

# Prospects for Water Sector in Ukraine

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# Contents

## Water Supply and Sanitation

- Sector at a Glance
- Recovery and Reconstruction Needs
- Recovery and Reconstruction Priorities

## Irrigation and Water Resources

- Sector at a Glance
- Recovery and Reconstruction Needs
- Recovery and Reconstruction Priorities

## Opportunities

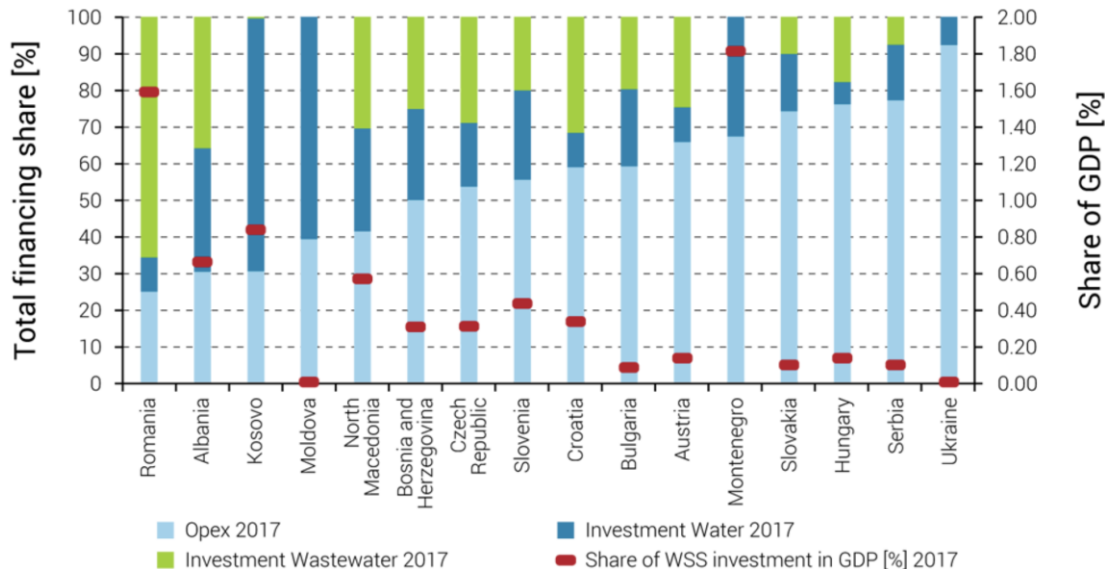
- State – Funded Procurement via Prozorro
- DREAM platform
- Major IFI Funded Projects

# Water Supply and Sanitation

# Sector at a Glance

- Before the war in Ukraine:
  - Access to the piped water supply was 70 %
  - Access to centralized wastewater collection and treatment services was around 50 %
  - 10 million people lacked access to water services
- In rural areas, access to WSS services is extremely low
- Investments needed to maintain and expand WSS infra are 20% of GDP annually
- The WSS sector governance framework is fragmented, with administrative and legislative shortcomings that limit coordination between national and local administrations and hamper

## WSS investments and their proportion of GDP



Source: RDNA3 assessment team\*

# Recovery and Reconstruction Needs

- The losses in the sector are estimated to be US\$11.6 billion
- Over 40% of sector losses stem from lost revenues from WSS provision
- The total cost of damage to the sector is estimated to be almost US\$4 billion. The greatest damage is observed in wastewater treatment plants, wastewater collection networks and drinking water networks

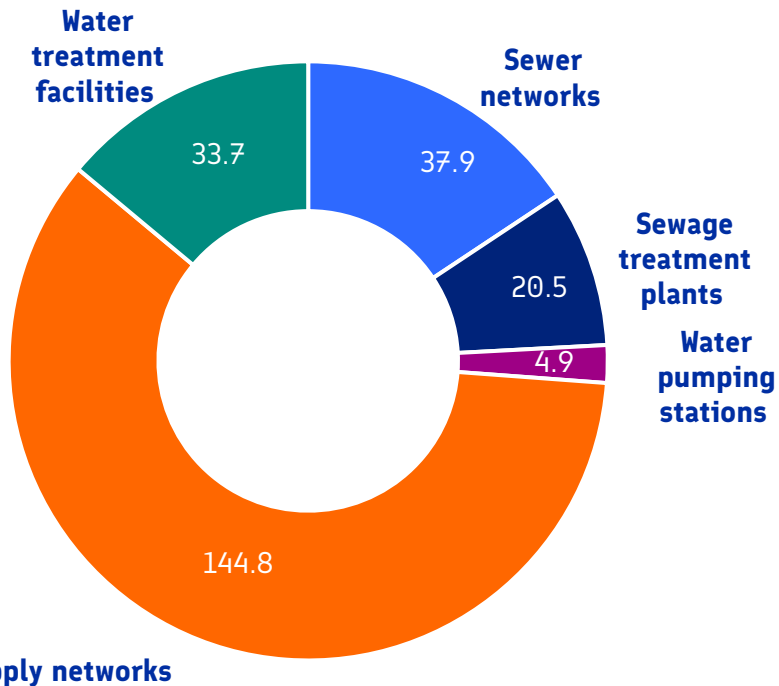
**Total recovery and reconstruction needs by sector (US\$ billion) as of December, 2023\***

Category	Component	Total needs (2024–2033)
<b>Reconstruction Needs</b>	Water treatment facilities	532.5
	Sewage treatment plants	1,539.0
	Water pumping stations	362.8
	Sewage pumping stations	499.5
	Water supply networks	1,460.3
	Sewer networks	1,311.4
	Wells	23.9
	Laboratories	2.2
	Clean water tanks	51.9
	Water towers	174.3
<b>Service Delivery Restoration Needs</b>	Demolition and debris management	527.1
	Facility Operational costs	893.7
	Increased energy/fuel consumption support	3,692.3
<b>Total</b>		<b>11,070.8</b>

Source: RDNA3 assessment team\*

# Recovery and Reconstruction priorities

*Estimated 2024 recovery and reconstruction priorities (US\$ million)\**



\*Source RDNA3 assessment team

- The government estimated that reconstruction priorities in 2024 require 241.9 mn USD
- Water supply (including water intake, treatment, storage, and distribution) represents 60% of total value of priorities
- The priorities reflect the need to: 1.) Repair and reconstruct critical assets, 2.) Develop local reconstruction plans and strategies
- Technological priorities include
  - *Need to decentralize WSS facilities*
  - *Favor low-cost and easy-to-maintain infrastructure development*
- Government and municipal implementation capacity is a key challenge

# **Irrigation and Water Resources**

# Sector at a Glance

- Before the war in Ukraine:
  - *2.2 mn ha equipped for irrigation*
  - *0.7 mn ha were operational*
  - *0.3 mn ha were irrigated*
- Significant irrigation assets inherited from the Soviet Union deteriorated due to a vacuum in ownership and funding
- Ukraine, supported by World Bank has been implementing an irrigation and drainage strategy 2017 -2025

1.3%

Average proportion of Ukraine's agricultural land irrigated 2017-2021

98.7%

Average proportion of Ukraine's agricultural land rainfed 2017-2021

54%

Average yield gain of irrigated maize in southern Ukraine

346\$

Current average economic energy cost to irrigate one hectare of land

Source: *hydrosolutions GmbH*

# Recovery and Reconstruction Needs

- Destruction of Kakhovka Dam resulted in 95% increase of damages in I&D sector
- The losses in the sector are estimated to be US\$716.8 million, increasing 233% from the previous year
- The total cost of damage to the sector is estimated to be US\$740 million. Increasing 95% from the previous year

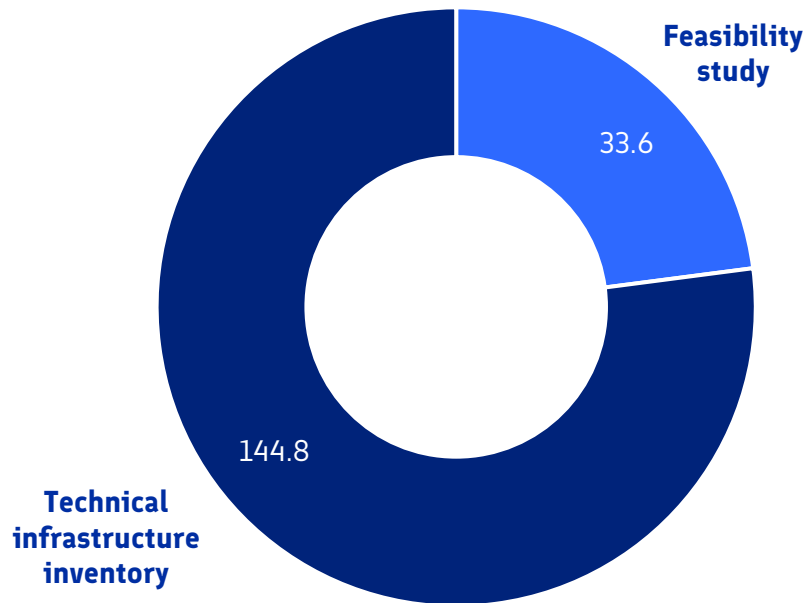
**Total recovery and reconstruction needs by sector (US\$ billion) as of December 2023\***

Category	Types of activities/investments	Total needs (2024–2033)
<b>Reconstruction needs</b>	Reconstruction, overhaul and modernization of state irrigation infrastructure	2752.5
	Reconstruction of hydraulic structures of protective arrays of Dnipro reservoirs	77.0
	Irrigation system upgrading and expansion in four priority systems: Kakhovska, Pivnichno-Rogachinska, Sirogozska and Priazovska	1,254.7
<b>Service delivery restoration needs</b>	Restoration and modernization of water management infrastructure	1,408.2
	Restoration of the functioning of the state water monitoring system	1.5
	Restoration and construction of centralized water supply of rural settlements using imported water	91.6
	Restoration of drainage systems	1,080.0
	Flood risk management measures	0.0
	Protection of floodplains of the Irpin River	3,742.3
	On-farm irrigation technology/equipment support to WUOs	321.1
<b>Total</b>		<b>10,734.0</b>

Source: RDNA3 assessment team\*

# Recovery and Reconstruction priorities

*Estimated 2024 recovery and reconstruction priorities (US\$ million)\**



- The government estimated that reconstruction priorities in 2024 require 43.6 mn USD
  - *Technical infrastructure inventory and design of modernization projects, equipment for water management planning, accounting, and irrigation monitoring including WUOs training*
  - *Feasibility study and inventory for restoration and modernization of specific systems*
- Implementation capacity remains to be the key challenge for the sector development

\*Source RDNA3 assessment team

# Opportunities

# State – Funded Procurement via Prozorro

## How it's done?

- State-funded procurement is done through the Prozorro public procurement system in Ukrainian only
- Access to bidding is done through a number of private platforms.
- Businesses receive payment for procured goods and services from the state budget

## How to succeed?

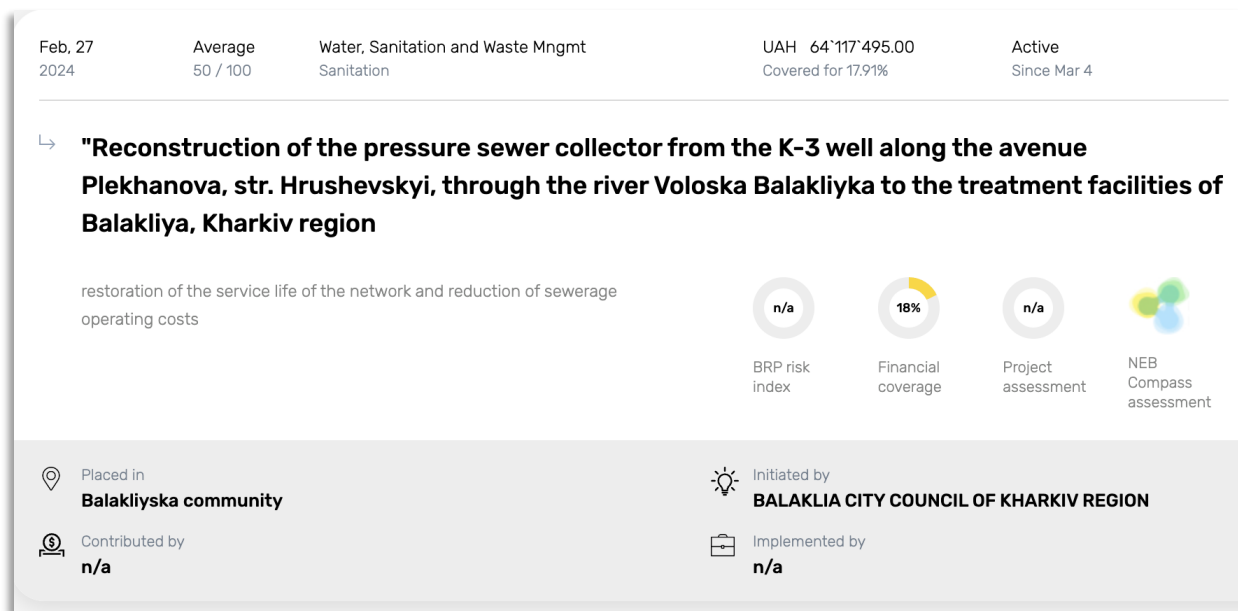
- Seek local partners to participate in the procurement
- Find partners by reviewing the awarded lots
- Prepare to work with your partners proactively:
  - Find procurement lots yourself and notify your partner accordingly
  - Let the partner submit the proposal where your business is either part of the bidding consortia or subcontracted
- Consider having a liaison officer in Ukraine for BD

Purchase Announced - 04-12-2023, 15:16. Last modification date - 04-12-2023, 15:16	
<b>Поточний ремонт щитових в навчальних закладах Шевченківського району міста Києва, код ДК (CPV) 021:2015: 45310000-3 Електромонтажні роботи</b>	
Purchase: UA-2023-12-04-014281-a / to Prozorro / to DoZorro Purchase plan line and rationale: UA-P-2023-12-04-007161-c	
Enquiry period : Proposals solicitation period : Auction	
OPEN BIDDING WITH FEATURES	
Status:	<b>TENDERING PERIOD</b>
Budget:	700 000,00 UAH (including VAT)
Procurement category:	Послуги
Auction minimal step:	3 500,00 UAH
Evaluation of proposals:	Lowest cost
Customer:	Управління освіти Шевченківської районної в місті Києві державної адміністрації

Поточний ремонт щитових в навчальних закладах Шевченківського району міста Києва, код ДК (CPV) 021:2015: 45310000-3 Електромонтажні роботи	очікувана вартість <b>700 000,00</b> UAH
Як підготувати тендерну пропозицію	
Подати пропозицію	

Source: Prozorro procurement system

- **DREAM**—A digital Restoration Ecosystem with a single pipeline and a single window for all recovery and modernization projects initiated by Ukrainian communities.
- Envisaged by the government and donors as a unique ERP-like system for restoration
- **Communities** – create and manage projects
- **IFIs/IFOs** – Evaluate and select projects for funding
- **Businesses** – plan and participate in reconstruction (Prozorro module will be added)



Source: DREAM platform

# Major IFI Funded Projects

Project/Activity	Project details	Project/Activity total cost
<b>WB:</b> <a href="#">Second Urban Infrastructure Project</a>	Infrastructure investment: over 80 projects in 10 cities to upgrade water supply, wastewater collection and treatment, as well as solid waste management	350 mn USD
<b>EIB:</b> <a href="#">UKRAINE RECOVERY III FL</a>	The project (framework loan) builds on two previous successful operations that have delivered to Ukraine so far more than hundred of schools, hospitals, social housing, water plants etc.	250 mn EUR
<b>EIB:</b> <a href="#">UKRAINE WATER RECOVERY FL</a>	The project (framework loan) aims to improve drinking water supply and waste water treatment in cities throughout Ukraine, focusing in particular on the quick restoration and repair of damaged or overstretched water and sanitation infrastructure.	200 mn USD
<b>EBRD:</b> <a href="#">RLF - Mykolayiv Emergency Water Project</a>	The emergency needs of the city of Mykolayiv, Ukraine, are to rehabilitate its ageing water supply and treatment infrastructure due to damages caused by Russian shelling.	33 mn USD
<b>NEFCO:</b> <a href="#">Green Recovery Programme for Ukraine</a>	Financial support is currently being used for repairs and reconstruction of municipal infrastructure in an environmentally sound way, accommodation of internally displaced persons (IDPs) and capacity building for designing Local Green Recovery Plans.	290 mn EUR

# Thank you!

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