

Wolfgang Mössinger
Consul General of Germany
Donezk (Office Dnipro)

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Dear Guests

Let me first thank the company DTEK for organizing this conference which deals with a very topical and important issue for the economic development of Ukraine: the coal industry. A regular supply of coal remains crucial for Ukraine's energy security as coal provides over 40 % of primary energy source to Ukraine's power production. The trade blockade with the occupied areas therefore poses a real threat to this security and adds to the necessity of reforming the energy sector and of fundamentally changing behavioural patterns of the State, Industry and the population at large.

Immediately after the beginning of the Russian aggression against Ukraine, the German Government passed an Action Plan on Ukraine outlining five main directions of our support. One of these directions is to modernize the energy sector and to increase the efficient use of resources.

Within the field of Energy Sector Reform and Energy Efficiency Improvement we work in four major programs:

1. Our main implementing agency GIZ works within the Energy Efficiency Program on four different levels:

- on the national level we consult with the Ukrainian Government and the lawmakers on energy efficiency reforms. Political consultations and position papers focus on the regulatory impact of the Draft Law on Energy Efficiency, give methodological recommendations on improving Energy Efficiency in buildings and suggest minimum criteria to energy audits and auditors.

- on the regional level GIZ supports municipalities in their energy management system. In the second phase of this program, 20 small municipalities all over the country have been chosen on the basis of a thorough tendering process in which the competing municipalities had to prove their readiness to adopt wide ranging reforms. I am very happy to say that one of those municipalities is within Dnipropetrovsk Oblast: the town of Pokrov. Other participants in the program in the Eastern part of Ukraine are the towns of Tokmak (Zaporizhzhya Oblast), Pervomajsky and Izyum (Kharkiv Oblast), Dobropillya and Myrnohrad

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Oblast).

- On a more specialized level GIZ develops two pilot projects in the cities of Sumy and Chernihiv in using energy more efficiently in hospitals.
- Finally within this program on a very practical level, GIZ supports the development of advisory services for companies through training for technicians and managers, supporting pilot projects and consults with ministries on incentive mechanisms and programs. Part of this component was the further qualification of audit companies. Based in the premises of two Chambers of Commerce in Ukraine, in Dnipro and in Lutsk, a German expert enabled pre-selected companies in becoming energy auditors according to German standards.
- But it is not only GIZ that supports municipalities in becoming more energy efficient. Through a loan of 24.5 Mio € enhanced by a grant of 1 Mio € for accompanying measures, our Bank KfW supports municipalities with a focus on thermal modernization of public buildings.

2. Another direction of GIZ work is the program “Green Economy”. Dnipropetrovsk Oblast was one of only two pilot regions of this program. Very tangible results have already been achieved thanks to a Memorandum of Understanding between GIZ and the Oblast Council, many companies could benefit from the expertise of GIZ in using more environment friendly and more efficient technologies. I am still impressed when I remember a conference, held in the premises of the Oblast Council in 2017, when dozens of local companies presented their latest achievements and technological enhancements. It showed once again, that private businesses, especially small and medium-sized and family run businesses are often far ahead of what is the regulatory requirement.

In the framework of this program, a particularly serious health hazard in Dnipropetrovsk Oblast was tackled: the problem of excess mine water in the City of Kryvyj Rih.

With the help of national experts and international consultants the most appropriate options for a long term improvement of the mine water management in the Kryvyj Rih area have been studied.

All relevant stakeholders of the region were involved: Oblast Council and Administration, large enterprises who discharge the excess mine water into the environment, scientists and civil society organizations.

Finally, the Oblast Council took the decision to select one alternative: the discharge of excess mine water from the collection pond to the Black Sea.

The study, financed by GIZ, was able to elaborate the engineering design for this option. Let me ponder a little longer on this example as it shows the possibilities of an inclusive process in finding solutions to environmental problems.

We have visited yesterday thanks to the generosity and hospitality of DTEK the Pridniproviski Power Station which causes a lot of concern for the local population due to the high air pollution.

An inclusive approach as demonstrated in the development of the study concerning the Kryvyj Rih mine waters would certainly help to enhance the mutual understanding: for the company, the affected population and the political decision makers on the local, regional and national level.

Another example of this approach is a project developed by the Consulate General together with Metinvest and universities and authorities in Mariupol: how to improve the air quality in that town which has the doubtful reputation of being the most polluted in the country. There, we developed a master plan which, whenever financial means are available, can serve to start mitigation measures immediately.

3. Another major concern for improving energy efficiency is the power transmission system. KfW is working with UkrEnergo in improving its reliability, efficiency and integration into regional networks by rehabilitating and automatizing substations, two of them inside Dnipropetrovsk Oblast.

4. Finally coming back on the level of ordinary citizens: through a program financed by our Ministry of Economy called “Initiative Energy efficiency Ukraine” we support owner associations in multi-storey apartment blocks (“OSBB”) in becoming efficient managers of rehabilitation projects.

In two different directions, we enable these associations to perform wide ranging measures to make life in these houses at the same time cheaper and more comfortable:

we train project managers and we support 20 pilot projects them with grants. One of the selected projects is in Zaporishsja, but we will widely distribute the results of these pilot projects so that associations all over the country will benefit from the experience.

We consider these owner associations which comprise a big part of the population in Cities and Towns as a very good example of grass root democracy. That is why we also support the development of these associations as models for self-help and self-organization thus becoming cradles for local democratic experience.

Why does Germany support Ukraine in such a strong way and why particularly the Energy sector?

There are many reasons but I would like to mention four of them:

1. It is in our own interest that Ukraine remains an independent state. Independent in the real sense of the word, meaning a state, in which the people have the capacity to choose for themselves in which direction they want to develop their country: internally and externally.

Only an independent Ukraine will serve as a support pillar for stability and peaceful development in Europe.

Independence requires the absence of outside pressure, including economic pressure. That is why Ukraine needs to develop rapidly its energy security. Our measures shall help to develop this energy independence by saving energy, developing local sources of energy, like renewables but also being able to continue for a while using their coal reserves.

2. This of course causes another concern: Ukraine cannot detach itself from the biggest task of this generation: to limit climate change to a level that will allow future generations to live on this planet. Our measures shall help Ukraine to fulfil their international obligations and thus contribute to what we all need to achieve: to stop producing environmentally hazardous and dangerous pollution.
3. Our own experience of the so-called “Energiewende” (Energy turn around”) shows that the more decentralized energy production is, the more democratic it becomes. That is why we support local initiatives, propagate inclusive approaches to solve energy and environment issues and why we see lots of synergies between our commitment in the energy sector and our support of civil society organizations.

4. Another, specific German reason for supporting Ukraine is a particularly painful one to mention, but nevertheless it is of importance. The Federal Republic of Germany has been founded on the conviction that Germany should henceforth never again cause war or hardship for other peoples in Europe, but should, on the contrary, be the beacon of peace and mutual respect.

As Ukraine is the country on whose territory the most terrible battles have been fought and which is most likely the country that has suffered most losses during World War II, we in Germany feel a particular obligation to help this country, to help you, to create conditions for a comfortable, peaceful country in which young people are eager to grow up and to contribute with their enthusiasm and their ideas to develop a democratic society. This may be the underlying factor why all democratically minded political forces in Germany stand unequivocally behind Ukraine.

Thank you for your attention.