



Ministry for Development
of Communities
and Territories of Ukraine

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Ministry for Development of Communities and Territories of Ukraine

RESTORATION DIGEST

The 75th Issue

A new border crossing point between
Ukraine and Poland was opened



KYIV, DECEMBER 23RD, 2024

DEAR FRIENDS, COLLEAGUES, AND PARTNERS!

It was a very fruitful week. Christmas Eve is hard for many people, communities, and cities throughout Ukraine. Russians attack our country every single day. Kherson, Kharkiv, Zaporizhzhia, Sumy, Odesa, Kyiv... Only by continuing to work, moving forward, and planning our future can we survive this terrible situation; the Government of Ukraine is allocating meeting UAH 15 billion to compensate internally displaced persons for

destroyed housing. President of Ukraine Volodymyr Zelenskyy announced this during the Congress of Local and Regional Authorities meeting. The allocated funds will allow almost 10,000 families to purchase or restore housing on their land through eVidnovlennia. I am grateful to Ukraine's Prime Minister, Denys Shmyhal, for his support. The Ministry's priorities are to provide housing to those most need it. Today, more than

10% of Ukraine's housing stock has been destroyed or damaged, affecting almost 2 million families. More than 4.6 million of our citizens have become internally displaced.

In 2025, we are launching a large-scale housing project for internally displaced persons to support even more Ukrainians. We also work with international partners to scale our initiatives



EBRD

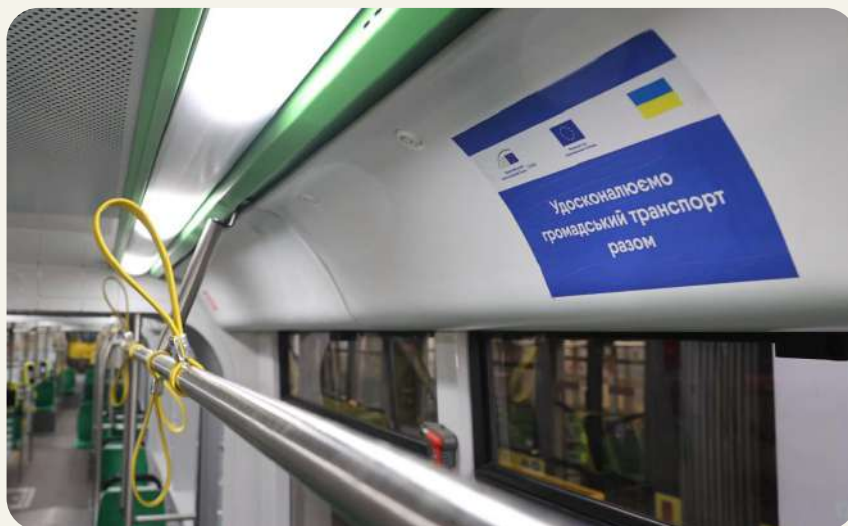
During the war, the Ukrainian railroad became the steel foundation of our logistics. It is essential to maintain and strengthen this foundation. We are launching two large and critically important projects with the EBRD. As part of the signed loan agreements under the state guarantees, Ukrzaliznytsia will receive a record €480 million from the EBRD to purchase electric locomotives and



construct a distributed power generation network. First, the EBRD will loan up to €300 million to buy dual-power electric locomotives. The second agreement provides for the construction of gas-fired power generation with a capacity of up to 270 MW near the key traction substations of Ukrzaliznytsia. The EBRD will provide a €180 million loan for this purpose. This generation will partially cover the needs of the railroad itself and other critical infrastructure facilities.

EIB

The European Investment Bank has announced €16.5 million EU-guaranteed financing for modernizing urban public transport in Kyiv, Mykolaiv, Ivano-Frankivsk, and Odesa. The funding will allow the purchase of new buses, trolleybuses, and the necessary spare parts and maintenance equipment to ensure reliable and efficient public transport operations in these cities. Russian aggression has caused significant damage to our transportation infrastructure, destroying hundreds of buses, trams, and



trolleybuses. But we are not just restoring what was lost – we are introducing modern, reliable, and comfortable transportation for our citizens even in the most difficult times.

This is our response to the destruction: rebuilding, improving, and moving forward. We thank our European partners, notably the European Investment Bank, for their assistance.



UKRAINE-EU BORDER INFRASTRUCTURE DEVELOPMENT

Due to the full-scale invasion, the workload at automobile checkpoints has increased significantly. About 90% of passenger traffic abroad is handled through automobile checkpoints. There-

fore, it is important to develop the border not only with a focus on export logistics but also to ensure that our people do not have to wait in lines and have comfortable conditions when crossing the border. At the same time, as Ukraine actively moves towards EU membership and allocates funds for defense, we

need to look for solutions that will optimize construction and minimize costs. The opening of the Nyzhankovychi – Malkhovychi checkpoint is just such a solution. I am grateful to my Polish colleagues who have implemented this project independently, and now, the two countries will work at the same checkpoint.

GROWTH COOPERATION WITH LITHUANIA

Ukraine and Lithuania held the first intergovernmental consultations headed by Prime Ministers Denys Shmyhal and Gintautas Paluckas. The agenda was focused on defense capabilities and investments in

the defense industry, European integration, toughening sanctions against Russia, and economic cooperation.

At the meeting, I emphasized the key priorities for collaboration for the Ministry for Development: reconstruction, restoration of damaged infrastructure, expansion

of logistics to support exports, and improvement of passenger transportation. And special attention is to maritime security. Today, Lithuania is an example of concrete assistance and support for our country. We are grateful to Lithuania for its large-scale investments in reconstruction projects, estimated at €37 million.



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SCHOOL REFORM PERSPECTIVES

Scaling up the school nutrition reform for all communities in the country is a priority for 2025. This was emphasized during a meeting on the annual results of the reform initiated by First Lady Olena Zelenska. We have already passed a long way from the pilot Kyiv region to the involvement of all areas. This year, the first factory kitchen in Ukraine has begun operating in Bucha. The sec-

ond factory kitchen is being constructed in Lozova, Kharkiv region. As part of the cascade method, the regions held 19 forums that brought together more than 2,800 participants and 1,200 educational institutions. As a result, the regions have developed regional strategies based on the National School Nutrition Reform Strategy. The task for the next year is to implement the strategic documents at the community level. The Code and Guidelines for School Catering have been

approved, and new building codes have been developed.

This creates a strong regulatory framework for implementing new catering models, both for the modernization of canteens in educational institutions and for the effective use of the targeted subvention. We are scaling up the experience of communities using digital tools. Next year, we plan to teach communities to form investment project portfolios as part of the Reform of Public Investment Management.



HAND IN HAND PROJECT

More than 100 communities have joined the "Hand in Hand" project. I presented the "Hand in Hand" project at the Congress of Local and Regional Authorities under the President of Ukraine. This is a large-scale initiative between communities when the rear and more capable partner communities help the frontline communities and those under constant russian

fire by the outpost communities. Another 114 outpost communities need support. And each rear community can become a partner for a frontline settlement. Our common goal is to help make this happen. Hand in hand, we are restoring damaged settlements and forming strong horizontal ties between communities.

I am grateful to our partners for investing in Ukraine's

victory and sustainable development. Cohesion is our strength.

I wish you all a Merry Christmas and a Happy New Year!

Oleksii KULEBA,
Deputy Prime Minister for
Restoration of Ukraine – Minister
for Development of Communities
and Territories of Ukraine

KEY FIGURES OF THE WEEK

UKRAINIAN CORRIDOR

TEMPORARY HUMANITARIAN SEA ROUTE

In total, since the beginning of the corridor functioning:

- Arrived: **3399 vessels;**
 - Loading in progress: **40 vessels.**
- Exported:
- grain cargo – **59.3 mt;**
 - other cargo – **30.5 mt;**

TOTAL – 89.8mt

Declared for arrival:
94 vessels, 2.4 mt



eVIDNOVLENNIA

DAMAGED/ DESTROYED HOUSING COMPENSATION PROGRAM

DAMAGED HOUSING

(repairs and overhauls)

With a substantial financial commitment of UAH 8.5 billion, we have approved 79.3 thousand applications for housing restoration.

TOP-5 regions:

- Kharkiv
- Kyiv
- Donetsk
- Mykolaiv
- Kherson



DESTROYED HOUSING

(buying new housing)

12967 certificates were generated according to applications, and UAH 19.6 billion was approved for payment. 4858 certificates have already been implemented, with a total of

UAH 9 billion.

TOP-5 regions:

- Kharkiv
- Donetsk
- Kyiv
- Kherson
- Mykolaiv

DESTROYED AND DAMAGED INFRASTRUCTURE*

Facilities	Damaged or destroyed	Restored
TOTAL:	228 898	52 119
Individual houses	174 747	29 328
Energy	-	10 765
Apartment buildings	22 047	5 757
Life sustenance	9 163	2 848
Education	4 001	915
Social, sports, and cultural facilities	1 954	316
Healthcare	1 691	524
Roads	1 110	486
Administrative and Centres of administrative services	1063	206
Others	13 122	974



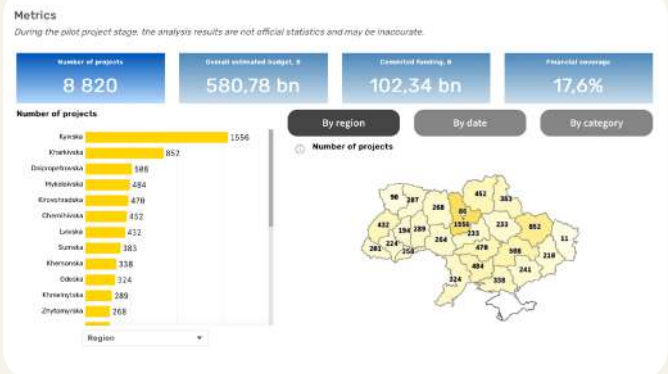
Restored damaged apartment house in Vasylkiv, Kyiv region

*As of December 20th, 2024, according to regional military administrations since February 24th, 2022

RESTORATION PROJECTS: DREAM ANALYTICS**

The Digital Restoration Ecosystem for Accountable Management (DREAM) is a significant milestone in Ukraine's restoration efforts. It's not just a state digital platform for implementing restoration projects but a powerful tool that underscores our unwavering commitment to transparency and accountability

8820 projects have been added to DREAM since the launch of its beta testing in September 2023. The number of projects by sector includes **3387** projects created in the Education sector, **1270** projects created in the Healthcare sector, **977** projects created in the Water, Sanitation, and Waste Management sector, **839** projects created in the Housing sector, **771** projects created in the Transport sector.



*Digital Restoration Ecosystem for Accountable Management (DREAM) is the state digital platform for implanting restoration projects. DREAM collects, organizes, and publishes open data across all stages of reconstruction projects in real time, implementing the highest standards of transparency and accountability.

** DREAM collects, organizes, and publishes open data across all stages of restoration projects in real time, implementing the highest standards of transparency and accountability. As of now, DREAM contains only a part of restoration projects. Legislation ensuring all restoration projects are included in DREAM is being developed.

Top 10 regions according to the number of projects in the DREAM:

- Kyiv
- Kharkiv
- Dnipro
- Mykolaiv
- Kirovohrad
- Chernihiv
- Lviv
- Sumy
- Kherson
- Odesa

All the data on projects in DREAM is available on the public [portal](#) and via the business intelligence [module](#). At the pilot project stage, the analysis results are not official statistics and may need more accuracy. Join the DREAM and find more information concerning investment projects on dream.gov.ua or write to info@dream-office.org

EBRD PROVIDES EUR 480 MILLION FOR DEVELOPMENT PROJECTS OF RAILWAY SECTOR

EBRD to provide a record amount for Ukraine's railway and distributed generation projects.

As part of the signed loan agreements under the state guarantees, Ukrzaliznytsia will receive a

record €480 million from the European Bank for Reconstruction and Development to

purchase electric locomotives and construct a distributed power generation network.



During signing of the guarantee agreement between the EBRD and the Ministry for Development of Communities and Territories of Ukraine, Deputy Prime Minister for Restoration Oleksii Kuleba noted that these projects are aimed at modernizing the railway infrastructure and increasing the resilience of Ukraine's transport system.

The tranche is EUR 180 million to construct additional

distributed generation facilities with up to 270 MW capacity. Thus, Ukrzaliznytsia will become the first state-owned company in the non-energy sector to commit to building a network of gas-piston power plants at its locations.

As part of the Electric Locomotive Fleet Renewal project, Ukrzaliznytsia will receive a loan of €300 million.

This project's implementation will allow the renewal of the fleet of dual-power electric locomotives. It is worth noting that this project will be co-financed by a parallel investment grant of USD 190 million.

The project will be financed by a parallel investment grant of USD 190 million under the RELINC project administered by the World Bank.



Preparations for the signing of the agreements were carried out in short terms. Negotiations between the Government of Ukraine and the EBRD began in October 2024, and final agreements were reached and signed in December 2024. Thanks to the coordinated work of the Ministry of Development and Ukrzaliznytsia teams at each stage of approval at the government level. This, in turn, will allow us to start implementing the projects next year, which is critical in the context of electricity shortages.

According to Head of Ukrzaliznytsia Oleksandr Pertsovskiy, signed agreements with the EBRD are the result of the hard work of the team of Ukrzaliznytsia, the Ministry for Development and the Ministry of Finance, which will allow to implement specific and much-needed projects. First, the fleet of electric locomotives, which is already critically worn out, should be upgraded with new modern dual-system locomotives. They can partially replace

outdated electric locomotives and ensure faster goods in areas with different types of our teams rent. Secondly, we need to build our government on – a project about our energy independence, allowing us to operate in blackouts, transport passengers and cargo stably, and support the national power grid. It is important that these two projects have a clear purpose, are economically viable, and are being implemented on preferential financing terms.



MEETING WITH FINISH BUSINESSES

Finnish businesses will continue to support recovery and reconstruction projects in Ukraine.



Aliona Shkrum, the First Deputy Minister for Development of Communities and Territories of Ukraine, met with representatives of the Embassy of Finland in Ukraine and Finnish entrepreneurs.

The parties discussed joint projects implemented and outlined plans for the future. Also, the attendees talked about a new financing instrument, the Finnish-Ukrainian Investment Fund (FUIF), which is designed to help Ukraine make public sector investments that meet the UN Sustainable Development Goals using



Finnish equipment and technologies.

In her turn, Deputy Head of Mission of the Embassy of Finland in Ukraine, Merja Lahtinen,

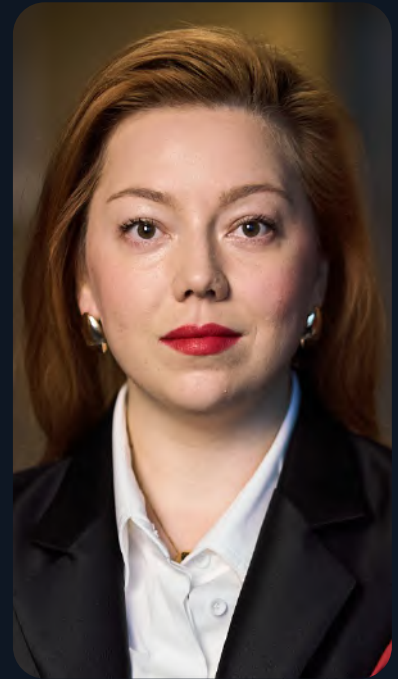
noted that Finland is already implementing large-scale recovery and reconstruction projects in the Nemishayivska territorial community of Bucha district, Kyiv region.

In particular:

- overhaul (thermal modernization) of the Municipal outpatient clinic
- reconstruction and restoration of heat and water supply and sewage facilities
- design, supply, and construction and installation of water distribution pipelines.

The plans include the reconstruction of an educational institution based on the principle of an energy-efficient school in the village of Mykulychi, which Russia destroyed.

In addition, Janne Harjunpää, CEO of the East Office of Finnish Industries, emphasized that the Finnish side will gladly continue to support and assist Ukraine because, without the courage of the Ukrainian army, they would have to fight instead of developing business.



**Aliona SHKRUM,
the First Deputy Minister
for Development
of Communities and
Territories of Ukraine:**

We highly value our cooperation with Finland and are interested in launching new projects. The Russian war has brought new challenges to Ukraine. Housing infrastructure is one of the most affected.

Our priority remains social infrastructure, the construction of housing for internally displaced persons, and the restoration of critical infrastructure.

I am convinced that Ukraine and Finland have a lot of room for further cooperation.



PROTECTION, SUPPORT AND PEOPLE CARE

Aliona Shkrum, First Deputy Minister for Development of Communities and Territories of Ukraine, spoke at the forum "Law and Justice: Strengthening Cooperation in Times of War."

During a panel discussion on protecting the rights of vulnerable categories of people, the First Deputy Minister delivered a speech on protecting the rights of the most

vulnerable categories of Ukrainians:

- Internally displaced persons
- Children
- Veterans
- Victims of violence or those released from captivity

Ensuring adequate protection and support for vulnerable categories of citizens, including IDPs, children, veterans and victims of violence is a joint effort of the government, local authorities and international partners that should form the basis for developing effective support mechanisms in Ukrainian communities.



IN HER SPEECH, ALIONA SHKRUM FOCUSED ON THE FOLLOWING ISSUES:

- 1** Coordination of initiatives. Thanks to the Congress of Local and Regional Authorities, it was possible to establish horizontal communication between central and local authorities. This allowed communities to receive feedback and respond to challenges more effectively.
- 2** Training of communities. Working with vulnerable populations requires specialized knowledge. Training psychologists, creating assistance centers, and supporting citizens affected by the war are essential.
- 3** Resources for communities. Thanks to the involvement of international partners, communities get new development opportunities. Denmark already supports the restoration of the Mykolaiv region, France – Chernihiv region, and Italy – Odesa region.
- 4** Transfer of successful practices. As an example, the First Deputy mentioned the Yakymivska community in the Zaporizhzhia region, where a Mental Health Recovery Center for IDPs has been established, which, in her opinion, motivates other communities to implement similar projects.

AFD SUPPORTS RESTORATION PROJECTS IN UKRAINE

The Agence Française de Développement (AFD) has expressed its readiness to support projects in Ukraine



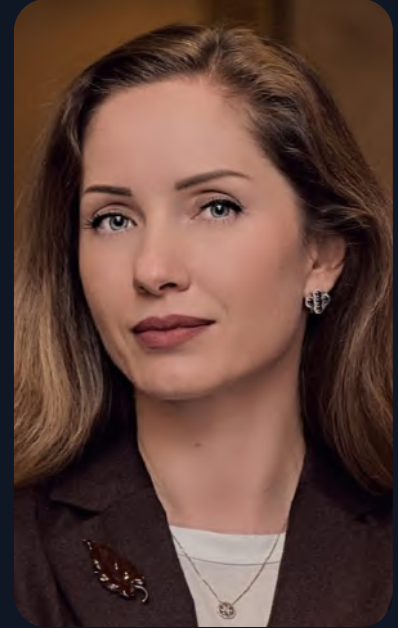
Maryna Denysiuk, Deputy Minister for Development of Communities and Territories, met with Mathieu Vasseur, AFD Regional Director for European Enlargement and Neighborhood. The negotiations were joined by Axelle Nos, Head of the AFD Office in Ukraine, Gaëlle Assayag, AFD Country Representative for Ukraine and Moldova, and Artem Husak, Director of the Investment Policy Department of the Ministry for Development.

The participants outlined the main areas of work and discussed future joint projects.

Maryna Denysiuk expressed her hope that the cooperation between the Ministry of Development and the French Development Agency would be productive and told the Agency representatives about the Ministry's main priorities.

To implement effective recovery mechanisms, the Ministry of Development uses new planning tools, developing key procedures and methodologies for preparing, monitoring, and evaluating public investment projects. This will increase the efficiency of the use of funds. Also, with the support of foreign partners, the Ministry is training communities to prepare projects – from the planning stage to the implementation stage.





Maryna DENYSIUK,
Deputy Minister
for Development of
Communities and
Territories of Ukraine:

Our tasks are primarily related to the challenges of the war.

These include building a decentralized energy generation network, providing water to the southern regions affected by the Russians' Kakhovka hydroelectric power plant explosion, particularly the Mykolaiv region, building social housing for internally displaced persons, and ensuring the security of ports and logistics routes.

This is a basic but far from exhaustive list.

The Deputy Minister also outlined the situation in the frontline and border regions, emphasizing that they are the ones that need the most help now.

In turn, Artem Husak noted that the reform of decentralization in Ukraine is very similar to the French model. The Ministry of Development fully promotes the continuation of this reform, but the full-scale invasion of Russia is making its adjustments. In addition to the Regional Development Strategy, the Ministry is implementing a macro-regional development strategy, focusing on supporting

frontline areas. In addition to the proximity to the combat zone and the destruction of infrastructure due to constant shelling, communities are losing their businesses and the ability to replenish their budgets on their own. This, in turn, hurts the local economy.

Mathieu Vasseur outlined the main areas of the Agency's work: supporting the private sector and providing expertise and technical assistance in various fields. At the end of the meeting, he expressed hope that further negotiations and agreements would be equally successful.

BORDER INFRASTRUCTURE DEVELOPMENT

On December 21, the new Nyzhankovychi – Malkhovychi checkpoint launched the movement of buses, cars and trucks up to 3.5 tons.

This joint checkpoint opened on the Polish side with funding from the Polish side. Representatives of Ukraine and Poland's customs and border guard services will jointly operate at the checkpoint.

The enqueue electronic system is already in place for buses

departing from Ukraine at this checkpoint. Therefore, passenger carriers must register in advance to cross the border on the website or through the eQueue app.

In addition to buses, cars, and trucks, up to 3.5 tons can cross the checkpoint.

The Polish side funded the modernization of the checkpoint. On the Ukrainian side, the 46-kilometer section of the Nyzhankovychi – Sambir road leading to the new crossing point was completed by the Lviv Regional Restoration Service in 2023.

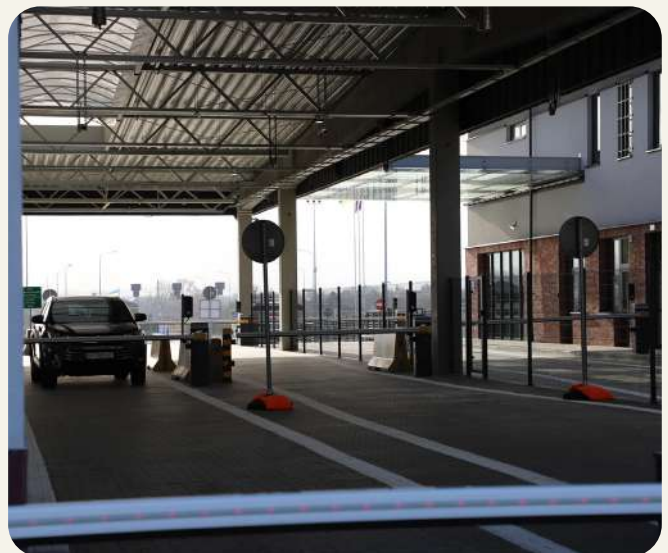




Serhii DEREKACH, Deputy Minister for Development of Communities and Territories of Ukraine:

The opening of the Nyzhankovychi – Malkhovychi checkpoint is an essential step towards increasing the capacity of the Ukrainian-Polish border. The design capacity of the checkpoint provides for the possibility of processing about 50 buses and 2000 cars

per day to leave Ukraine. The control services of both countries must operate at the same checkpoint. This will halve the time required to complete control measures, which, in turn, will speed up the time for passengers, drivers, and cargo to clear and cross the border. We thank our Polish colleagues for their efforts to open the checkpoint. This result is felt primarily by people traveling abroad by car or bus.



JAPAN LAUNCHES THE COORDINATION COUNCIL FOR RECONSTRUCTION UKRAINE

Japan has announced the creation of a coordination council for the reconstruction of Ukraine, which will involve Ukrainian and Japanese businesses.

This was announced by Hiromasa Nakano, Minister of Land, Infrastructure, Transport and Tourism of Japan, during a meeting with Yuliia Svyrydenko, First Deputy Prime Minister of Ukraine and Minister of Economy of Ukraine, and

Serhii Derkach, Deputy Minister for Development of Communities and Territories of Ukraine.

The Ukrainian delegation outlined its priorities in cooperation with the Government of Japan regarding infrastructure resto-

ration. In particular, they called for continuing to provide Ukrzaliznytsia with rails to restore the railroad's surface. Japan has already donated the same rails through JICA, which helped restore 200 kilometers of railway tracks in 2023-2024.



Other priority projects include restoring housing infrastructure using advanced Japanese technologies and innovations and exchanging experience for training specialists in the transport sector.

According to Deputy Minister Derkach, Ukraine and Japan must already develop specific mechanisms for coordination recovery. This will allow for direct interaction on priorities and needs for reconstruction at the government and the private sector levels. The



Ministry for Development expects the Coordination Council to become an effective mechanism for attracting support for restoring critical infrastructure, transportation, social facilities, and housing.

The parties discussed how Japan and Ukraine could facilitate the involvement of Japanese companies in the reconstruction of Ukraine and what tools the private sector needed from the governments of both countries.

CRITICAL INFRASTRUCTURE FACILITIES IN THE VINNYTSIA REGION

Deputy Minister for Development of Communities and Territories of Ukraine Kostiantyn Kovalchuk visited critical infrastructure facilities in the Vinnytsia region.



Kostiantyn KOVALCHUK,
Deputy Minister
for Development of
Communities and
Territories of Ukraine:

Creating a decentralized heating system is a top priority for every community in the face of constant enemy rocket attacks. Ladyzhyn is a good example of how local authorities should prepare for winter responsibly. Together with the Vinnytsia Regional Water Supply Company and with the help of foreign partners, residents are provided with heat

The availability of alternative energy sources is essential to surviving winter in war conditions. The Deputy Minister got acquainted with the work of boiler houses in the Ladyzhyn community, which provide an alternative heat supply to residents. He was informed about the state of work performed at each boiler house and directly communicated with local residents about the heating state.

The Ladyzhyn community has received two 0.5 MW cogeneration units from the Ministry of Climate Policy and Green Development of the Netherlands. In addition, a memorandum was signed with USAID to receive a 0.45 MW cogeneration unit. The situation in the city is currently under control. All educational, social, and healthcare institutions in Ladyzhyn are supplied with heat and usually operate.



EIB PROVIDES FUNDING FOR PUBLIC TRANSPORT MODERNIZATION

EIB provides EUR 16.5 million to upgrade public transport in war-affected cities of Ukraine.



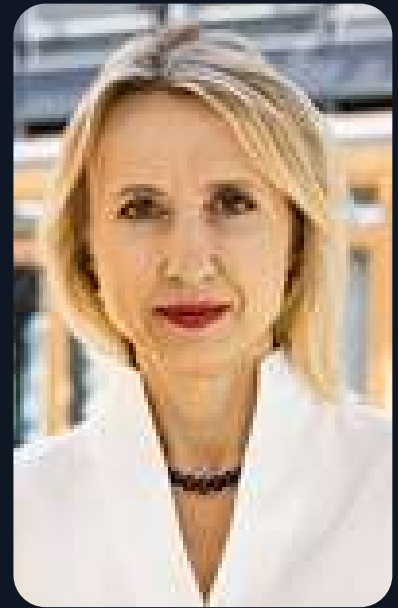
These costs will be used to modernize urban public transport in Kyiv, Mykolaiv, Ivano-Frankivsk, and Odesa. The financing will allow the purchase of new buses, duo buses, and trams, as well as the necessary spare parts and maintenance equipment, to ensure the reliable and efficient operation of public transport in these cities.

Since February 2022, more than one-third of Ukrainians have been forced to flee

their homes, and cities such as Kyiv, Mykolaiv, Ivano-Frankivsk, and Odesa have received significant numbers of internally displaced persons from the occupied territories. This funding will help these cities cope with the growing demand for public transport, improve mobility in the town, and strengthen resilience while promoting sustainable and affordable transportation solutions.

This funding, backed by EU guarantees, is part of the

EIB's Emergency Solidarity Package, developed in close cooperation with the European Commission. In addition to the €17.25 million previously allocated for transport rehabilitation, this financing underlines the EU's continued commitment to supporting the rehabilitation and development of Ukraine's infrastructure. In particular, it will contribute to the renewal of transport systems, helping cities overcome the war's effects and respond to growing needs.



Teresa CZERWINSKA,
Vice-President of the
EIB:

The war has brought enormous challenges to Ukrainian cities, forcing them to quickly adapt to the needs of a growing number of displaced people and damaged infrastructure. By providing Kyiv, Mykolaiv, Ivano-Frankivsk, and Odesa with new buses and trams, we aim to strengthen the capacity of these cities to cope with the challenges and provide safe and sustainable transport for their residents. Together with our EU partners, the EIB continues to support Ukraine by investing in projects that contribute to recovery and lay the foundations for a stronger and more sustainable future.



Valdis DOMBROVSKIS,
Commissioner of Economy
and Productivity of the Euro-
pean Commission:

This €16.5 million financing from the EIB, backed by

EU guarantees, will help restore and modernize public transport systems in Ukrainian cities. With the support of its EU partners, Ukraine continues to make progress in improving the daily lives of its citizens despite the challenges posed by Russia's full-scale invasion. This is an integral part of the EU's support to rebuilding the country, where transportation systems play a key role during the war and in the medium term in the country's recovery. The EU continues to support Ukraine and its people both politically and economically.



Thank you
for attention



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