

# Connecting with Ukraine - Co-creation with Strong Partnership of Ukraine and Japan

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# EXTENT OF DAMAGES

## BETWEEN 24 FEBRUARY 2022 AND 24 FEBRUARY 2023\*

### HOUSING (damaged or destroyed)

- ~18.000 multi-apartment buildings
- ~135.000 single-family houses
- >300 dormitories



### TRANSPORT (damaged or destroyed)

- > 400 railway bridges
- > 350 road bridges
- ~ 19.000 km of roads
- ~ 14.000 km of streets and roads in settlements



### HEATING (damaged or destroyed)

- ~200 km of heating networks
- ~500 boiler houses
- ~130 central heating units



### WATER SUPPLY AND SANITATION (WSS) (damaged or destroyed)

- ~1.000 km of water pipelines
- ~300 km of collectors
- >236 water supply and sanitation facilities



### Ukraine's territory is potentially contaminated with explosive objects

~187.700 km<sup>2</sup>



### EDUCATION (damaged or destroyed)

at least 3.226 facilities



### HEALTH (damaged or destroyed)

~1.574 facilities



\*According to RDNA2. Updated information (RDNA3) is planned for the second half of February 2024

# RUSSIA DESTROYS GRAIN INFRASTRUCTURE AFTER WITHDRAWING FROM GRAIN INITIATIVE

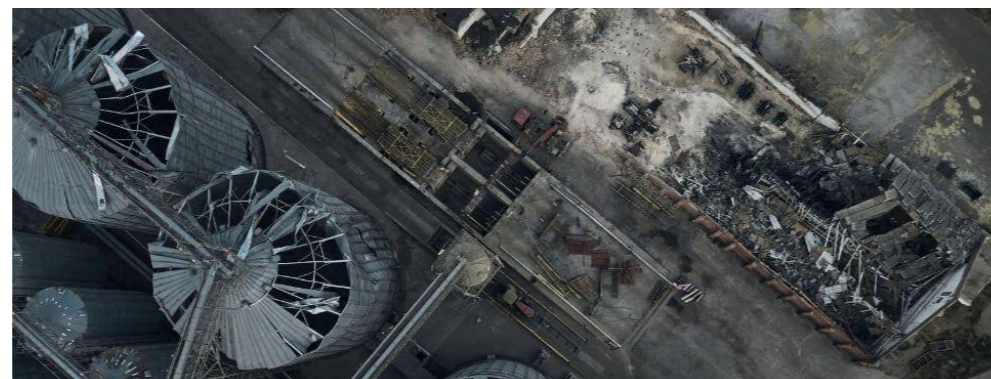


From July 18, 24 attacks has been done on the port infrastructure of Great Odessa and Danube

**184** objects  
the port infrastructure including the grain infrastructure

**7**  
vessels





More than  
**300** thousands  
tones of grain









# PRIORITY SECTORS FOR 2024-2027




## ENERGY

-  > Energy transmission and distribution
-  > Energy generation, trading and storage
-  > Gas and other extractives
-  > Energy infrastructure protection




## TRANSPORTATION AND LOGISTICS

-  > Roads, bridges and border crossing points
-  > Railways
-  > Ports/Waterways
-  > Aviation
-  > Urban Transport
-  > Post and broadcasting services





## SOCIAL INFRASTRUCTURE AND SERVICES

-  > Health
-  > Education
-  > Municipal services






## INDUSTRY AND SERVICES

-  > Agribusiness and irrigation
-  > Industry, trade and services
-  > Finance, banking and insurance

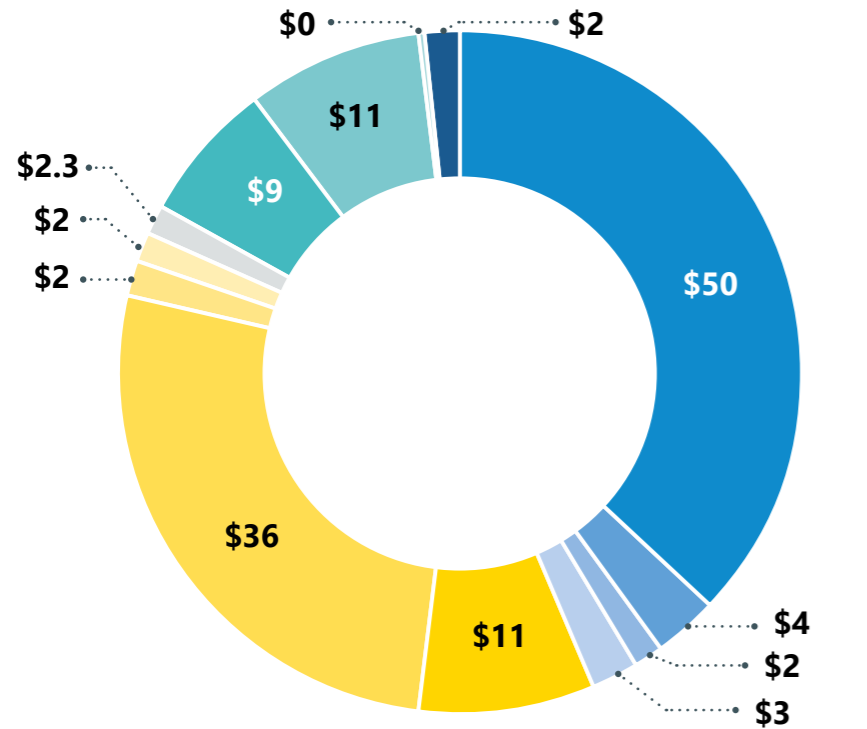
## HOUSING AND UTILITIES

-  > Housing
-  > Central heating
-  > Water supply and sanitation
-  > Waste management

## CROSS-SECTORAL

-  > Demining
-  > Emergency Response, Civil Protection and Debris Management
-  > Digitalization and cybersecurity
-  > Environment protection, energy efficiency
-  > Public administration and services

# POSSIBILITIES FOR BUSINESS TO BECOME PART OF RECONSTRUCTION PROCESSES



- Housing **\$50**
- Education **\$4**
- Health **\$2**
- Culture and Tourism **\$3**
- Energy and Extractives **\$11**
- Transport **\$36**
- Telecommunications and Digital **\$2**
- Water Supply and Sanitation **\$2**
- Municipal Services **\$2.3**
- Agriculture **\$9**
- Commerce and Industry **\$11**
- Finance and Banking **\$0**
- Environment and Forestry **\$2**



**\$135 bn**

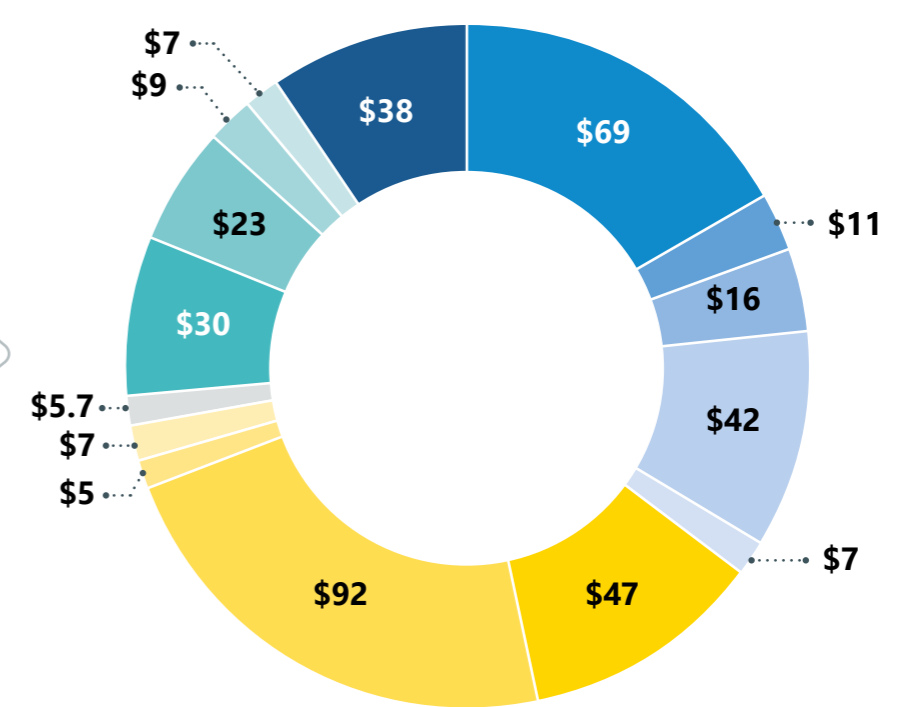
**DAMAGE**

Quantifies direct physical damage to buildings and infrastructure

**\$411 bn**

**RECOVERY AND RECONSTRUCTION NEEDS**

Estimates needs considering building back better

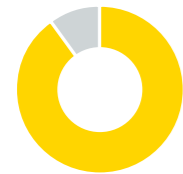


- Housing **\$69**
- Education **\$11**
- Health **\$16**
- Social Protection and Livelihoods **\$42**
- Culture and Tourism **\$7**
- Energy and Extractives **\$47**
- Transport **\$92**
- Telecommunications and Digital **\$5**
- Water Supply and Sanitation **\$7**
- Municipal Services **\$5.7**
- Agriculture **\$30**
- Commerce and Industry **\$23**
- Irrigation and Water Resource Management **\$9**
- Finance and Banking **\$7**
- Management of Explosive Hazards **\$38**

# LAUNCHING BUSINESS IN UKRAINE



## SITUATION AS FOR NOW:



Ukraine is able to potentially cover the need for about **90%** of all materials needed for restoration with own capacities



our recently liberated territories are in the most dire need of critically important equipment to be able to restore road transportation and produce civil services

## MECHANISMS OF STIMULATION PROCESSING INDUSTRY:



industrial parks (tax and custom incentives, compensation of some expenses)



“invest-nanny” - stimulation of large scale investment projects - amount of investment from EUR 12 mm (tax and custom incentives, provision of infra- structure)

## WHAT WE NEED?



› launching of plants for production of sheet glass in Ukraine (no single plant), bitumen (new plants and joint venture), concrete plants etc.



› launching plants producing equipment and machines



› engineering services in constructing buildings, bridges, and social infrastructure objects

# PPP: POTENTIAL REGIONAL RESTORATION PROJECTS



## RESTORATION OF HOUSING AND SOCIAL INFRASTRUCTURE

- › Construction / reconstruction, equipment and further maintenance of housing and communal facilities (kindergartens, schools, hospitals, communal, sports, educational and administrative facilities)



## DISTRICT HEATING

- › Generation, renewal of networks and equipment, provision of district heating services, which allows a large number of consumers to have access to heat that can be produced from a number of sources - combined thermal power plant, biomass boilers or industrial waste heat recovery



## WATER SUPPLY AND SANITATION

- › Purification and supply of water, replacement of communications and equipment by the private sector will help improve operational efficiency and water quality



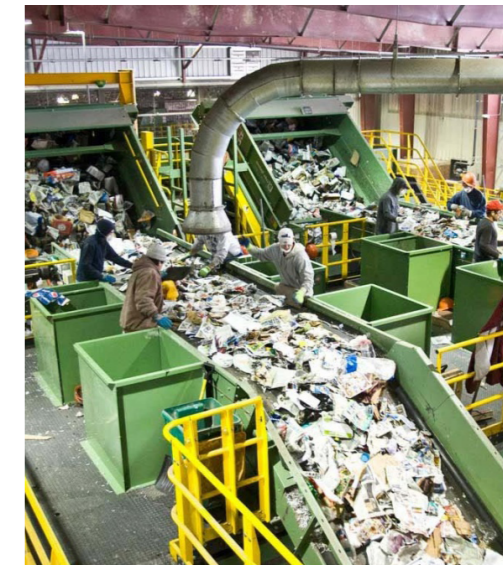
## PUBLIC TRANSPORT

- › Procurement, maintenance and provision of services for public transportation of trams, trolleybuses, buses



## WASTE MANAGEMENT

- › Collection, sorting, processing and disposal of household waste can lead to a significant improvement in the efficiency and quality of solid waste management and become an additional source of recycled materials and energy



# STATE SUPPORT FOR INVESTMENT PROJECTS WITH SIGNIFICANT INVESTMENT



- › corporate income tax exemption for 5 years



- › VAT exemption for importing new equipment



- › exemption from import duties for new equipment



- › compensation of costs for construction of engineering and transport infrastructure



- › construction of engineering and transport infrastructure



- › land tax exemption / lower rate of land tax or rent



- › compensation for connecting to engineering and transport infrastructure



- › obtaining a lease of a land plot of state or communal property without bidding



- › exemption from payment of forestry production losses

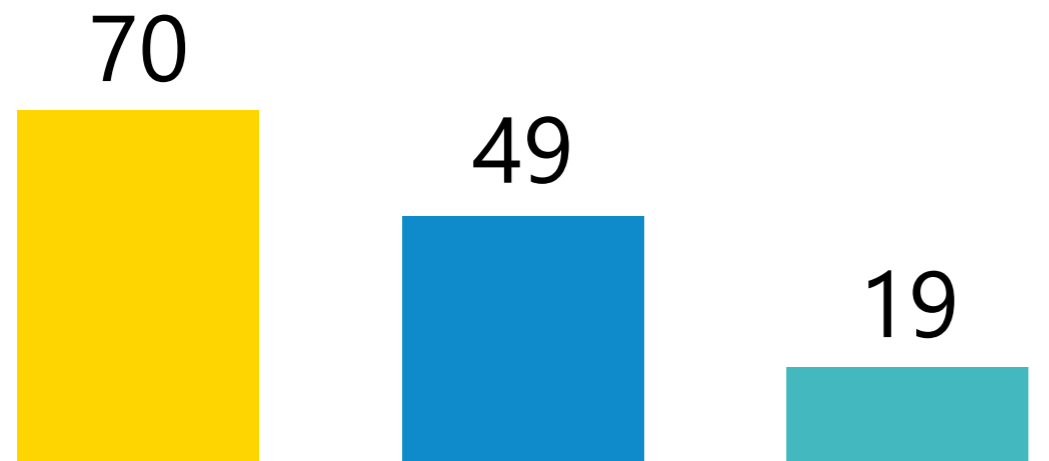
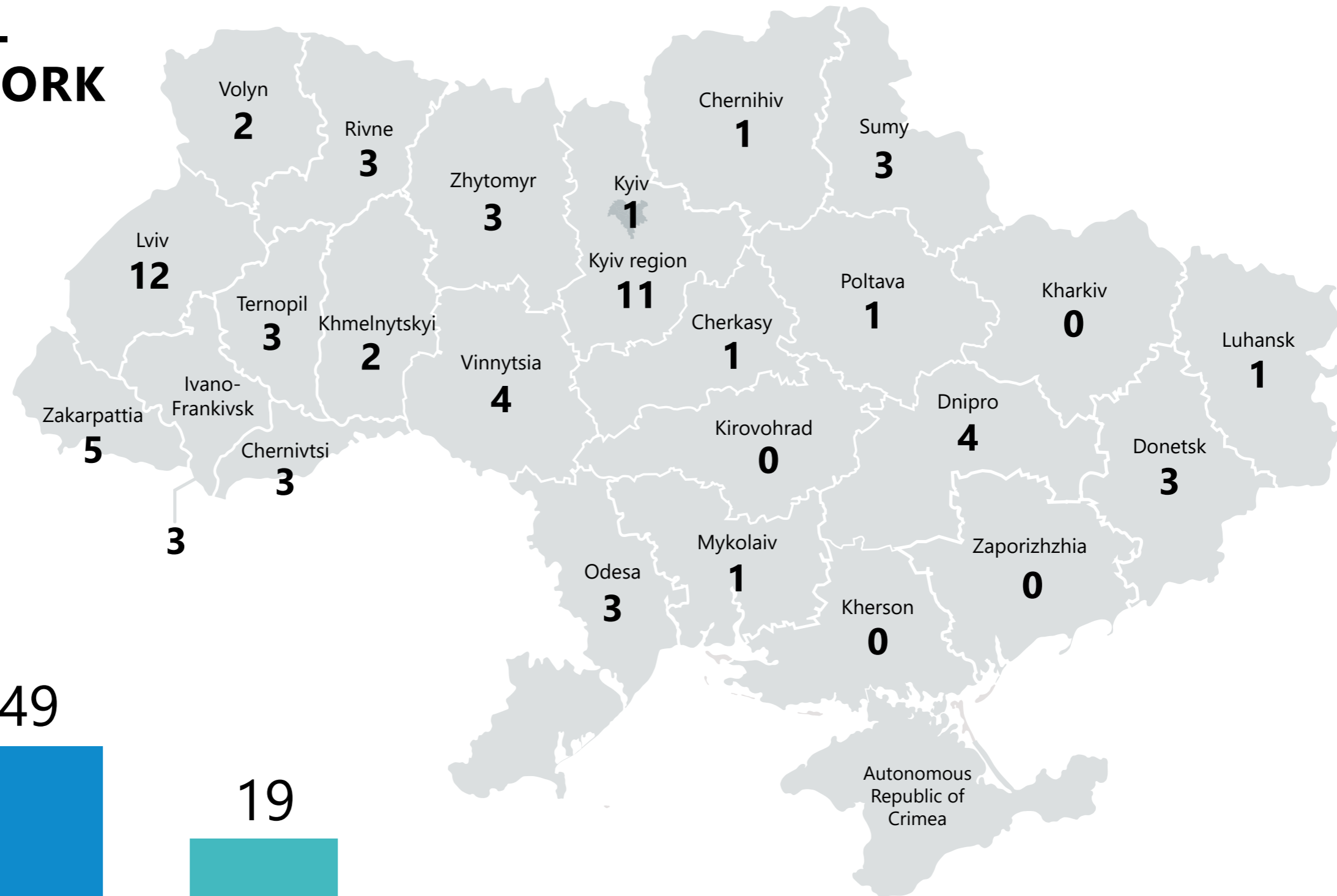




# INDUSTRIAL PARK NETWORK IN UKRAINE



- Registered industrial parks
- Management companies
- Industrial parks has residents



# REQUIREMENTS TO INDUSTRIAL PARKS



# STATE SUPPORT



## FOR PARTICIPANT MANAGEMENT COMPANY AND PRIVATE INITIATOR



› full or partial compensation of interest rates on loans for arranging an industrial park, carrying out economic activity



› compensation for connecting to engineering grids

## FOR PARTICIPANT AND MANAGEMENT COMPANY



› favorable land tax rates \*\*

## FOR MANAGEMENT COMPANY AND PRIVATE INITIATOR



› non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities

## FOR PARTICIPANTS



10-year corporate income tax exemption \*



VAT exemption for importing new equipment



exemption from import duties for new equipment



exemption from real estate tax for industrial buildings

ONLY FOR INDUSTRIAL PARKS INCLUDED IN NATIONAL REGISTER

\* Incentive is granted if the respective amount of money will be reinvested into the investment project development.

\*\* Incentive is granted by decision of a local authority.

# GUARANTEES AND WAR RISK INSURANCE

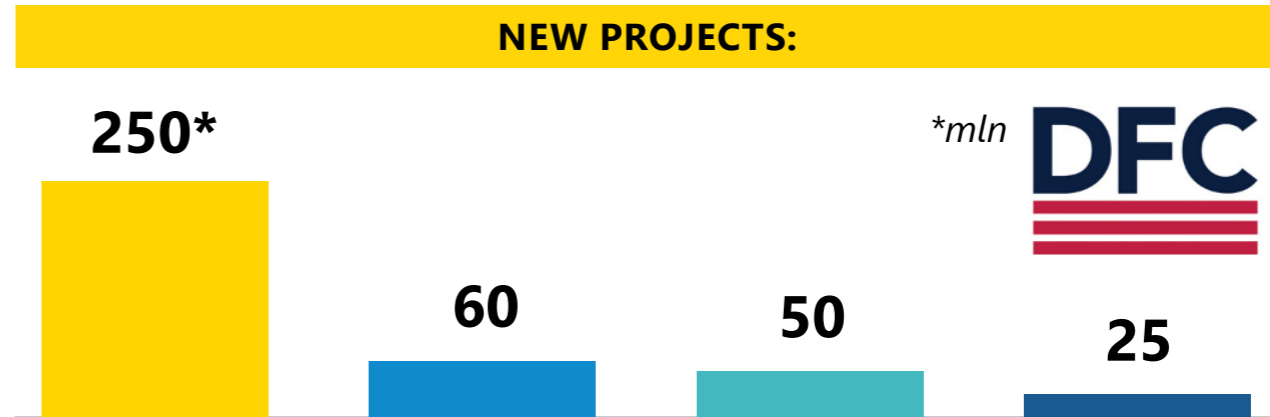


Support to Ukraine's  
Reconstruction and Economy  
Trust Fund (SURE TF)



Projects MIGA has supported or is considering providing support  
in Ukraine after the Russian invasion

- › MIGA-EBRD Trade Finance Facility
- › M 10 Industrial Park
- › RBI Ukraine
- › Procredit Ukraine



**USD 250 m**

to support the efforts of Ukrainian poultry farmers and grain producers to mitigate the consequences of war;

**USD 60 m**

for Ukrainian banks to mobilize capital to sustainably support SME

**USD 50 m**

provided for the Global Trade Finance Program of the IFC to support critical flows of both imports and exports for Ukrainian companies

**USD 25 m**

in political risk insurance to the Superhumans Center, a non-profit center that works in the field of prosthetics and rehabilitation of people injured during the war

# GUARANTEES AND WAR RISK INSURANCE



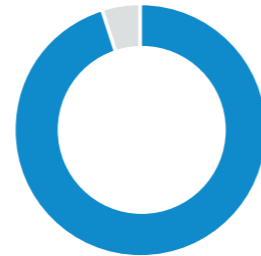
Federal Investment Guarantee Scheme for German companies in Ukraine



➤ **14 companies**

investment guarantees (total coverage volume of **€280 million**)

Bpifrance Assurance Export



➤ insurance covers up to **95%** of the loss of the investor's assets or receivables

Polish export credit agency (KUKU)



➤ insurance covers up to **95%** of the loss of the investor's assets or receivables

War risk insurance project for Ukraine



➤ intend to kick-start insurance, firstly for the transport of cargo vital via trucks to keeping trade flowing, with a view to expanding it to cover more sectors

Reimbursement agreement with MarshMcLennan, Lloyd's of London and Ascot



➤ safety of shipping and promoting the stability of maritime transport



# STATE STRATEGY FOR REGIONAL DEVELOPMENT UP TO 2027



**Improvement approaches to state regional policy in line with the EU acquis, as well as the peculiarities of regions' recovery and development in the conditions of the martial law**

► Adoption the amendments to the State Strategy for Regional Development for 2021-2027, approved with Resolution of the Cabinet of Ministers of Ukraine No. 695 of 05 August 2020



The Strategy will be aligned with Ukraine Plan, a roadmap of structural reforms and investment projects that Ukraine plans to implement in the next 4 years



The goals and measures of the Strategy will be digitized for monitoring and performance evaluation through the Unified GIS for Regional Development

**UPDATED  
STATE STRATEGY  
FOR REGIONAL  
DEVELOPMENT**



**System of strategic objectives:**

- I Formation of a cohesive state in social, humanitarian, economic, ecological, security, and spatial dimensions
- II Increasing the competitiveness of regions
- III Building an efficient multilevel governance

# FUNCTIONAL AREAS

<https://functional-types.tdukr.com/>



## RECOVERY TERRITORIES (≈ 600 TC)



1 TERRITORIES WITH SPECIAL CONDITIONS FOR DEVELOPMENT, F.E.:



2 security restrictions

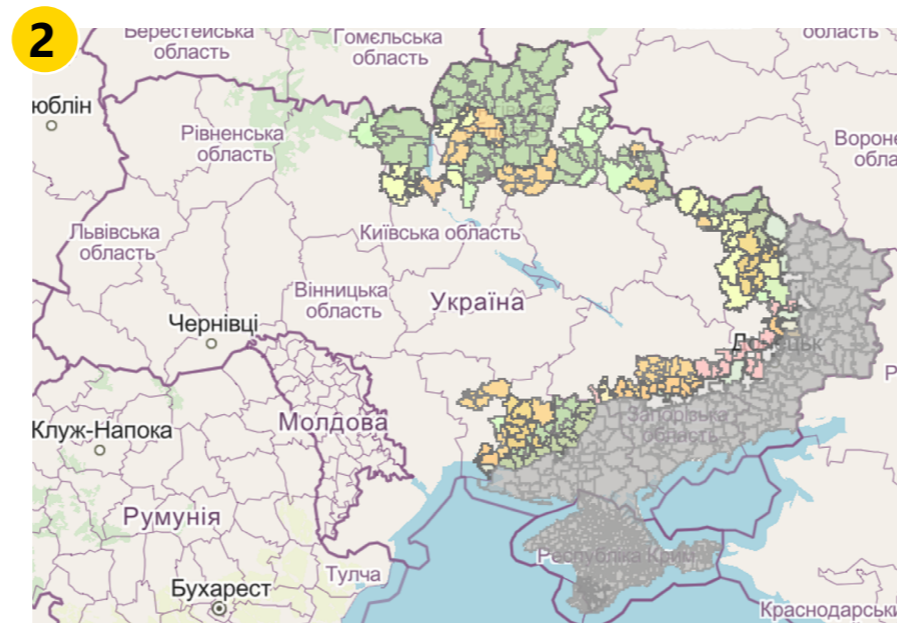
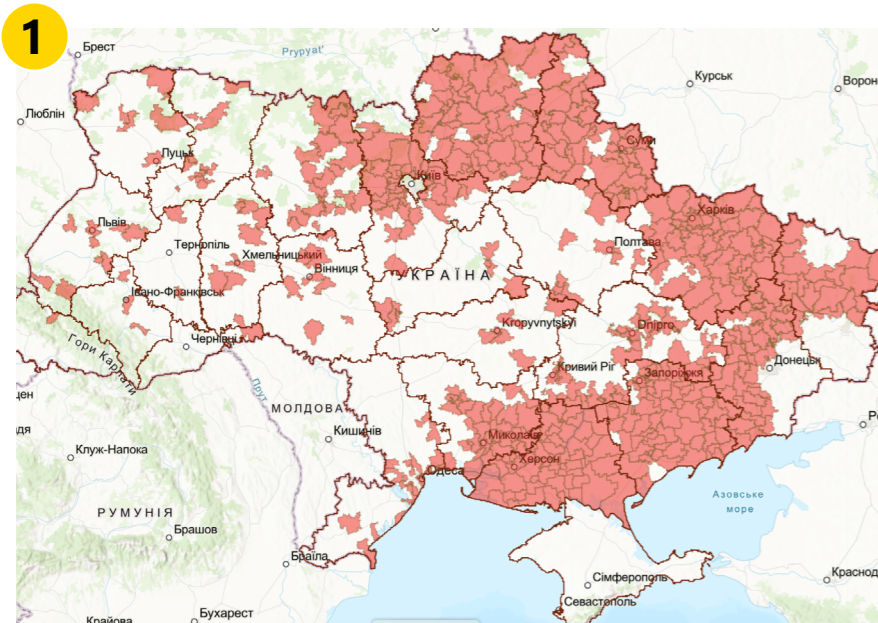
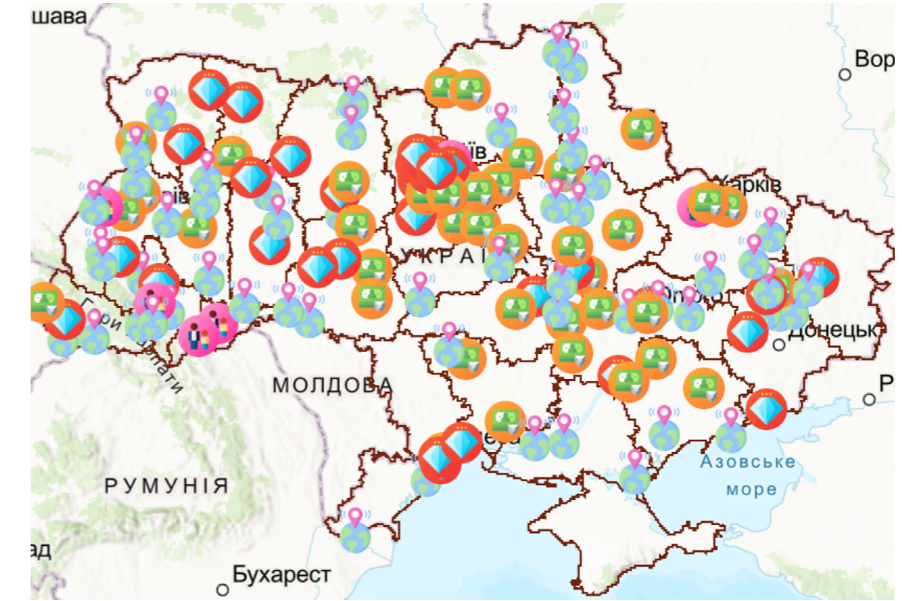


3 natural restrictions



regional growth poles

sustainable development territories



# MAIN TASKS



secure and socio-economic conditions for living;



recovery/development based on the «build back better» principles;



inclusive & attractive settlements based on New European Bauhaus;



human capital & economic growth based on territories' potential and regional smart specializations;



multi-level governances and capacity building of subnational and local levels;



ecosystems balance and adaptation to climate change;



synchronization of sectoral and regional policies;



updated financial instruments for stimulating regional development;



building partnerships, inter-municipal, inter-regional and cross-border cooperation;



citizens participation in decision-making.



# LAUNCH BUSINESS IN UKRAINE

BE PART OF RESTORATION

