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Shaping structural change

Despite the ongoing war, Ukraine plans to phase out coal – and get society as a whole involved



The challenge: Dependent on coal

Although the war continues, Ukraine still intends to achieve its climate goals and meet its international commitments, thereby making the necessary preparations for EU accession. The country plans to phase out coal by 2035 and the Government will therefore shut down unprofitable, state-owned coal mines in the next few years. Renewable energy sources are less exposed to the risk of being destroyed in a Russian attack. In addition to carrying out urgent repairs, the Government is therefore already focusing on the green reconstruction of damaged energy infrastructure. However, the labour market, the manufacturing sector and the economy in coal regions still rely on coal.

Structural change is inevitable and will pose challenges for the people, the economy and the environment: up to 40,000 employees in the mining sector and several suppliers will need to change jobs. Mine closures will have to be carried out professionally to ensure that water and soil can be used for other purposes.

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Commissioned by:	Federal Ministry for Economic Affairs and Climate Action (BMWK)
Implemented by:	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
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Contact:	Miriam Faulwetter, miriam.faulwetter@giz.de

The Government of Ukraine seeks to facilitate a socially, economically and environmentally fair transition in the coal regions.

Our approach: A just transition for all

On behalf of the German Federal Ministry for Economic Affairs and Climate Action (BMWK), GIZ is implementing the Just Transition & Green Energy Sector Recovery Ukraine project, which supports Ukraine in phasing out coal, achieving a just transition, and promoting the green reconstruction of the energy sector. We advise the Government of Ukraine on developing a strategic and legal framework. The core elements of Ukraine's policy on structural change will be incorporated into a national plan. Representatives from politics, the business sector and the public are drawing up and implementing concrete action plans. The Chervonohrad microregion and the pilot city of Mynohrad (the latter currently suspended) serve as models for other coal regions in the country.

Our advisory services focus on building social consensus on the path towards structural change. More than 30 different institutions and organisations are working hand in hand.



Green training programmes: around 300 people have completed initial or further training.

In addition to the Government of Ukraine and local authorities, these include municipal authorities and civil society organisations such as vocational schools and NGOs, coal miners, mining companies and other enterprises. Together they are developing a plan for a socially and environmentally sustainable coal exit, in addition to plans for mine closures and the post-mining transition. Pilot projects highlight the potential of this change.

To accelerate the transition in other coal regions in Ukraine, there are plans to set up a fund, which will allow municipal authorities to apply for financial assistance for a just transition. In addition, a campaign to raise funds and procure equipment will help Ukraine repair damaged facilities while focusing on the green and decentralised development of the energy infrastructure.



The new Chervonohrad industrial park can create more than 3,000 jobs.



‘Solar plants are the future’

Kyrylo Filipow is completing the new training programme for solar technicians at the vocational school in Chervonohrad.

Our results: The renewable energy upswing

What we have achieved so far:

- The Ukrainian Government has set a date for the coal phase-out and is in the process of developing a strategic and legal framework.
- For the first time in Ukraine, ideas submitted by almost 1,500 people from affected communities, institutions and organisations, have been included in the change process.
- Plans of action with a focus on measures for the energy transition and sustainable economic development are being drawn up and implemented for the pilot region of Lviv and for the Chervonohrad microregion. These include reskilling measures for the local labour market and green education programmes for vocational schools. For example, around 300 people have completed an initial and further training course, approximately 50 of them at a vocational school in the area of renewable energy. A concept for an industrial park has also been developed, which will offer more than 3,000 jobs.
- The project involving the closure of the Velyki Mosty mine in the pilot region of Lviv will be prepared in compliance with EU standards and in extensive consultation with the local community.
- With our support, an association of Ukrainian coal communities has been founded which will represent the municipalities in the national dialogue on structural change.
- A Just Transition Fund is planned to be set up in partnership with a multilateral development bank enabling municipal authorities in Ukraine to apply for financial support for the future of their communities.
- Germany supports Ukraine in rebuilding its energy infrastructure by providing the technology. We helped transport around 8,000 items of technical equipment such as transformers, generators and solar panels, which were donated not just by Germany but also by 35 other countries. Urgently required technical equipment worth EUR 12 million was also procured. Thanks to these measures, around 550,000 Ukrainians have access to electricity once again.

‘I believe that solar plants are the future of green energy. The energy sector has been suffering due to the ongoing war – and green energy can be an important step towards reconstruction.’

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GIZ Ukraine
Just Transition & Green Energy Sector Recovery Ukraine
Antonovycha Street 16B
01025 Kyiv, Ukraine
T +38 44 594 07 68
I www.giz.de/ukraine

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On behalf of the
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