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Strengthening Ukraine's wind projects

Insights from the Galnaftogaz experience

The Luha River, which borders the development, serves as a regional ecological corridor that supports bird migration and broader wildlife movement (photo: Vladlena Martsynkevych).

Introduction

The Galnaftogaz wind project is a new renewable energy development in north-western Ukraine.[1] Approved by the European Bank for Reconstruction and Development (EBRD) in December 2024, the project involves a long-term loan of up to EUR 60 million to the project developers Wind Power GSI Volyn and Wind Power GSI Volyn 3.

[1] European Bank for Reconstruction and Development, Galnaftogaz Wind, *European Bank for Reconstruction and Development*, last updated 23 December 2024.

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This funding, alongside contributions from the International Finance Corporation and the Black Sea Trade and Development Bank, will enable the construction and operation of a 147-megawatt (MW) wind power plant. Featuring 39 wind turbines, the facility will be located in the territorial community of Ivanychi within the Volyn oblast. Construction on the project is now underway.

The EBRD has classified the development as a category B project, meaning it considers the environmental and social impacts limited and manageable.[2] However, representatives from Bankwatch, Ecoaction, the Ukrainian Nature Conservation Group, and Ecoclub have reviewed the project documentation and conducted site visits, identifying several issues.

These include procedural irregularities in the national environmental impact assessment process, including inconsistencies in legal entity data and a generally low-quality environmental impact assessment report that fails to evaluate impacts on soil, water resources, and waste management.[3]

There are also concerns about the project's proximity to 11 nature reserves – mostly wetlands of local importance – and the absence of an assessment of potential impacts on biodiversity and protected areas. Additional issues include the impacts of changes in agricultural land use and a failure to include and inform local communities in the decision-making process.

The wind farm currently under construction is not the only one Galnaftogaz has underway. Through its OKKO brand, the company recently announced plans to develop a new 192-MW wind farm[4] slated for the nearby Zaturyntsi territorial community, for which it is seeking an additional EUR 250 million in financing.

Ukraine's current wind farm capacity

In 2024 alone, Ukraine lost approximately 9 gigawatts (GW) of electricity generation capacity due to large-scale attacks by Russia's military.[5] In this context, the development of renewable energy, particularly wind power, has become a key priority for expanding distributed energy sources, strengthening the country's energy security, and achieving energy independence.[6]

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[2] According to the EBRD's project summary document, 'the sites are not located near sensitive receptors and environmental and social issues can be readily assessed and mitigated'. See: European Bank for Reconstruction and Development, Galnaftogaz Wind, *European Bank for Reconstruction and Development*, last updated 23 December 2024.

[3] The environmental impact assessment report cannot be shared publicly and is only available upon request from the developer. All references to the report contained in this issue paper are accurate and based on the information contained in the report.

[4] Alexander Ivanov, Ставка на вітер. ОККО шукає фінансування для будівництва вже другої ВЕС у Волинській області, *NV Business*, 24 April 2025.

[5] Brand Voice - Forbes Advertising, Курс за вітром – чому вітрова генерація має стати пріоритетним напрямком розвитку енергетики України, *Forbes*, 30 August 2024.

[6] Communications Department of the Secretariat of the Cabinet of Ministers of Ukraine, Під головуванням Прем'єр-міністра відбулася нарада щодо розвитку розподіленої генерації, *Government Portal of Ukraine*, 26 March 2025.

Today, the total installed capacity of wind power plants in Ukraine stands at 1.9 GW. However, around 1.3 GW of this capacity is located in territories currently under Russian control, namely in the Donetsk, Luhansk, Kherson, and Zaporizhzhia regions. This effectively rules out any possibility of these plants contributing to the Ukrainian electricity grid. They include the Novoazovsk wind park and the Syvash wind farm, both financed by the EBRD. Since the beginning of the full-scale invasion in February 2022, only one wind energy project – the Galnaftogaz project in Volyn — has secured direct financing from the EBRD.

On 13 August 2024, Ukraine's Cabinet of Ministers approved the National Action Plan for the Development of Renewable Energy until 2030. The plan sets out a target of reaching 24 GW of installed capacity from renewable energy sources and increasing their share in gross final energy consumption to 27 per cent. To achieve these targets, the plan includes the construction of 6.1 GW of onshore wind power capacity.

According to the strategic environmental assessment report for the National Action Plan, wind energy projects pose several significant risks to biodiversity during both the construction and operational phases.[7] These include thedegradation and destruction of natural habitats for flora and fauna due to physical damage, as well as adverse impacts on peatland, such as the disruption of water conditions, peat destabilisation, and increased carbon emissions. Additionally, disturbed areas are prone to colonisation by invasive plant species.

Between 2022 and 2024, a total of 49 wind power plant construction projects were submitted for environmental impact assessment in Ukraine, reflecting the growing scale of investment in the sector. To ensure their long-term success, rigorous social and environmental safeguards must be put in place.

Impact assessment lacks public input

The Galnaftogaz project, in development for several years, underwent environmental impact assessment procedures in 2019, 2020, and 2024. However, the 2024 consultation process was compromised by operational disruptions to Ukraine's environmental impact assessment register, preventing the public from submitting comments on the environmental impact assessment report. This lack of meaningful public participation breached the terms of the consultations.

Importantly, environmental impact assessment reports for wind farms typically assess biodiversity impacts in isolation, without reference to findings from other projects in the same area. Given the company's plans to expand to a neighbouring territorial community, the cumulative impact of constructing multiple wind farms within a single territory should be addressed.

Even when implemented by separate enterprises, such projects can collectively exert significant pressure on ecosystems – altering bird migration routes, disturbing natural habitats, and affecting local flora and

[7] Olga Khandogina, United Nations Development Programme, Звіт про стратегічну екологічну оцінку Плану заходів з реалізації Національного плану дій з розвитку відновлюваної енергетики на період до 2030 року, *State Agency for Energy Efficiency and Energy Saving of Ukraine*, 19 October 2022.

fauna. Conducting a cumulative impact assessment enables a comprehensive and holistic understanding of these combined effects, which often far exceed the sum of the individual project impacts.

Procedural irregularities constitute legal breach

Our research team identified discrepancies between the information presented in the conclusion of the environmental impact assessment and the official data recorded in the state register, specifically regarding the identification numbers of the project developers. The conclusion was issued to a legal entity different from the one registered in the state records. According to the register, Wind Power GSI Volyn 3, under state registration number 43115195, was listed as the project proponent. However, the permit was issued to Wind Power GSI Volyn, under a different state registration number, 42701397.

Such inconsistencies may constitute grounds for invalidating the assessment's conclusion, as they breach the legal requirement to clearly identify the official proponent responsible for the planned activity, as set out in Ukrainian regulations on environmental impact assessment documentation, financing, and the national register[8] as well as Ukraine's environmental impact assessment legislation.[9]

In this instance, the conclusion was issued to an organisation that is neither the actual applicant for the environmental impact assessment procedure nor the economic entity legally recognised as responsible for carrying out the proposed activity.

Report falls short on clarity and accuracy

The environmental impact assessment report for the Galnaftogaz project contains several inconsistencies and omissions that undermine its credibility and completeness. First, the total land area planned for the construction of the wind farm is reported inconsistently. Page 11 of the report refers to a maximum of 50 hectares, while pages 38 and 121 refer to an area of up to 55 hectares.

Second, key environmental impacts were not assessed. The report notes that detailed calculations of the excavated soil volume and the main quantitative indicators for land reclamation will only be conducted at the design stage. As a result, the report contains no assessment of soil impacts. Third, it is unclear how the change in land use was evaluated. The report provides no data on the volume of topsoil to be removed, where it will be stored, how it will be stored, or its chemical composition.

Further important project details are either absent or vague. For instance, the number of wind turbines, their exact coordinates, and the construction timeline are not clearly stated. The report also overlooks the

[8] Cabinet of Ministers of Ukraine, Про затвердження Порядку передачі документації для надання висновку з оцінки впливу на довкілля та фінансування оцінки впливу на довкілля та Порядку ведення Єдиного реєстру з оцінки впливу на довкілля, *Zakon Online*, 13 December 2017.

[9] Verkhovna Rada of Ukraine, Закон України Про оцінку впливу на довкілля, *Verkhovna Rada of Ukraine*, 10 October 2024.

impact of construction waste, referring only to municipal solid waste, without estimating the volume of wastewater generated during construction or describing how it will be collected and discharged.

Figures provided on the number of turbines are also conflicting. The wind farm development plan specifies 33 turbines. However, the two expert assessments featured in the report – formally known as sanitary and epidemiological expert conclusions – refer to a total of 30 turbines. Causing even more confusion, page 24 of the report mentions 39 turbines. These inconsistencies raise legitimate concerns about the reliability of the data and the accuracy of the calculations for the project's sanitary protection zone.

No consideration given to land-use change

The non-technical summary for the project, available on the EBRD website indicates that 25 wind turbines will be installed, which is significantly fewer than the 39 turbines specified in the national environmental impact assessment documentation.[10] The discrepancy exists despite both sources citing an installed maximum capacity of around 150 MW.

As previously noted, the environmental impact assessment contains conflicting information about the number of turbines – variously reported as 30, 33, or 39. These inconsistencies are further compounded by the fact that only 22 land plots are designated for turbine installation. This lack of alignment between project documentation and actual siting makes it difficult to accurately assess the full environmental impact, particularly where irreversible effects on ecosystems are expected.

The total area allocated for the construction of the wind power plant infrastructure is up to 50 hectares, with each plot averaging roughly 1 hectare. Currently, 17 of these plots are leased or subleased by various enterprises. In addition, 22 agricultural land plots within the Ivanychi settlement council area are expected to be used, along with a number of municipal reserve plots, each also measuring up to 1 hectare.

Like the agricultural plots, these municipal reserve lands need to be reclassified as industrial land for energy infrastructure. However, the environmental impact assessment provides no analysis of the consequences of this land-use change or the legal implications of reclassifying municipal reserve land for industrial purposes.

The project area also includes or borders several sensitive environmental features, most notably the Luha hydrological reserve. The Luha River functions as a regional ecological corridor that supports bird migration and broader wildlife movement. However, the environmental impact assessment materials reviewed do not contain any assessment of potential impacts on this reserve or on bird populations more broadly.

[10] AV Group, Non-Technical Executive Summary | Volyn Wind Power Project – Ukraine, *European Bank for Reconstruction and Development*, 5, November 2024.

Public consultations and access to information in short supply

As previously noted, the public hearing on the environmental impact assessment report, held online on 23 February 2024, occurred during a period of instability for the national environmental impact assessment register. Because the platform experienced multiple outages during its rollout, residents were unable to access key documents or meaningfully participate within the legally guaranteed time frame for public review. This significantly limited their ability to understand and respond to the proposed development.

These limitations were evident during our visit to the Ivanychi community, where overall awareness of the project and its potential impacts remains low. This is particularly concerning given the reduced sanitary protection zones in some villages, which may only become a source of contention once the wind farm becomes operational and disrupts the local environment.

As noted earlier, the reclassification of agricultural land and the withdrawal of plots from circulation will affect an extended group of community stakeholders. It is still unclear whether these changes were communicated to, or discussed with, the wider group of landowners within the region.

Although the wind farms will be located within the local community, the companies that own the farms are registered in Lviv. In short, while the local community is likely to experience worse living and business conditions, the taxes and other revenues generated from the operation of the wind farms will go to Lviv instead.

The project developer has stated that landowners will be compensated for harvest losses and disruptions caused by the installation of underground cables. On this point, however, it remains unclear whether the landowners were engaged in a timely and proactive manner.

Finally, based on local reports, the construction works are being undertaken by the Turkish Onur Group. During our visit, no visible information boards or safety notices were present on site, including those providing information to landowners, women, or children. This lack of transparency raises concerns about community safety and inclusion.

Conclusions

While the Volyn wind farm appears to have a lesser impact on biodiversity than the Borzhava Meadow installation – widely reported for its severe disruption of local habitats – and the currently operating wind farm in Runa Meadow, which has also been criticised for significant environmental harm, the current environmental impact assessment report still falls short on several key points.

As noted earlier, the omission of any impact assessment for the Luha hydrological reserve and bird populations is a major gap, particularly given the known ecological importance of the Luha River corridor.

Furthermore, the report is inconsistent in quality across multiple project sites and lacks critical information on how power-line and road construction may affect biodiversity. It also fails to evaluate impacts on nearby nature reserves and protected sites. Since many of the wind turbines are planned for wetland locations, there are additional regional environmental risks, especially regarding changes to the hydrological regime due to construction.

These substantive gaps – both technical and procedural – also undermined the public consultation process, which was incomplete and poorly timed. However, given that construction on the wind farm has already begun, we recommend that Galnaftogaz commission additional research to establish a new protected area within the Ivanychi community and lobby for its local approval.

To mitigate the most pressing risks and improve future project outcomes, the following recommendations should be considered:

Recommendations for the EBRD

- Commission a follow-up biodiversity assessment during peak bird migration and nesting seasons.
- Involve the local community in defining the boundaries, objectives, and future management of the proposed protected area.
- Fund research to explore the feasibility of creating a new protected nature reserve within the Ivanychi community area.
- Promote the reserve's official recognition and approval as a compensatory measure to offset ecological risks.
- Demonstrate alignment with EU biodiversity standards and the EBRD's Environmental and Social Policy through proactive conservation steps.
- Ensure future environmental impact assessment processes include consistent data, comprehensive biodiversity due diligence, and meaningful public engagement, especially in environmentally sensitive or post-conflict zones.
- Inform all community landowners about the potential impacts of land-use changes to their rented and neighbouring properties, and notify all vulnerable groups – especially older people, women and children – about construction work near residential areas, ensuring safety measures are in place for the entire construction period.