



# ANNUAL PROGRESS REPORT

OCTOBER 2019 - SEPTEMBER 2020

## HOUSES Project





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<b>PROJECT TITLE</b>	Home Owners of Ukraine for Sustainable Energy Solutions (HOUSES) – an action within the EE4U Programme
<b>PROJECT NUMBER</b>	ENI/2018/396-961
<b>PREPARED BY</b>	UNDP Ukraine
<b>PREPARED FOR</b>	Delegation of the European Union to Ukraine
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## LIST OF ABBREVIATION

<b>ATC</b>	Amalgamated Territorial Community
<b>BCP</b>	Business Continuity Plan
<b>CBA Project</b>	Community-Based Approach to Local Development project
<b>COVID-19</b>	SARS-COV-2 (Severe acute respiratory syndrome coronavirus 2)
<b>CDA</b>	Community Development Associate
<b>EEF</b>	Energy Efficiency Fund
<b>EE</b>	Energy efficiency
<b>EU</b>	European Union
<b>EE4U</b>	Energy Efficiency Support Programme for Ukraine
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
<b>GOU</b>	Government of Ukraine
<b>HBC</b>	Housing/Building Cooperative
<b>HOA</b>	Home Owners Association
<b>HOUSES Project</b>	'Home Owners of Ukraine for Sustainable Energy Solutions' project
<b>FG</b>	Functional Group
<b>IFC</b>	International Finance Corporation
<b>MOH</b>	Ministry of Health of Ukraine
<b>M&amp;E</b>	Monitoring & Evaluation
<b>MOU</b>	Memorandum of Understanding
<b>SDGs</b>	Sustainable Development Goals
<b>UN</b>	United Nations
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNDP</b>	United Nations Development Programme
<b>WG</b>	Working Group



## EXECUTIVE SUMMARY

The “Home Owners of Ukraine for Sustainable Energy Solutions (HOUSES) – an action within the EE4U Programme” project (hereinafter – “the Project”), which started in October 2018, aims to contribute to increasing the energy efficiency of the Ukrainian residential housing sector by mobilizing and empowering homeowners in multi-apartment buildings across Ukraine, supporting them as they make energy efficient renovations of their houses with financial support from the Energy Efficiency Fund (EEF). During the first year of implementation (covered in the first annual progress report) the Project established a strong, area-based implementation structure covering 24 oblasts of Ukraine, engaged key stakeholders, reached out to the potential beneficiaries, and developed and operationalized its ongoing capacity-building and support mechanisms – including basic and specialized training, along with targeted consultancy and experience exchanges for Home Owners Associations (HOAs).

During the second year of implementation, which is covered in the current progress report, the Project achieved significant progress in boosting the establishment of new HOAs, building and strengthening the capacities of the newly established and pre-existing HOAs supported by the Project, providing support to the Energy Efficiency Fund in promoting its grant programme “ENERGODIM” among potential beneficiaries, and establishing partnerships at the local level between the EEF and municipalities. The Project also developed and implemented several information campaigns targeting the homeowners and residents of multi-apartment buildings to raise awareness of the advantages of HOAs and energy efficiency, and contributed to the dissemination of reliable information on risk-reduction measures in response to the COVID-19 pandemic.

The key achievements of the Project in the reporting period can be summarized as follows:

- Within the reporting period the Project has supported the establishment of **1,036** new HOAs, which have undergone all stages of formal procedures, have been registered, and have started operating. Moreover, even under the quarantine regime and related restrictions introduced by the Government in response to the COVID-19 pandemic, **312** new HOAs were established. In total, **1,861** HOAs have been created with the support of the Project since its start, with the pace of their creation increasing.
- By the end of reporting period the Project strengthened the operational and management capacities of **5,545** newly created and pre-existing HOAs. This was achieved through extensive training, individual and group consultations, and experience exchange activities.
- **57** of the HOAs established with the Project’s support and **112** HOAs whose members were trained under the Project have already applied for a grant from the EEF. In addition, **45** HOAs are undergoing energy audits, and another **143** HOAs have expressed interest in participating in the EEF’s grant programme and are now at various stages of taking formal decisions to apply.
- Residents of small cities and urban settlements, including homeowners with low income and those living in remote settlements, received access to professional training free of charge. More than **19,000** Ukrainian homeowners participated in the training activities organized by the Project, increasing their awareness of their rights and responsibilities, as well as improving their knowledge of energy efficiency and developing viable energy solutions for their multi-apartment buildings, including via the financing options available through the “ENERGODIM” programme.



- The Project contributed to the reforms in the housing sector by facilitating the provision of support from the local authorities to the newly established HOAs. HOA Support Programmes for 2020 were adopted by **95** partner municipalities.
- More than **1,300,000** people were reached by various information dissemination activities and informed about the advantages of HOAs as an effective form of management and energy efficiency.
- In addition, the Project actively supported over **2,000,000** residents of multi-apartment buildings during the COVID-19 pandemic by providing them with timely and reliable information about the virus, sharing the best practices and recommendations on reducing related risks and measures to prevent the spread of the novel coronavirus.

The main challenges faced by the Project during the second year of its implementation were all related to the COVID-19 pandemic and the restrictive measures imposed in response to it by the Government of Ukraine.

- Starting from mid-March 2020, the Project was forced to thoroughly reorganize its activities to take into account the quarantine limitations introduced by the central and local governments in response to the COVID-19 pandemic. The Project had to switch to remote/online working, while continuing to provide its core services to the beneficiaries (training, consultations, experience sharing activities) in alternative formats.
- Another challenge associated with the COVID-19 pandemic was related to the technical unpreparedness of Ukrainian homeowners, especially those living in remote locations, to participate effectively in online capacity building events. Many of the Project's beneficiaries live in locations with unstable internet connections, or have outdated equipment, so their ability to join in online training and other events is limited.
- Lastly, the situation is exacerbated by the COVID-19 pandemic's economic impact on the population and municipalities. The poor access of Ukrainian homeowners to financial resources (including loans at affordable interest rates, and financial support from local sources) in combination with declining incomes of households and revenues of local budgets, has shifted homeowners' priorities and makes their potential investments in energy efficiency, as well as the participation of HOAs in EEFs, less attractive.



Photo Credit: UNDP regional development coordinators

## 1. BACKGROUND

The current Project is a part of the broader EU-funded “Energy Efficiency Support Programme for Ukraine” (EE4U) programme adopted by the European Commission in 2017 and aimed at contributing to increased energy-efficiency in the Ukrainian residential sector and reducing greenhouse gas emissions. In this context, the European Union (EU), together with Germany, support the Energy Efficiency Fund established by the Government of Ukraine (GOU) in providing grants to energy efficient renovations of multi-apartment buildings across Ukraine. The recipients of the EEF grants are HOAs established and governed by the co-owners of multi-apartment buildings in line with Ukrainian legislation.

In line with its overall and specific objectives, the Project is intervening during a period of 30 months (from October 2018 until March 2021) to mobilize Ukrainian homeowners and support the creation of HOAs, strengthen the operational and management capacities of HOAs throughout the country, and to motivate and prepare them to implement energy efficiency projects using the financial support available from the EEF. The Project is also raising the energy efficiency awareness of Ukrainian homeowners and residents of multi-apartment buildings. The creation of homeowner associations as entities for active bottom-up engagement and responsible ownership benefits the overall reform of the housing sector. During its second year of implementation, the Project has made significant progress towards achieving its objectives and hitting its targets, as described in detail in the next sections of the current report, but at the same time faced unprecedented challenges, which have seriously affected the Project’s activities and implementation pace.



## 1.1. Implementation context

Despite the change in the Government during the reporting period, improving energy efficiency in residential and public buildings has remained one of the top priorities for the Government of Ukraine. The Government Action Plan<sup>1</sup>, approved in 2020, includes (section 8.6) activities and measurable KPIs for the implementation of energy efficiency policies and measures. Among the key tasks defined in the Government's Plan is ensuring the sustainable functioning and financing of the EEF, and the harmonization of its products with local programmes in order to increase the pace of implementation of energy efficiency measures in multi-apartment buildings.

The potential for improving energy efficiency in the residential housing sector remains significant and requires massive investment. Although the housing stock is 98 percent privatized, the responsibility for the management and maintenance of the common parts of multi-apartment buildings is still shared between the municipal housing services organizations, housing/building cooperatives (HBC), and private homeowners who created their HOAs in line with the national legislation<sup>2</sup>. According to the latest updates from the Ministry for Development of Communities and Territories of Ukraine, the total number of HOAs registered in Ukraine now exceeds 33,000<sup>3</sup>, and almost 32,322 of them are active, while the remainder have either not completed registration procedures or have suspended their activities (in most of the cases within the first few years after registration). Given these numbers, there is still potential for the creation of new HOAs, while the existing ones still require a lot of support in order to sustain their activities. Therefore, the Project's main objective – to stimulate and support the creation of new HOAs, as well as to provide support to newly created and pre-existing HOAs – remains highly relevant, as confirmed by the increased demand from actual and potential beneficiaries of the Project in 24 oblasts of Ukraine, across 330 municipalities.

As mentioned above, in 2017 and 2018, the European Commission adopted the EE4U programme (phases I and II), aimed at contributing to increased energy efficiency in the Ukrainian residential sector and reducing greenhouse gas emissions. Under the programme, the EU, together with the German Government, supports the activities of the EEF by providing grants to energy-efficient renovations of multi-apartment buildings across Ukraine. Through this Programme, the EU contributes 80 million euros to the Multi-Donor Trust Fund (established and managed by the International Finance Corporation (IFC) under the framework of the EE4U Programme) as well as a package of technical assistance worth over 20 million euros. The Energy Efficiency Fund provides support to HOAs for the implementation of thermo-modernization projects and energy efficiency renovations in multi-apartment buildings, factoring in the best European thermal modernization practices. Financing of energy efficiency projects is made through partial refunds (grants) to HOAs for energy efficiency project costs. In 2019 the EEF launched early 15 pilot projects called "First Movers" and tested the grant policy, the entire project cycle, and EEF procedures. In September 2019, the EEF's grant programme for the residential sector "ENERGODIM" was officially launched, further improved in February 2020 and April 2020. Since the launch of the "ENERGODIM" programme and until October 2020, the Fund received from HOAs over 220 applications for grants, with the estimated total budget of the projects exceeding UAH 1.435 billion, and the total amount of requested funding from EEF approaching UAH 1 billion. More than 160 applications have already been approved for funding.

<sup>1</sup> <https://www.kmu.gov.ua/npas/pro-zatverdzhennya-programi-diyalnosti-kabinetu-ministriv-t120620>

<sup>2</sup> Law №417 "On specifics of ownership in apartment buildings" adopted in 2015

<sup>3</sup> В Україні діє 32 982 ОСББ – дослідження Мінрегіону

<https://www.minregion.gov.ua/press/news/v-ukrayini-diye-32-982-osbb-doslidzhennya-minregionu/>





The COVID-19 pandemic that swept across the world in early 2020 has seriously affected the Project's environment and activities. This outbreak coincided with a change of government in the country, while conditions were already challenging due to a macroeconomic decline and the protracted armed conflict in eastern Ukraine. The first COVID-19 case in Ukraine was detected in March 2020 in Chernivtsi Oblast. After that, the situation rapidly escalated, and soon cases of COVID-19 were being recorded all regions of Ukraine. In response to the pandemic, the Government of Ukraine introduced a nationwide lockdown from the period of 12 March 2020 until 21 May 2020, after which the GOU introduced an adaptive quarantine in the country. A range of restrictive measures have since been continuously applied depending on the level of risk assigned to an area. The local authorities in charge of each area are responsible for implementing the adaptive quarantine measures. "Red", "orange", "yellow", and "green" zones are assigned by the State and Regional commission on Technogenic and Ecological Safety and Emergencies (further – "the Commission") at the regional level according to data provided by the Ministry of Health (MOH). In May, following several days of increases in the number of COVID-19 cases registered – Ukraine entered the "red zone" due to the number of coronavirus infections, and the adaptive quarantine was continuously extended over time. As of the end of the reporting period, the situation in Ukraine has escalated even more, and the numbers of newly registered cases and fatalities has started growing sharply.

The COVID-19 pandemic has seriously affected the Project's beneficiaries and stakeholders. The crisis and the imposed quarantine and lockdown caused a reduction in household income, and a decline in economic activities and revenues of the local budgets. According to the findings of the COVID-19 Socio-Economic Impact Assessment<sup>4</sup> conducted by UNDP in partnership with the Food and Agriculture Organization (FAO) and UN Women in May-June 2020, among the top concerns of household are paying back loans, paying utility bills, and increasing food prices. The pandemic has significantly reduced the average monthly income of more than half of the country's households.

## 1.2. Project objective and key deliverables

The Project promotes sustainable socio-economic development at the local level by addressing two interlinked elements. The first element is the mobilization of homeowners in Ukraine to organize themselves within the available legal framework, so as to fully realize their rights and responsibilities in relation to their multi-apartment buildings. The second element is motivating and supporting HOAs on their way to thermo-modernization and reducing excessive energy consumption, which results from the outdated physical state of the country's housing stock; buildings can only be modernized when homeowners are proactive and take the initiative.

The key intended outcome of the Project is an increase, throughout the country, of the number of operational HOAs that have the capacity to plan viable energy efficiency solutions for their buildings and mobilize financing for their energy efficiency (EE) improvement projects through the EEF.

The specific objectives of the Project are to stimulate and support the creation of HOAs and to prepare them to seek and obtain financing for their home improvement projects from the EEF and other available sources. It is envisaged that throughout the country's 24 oblasts, with the Project's support, at least 2,000 new HOAs will be created and a total of 4,000 HOAs will be trained to manage their associations and develop energy efficiency projects. The Project aims to directly benefit at least 480,000 people throughout Ukraine and will help raise the energy efficiency awareness of no less than 1,000,000 people overall. As result of the

<sup>4</sup> [https://www.ua.undp.org/content/ukraine/en/home/library/democratic\\_governance/covid-19-in-ukraine--impact-on-households-and-businesses.html](https://www.ua.undp.org/content/ukraine/en/home/library/democratic_governance/covid-19-in-ukraine--impact-on-households-and-businesses.html)



Project's activities, more than 1,300,000 people were reached by various information dissemination activities and informed about the advantages of HOAs as an effective form of management and energy efficiency. Some 750,000 out of them directly benefited from the Project by improving their knowledge in housing related areas, including on energy-efficiency measures and how to apply for grant programmes of the EEF.

The initial implementation period of the Project covered a period of 30 months (from 1 October 2018 through 31 March 2021). In July 2020, to address the challenges caused by the COVID-19 pandemic and restrictions on movement imposed by the Government, the Project requested a 6-month, non-cost extension until 31 March 2021, which was approved by the donor (EU) and reflected in the amended Description of the Action (in terms of duration and some indicators) and Budget for the Action.

The amendments to the Description of the Action and the Project implementation schedule are justified by the significant and unpredictable changes in the implementation context, and its impact on the Project's activities and expected results. The Project's Logical Framework was also deeply revised, which included the revision of final targets and milestones for its key output indicators. More specifically, two target indicators have been revised, considering the delayed operationalization of the EEF and the negative impact of the multi-dimensional COVID-19 crisis on households' incomes and their financial capacity to invest in energy efficiency projects (namely, Indicator #2.2. "number of renovation projects initiated by HOAs, trained by the Project" and the Indicator #2.3. reformulated as "number of financing application packages prepared by HOAs trained by the Project and handed over to IFC"). While the target values of the rest of the Project's output indicators remain unchanged, milestones for the second year were set, and the dates for achieving the targets were shifted to the end of the extended implementation period.

Considering the increasing risks related to the COVID-19 pandemic on Project activities in all regions of Ukraine, and taking into consideration the current situation and trends, further project extension may be required to ensure that all Project targets are successfully achieved and sustainability of the Project's results is ensured, through linking the supported HOAs with the EEF, and by strengthening the institutional infrastructure for supporting HOAs across the country.

### 1.3. Project implementation arrangements

The Project is implemented by UNDP in Ukraine as part of the Regional Development Programme (RDP) within the broader Inclusive Development, Recovery and Peace Building (IDRPB) portfolio. The project implementation team is led by a Team Leader supported by eight staff members in the central office in Kyiv, and 24 regional coordinators (Community Development Associates) based in 24 oblasts of Ukraine. The regional coordinators are supported by a driver and provided with a car, covered by the Project. They are responsible for implementation of the Project's activities in the regions with support of the management, administration and communication staff based in Kyiv.

The local offices in the majority of the regions are provided by the regional authorities under Memorandums of Understanding (MOUs) signed with UNDP for the period from 2017 until 2022. Of the 24 local offices, 17 are located on the premises of oblast councils, three in the premises of oblast state administrations, one in the UNDP project office in Kyiv, and three in UN shared premises: in Kharkiv, Kramatorsk (Donetsk Oblast), and Severodonetsk (Luhansk Oblast).

The Project has established and maintained over time good and constructive partnership relations with regional and local authorities, including the regional administrations and councils, city councils, ATCs, etc.



No attempts by any regional authority to influence the Project implementation and/or obtain extra benefits for hosting the Project's offices have been observed so far.



Photo Credit: UNDP regional development coordinators

## 2. RESULTS ACHIEVED BY THE PROJECT

During the reporting period, the Project has been continuously supporting the key target groups with extensive trainings and other capacity-building activities and managed to deliver its services in a highly challenging implementation context. As result, the Project has achieved significant progress in boosting the establishment of new HOAs, building and strengthening the capacities of the newly established and pre-existing HOAs supported by the Project, as well as in providing support to the Energy Efficiency Fund in promotion of its grant programme “ENERGODIM” among the potential beneficiaries – HOAs, establishing partnerships at the local level between the EEF and municipalities. The Project has also developed and implemented several information campaigns targeting the homeowners and residents of multi-apartment buildings for raising awareness of the advantages of HOAs and energy efficiency and contributed to the dissemination of reliable information of risk-reduction measures in response to the COVID-19 pandemic.

### 2.1. Output 1: Mobilized homeowners set up their associations

To fulfil this output, the Project has continuously carried out awareness-raising and training activities, and engaged with the key target groups (initiative groups of homeowners, newly established and pre-existing HOAs, HBCs), as well as representatives of regional and local authorities, and local communities in all oblasts. In line with the revised Logical Framework, by the end of the reporting period the Project was aiming to support the creation of at least 1,650 new HOAs, support at least 3,500 HOAs (both newly created and pre-existing) with capacity building and experience exchange activities, with special attention paid to women’s participation and support for HOAs with low-income households.



The progress achieved by the end of the reporting period is summarized in the table below.

*Table 1. Output 1 indicators*

OUTPUT INDICATORS	Year 2	
	TARGET	ACTUAL
1.1 Percentage of homeowners aware of energy efficiency requirements and solutions for their buildings and EE financing facilities (gender disaggregated) in territories covered by the Project	50% (50%-women, 50%-men)	78.8% (78.7% women, 78.9% men)
1.2. Total number of homeowners' functional groups supported by the Project, registering their associations	1,650	1,861
1.3. Percentage of newly set-up functional groups and HOAs supported by the Project, managed by women or with a majority of women in their memberships	40%	51%
1.4. Total number of HOAs (both pre-existing and newly created) supported by the Project	3,500	5,545
1.5. Percentage of newly set-up HOAs supported by the Project managing housing blocks with at least 25% of homeowners being low-income.	20%	24%

By the end of the reporting period, **13,140** Ukrainian homeowners, along with local authorities, improved their knowledge about energy efficiency measures through **749** info sessions held for the Project's beneficiaries in all oblasts, both offline and online (after mid-March 2020). During the offline and online information sessions, the Project's regional coordinators, in cooperation with IFC's regional advisors, provided comprehensive information about EE and related topics, including information about the support available from the EEF, as well as raising general awareness of the legislation in the area of EE, with a focus on the provisions related to the housing sector, such as the Law on Energy Efficiency Fund (dated 8.06.2017), the Law on Energy Efficiency in Buildings (dated 22.06.2017 and entering into force on 23.07.2018), and so on.

The awareness-raising activities implemented by the Project helped to prepare the ground for the further promotion of energy efficiency in general and support the popularization of the EEF's grant programme. To make the information dissemination more effective, the Projects maintained and further strengthened over time partnerships previously established with key stakeholders: municipal administrations, HOAs Heads' Councils, regional associations of HOAs, local associations of HOAs, Resource Centres, regional Energy Efficiency Centres, etc. As of the end of September 2020, the Project had received confirmation of partnerships from **332** municipalities committing to support the implementation of the Project.

The second intermediate result of the Project public information campaign is the number of applications for participation in the Project. During the reporting period, the number of registered applications through the *houses.in.ua* platform reached **6,126**, among them **1,764** Functional Groups (FGs),



**4,209** Homeowners Associations (HOAs) and **153** Housing Building Cooperatives (HBC) that wish to transform into HOAs (*Annex 1*).

While providing its support to the creation of new HOAs, the Project works primarily with the homeowners who have yet to make a choice on the modality of management of their multi-apartment buildings. Therefore, a lot of preparation work aimed both at homeowner education and motivation precedes the start of actual HOA registration. In total, during the second implementation year, **1,861** of new HOAs have been established as a result of the Project's implementation – **312** out of them during the COVID-19 pandemic (*Annex 2*). By the end of the reporting period, the Project supported via training sessions **5,545** HOAs, which includes both newly created and pre-existing ones.

The establishment of new HOAs with support from the Project has shown a positive trend over the past two years. According to data collected by the Project, in 2018 in total **1,803** HOAs were established in Ukraine, and the overall trend was declining. With the start of the Project's active phase, the number increased to **2,318** HOAs in 2019, out of which **825** (**35.6** percent) were HOAs established with Project support. In 2020 the project has already supported the creation of **1,036** HOAs, but data on the number of HOAs established in 2020 will only be available in 2021. Nevertheless, the tendency is clear – the comprehensive approach and the facilitation of the process advanced by the Project has boosted the creation of new HOAs. (*Annex 3*).

The Project also contributed to the decentralization reform by facilitating the provision of support by the city authorities to the newly established HOAs. Some local government bodies demonstrated strong commitment to supporting and investing in HOAs through the adoption of HOA Support Programmes, with **95** Partner municipalities in 24 regions having adopted support programmes in 2020. It is worth mentioning that **45** out of these support programmes will be concluded by the end of 2020, and their extension requires further communication with local authorities. (*Annex 4*).

### **2.1.1. Activity 1.1: Public information campaign**

During the second year of implementation, the Project continued organizing information campaigns, which were aimed at informing all stakeholders, including homeowners and other residents of multi-apartment buildings, community leaders and local authorities, about the advantages of HOAs and the implementation of EE measures.

The information campaign included a series of videos broadcast in all regions, articles published in electronic mass media, and the participation of CDAs in various events at the local and oblast level in which they promoted information on Project activities.

Overall, during the reporting period (October 2019 to September 2020) communication activities covered **807,718** beneficiaries. The total number of people covered by the information campaign on HOAs and energy efficiency measures during two implementation years has reached **1,300,000**.

The Project actively supported around **2,000,000** beneficiaries during the COVID-19 pandemic by providing reliable information about the disease, and by sharing best practices and recommendations on how to ensure quarantine restrictions in multi-apartment buildings were implemented during the COVID-19 pandemic. More information is provided in Chapter 3 – COVID-19 Response.



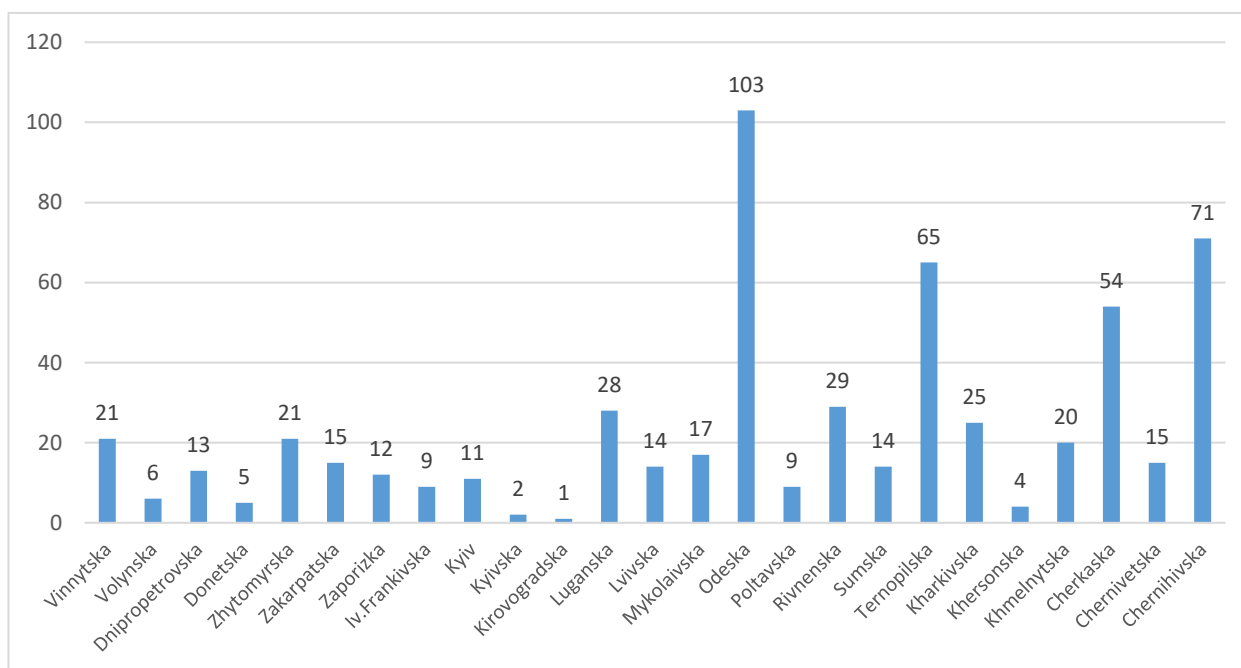
### 2.1.2. Activity 1.2: Engaging HOAs/Functional Groups to be supported

By the end of September 2020, a cumulative number of **4,209** existing HOAs and **1,764** FGs had expressed interest in participating in the Project's training sessions. The training provided aimed to improve HOA operations, and included highly specialized disciplines related to the maintenance of buildings, accounting, financial reporting, and so on.

To support the FGs in planning the actual setting up of their associations, the Project carried out a series of group consultations in the form of a basic seminar on establishing HOAs, along with continuous individual consultations with active homeowners wishing to set up HOAs. In total, almost **4,000** individual consultations were provided to HOAs/FGs/HBCs during the reporting period.

The Project actively engaged the local authorities in all Project activities, ensuring their awareness of the support required for the establishment and development of HOAs. In total, **584** representatives of local authorities participated in Project training (*Annex 5*).

*Figure 1. Participation of local authorities in training from March 2019 to September 2020 (per oblast)*

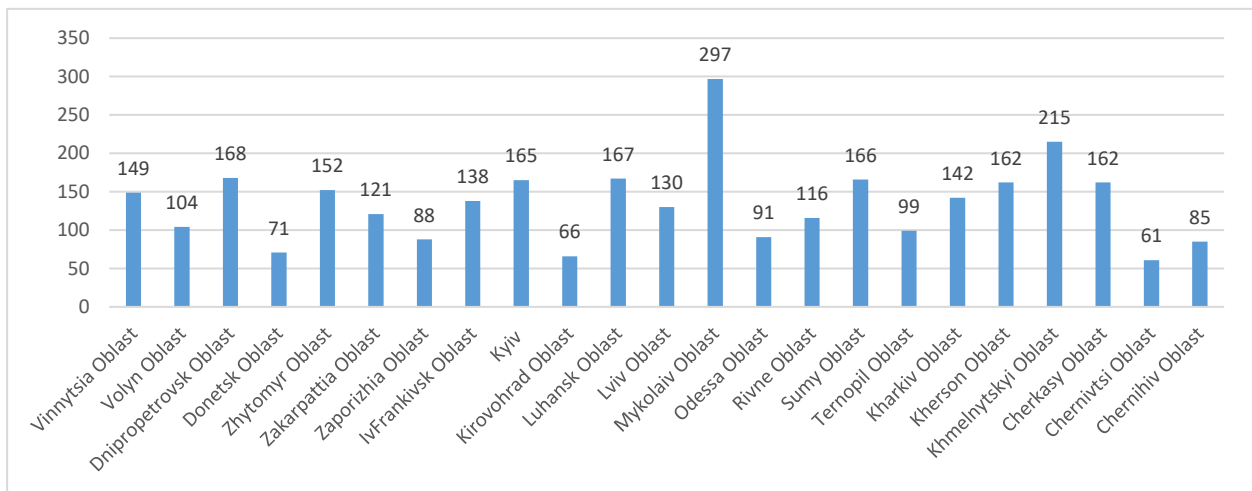


### 2.1.3. Activity 1.3: The first development step of HOAs

This activity is focused on supporting initiative groups for establishing new HOAs. Groups of active homeowners willing to initiate the creation of HOAs in their residential blocks are identified by the Project. At the next stage, the Project provides them with training on the theoretical and practical aspects of HOA creation, including the regulatory and legal aspects of HOA registration and associated issues. For those HOA members who wanted to improve their knowledge, UNDP continued to organize training sessions on HOAs' basic activities, and on communications with service providers and local authorities. These activities were implemented through targeted training sessions and individual consultations (remotely since March 2020). By the end of the Project's second year of implementation **3,146** representatives of HOAs had completed the training programme and received a Certificate of Completion issued by UNDP (*Annex 6*).

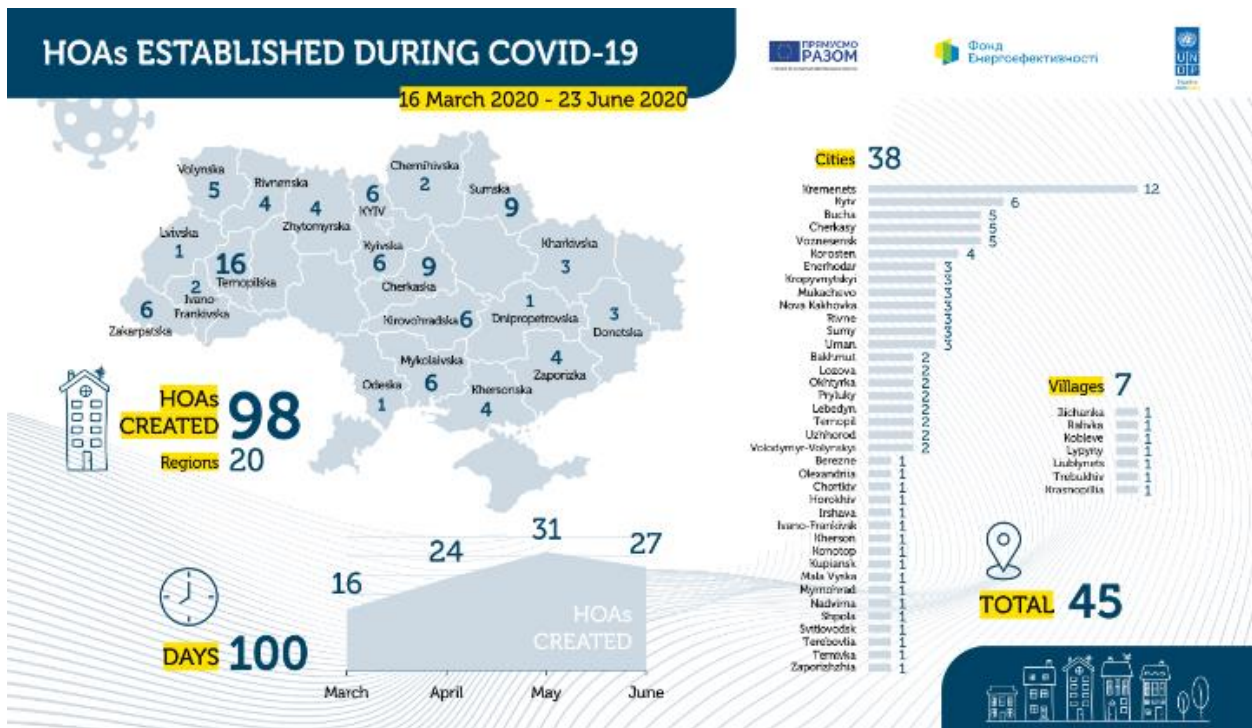


Figure 2. Certificates of Completion issued to HOAs and FGs from March 2019 to September 2020 (per oblast)



To address the challenges caused by the COVID-19 pandemic and ensure the uninterrupted provision of support for the establishment of new HOAs, the Project carried out an analysis of the legislation, preparing recommendations for Community Development Associates (CDAs) on how to establish a HOA remotely. This allowed the Project to continue its work on the establishment of HOAs remotely (by applying the recommendations and using the available online tools) even during the quarantine. As a result, following the recommendations provided by the Project, **312** new HOAs had been established remotely by 30 September 2020. During the first 100 days of the quarantine, the Project supported the establishment and official registration of **98** HOAs in **20** regions.

Figure 3. HOAs established during the first 100 days of COVID-19 quarantine (16 March 2020 – 23 June 2020)







The total cumulative number of established HOAs at the end of September 2020 was **1,861** (1,036 HOAs were established during the second year of the Project).

Figure 4. Established HOAs from March 2019 to September 2020 (per oblast)

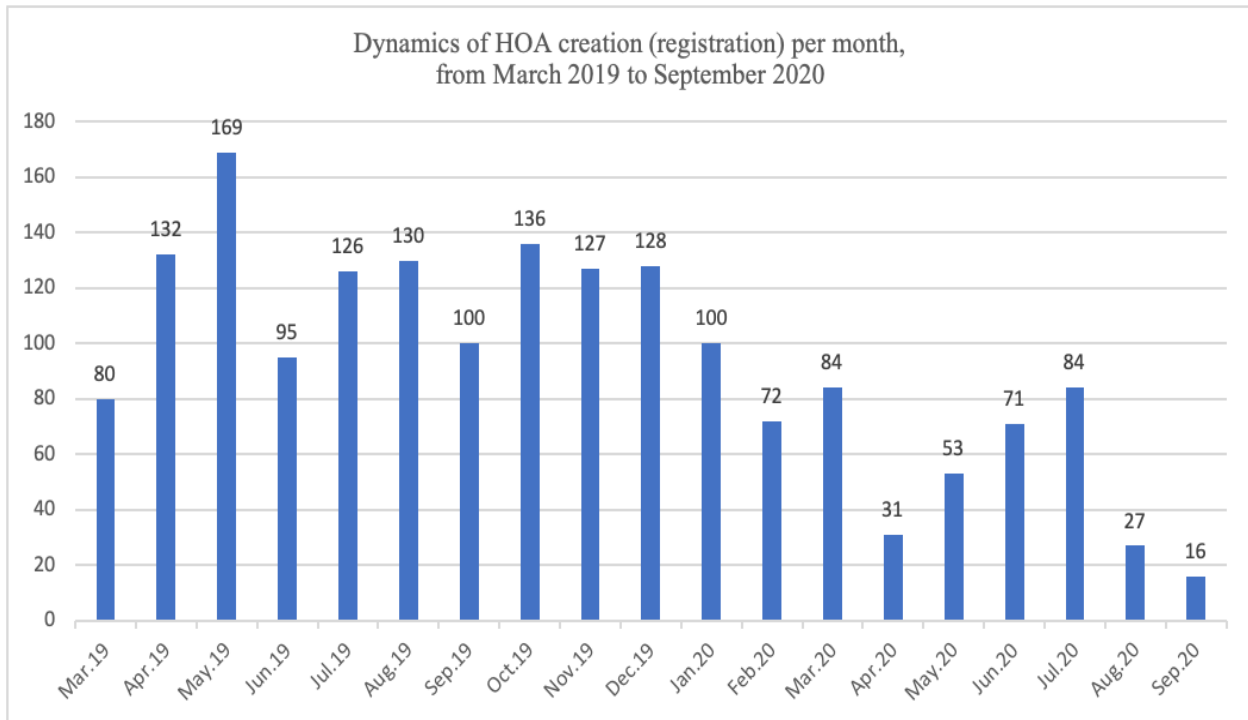


The map shows the number of HOAs established in each of the 24 oblasts of Ukraine as of 30 September 2020. An interactive infographic developed by Project and available at <http://houses.in.ua/map/>, provides more details on the established HOAs.

The Project promoted the establishment of new HOAs through the provision of professional support, the systematization of expertise from existing HOAs, and attracting the attention of local authorities to the problems of homeowner's empowerment. The dynamics of the HOA registration process is presented in the graph below.



Figure 5. Number of newly created HOAs from March 2019 to September 2020



## 2.2. Output 2: Operational, project design and implementation capacities of new or pre-existing HOAs are developed

The activities carried out to achieve Output 2 were concentrated on building the capacities of pre-existing and newly created HOAs. These activities included basic and specialized training aimed at improving HOA operations (on the maintenance of buildings, accounting, and financial reporting), along with exchange visits, workshops, and forums. Quarantine restrictions provided impetus for the development and launch of new activities, among which were intensified online individual consultations, online meetings with HOA leaders, on-demand webinars, webinars with invited experts on urgent issues, and virtual experience-exchange visits to HOAs that have successfully implemented EE solutions.

The progress achieved by the end of the reporting period is summarized in the table below.


*Table 2. Output 2 indicators*

OUTPUT INDICATORS	Year 2	
	TARGET	ACTUAL
2.1. Percentage of trained HOAs representatives who confirm their use of new skills and competences in running their associations	70%	90%
2.2. Number of renovation projects initiated by HOAs that were trained by the Project	250	169
2.3. Number of application packages prepared by HOAs trained by the Project and handed over to IFC	500	Survey in progress (will be finalized till March 2021)
2.4. Percentage of homeowners in territories covered by the Project that are satisfied with the management of their HOAs (including plans for renovations and EE retrofitting, gender disaggregated)	50% (both men and women)	Survey in progress (will be finalized till March 2021)
2.5. Total amount of positive media coverage of the Project and HOA energy efficiency solutions/energy savings	400	378

During the reporting period a total of **4,209** existing HOAs and **1,764** FGs expressed their interest (on the houses.in.ua platform) in participating in the Project's comprehensive training programme.

In total, some **19,135** participants attended **2,329** online and offline training sessions organized by the Project, where they learned about property ownership in a multi-apartment building, forms and obligations of co-ownership, the concept of the management of a multi-apartment building, calculating management costs, and the responsibilities of the manager. All of these elements are covered by the first three training sessions of the developed training curriculum.

**3,146** participants acquired knowledge about HOA legal status regulations, technical documentation, relations with utility operators, funds, cost estimates and contributions to HOAs, the organization of accounting, and financial discipline of the Board and co-owners. All of the participants received Certificates of Completion for training in these six topics. The Certificate of Completion is evidence of the readiness of HOAs to undergo training by the International Finance Corporation on technical aspects of the EEF grants operation.

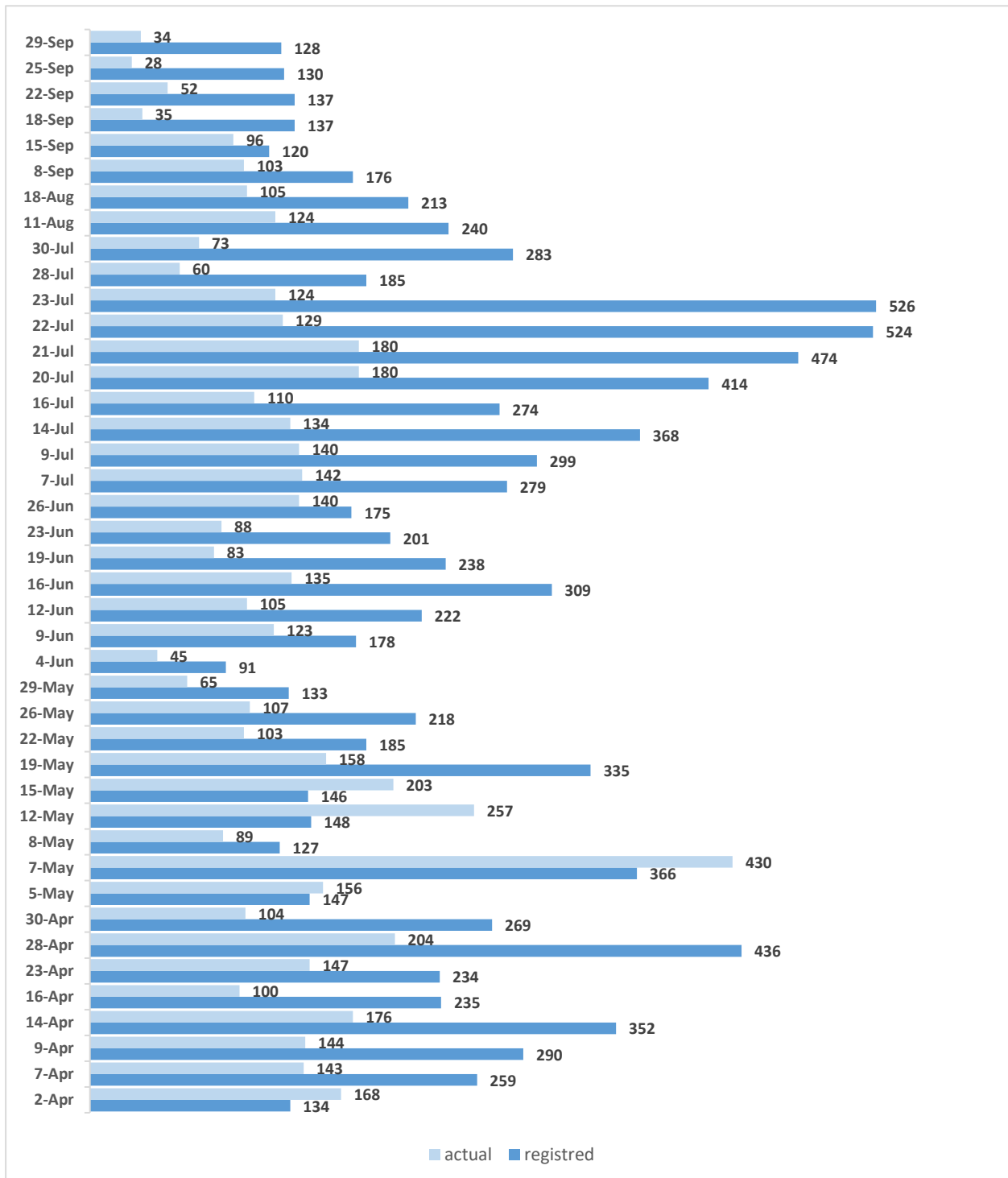
The Project continued to deliver specialized training, including on topics related to energy efficiency, and as a result 169 HOAs have already applied to the EEF. In addition, 45 HOAs are at the stage of undergoing an energy audit, and another 143 HOAs are at the stage of deciding on their participation in the EEF and becoming potential beneficiaries of the "ENERGODIM" programme (*Annex 7*).



During the reporting period, some **5,780** participants improved their skills in the financial and legal aspects of managing HOAs, attending **47** online training sessions/webinars organized by the Project from April through September 2020.

To motivate the already existing HOAs, the Project invited highly qualified national experts to present related topics. It is also worth mentioning that all of the training sessions were recorded and disseminated among all 7,200 registered participants.

Figure 6. Participants of the training from April to September 2020 (per event)





### 2.2.1. Activity 2.1: Operationalization of the newly set up HOAs

Within this activity, the Project's efforts were focused on building the capacity and skills of the newly established HOAs in relation to Ukrainian legislation, including energy efficiency measures and the management of multi-apartments buildings. A set of **11** online centralized training sessions on HOA legal issues were organized for **1,581** participants. These sessions were followed by **98** online training sessions at the regional level, involving more than **1,500** participants.

The management of multi-apartment buildings is another important aspect of HOA operation. According to Law #417 "On specifics of the ownership of apartment buildings," HOAs have the right to manage their building without employing professional managers. But having an understanding of aspects of building maintenance an asset for all HOAs – both those that manage their building by themselves, and those that hire a professional manager.

Four inter-regional trainings for interested HOAs representing different oblasts on the lifecycle of building maintenance were provided to **271** participants. Further, after the introduction of quarantine restrictions, a set of six national-level online training sessions were organized for **509** participants. These sessions were followed by **137** online training sessions at the regional level, which in its turn involved more than **1,300** participants. The total number of participants trained in these complicated technical issues is **2,080** participants.

Also, **295** participants – accountants from 24 regions and Kyiv, representing **348** HOAs and **two** HBCs – took part in a series of training sessions on accounting, financial reporting and document management, which were organized in Kyiv, Odesa, Lviv and Kharkiv from October 2019 through March 2020. HOA members improved their skills in book-keeping (accounting, budget, tax issues, etc.) as well as in financial reporting and document management.

The topic of accounting and financial reporting is extremely important for both newly established and long-time operating HOAs, thus a series of **three** all-Ukrainian and **181** regional online training sessions, organized during quarantine restrictions, attracted more than **2,500** participants.

With the aim of improving the accounting and financial reporting by HOAs, the Project prepared and published **9,000** copies of the *Manual on Accounting for HOAs (Annex 8)*.

Finally, to respond to the needs of the Project's beneficiaries and ensure the sustainability of results, the Project has decided to develop a comprehensive online training course for HOAs, which is to cover the three most essential and demanding topics, i.e. the legal basis of HOA creation and operation, accounting, and the maintenance of multi-apartment buildings. Work on the course started in August 2020, and the first lectures were recorded during September-October 2020. The online course is expected to be available by the end of 2020 on the Prometheus online educational platform.

### 2.2.2. Activity 2.2: Raising HOAs' capacities to initiate viable energy efficiency solutions and attract funding for their implementation

Within this activity the Project provided support to targeted HOAs in identifying key priorities regarding their buildings' energy efficiency. Training materials were developed and agreed with the Project partner – the International Finance Corporation. During the reporting period, some 1,000 participants of training events organised by the Project improved their knowledge and skills related to energy saving and energy efficiency in multi-apartment buildings. This capacity building exercise spanned over the course of 124 training sessions, provided by the Project. The training sessions were focused on: a) providing



information to HOAs on the types of grant packages under the “ENERGODIM” programme of the EEF; and b) strengthening HOAs’ understanding of the application process. In close coordination with the IFC team, the Project organised specialized online training sessions and webinars, coupled with targeted consultancy support. These sessions were organized as a cluster of interregional online training sessions, and covered several important topics: new opportunities of the ENERGODIM grants programme; municipal and state EE and HOA support programmes; and the thermal modernization of buildings. The sessions were supported by a virtual exchange tour devoted to the ENERGODIM programme and installation of an individual heating point in multi-apartment buildings.

In addition, the Project organized a series of events to promote energy efficiency solutions and ways to identify funding for the latter, such as the Kyiv Interregional Forum on EE Communities, the Chernihiv Regional Forum "Enhancing EE and Sustainable Development of Communities", the HOAs Forum in Cherkasy: “HOAs - the Way to Energy Efficiency and Better Management”, "V International Investment and Economic Forum" Partnership and Perspectives. Energy Efficient Community" in Ivano-Frankivsk, the Rivne Forum "Great Rivne. Energy Efficiency 2019", and the online All-Ukrainian XI HOAs Forum “HOAs and Communal Services. Perspectives. Innovations. Challenges” (*Annex 9*).

During the second year of its implementation, the Project carried out a mid-term survey, conducted during October-November 2020 (*Annex 27*). The survey findings are based on the 350 interviews with board members of HOAs that participated in the Project, six online focus groups (FGD) located in six different regions, with key target audiences (HOAs board members; people who were in HOAs creation initiative groups, but who have not created HOAs yet; co-owners of multi-apartment buildings who thought about creating or tried to create an HOA, but who now do not want to do so); and 12 semi-structured interviews with a representative of a municipality who works in the realm of HOAs and/or the housing sector. Overall, around 800,000 of the Ukrainian homeowners, represented by some 5,500 HOAs, participated in the survey.

The survey evaluated the effectiveness of the approaches chosen, looked at the weaknesses and proposed solutions to address them. Besides, it looked at additional opportunities to reach potential beneficiaries – the co-owners of multi-apartment buildings who have not yet created or initiated the establishment of HOAs, and ways to encourage them to create HOAs.

This survey also provided the Project with an understanding of its impact in terms of improving the level of homeowners’ awareness regarding energy efficiency requirements and solutions. According to the mid-term survey, 78.8 % (78.7% women, 78.9% men) of the Ukrainian homeowners, who participated in the survey, are aware about the efficiency requirements and solutions, and the EE financing facilities available for the territories targeted by the Project.

The survey also provides information on the intentions of the HOAs created with Project’s support to renovate/retrofit their buildings for energy efficiency. 80% of the Ukrainian homeowners, who participated in the survey, expressed their readiness to implement EE measures in their houses, 50% confirmed their intention to renovate/retrofit their buildings for energy efficiency and 30% stated that they currently implement EE measures. The survey also confirmed that 7% of the HOAs created with the Project support have already applied for the Energy Efficiency Fund grants.

The findings from the survey confirmed the effectiveness of the approaches adopted by the Project in achieving its targets.



### 2.2.3. Activity 2.3: Dissemination of experience gained by HOAs, best practices, and lessons learned all over Ukraine

During the reporting period, the Project focused on the dissemination of HOAs experiences, best practices and lessons learned across Ukraine. A number of exchange visits, webinars, informal events and virtual tours were organized to support this experience dissemination/sharing process.

During the 4<sup>th</sup> quarter of 2019 and 1<sup>st</sup> quarter of 2020 the project organised a number of experience exchange visits and workshops. The main purpose of the latter activities was to support the sharing of knowledge, best practices and lessons learned among HOAs, as well as inform the local authorities about the needs of HOAs. In total, before the outbreak of COVID-19 pandemic **565** participants from **16** oblasts learned about the benefits of managing their own multi-apartment buildings through HOAs through participating in **44** experience exchange visits.

Starting from the 2<sup>nd</sup> quarter of 2020 the Project changed the format of its experience exchange activities. In line with the logistical restrictions introduced in response to the COVID-19 pandemic, the Project piloted “virtual tours” as a new way to deliver experience sharing activities. The most popular were the three “virtual tours” on successfully implemented energy efficiency projects in Zaporizhzhia and Mykolaiv cities, which in total attracted **138** representatives of HOAs.

In addition, the Project intensified innovative online cluster training sessions and regular activities such as “Coffee with HOAs” (in Mykolaiv, Ivano-Frankivsk, Kherson, Vinnitsa, Zhytomyr regions), online schools for HOAs (Odesa, Donetsk, Dnipro regions), the Interregional Academy of Dialogue (initiated in Chernihiv region, but its sessions covered all regions), teleconferences for exchanging experience between HOAs, etc. In particular, the **25** sessions of “Coffee with HOAs” online meetings with successful HOAs leaders and exchange of experience sessions organized in several regions attracted **375** participants.

With the aim of maximally disseminating the experience, best practices and lessons learned across Ukraine, the Project supported the X All-Ukrainian HOAs Forums in Lviv, which took place in October 2019.

*Note: in early October 2020 the Project also supported XI All-Ukrainian HOAs Forums, which was held online and focused on the energy efficiency of apartment buildings, and which attracted an audience of some 58,400 people (including participants who joined via Zoom, Facebook and YouTube).*

The Project also supported municipalities and HOAs by disseminating best practices related to the establishment and operation of Revolving Funds to support energy efficiency projects. In November 2019, the Project held an interregional forum to present and promote the existing practices of establishing and operationalizing local Revolving Funds for supporting the implementation of energy efficiency projects by local HOAs. After this event, **six** new Revolving Funds were launched (in Chernivtsi, Khmelnytsky, Ivano-Frankivsk, Pervomaisk, Yuzhnoukrainsk, and Olshansky). The Project is currently working on an information campaign to promote these advances, which is planned for implementation during the second half of November 2020.

### 2.2.4. Activity 2.4: Feedback from supported HOAs: lessons learned; problems encountered within the Project implementation.

During its implementation period, the Project constantly received and analysed feedback from the supported HOAs on issues they are facing in the context of preparing for of accessing external funding for their micro-projects for improved energy efficiency, including issues related to the functioning of the EEF. The issues raised by the Project’s beneficiaries were communicated to the relevant stakeholders and communicated



with partners at regular coordination meetings. Most of the issues identified within the reporting period were directly or indirectly related to external factors determined by the COVID-19 pandemic. As was previously mentioned, the pandemic had a serious impact on the Project's beneficiaries, both in terms of their regular operations, as well as undermining the willingness of HOAs to proceed with EE issues and the capacity of local authorities to provide support to HOAs. The summary of challenges faced by HOAs is provided below in section 2.4.

The lessons learned within the current phase of the Project implementation through feedback from supported HOAs include evidence of their ability to play a leading role not only in improving the energy efficiency of buildings and moving forward the reform of the housing sector, but also to counter the crisis by supporting their vulnerable residents, demonstrating the best practices of social solidarity, and sharing the experience. Thus, the HOAs are the powerful drivers of positive change and a response to COVID-19 crisis.

### **2.3. Establishing partnerships and stakeholders' engagement**

At the initial stage of Project implementation, key partnerships were established at the national and sub-national levels. During the reporting period, the Project continued cooperation efforts at the national level between all partners and beneficiaries, including the Delegation of the European Union, the International Finance Corporation, the Energy Efficiency Fund, GIZ and the Ministry for Communities and Territories Development.

The ministry provided its support for the Project's official registration and re-registration after its non-cost extension (which is currently in progress), participated in the Project Board and provided recommendations on the best ways to achieve the Project's targets, as well as supporting the Project by participating in its regional events (e.g. forums in Rivne) and nationwide events such as the online All-Ukrainian Forum on Communal Services (July 2020). There, the ministry provided further information on specific issues related to the new legislation, and also contributed to the organization of the All-Ukrainian Forums for HOAs. During the COVID-19 quarantine, dialogue between the Project and the ministry was intensified, with regular online meetings conducted in addition to the regular provision of updates on Project implementation.

During the reporting period, the Project maintained and strengthened effective cooperation with the EEF, with EEF representatives participating in the Project's events, including numerous webinars and forums. In return, the Project supported the EEF in the organization of 15 Road Shows to support the launching and dissemination of information on its "ENERGODIM" programme, and facilitated the signing of MOUs with 33 partner municipalities. In July 2020, the Project and the EEF reviewed and updated joint plans for support to EEF Road Shows for the period of August-November 2020. The first full-scale Road Show, after some breaks due to COVID-19 restrictions, was successfully held in August in Chernihiv region. To support the EEF, the Project provides consultations to HOAs and HBCs on opportunities related to the EEF's ENERGO DIM grant programme, and supports the dissemination of information on the ENERGO DIM grant programme through social networks and a specialized Viber group. A tailored information campaign was developed to provide more information to HBCs on their opportunities to establish a HOA for further application to the EEF.

One of the most important partners for the Project is the International Finance Corporation – an implementing partner of the EE4U programme. The Project also cooperates with the IFC on linking the regional activities of the UNDP and IFC coordinators. It was agreed that in the regions both UNDP and IFC coordinators would participate in information sessions at the local level and cover the aspects related to their mandates. Representatives of UNDP and IFC invited to the Project's events had the opportunity to present their respective projects to the final beneficiaries. In this context, professional cooperation was noted between all coordinators.





A joint working group (WG) was established in April 2020, consisting of the Project and its partners – IFC and EEF – with the purpose of coordinating all joint activities related to online training and capacity building for HOAs. The WG actively works on the development and coordination of topics and schedules of online training sessions for HOAs and municipalities, aiming at addressing all essential and critical issues in a joint manner.

Finally, the Donors' Coordination Meeting, held on a biweekly basis at the premises of the IFC and online since March 2020, continues to serve as a coordination mechanism between all partners of the EE4U programme, including UNDP, IFC, GIZ, the Ministry of Communities and Territories Development and the EEF.

At the regional level, UNDP works on the basis of its pre-established partnerships with all oblast state administrations and councils, under the recently signed Memorandum of Understanding for Sustainable Development, which is relevant to the proposed interventions and expected results of the Project. UNDP community development associates ensure that regional (oblast) authorities are properly informed about the Project, advocate for its support, as stipulated by the MOUs, and regularly invite authorities to participate in key project events.

At the local level, the Project closely cooperates and coordinates with municipal councils and rayon (district)/ATC councils to ensure the successful mobilization of homeowners and their institutionalization in associations. Coordination is sustained through ongoing consultations with local authorities and their involvement in capacity building events. Representatives of local authorities are always invited to training sessions and exchange visits organized at the local level. As of the end of reporting period, 332 municipalities and rayon (district)/ATC councils expressed their interest in and support for the Project. Some have already developed and approved local programmes for support to HOAs willing to implement EE activities and/or willing to apply to EEF, which stimulate the mobilization of HOAs in the respective regions and could be further aligned with EEF's grant programme to generate the maximum positive momentum.

## 2.4. Challenges and risks

Since March 2020 new challenges arose with the COVID-19 pandemic, both for the Project and its final beneficiaries and stakeholders.

The risk of coronavirus infection for project staff both in the central and local offices was immediately mitigated by changing working arrangements and switching to telecommuting mode. Still the risk has been gradually increasing over time, as the situation is escalating. All relevant information and training was provided to staff, including the webinars facilitated by highly qualified WHO specialists on infection risk mitigation and stress management facilitated by UNDSS Stress Counsellor, in order to ensure the good physical and mental health of the staff.

There was a risk of a significant slowdown or full stop of the Project's activities in the regions due to restrictive measures and/or existing legislative limitations (e.g., formal procedures for establishing HOAs and making management decisions through homeowner voting). This risk was partly mitigated by applying alternative, but still legitimate ways of making joint decisions (based on a prior analysis of legislation and testing in practice). Additional mitigation measures were developed to minimize the impact of the restrictive measures and allow the implementation of the planned activities in an alternative setup, ensuring the attainment of the set targets. In particular, the Project had to reorganize its activities due to widespread restrictions on mass gathering and travel. Project activities, including consultations provided to its final beneficiaries and training delivered by CDAs, switched to an online format using digital tools. The Project intensified remote individual consultations (using various telecommunication means), online meetings with



HOAs leaders, on demand webinars, webinars with invited experts on critical issues, and virtual experience exchange visits to HOAs that successfully implemented EE solutions.

Another identified risk is related with the fact (confirmed by the findings of the joint UNDP/FAO/UN Women survey of HH conducted in May-June 2020<sup>5</sup>) that under the current situation and existing trends the incomes and savings of Ukrainian households will further decrease, thus not only low-income homeowners but also homeowners previously interested in applying to the EEF will not prioritize the investments in the EE of their houses. To address the risk, the Project will initiate a dialogue with local authorities in target communities aimed at identifying solutions for these groups of beneficiaries.

A remaining risk is the insufficient motivation of homeowners to organize and establish homeowners' associations. Notably, Ukrainian homeowners residing in multi-apartment buildings do not feel responsible for their buildings, considering the city communal service (ZHEK) as the only responsible party for the good maintenance of the entire multi-apartment building. To address the risk, the Project provides residents of multi-apartment buildings with clear and understandable information about building management. The Project strengthens its communication campaign, prepares publications and videos with success stories, and explores international practices from neighboring countries that are applicable in the national context. Moreover, the Project continuously monitors and assesses the training needs of FGs and HBCs, as well as HOAs. Based on the results of training needs assessment, the Project enhances the training curriculum and delivers additional and specialized training sessions (e.g., on accounting, residential building's lifecycle, communication, etc.).

The key challenges to the HOAs identified by the Project and provided as feedback from supported HOAs can be generalized and grouped as follows:

- A number of HOAs expressed interest in applying for grants from the EEF but suspended their decision due to:
  - the long application assessment period – of both the bank and the EEF;
  - high interest rates on loans offered by Ukrainian banks (18% +);
  - insufficient coverage by the local branches of the EEF's partner banks;
  - significant changes in the income of homeowners due to the COVID-19 crisis, making them unable to take and repay a loan;
  - a growing need for support from local resources (municipal programmes), while at the same time the support programmes for HOAs were underfinanced due to the COVID-19 crisis and local elections;
  - the existing municipal programmes for supporting EE are underfinanced due to COVID-19 crisis and its impact on the fiscal system;
  - some regions were faced with difficulties in getting their energy certificates issued, partially due to unavailability of specialists or the long timeframes for processing the documentation;
  - in a number of cases – in particular for old apartment buildings – there was a lack of a full documentation package, which caused problems in obtaining the energy certificates;
  - some heat supplying enterprises are not prepared for the energy modernization of buildings and slowed down the process of energy retrofitting;
- Difficulties in accessing information about co-owners in the register of technical inventory bureaus.
- Private/municipal managing companies owned by the local government representatives still pose a serious obstacle to establishing a HOA. Their owners have no interest in changing the management

<sup>5</sup> See [https://www.ua.undp.org/content/ukraine/en/home/library/democratic\\_governance/covid-19-in-ukraine--impact-on-households-and-businesses.html](https://www.ua.undp.org/content/ukraine/en/home/library/democratic_governance/covid-19-in-ukraine--impact-on-households-and-businesses.html)



of multi-apartment buildings and try to prevent homeowners from establishing HOAs by arguing that there will be higher communal bills and a lower quality of services provided;

- The managing companies' (ZhEKs, managers of multi-apartment buildings according to the Article.9 of the Law of Ukraine # 417) interference in the operation of multi-apartment buildings without consent of the homeowners;
- A lack of information targeting municipalities on the latest changes in the legislation covering the management of multi-apartment buildings;
- A lack of initiative and support from local governments as the owner of non-privatized apartments – the absence of an authorized person responsible for non-privatized apartments;
- Privatized and 'abandoned' apartments, especially in the eastern regions. The problem requires a comprehensive legal solution on behalf of the state. The abandoned apartments in fact are left without maintenance due to the failure to find their legal owners, the establishment of a HOA is a challenge.
- Most of the regional/municipal programmes for supporting HOAs and the EE end in 2020, while their continuation will depend on the policy of newly elected representatives of local governments.

Some specific challenges are faced by pre-existing, but poorly functioning HOAs:

- A lack of the necessary knowledge about the HOA's activity and management at the level of head of the HOA;
- The establishment of some HOAs was not in line with legislative requirements<sup>6</sup>.
- Issues in contracts with monopolists ("OblEnergos") for purchasing energy for common premises<sup>7</sup>;

And some specific challenges are faced at the stage of registration of new HOAs:

- A lack among state registrars of a common approach to the registration of HOAs<sup>8</sup>;
- Despite the extraterritoriality of registration in Kyiv/Kharkiv, registration offices refuse to register HOAs from other districts.

## 2.5. Communication strategy and communication implementation plan

The Project's Communication Strategy sets the following objectives:

- to raise the awareness of target groups and other interested parties of the rights of co-owners of multi-apartment buildings and ways of ensuring the rights of co-owners according to Ukrainian legislation;
- to provide existing HOAs and initiative groups with information about Energy Efficiency Fund programmes and funding mechanisms;
- to establish effective communications between the project, the Energy Efficiency Fund, partner projects, national and local authorities, local self-government bodies, and other stakeholders to increase the number of HOAs and boost their involvement in energy efficiency programmes.

<sup>6</sup> Violations noticed in Kharkiv oblast: one HOA consisting of 50 apartment buildings registered in Merefa, one HOA consisting of 17 apartment buildings registered in Volchansk, one HOA consisting of 49 multi-family buildings registered in settlement Vodolaga, two condominiums 5.9 houses in each registered in Malynivka.

<sup>7</sup> Oblenergo made HOAs to install metering device for the building and cover difference between individual flat meters and the general meter for the building.

<sup>8</sup> Different districts in Kyiv have different requirements for registration of the newly established HOAs. The same situation observed in Kharkiv region.



The overall goal of reaching not less than one million people and increasing their awareness of energy efficiency was a cornerstone of the Communication Implementation Plan, which was updated and successfully implemented over the reporting period (*Annex 10*). The use of properly selected communication tools expanded the coverage to over **807,718** people during the reporting period (*Annex 11*).

Additionally, the project organised a series of online events such as exchange tours, “coffee breaks” with HOAs, etc., which came as a direct initiative from the UNDP community development associates. Activities also included a series of interregional seminars for journalists on writing about topics related to housing sector reform (including HOAs issues) and energy efficiency, which were initiated in July 2019, followed by three events in November 2019.

#### *Social media reboot*

With the COVID-19 outbreak, social media channels have become increasingly important in terms of the dissemination of reliable information. Therefore, online communication throughout official UNDP in Ukraine media channels was enhanced by increasing the amount of information shared. Consequently, the fraction of the audience which was covered through the UNDP website, Facebook, Twitter, LinkedIn, YouTube, represented a very large part of the total share of the overall audience – amounting to **314,501** people during the reporting period (*Annex 12*).

#### *Series of success stories*

Coupled with improving the level of energy efficiency throughout the country’s 24 regions, HOAs started accumulating best practices and success stories related to homeowners’ comfort in their apartments, maintaining of housing infrastructure, obtaining housing and communal services at a fair price and, of course, the response to the COVID-19 pandemic. The Project consolidated the field experience online, on a Trello board, and produced a series of success stories, videos and engaging posts both on Facebook and Twitter.

#### *Regional training sessions for journalists*

Training sessions for local journalists on preparing materials for the media on the topics of HOAs and EE were held in Vinnitsa, Ivano-Frankivsk and Chernihiv in November 2019. The main challenge noted during the training of journalists was the insufficient interest of the media in HOA activities, which are not on top of the information agenda. Thus, to attract more interest to HOAs activities, these trainings for journalists were organized as back-to-back events with other event organized or co-organized by the Project, e.g., the II Vinnitsa HOAs Forum, the Fifth International Investment and Economic Forum in Ivano-Frankivsk, and the Chernihiv Forum on Finance for HOAs. Journalists had the opportunity to talk to the heads of HOAs, city officials, experts in the field of housing and communal services and energy efficiency, to prepare interviews.

This combination of approaches did bring results: The Project’s CDAs provided a large number of info sessions within their day-to-day work by delivering training and related activities, intensifying interest among the targeted audience. Consequently, local media reacted to the emerging interest of the population and demonstrated an increasing involvement with the subject.

#### *Thematic motivational videos prepared and broadcast on local TV channels.*

To encourage the population and explain the advantages of HOAs, motivational videos were recorded on various topics, including a history of Homeowners Associations (HOAs) in small and medium-sized buildings (Zhytomyr, Cherkasy Oblast, and Kyiv). HOA success stories about the implementation of energy-efficient solutions have turned into a series of eight videos that were aimed at local TV channels. These videos were broadcast over a period of eight weeks on 20 regional TV channels (*Annex*



13) with an extension of broadcasting until 31 December 2020 on “UA: Перший” 24 regional branches. The first broadcasts were scheduled for 20 October 2019. The videos can be viewed at:

Video 8 <https://business.facebook.com/tviydimtv/videos/784042745394459/>

Video 7 <https://business.facebook.com/tviydimtv/videos/552615142228919/>

Video 6 <https://business.facebook.com/tviydimtv/videos/493163784630363/>

Video 5 <https://business.facebook.com/tviydimtv/videos/614987159331904/>

Video 4 <https://business.facebook.com/tviydimtv/videos/472163966982422/>

Video 3 <https://business.facebook.com/tviydimtv/videos/396305571249475/>

Video 2 <https://business.facebook.com/tviydimtv/videos/445348049445534/>

Video1 <https://business.facebook.com/tviydimtv/videos/2271780182932477/>

The videos were provided to Ministry for Communities and Territories Development for further dissemination among the regional authorities to ensure additional broadcasting in the regions.

#### Publications and reference materials for HOAs

The reporting period was fruitful in terms of the production and revision of a series of publication products, namely:

- The second edition of the Manual on HOA establishment and management (*Annex 14*).
- The “HOAs in Housing Building Cooperatives” leaflet (*Annex 15*).
- The updated Manual on Accounting for HOAs (*Annex 16*).

The communication materials developed by the Project were soon uploaded to the integrated online communication platform for EU projects in Eastern Partner countries – EUDIGITOOL. The Project’s communication staff regularly participated in training sessions and workshops organized by the EU Delegation to Ukraine on the various aspects of using the platform.

*Figure 7. An example of visibility elements in the materials prepared by the Project*





### 2.5.1. Visibility

During the implementation period, outreach activities entailed a large number of visibility activities, including publications, presentations, posts in social media, articles and others. All outreach and communication activities were developed in line with the Joint Visibility Guidelines for EC-UN actions in the field<sup>9</sup> and with constant consultations with EU Delegation communication specialists on the design of visibility products. In this context, the Project also referred to the advice and support of UNDP's Country Office communication team, which is in constant contact with the Communications Manager at the EU Delegation to Ukraine. The Project also constantly coordinated its visibility actions with its partners from the EEF and IFC.

A number of informative infographics/outreach materials were prepared, and became either a part of the publications or were presented as outdoor posters. Some of them are listed below and provided in *Annexes 17-22*:

- Infographics “How to create a HOA during quarantine, in six easy steps”;
- Infographics “Homeowners’ meetings during the quarantine and written questions”
- Infographics “How to support homeowners during COVID-19”;
- Infographics “What do I do if cases of COVID-19 are identified in my house?”;
- Visibility materials for online HOAs forums;
- Visibility materials for the EU Sustainable Energy Week.

Figure 8. Infographics “Homeowners’ meetings and surveys during the quarantine



In addition, the Project produced and disseminated among its final beneficiaries a number of visibility items (see *Annex 23*).

<sup>9</sup> <https://ec.europa.eu/europeaid/node/45481>



Photo Credit: UNDP regional development coordinators

### 2.5.2. Media outlets

The main media related activities that have taken place during the reporting period are related to the upcoming opportunities and events organised under the HOUSES project. Specifically, eight national media and 102 regional media publications, and 41 social media post were registered during the period of October 2019 – September 2020 (*Annex 11, Annex 24, Annex 25*).

### 2.5.3. Social media coverage

Using social media networks, the Project reached **314,501** people – tapping into a new audience as well as improving its targeting. Hence, the target audience for social media products was identified (mainly using Facebook data) as men and women aged **35-44 (67% women)** (*Annex 24*). Moreover, social media coverage accounts for 39 percent of overall media coverage.



Photo Credit: UNDP regional development coordinators

### 3. COVID-19 RESPONSE

As mentioned above, the Project had to adapt its operational model in order to respect COVID-19 related limitations, while still continuing its work.

The following specific measures were introduced by the Project:

- The Project office in Kyiv and all 24 regional coordinators (RCs) switched to a telecommuting work modality, and continue performing their duties as effectively as possible under the current restrictions;
- The Project purchased additional IT equipment in line with the approved budgetary allocations to support smooth telecommuting processes in the regions during the COVID-19 pandemic;
- The Project ensured there was daily Health Status Monitoring and other security measures as per UNDP internal regulations.

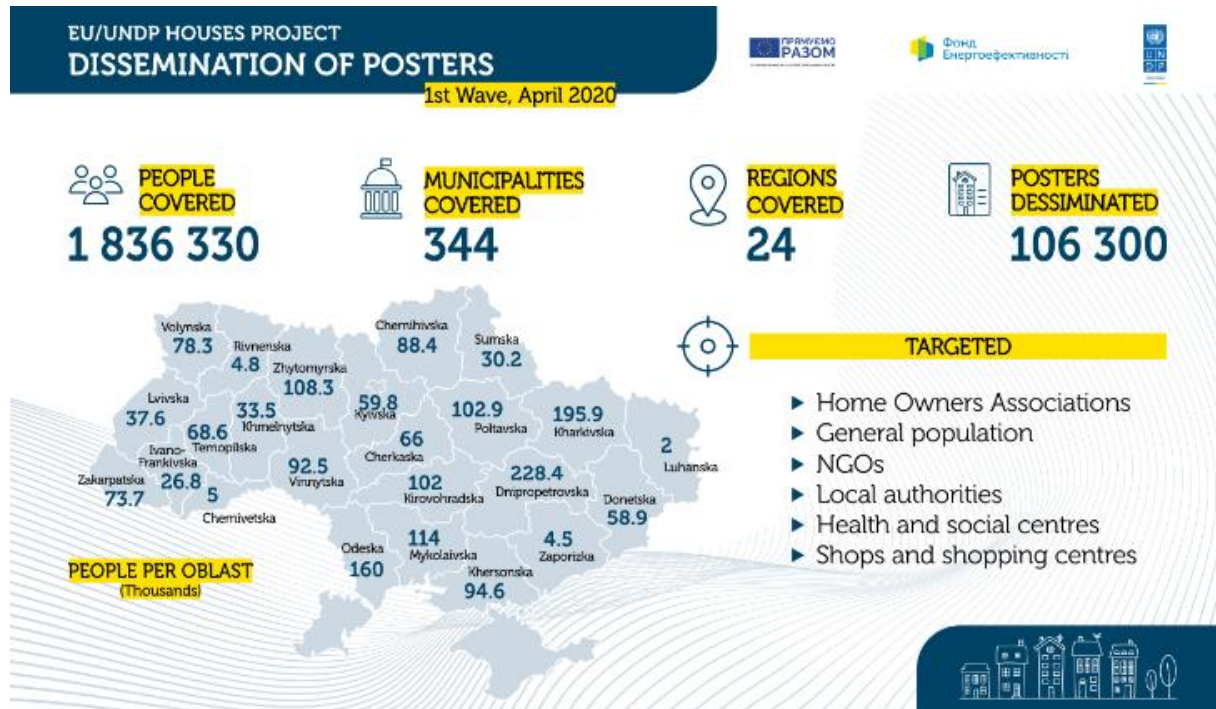
In addition to the regular activities, the Project: actively supported HOAs and partner municipalities by providing them with relevant information from reliable sources (World Health Organization (WHO), the United Nations International Children’s Emergency Fund (UNICEF), etc.) on effective protective measures that can be adopted in multi-apartment buildings (e.g., informing the population, proper and timely disinfection, virus-related risk mitigation measures).

Based on this information, the Project prepared and printed 106,300 copies of the poster “How to protect yourself from coronavirus.” The posters were sent to all regions of Ukraine and were handed over to condominiums, local self-government bodies, regional administrations and other institutions. A total of 344 municipalities were covered, with about 1.8 million people being reached in April 2020.





Figure 9. Geographical coverage by the Project's COVID-19 information campaign (first phase)

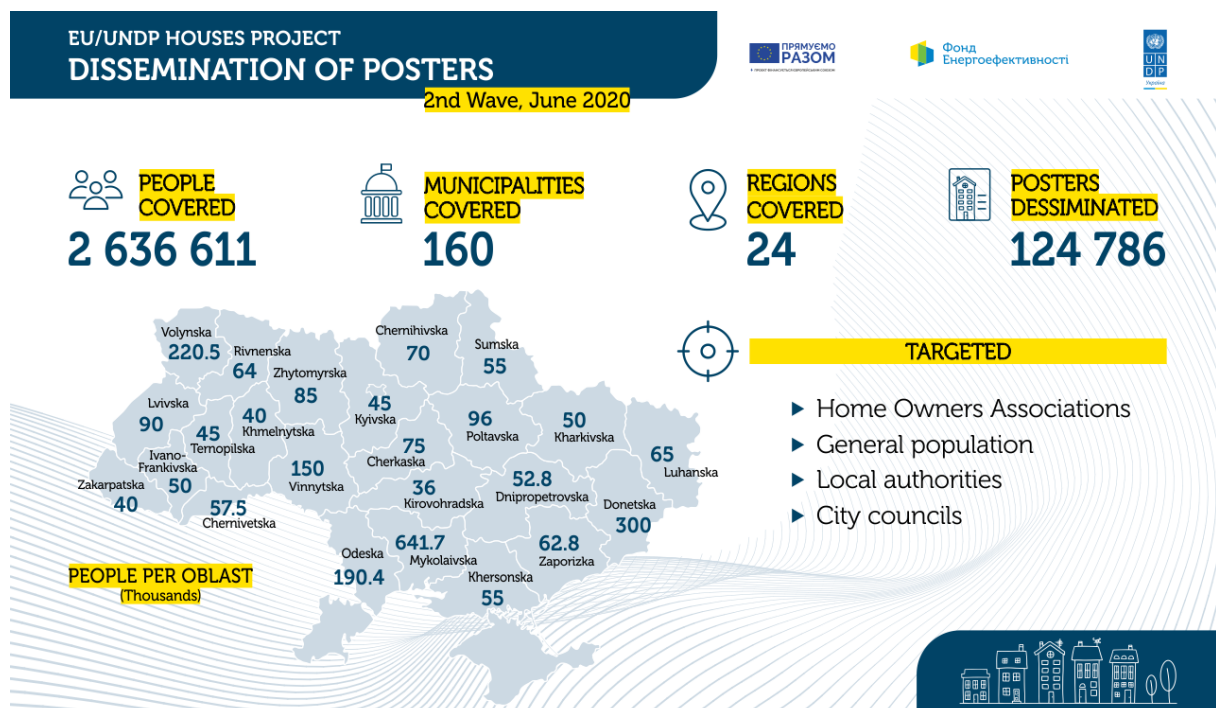


Based on the further assessment of HOAs residents' needs in the time of the pandemic, two types of posters were developed with recommendations on how to ensure a better local response to COVID-19:

- How to ensure residents' safety if there is an infected person in a multi-apartment building;
- How to ensure awareness of and support for vulnerable people in your multi-apartment building.

150,000 copies of these posters were printed and disseminated in 24 oblasts among the residents of multi-apartment buildings in 160 municipalities, reaching approximately 2.6 million people (2,636,611).

Figure 10. Geographical coverage by the Project's COVID-19 information campaign (second phase)





The Project continued to identify and disseminate the best practices on risk-reduction and social solidarity. Four videos on HOAs' responses to COVID-19 were prepared and disseminated in social media and on the municipalities' websites, with an overall reach of some 60,000 beneficiaries<sup>10</sup>. The Project is ready to support joint communication efforts towards COVID-19 prevention in addition to sharing materials developed by UN agencies.

In response to requests from HOAs, the Project organized two webinars entitled "COVID-19 – legal and psychological aspects of the situation and risks mitigation for Ukrainian Homeowners' Associations," held on 7 May and 4 June 2020, and both of which were attended by some 475 participants. Experts from the Centre for Public Health of the Ministry of Health, WHO, and the United Nations Department for Safety and Security (UNDSS) provided information on safety measures during the COVID-19 pandemic, especially in case of there being an infected person in a building.

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10 Links to the videos:

[ОСББ в умовах карантину: досвід Херсона](#)

[ОСББ в умовах карантину: досвід Рівного](#)

[ОСББ в умовах карантину: досвід Тернополя](#)

[ОСББ в умовах карантину: досвід Сум](#)



*Photo Credit: Oleksandr Symonenko/UNDP Ukraine*

## 4. Lessons Learned

During the current phase, the Project implementation the following important observations were made, which will inform planning for future effective activities to support the creation and capacity building of HOAs, as well as stimulate their active participation in the EEF programmes.

1. The homeowners' awareness of rights and responsibilities in relation to their status of the co-owners of multi-apartment building, as well as their understanding of existing options for the management of their property within the existing legislative framework, pre-determines the success of establishing new HOAs. Consequently, wide dissemination of this information among the homeowners creates a supportive environment and makes it much easier for those active homeowners who have formed initiative groups and started the process of establishing a HOA. From a practical point of view, this means that massive outreach campaigns targeting not only the co-owners themselves but also other groups that might be influential, make much sense and have to be planned for the future.

2. Support to the newly created HOAs, especially in the early years of their formation and beginning of active functioning, is critically important. Many of the suspended or "dormant" HOAs could not cope with the difficulties they faced at the beginning of their activities. Thus, the provision of support at this stage is a primary task, which calls for joining the efforts of local authorities, HOAs associations, and other stakeholders interested the success of HOAs and need support from TA projects.

3. Support from local authorities to the establishment and operations of HOAs, as well as their initiatives aimed at improving the energy efficiency of the housing stock, is critical and allows to achieve the best results. In the current situation of decreasing incomes and limited financial capacities of the majority of households to invest in energy efficiency projects, such assistance is key to the success of energy efficiency reform in Ukraine. Therefore, local authorities, including the leadership of municipalities, heads and leading specialists of responsible departments, deputies of a local council, etc., should be encouraged and motivated to provide such support to HOAs. Through competitions of



best practices, facilitation of experience exchange among the cities and communities, additional incentives can be generated for mayors and deputies of local councils, to pay attention to the problems of HOAs and helping in their resolution.

4. The all-Ukrainian community of active HOAs and their associations, is a powerful engine which can play an outstanding role in spreading the ideas of energy efficiency, as well as promoting the products of the EEF among its potential beneficiaries. Continued support for the All-Ukrainian Forum of HOAs, active participation in its work and maintaining the established partnerships with this active community will help the EEF to overcome the barrier of hesitation and reach the maximum number of HOAs. Involving them in the development of new products of the Fund and getting their feedback will help to make these products closer to the needs of HOAs while remaining effective in terms of ensuring the best results in energy saving and reducing greenhouse gas emissions.

5. Local energy efficiency support centres in some cases become multifunctional platforms for capacity development of HOAs and centres of expertise. The popularization of modern EE solutions, access to technologies and supplier catalogues, as well as the opportunity to get experts' advice are important factors for the penetration of EE ideas into the HOAs environment at the local level. Such positive practices should be identified and promoted throughout the country. Exchange of experience between cities and individual energy efficiency support centres are also very helpful.

6. The municipal programs for support to HOAs are the important sources of affordable co-financing for their EE initiatives. In the context of the multi-factor crisis caused by the COVID-19 pandemic, the priorities of local authorities are floating away from EE and their attention is focused on other pressing issues. Therefore, it is important to prevent suspending and/or underfunding of such programs, attracting attention and encouraging the local authorities to allocate sufficient funding in their budgets and align their local programmes with the EEF's grant programme.

7. Revolving Funds (RFs) established at a local level with support from local authorities can play a significant positive role in accelerating the processes of thermo-modernization of the multi-apartment housing stock. The existing positive experience of the functioning RFs worth distributing and replicating the successfully tested models in cities and settlements across the country. UNDP experience shows that the best results are achieved through the formation of multi-stakeholder cross-sectoral partnerships, as well as through pooling resources of several local communities, which can form their joint RFs.

8. Further development of the energy audit services market in Ukraine is critical for the successful implementation of the energy efficiency reform in general and for further enhanced participation of the HOAs in the EEF's programs. It is important to improve the quality of the services provided (i.e., the qualifications of energy auditors) and, at the same time, ensure fair and transparent competition on the market. The creation of online marketplaces for services provided to HOAs, in particular, services of the energy audit, could significantly improve access to such services for HOAs, especially for those located in small towns and settlements.

9. HOAs play an essential role in countering the spread of the coronavirus and addressing the impact of COVID-19 pandemic on the communities. Their active leadership, as well as ability to swiftly disseminate important information, mobilize resources and find innovative solutions to ensure the safety of residents of multi-apartment buildings, and support the representatives of vulnerable groups living in their houses and neighborhoods make them a unique driving force that can be employed to combat the pandemic.



10. Continuous communication is essential. This observation is equally applicable for:

- a) communication between the local authorities and homeowners, which result not only in the increasing number of established HOAs but also to in EE projects initiated by HOAs;
- b) communication between HOAs within the same city or settlements and with HOAs from other cities and settlements. Such communication allows to share and replicate the best practices and EE solutions;
- c) communication between representatives of local authorities helps them to learn how to support HOAs by their local programmes more effectively.



*Photo Credit: Oleksandr Symonenko/UNDP Ukraine*

## 5. PLANS FOR THE NEXT PERIOD

The Project is implemented in accordance with the signed no-cost extension, a 2020 workplan (AWP) adjusted to take into account COVID-19 limitations, and a Business Continuity Plan (BCP), which has been developed with the purpose of addressing challenges related to the COVID-19 pandemic and proposed mitigation measures to minimize its impact on the Project's activities.

The next wave of the Project's awareness-raising activities is scheduled for October – December 2020 (synchronized with the stages of the training cycle during the Project's implementation period) and aimed at involving the public at large, including regional and local authorities, as well as local communities in all 24 oblasts of Ukraine and the city of Kyiv.

This will include the dissemination of motivation videos on HBCs and Revolving Funds, regional and national contests for HOA best practices, specialized information materials to support both existing and newly established HOAs, and providing HOAs with updated information on the "ENERGODIM" programme.

Considering the high demand for cluster webinars and specialized training sessions on the establishment and functioning of HOAs, and on accounting and the maintenance of the buildings, the Project will proceed with creating an online training course for HOAs that will include these three main topics. The launch of the online course is expected in December 2020.

The Project will also continue to provide training for HOAs, including regional online training on accounting planned for October 2020 – March 2021. The Project will proceed with providing support to newly established and pre-existing HOAs in identifying their buildings' energy efficiency priorities.

The Project's outreach activities will be focused on a) providing information to HOAs on EEF opportunities such as the "ENERGODIM" programme, and b) on developing/strengthening HOAs' knowledge and understanding of the financing application process. At this stage, the Project plans to continue its specialized



online training, which will be coupled with targeted consultancy support. As the content of training sessions will be focused on the financial possibilities provided by the EEF, it is planned to ensure there is close cooperation with EEF specialists, involving them in specialized online training sessions and webinars.

With the aim to identify ways to boost applications by supported HOAs to the EEF, the Project plans to proceed with brainstorming sessions involving all parties concerned – the EEF, IFC, GIZ and the Ministry for Communities and Territories Development.

To ensure the sustainability of project's results, the team will concentrate on a number of important activities:

- Working with municipalities – given that almost half of the municipal programmes for supporting HOAs and EE will end in 2020, their continuation will depend on the policy of newly elected representatives of local governments. Other municipal programs are at high risk of non-financing due to the COVID-19 crisis. Thus, the Project plans to work with municipalities to motivate them to support HOAs;
- Working with local institutions that support HOAs, intensifying exchanges with such local institutions as associations and resource centres for supporting HOAs and EE, etc. to enable them to support HOAs on their way to EE;
- Supporting HOAs in their access to free professional legal assistance. The project plans to organize a series of tailored training sessions for professional lawyers, who will later support HOAs in the regions.
- Supporting HOAs in their communication with monopolist utility providers.

Considering the significant impact of COVID-19 pandemic on Project activities in all regions of Ukraine, and taking into consideration the current situation and trends, a further project extension for several months would help to ensure that all targets are achieved, and that the results are sustained through linking the supported HOAs with the EEF and strengthening the institutional infrastructure for support to HOAs across the country.



## ANNEXES

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- Annex 5** – Participation of local officials in training sessions per oblast
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- Annex 7** – List of HOAs on the way to EEF
- Annex 8** – First edition of the Manual on accounting for HOAs
- Annex 9** – List of offline forums and conferences supported/organized by the Project
- Annex 10** – Communication Implementation Plan
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- Annex 14** – The second edition of the Manual on HOA establishment and management
- Annex 15** – The “HOAs and Housing Building Cooperatives” leaflet
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- Annex 17** – Infographics “How to create a HOA during quarantine, in six easy steps”
- Annex 18** – Infographics “Homeowners’ meetings during the quarantine and written questions”
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- Annex 21** – Visibility materials for online HOAs forums
- Annex 22** – Visibility materials for the EU Sustainable Energy Week
- Annex 23** – Design of visibility items (memory sticks, cups, eco-bags, information desks)
- Annex 24** – Analysis of the Facebook data
- Annex 25** – YouTube data
- Annex 26** – Interim Financial Report
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