities & Administration	347,423.82	
<b>TOTAL</b>								<b>9,310,621.24</b>	