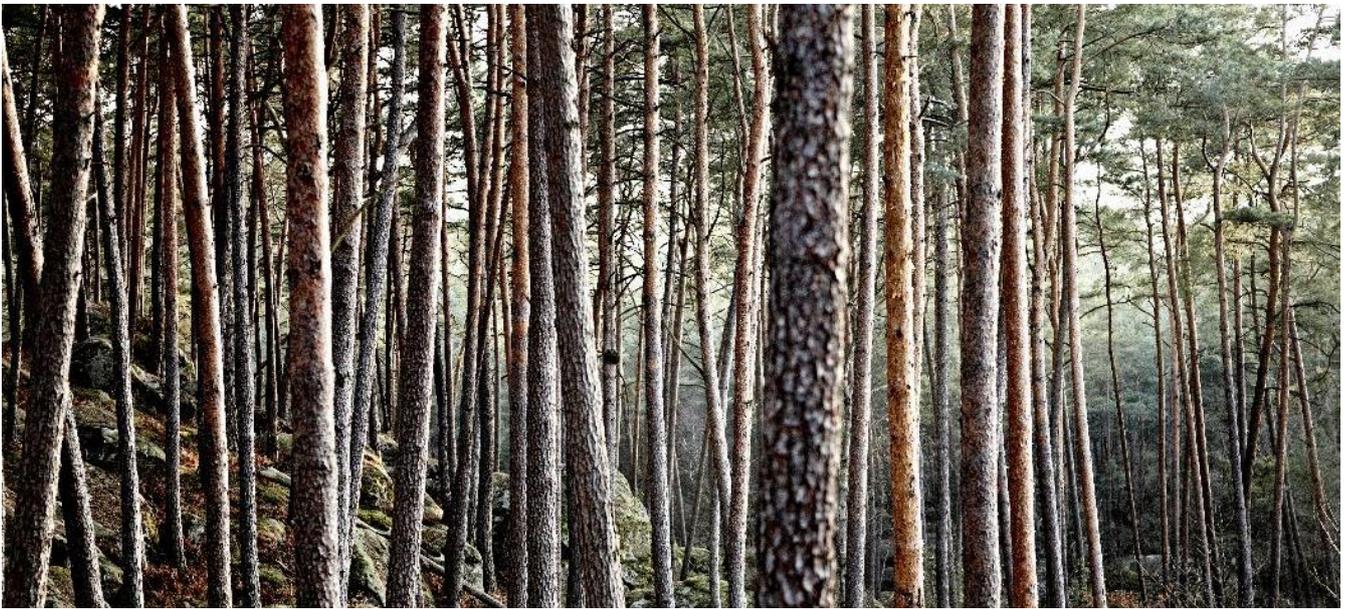


SUDH

SWEDEN-UKRAINE DISTRICT HEATING PROGRAMME VISION STATEMENT

2019-09-10



1 SUDH VISION

Vision Statement – a mental picture of what one wants to accomplish or achieve. For example, a vision may be a successful winery business or an economically active community.

Statements of vision and mission are important so that everyone involved in the programme, including outside stakeholders, understand what the programme will accomplish. In essence this means “keeping everyone on the same page” so they are all “pulling in the same direction”.

SUDH Vision:

An energy-efficient district heating in Ukraine delivering qualitative services with low environmental impact to its customers

2 SUDH MISSION

Mission Statement – a general statement of how the vision will be achieved. The mission statement is an action statement that usually begins with the word “to”.

There is a close relationship between the vision and mission. As the vision statement is a static mental picture of what one wants to achieve, the mission statement is a dynamic process of how the vision will be accomplished.

SUDH Mission:

To promote and demonstrate development of modern and energy efficient district heating with a significant share of production based on renewable and waste heat sources, aiming to meet the EU requirements for efficient district heating.

To contribute to improved and efficiency-based planning of district heating systems.

To facilitate diversification of fuels of Ukrainian district heat generation mix and reduce the use of fossil fuels.

To empower local communities in Ukraine by facilitating access for municipalities and district heating utilities to external financing aiming at strengthening local infrastructure.

3 SUDH CORE VALUES

Core values define the programme in terms of the principles and values the leaders will follow in carrying out the activities of the organization/programme.

SUDH Core Values:

- Transparency and accountability
- Sustainability of project solutions
- Positive environmental and climate results
- Non-discrimination and gender equality compliance

4 SUDH GOALS

A strategy is a statement of how one is going to achieve something. More specifically, a strategy is a unique approach of how one will use the mission to achieve the vision. Strategies are critical to the success of an organization because this is where one begins outlining a plan for doing something.

A goal is a *general* statement of what one wants to achieve. A goal should meet the following criteria:

- *Understandable*: Is it stated simply and easy to understand?
- *Suitable*: Does it assist in implementing a strategy of how the mission will achieve the vision?
- *Acceptable*: Does it fit with the values of the organization and its members/employees?
- *Flexible*: Can it be adapted and changed as needed?

SUDH Goals:

1. Demonstration projects leading to long-term sustainable development of district heating systems in Ukraine.
2. Increased share of RES and waste heat sources for district heating generation.
3. Decreased heat consumption and heat losses in district heating.
4. Decreased environmental and climate impact.
5. Improved quality of district heating services.

5 SUDH OBJECTIVES

An objective turns a goal's general statement into a specific, quantifiable, time-sensitive statement of what is going to be achieved and when it will be achieved.

Objectives should meet the following criteria:

- *Measurable*: What specifically will be achieved and when will it be achieved?
- *Suitable*: Does it fit as a measurement for achieving the goal?
- *Feasible*: Is it possible to achieve?
- *Commitment*: Are people committed to achieving the objective?
- *Ownership*: Are the people responsible for achieving the objective included in the objective-setting process?

SUDH objectives:

1. Implement at least four demonstration projects in different Ukrainian municipalities;
2. Bring Ukrainian district heating systems closer to the EU Energy Efficiency Directive, namely secure at least
 - a. 50% of RES, or
 - b. 50% waste heat, or
 - c. 75% cogenerated heat, or
 - d. 50% of a combination of such energy and heat.
3. Improved quality of district heating services for about 300 000 Ukrainian citizens;
4. Decreased CO₂ emissions by 40-60 000 t/year.

6 SUDH ELIGIBILITY CRITERIA

Eligibility criteria defines what district heating companies can participate in SUDH Programme and thus receive SUDH financing for the projects.

SUDH Eligibility Criteria:

1. 100% Municipally owned district heating company;
2. Municipal authorities strategically support district heating development;
3. Municipality have to comply with NEFCO's requirements on financial stability and is ready to provide a municipal guarantee for the full loan amount;
4. Municipality and district heating company are both ready to borrow in a foreign currency.

The following will be considered as an advantage:

- A clear vision on district heating as a strategic tool to long-term sustainable development;
- Readiness to implement modern approaches to district heating;
- Experience in cooperation with international technical assistance projects.

7 SUDH PROJECTS FINANCING

SUDH project financing:

1. NEFCO loan up to 5.0 MEUR;
2. Investment grant up to 30% of total external funding, but not more than 1.5 MEUR;
3. The district heating company own contribution not less than 10% of total project budget.