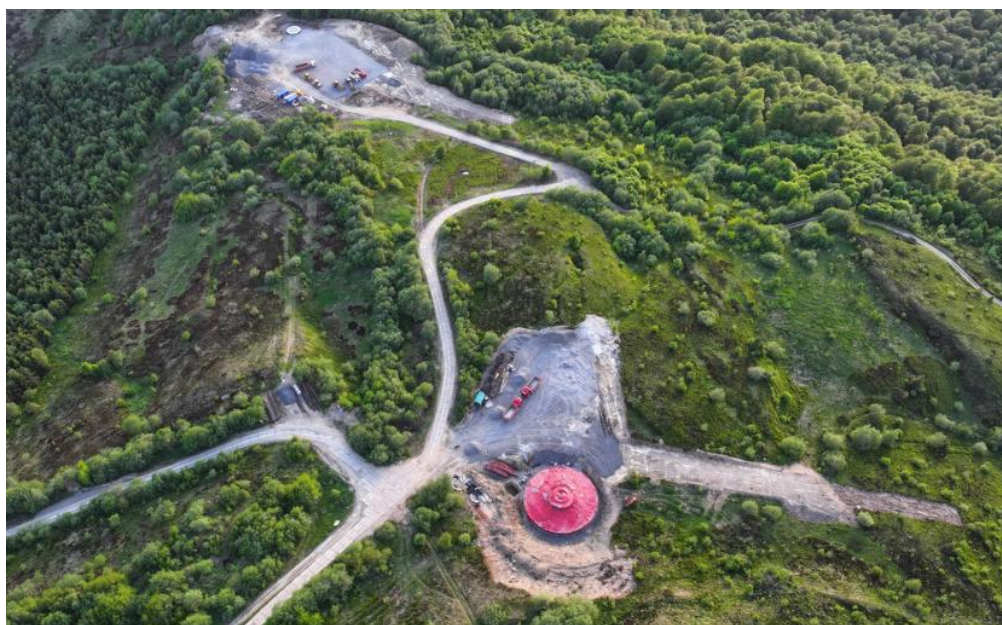


Ukraine's Mount Runa at risk: Why the EBRD and Oschadbank wind farm investment sets a dangerous precedent



Mount Runa wind project site from above, June 2025 (photo: Mark Melnychenko).

With Ukraine's economic and energy resilience high on the international agenda, the European Bank for Reconstruction and Development (EBRD) and other international financial institutions are providing credit facilities to domestic financial intermediaries. These banks, in turn, channel resources to small and medium-sized enterprises active in the energy sector.

In 2024, under the EBRD's Energy Security Support Facility, Oschadbank provided Friendly Wind Technology with UAH 147 million (almost EUR 3 million) to purchase a LIEBHERR LG 1750 self-propelled crane.¹ This machinery is intended to support the construction of a 156-megawatt (MW) wind farm comprising 30 wind turbines on Mount Runa (1,480 metres above sea level) – an ecologically sensitive area in the Uzhhorod district of Zakarpattia Oblast in the Ukrainian Carpathians.²

¹ Oschadbank Press Center, [Oschadbank provided financing for the development of wind power generation in Ukraine](#), Oschadbank, 17 October 2024.

² InVenture, [БЕС на полонині Руна: хто буде проєкт на 156 МВт за €200 млн і чому Мінекономіки дало «зелене світло»](#), 14 February 2026.

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The project has triggered widespread public backlash both in Ukraine and abroad. The European Parliament's annual resolution on the European Commission's 2025 report on Ukraine states that 'green energy production and nature conservation do not need to be mutually exclusive in Ukraine because there are other areas of land already designated for energy infrastructure development, without unique habitats and primeval forests, and with pre-existing access roads'.³ Additionally, the Ukrainian Parliament's Committee on European Integration and Committee on Environmental Policy have held dedicated fact-finding missions and public hearings, including site visits.⁴

Leading Ukrainian environmental organisations contend that the environmental impact assessment (EIA) for the project was severely flawed,⁵ warning of significant damage to local ecosystems, geological structures, soil, water resources, rare species of flora and fauna, terrain, and protected habitats within the Polonynskyi Ridge, a proposed Emerald Network site.⁶⁻⁸



Crane operating on Mount Runa, 1 July 2026 (photo: Andriy Tupikov).

Crucially, infrastructure works at the site commenced prior to the completion of the formal EIA procedure due to a persistent regulatory gap in Ukraine's permitting system, which allows preliminary development activities to proceed before EIA conclusions are granted. The Mount Runa construction sets a troubling precedent, fuelling public opposition to future wind projects, particularly when executed without strict adherence to environmental assessment requirements and biodiversity protection obligations.

Environmental impacts of the Mount Runa development

The project's EIA procedure began in June 2024,⁹ but was suspended on 22 January 2025 by the then Ministry of Environmental Protection and Natural Resources following a lawsuit challenging the detailed territorial plan that allocated land for the wind farm.¹⁰

³ European Parliament, [European Parliament resolution of 8 July 2026 on the 2025 Commission report on Ukraine \(2025/2259\(INI\)\)](#), 8 July 2026.

⁴ Ukrainian Nature Conservation Group, [Parliamentary Intervention: High-Level Meeting Called to Address Carpathian Wind Farm Crisis](#), 23 September 2025.

⁵ Environment-People-Law, [Врятувати полонину Руна Як забудовники намагаються пройти оцінку впливу на довкілля](#), 24 January 2025.

⁶ Council of Europe, [Presumed threat to Emerald site "Polonina Borzhava" \(UA0000263\) from wind energy development](#), accessed 26 May 2026.

⁷ Ministry of Ecology and Natural Resources of Ukraine, [Alleged threats to the Emerald network sites "Skhidnyi Svydovets" \(UA 0000259\), "Marmaroski ta Chyvchyno-Hryniavski Hory" \(UA 0000117\) and "Carpathian Biosphere Reserve" \(UA 0000006\) \(Ukraine\)](#), 2 September 2019.

⁸ European Environment Agency, [Emerald - Standard Data Form | UA0000610 | Polonynskyi ridge](#), accessed 24 June 2026.

⁹ Ministry of Economy, Agriculture and Environment of Ukraine, [Мінекономіки поновило процедуру ОВД щодо будівництва ВЕС «Турянський» на Закарпатті](#), 21 January 2026.

¹⁰ Ministry of Environmental Protection and Natural Resources of Ukraine, [Про зупинення адміністративного провадження з розгляду документів, поданих ТОВ «Вітряний парк Турянський» для отримання висновку з оцінки впливу на довкілля](#), 22 January 2025.

After the Eighth Administrative Court of Appeal dismissed the lawsuit, the EIA procedure was resumed on 20 January 2026.¹¹ On 13 February 2026, the Ministry of Economy, Environment, and Agriculture (into which environmental protection had been merged in July 2025^{12,13}) issued a positive EIA conclusion. However, the Ministry acknowledged that the project had been fragmented, noting that forest access roads were not part of the wind project.¹⁴

Consequently, the following crucial elements of the project-related infrastructure were excluded from the EIA's scope:

- **New forest access road to Mount Runa:**¹⁵ On 18 April 2025, Ukraine's specialised environmental prosecutor's office opened a criminal investigation into the clearance of 200-year-old protected woodland for the road.^{16,17} The wind farm remains the primary beneficiary of this access route. On 14 July 2026, the Eighth Administrative Court of Appeal ruled that felling virgin forest in the Shypot forest district for the purpose of constructing the road was illegal and revoked the logging permit.¹⁸
- **Overhead power line installation:** Following issuance of the EIA conclusion in 2026, over 40 hectares of forest were cleared to construct a dedicated power line to the site.¹⁹ Despite clear evidence linking this grid expansion directly to the Mount Runa wind farm,²⁰ the power lines were omitted from the EIA as associated infrastructure. As a result, their ecological impact went entirely unassessed, owing to martial law exemptions for standalone grid infrastructure.²¹
- **Wind turbine foundation construction:** Foundation works commenced prior to the conclusion of the EIA procedure. State construction authorities justified this early start by classifying the foundations as separate structures. However, the Ministry for Development of Communities and Territories has confirmed that, under state building standards and spatial planning legislation, a foundation is an integral structural element designed solely to secure a structure, rather than an

¹¹ Ministry of Economy, Environment and Agriculture of Ukraine, [Мінекономіки поновило процедуру ОВД щодо будівництва ВЕС «Турянський» на Закарпатті](#).

¹² In July 2025, the Cabinet of Ministers enacted a sweeping ministerial restructuring, merging the Ministry of Environmental Protection and Natural Resources and the Ministry of Agrarian Policy directly into the Ministry of Economy to form the Ministry of Economy, Environment and Agriculture. Following a subsequent reorganisation in July 2026, the ministry was renamed the Ministry of Economy and Environment.

¹³ EcoPolitic, [The government has officially split the Ministry of Economy, Environment and Agriculture](#), 21 July 2026.

¹⁴ Ministry of Economy, Environment and Agriculture of Ukraine, [Мінекономіки надало висновок з оцінки впливу на довкілля щодо проєкту ВЕС у Закарпатській області](#), 13 February 2026.

¹⁵ WWF-Ukraine, [Прокладання дороги через праліс і його буферну зону у лісництві «Шипот» — оновлена інформація](#), 30 April 2025.

¹⁶ Iaroslav Gerasymenko, [Незаконна рубка в Карпатських пралісах: екологічна прокуратура розпочала провадження](#), Hromadske, 20 April 2025.

¹⁷ Office of the Prosecutor General of Ukraine, [Екологічна прокуратура розпочала кримінальне провадження через незаконну рубку в Карпатських пралісах](#), 18 April 2025.

¹⁸ Eighth Administrative Court of Appeal, [Постанова у справі № 260/4125/25](#), 14 July 2026.

¹⁹ Iryna Mykhailenko, [Всупереч заявам міністра економіки, на полонині Руна вирубують 40 га лісу, — екоактивісти SaveПікуй](#), Espresso.Zahid, 9 April 2026.

²⁰ Iryna Mykhailenko, [Вирубка Карпат під ЛЕП для вітряків на полонині Руна триває, попри публічні заяви лісників про зупинку](#), 14 June 2026.

²¹ Cabinet of Ministers of Ukraine, [Про затвердження критеріїв визначення планованої діяльності, яка не підлягає оцінці впливу на довкілля, та критеріїв визначення розширень і змін діяльності та об'єктів, які не підлягають оцінці впливу на довкілля](#), amended 10 July 2026.

independent construction object.²² This represents another clear instance of project fragmentation – a practice commonly referred to as ‘salami-slicing’ – that remains uncorrected as of August 2026.

Nature must be protected, not harmed

The current EIA sets a dangerous precedent by ignoring valuable mountain sites that lack formal national protection status, despite providing homes to Red List species and habitats protected under the Bern Convention.²³ While protected species retain legal safeguards outside designated reserves, the absence of a dedicated statutory framework for the Emerald Network significantly undermines the practical enforcement of habitat protections.²⁴

A joint site visit by Ecoaction, Bankwatch, and Greenpeace on 21 June 2025 – well before the EIA conclusion in early 2026 – confirmed that physical construction was already underway, including earthworks, soil removal, foundation pouring, and road laying. As a result, irreversible damage to the Carpathian ecosystem was inflicted before official review.



Construction activity underway on Mount Runa, 21 June 2025 (photo: CEE Bankwatch Network).

Environmental groups had previously contested the approval of the detailed territorial plan in court prior to the EIA procedure, leading to the decision by the Eighth Administrative Court of Appeal.²⁵

Following the EIA approval, environmental organisations drafted a presidential petition calling for immediate regulatory intervention to protect Carpathian ecosystems and cultural heritage from clear-cutting and industrial development.

After four rejections, the petition was finally published on the Ukrainian presidential portal on 20 March 2026,²⁶ securing the required 25,000 signatures within six days.²⁷ The petition demanded:

- robust legal protection for unique mountain ecosystems, natural landscapes, and cultural heritage; and

²² Ministry for Communities Development and Territories of Ukraine, Letter to Ukrainian Nature Conservation Group, 30 January 2026 (not published, available upon request).

²³ Environment–People–Law, [ВЕС на полонині Руна: як висновок з ОВД через дроблення проекту перетворюється на формальність](#), 20 April 2026.

²⁴ Ukraine’s Parliament, the Verkhovna Rada, has repeatedly failed to pass draft legislation on the Emerald Network since 2021.

²⁵ In the case challenging the detailed territorial plan, the Eighth Administrative Court of Appeal’s judgment of 27 November 2025 remains legally binding after the Supreme Court turned down the final appeal. See: Eighth Administrative Court of Appeal, [Постанова у справі № 260/5885/24](#), 27 November 2025.

²⁶ Andriy Tupikov, [Щодо невідкладних дій для збереження природи та культурної спадщини Українських Карпат](#), Electronic Petitions, Official Website of the President of Ukraine, 20 March 2026.

²⁷ Holka, [Petition to Zelenskyy Demanding Protection of the Carpathians Gains Over 25,000 Signatures in 6 Days: Who Supported It?](#), 26 March 2026.

- a ban on forest clear-cutting, large-scale construction, and heavy engineering infrastructure above 1,000 metres elevation or within key biodiversity, water, and landscape protection zones.

On 23 April, the President of Ukraine issued a response, referring the petition's demands to the Cabinet of Ministers and the National Security and Defense Council.²⁸ By May 2026, power line construction had been suspended to evaluate protected species habitats, including the fire salamander (*Salamandra salamandra*). However, despite these commitments, timber felling for grid lines and wind farm infrastructure resumed over the summer²⁹ and was observed continuing as of August 2026.

While the EIA conclusion mandated precautionary measures upon identifying Red List species in the meadow area, subsequent field surveys by local authorities and civil society confirmed the presence of these species, with the evidence submitted to the Ministry of Economy, Environment and Agriculture. Despite this, the identified habitats were destroyed. A State Environmental Inspectorate investigation remains pending as of August 2026.

Although renewable energy expansion is essential, scientific studies demonstrate that Transcarpathia possesses the lowest wind energy potential in Ukraine, estimated at just 1.2³⁰ to 2.6³¹ gigawatts (GW).

In line with the third revision of the EU's Renewable Energy Directive,³² the Energy Community Secretariat has piloted GIS-based spatial planning for renewables acceleration areas (RAAs) across five Ukrainian regions.³³ Utilising sensitivity mapping and public consultations, this initiative directs renewable investments towards less sensitive regions while avoiding high-value biodiversity hotspots.

Environmental standards for financial institutions in Ukraine

In September 2024, the EBRD launched its EUR 700 million Energy Security Support Facility under the EBRD–EU Ukraine Investment Framework Guarantee Agreement and the EBRD Crisis Response Special Fund.³⁴ By April 2026, the facility had grown to provide access to EUR 2 billion in financing.³⁵ The facility delivers intermediated financing through partner financial institutions to support renewables, 'low-carbon' generation, energy storage, and efficiency projects.

Oschadbank joined the Facility in October 2024.³⁶ Under its agreement, Oschadbank must comply with EBRD Environmental and Social Requirements (ESRs) 2, 4, and 9, adhere to environmental and social risk management procedures, and submit annual environmental and social compliance reports.

²⁸ Volodymyr Zelensky, [Щодо невідкладних дій для збереження природи та культурної спадщини Українських Карпат](#), Electronic Petitions, Official Website of the President of Ukraine, 23 April 2026.

²⁹ Andriy Tupikov, [Слово нового керівника ДП "Ліси України" Ihor Zubovych – пустий звук](#), Facebook, 10 June 2026.

³⁰ Institute for Renewable Energy, National Academy of Sciences of Ukraine, [Атлас енергетичного потенціалу відновлюваних джерел енергії України](#), 20, 21 April 2020.

³¹ Sven Teske, Saori Miyake, [Ukraine: Mapping the Energy Opportunities – Solar and Wind Energy Assessment](#), Greenpeace Germany, 18, April 2024.

³² European Parliament, Council of the European Union, [Directive \(EU\) 2023/241 of 18 October 2023 amending Directive \(EU\) 2018/2001, Regulation \(EU\) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive \(EU\) 2015/652](#), 18 October 2023. As the Directive has not yet been formally incorporated into the Energy Community's legal framework, it is not yet legally binding on Ukraine as a Contracting Party. However, Ukraine has voluntarily chosen to implement some of its provisions.

³³ Energy Community Secretariat, [Renewables Acceleration Areas in Ukraine](#), accessed 3 August 2026.

³⁴ European Bank for Reconstruction and Development, [Energy Security Support Facility \(ESSF\) in Ukraine](#), accessed 26 May 2026.

³⁵ The New Voice of Ukraine, [EBRD launches \\$2.1B energy security program in Ukraine](#), 6 April 2026.

³⁶ European Bank for Reconstruction and Development, [RLF – ESSF – Oschadbank 2024](#), 31 October 2024.

Under ESR 9 (financial intermediaries), partner financial institutions must maintain an environmental and social management system to identify, monitor, and mitigate subproject risks. For high-risk activities, financial intermediaries are required to enforce national legal standards and EBRD requirements governing biodiversity, stakeholder engagement and impact assessments.³⁷

However, there is no evidence that Oschadbank evaluated the intended deployment of the specialised LIEBHERR crane when approving the loan. Although ESR 9 establishes a framework for environmental and social risk management, serious gaps remain regarding cumulative impact evaluation, biodiversity protection and project fragmentation in ecologically sensitive areas.

EBRD intermediary financing for small and medium-sized enterprises is usually complemented by the national 'Affordable Loans 5-7-9%' programme, which subsidises loan interest rates from the state budget. Effective 1 December 2024, this programme incorporates strict environmental and social risk criteria in line with the World Bank-supported Agriculture Recovery Inclusive Support Emergency (ARISE) project.³⁸

Oschadbank maintains its own environmental, social and governance risk management policy for financing micro-, small and medium-sized enterprises, which requires the standards of international financial institutions to be applied during joint operations.³⁹

Financing heavy equipment specifically engineered for wind turbine assembly should not have been assessed in isolation from the wind farm project it was intended to support.⁴⁰ Under the EBRD's Environmental and Social Policy, such machinery could constitute an 'associated facility' if it is significant to the success or outcomes of the underlying project.⁴¹ In its own Environmental and Social Management Policy, Oschadbank states that it is guided by the EBRD's ESRs⁴² and includes the conservation of Ukraine's natural habitats among its sustainable development principles.⁴³

Furthermore, the National Bank of Ukraine's White Paper on Managing Environmental, Social, and Governance (ESG) Risks in the Financial Sector sets out expectations for financial institutions to integrate ESG risks into their risk management frameworks, including environmental and biodiversity-related risks.⁴⁴

Oschadbank failed to evaluate the connection between the crane purchase and Mount Runa wind farm, breaching its EBRD commitments. Regular client monitoring should have identified the high-risk nature of the underlying development, triggering stakeholder consultation and risk mitigation – particularly amid the intense public controversy, legal challenges and reported pressure on local journalists and activists.⁴⁵

³⁷ European Bank for Reconstruction and Development, [Sustainable finance](#), accessed 26 May 2026.

³⁸ Business Development Fund, [Екологічна оцінка – нова умова для пільгового кредиту в межах Програми «Доступні кредити 5-7-9%»](#), 30 May 2025.

³⁹ Oschadbank, [ПОЛІТИКА УПРАВЛІННЯ ЕКОЛОГІЧНИМИ, СОЦІАЛЬНИМИ ТА УПРАВЛІНСЬКИМИ РИЗИКАМИ ПРИ ФІНАНСУВАННІ КЛІЄНТІВ МІКРО-, МАЛОГО ТА СЕРЕДНЬОГО БІЗНЕСУ АТ «ОЩАДБАНК»](#), 30 May 2024.

⁴⁰ European Bank for Reconstruction and Development, [Environmental and Social Policy](#), 32, October 2024.

⁴¹ Ibid., 6, 32, 97.

⁴² Oschadbank, [ПОЛІТИКА ЕКОЛОГІЧНОГО ТА СОЦІАЛЬНОГО УПРАВЛІННЯ АТ «ОЩАДБАНК»](#), 3, 25 April 2024.

⁴³ Ibid., 8.

⁴⁴ National Bank of Ukraine, [White Paper on Managing Environmental, Social, and Governance \(ESG\) Risks in the Financial Sector](#), 4, 30 June 2025.

⁴⁵ Holka, [Суд на Закарпатті відкрив справу щодо фейків про журналістку Олену Мудру: як МАГ "Голки" захищає Карпати та власну репутацію](#), 29 July 2026.

Recommendations for the EBRD

By financing this equipment, the EBRD and Oschadbank risk setting a harmful precedent for future infrastructure investment in ecologically sensitive areas. The case also highlights broader challenges around cumulative impact assessment, environmental governance, and safeguard enforcement in the financing of renewable energy projects in Ukraine.

These concerns are underscored by the scale of the plans themselves: Friendly Wind Technology and Oschadbank have been named as key partners behind Wind Parks of Ukraine's proposal for approximately 1.5 GW of wind capacity in the Zakarpattia highlands.⁴⁶ The projects target internationally recognised areas, including the Svydovets, Hostra, and Apetska mountain ranges – designated Emerald Network sites UA0000259, UA0000610, and UA0000608 – and Krasna, bordering a UNESCO-listed beech forest reserve.⁴⁷

To address these issues, the following actions are necessary:

- Fully implement the environmental protection measures outlined in the 26,000-signature presidential petition.
- Immediately halt construction on Mount Runa to prevent further disturbance to pristine natural habitats.

The EBRD should specifically:

- Require Oschadbank and Friendly Wind Technology to conduct enhanced due diligence on biodiversity and cumulative impacts – including an independent review of all planned projects near sensitive and Emerald sites – to ensure full compliance with EBRD environmental and social requirements.
- Refuse financing for projects situated within legally protected reserves nominated or designated Emerald Network sites, virgin forests, or critical habitats for protected species.
- Support the expansion of the Energy Community Secretariat's GIS-based spatial planning framework across Ukraine to steer renewable energy investments towards low-sensitivity zones.
- Engage at the policy level with relevant Ukrainian ministries to reform the EIA framework, eliminate regulatory loopholes allowing pre-EIA construction, and build technical and staffing capacity within environmental oversight bodies.⁴⁸

⁴⁶ Kateryna Benyuk, [Карта масштабної забудови вітротурбінами високогір'я Закарпаття, яку планують здійснити компанії з донецьким корінням](#), Espresso.Zahid, 13 July 2025.

⁴⁷ Oksana Stankevych-Volosianchuk, [Ціна кіловата – Українські Карпати. Сім високогірних хребтів хочуть забудувати вітряками](#), Zakarpattya Online, 25 October 2025.

⁴⁸ Oksana Aliieva, Maria Belkina, Mykhailo Bohomaz, et al., [White Paper for Improving EIA and SEA Procedures in Ukraine](#), WWF-Ukraine, 2026.

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