

Meeting with Oleksandr Kubrakov, Deputy Prime Minister for Restoration of Ukraine - Minister for Communities, Territories, and Infrastructure Development of Ukraine and Deputy Ministers Yurii Vaskov, Anna Yurchenko, Oleksandra Azarkhina, Anatolii Komirnyi and Oleksandr Butenko

Thursday, May 4, 2023

Purpose of discussion: discussion of the acute issues for the business community, particularly in terms of the recovery of Ukraine and development of national transport logistics.

Question for discussion	Discussion results
1. Recovery processes and preparation to the international Ukraine Recovery Conference (URC 2023) in London.	The Ministry for Communities, Territories, and Infrastructure Development of Ukraine (Ministry) continues to focus on the country's reconstruction process. There is a clear understanding that the private sector will play one of the key roles in this process. The Ministry is also preparing for the organization of the Ukraine Recovery Conference, which will be held in London on June 21-22 this year. The Conference aims to attract international support for the economic and social stabilization of Ukraine and its recovery after the war, including by providing emergency aid for immediate needs and financing the participation of the private sector in the reconstruction process.
2. Ministry's plans to open new checkpoints and expand the capacity of existing checkpoints in 2023.	The Ministry is going to invest in increasing the capacity of the western borders as the Ministry's team started to do it the previous year. The main two directions here are railroad pass crossings at the western borders and there are expectations that the Ukrainian Railways will start the implementation of Mostytska - Sknyliv railway direction this year. The Basarabeasca - Berezyne railway section was opened last year and currently trains to the Ukrainian port of Reni run through this direction. As for new automobile checkpoints, Nižankovići - Malhovići was put into operation last year, the capacity of the Krakovets - Korczowa checkpoint was also expanded, two new checkpoints Krasnoilsk and Dyakivtsi were also opened on the border with Romania. The Ministry will continue to work in this direction, and the implementation of these projects will continue to be necessary to ensure the expansion of export channels.
3. Electronic queue (eQueue) for road transport on the international checkpoints across the state border of Ukraine.	On May 2, 2023, the Cabinet of Ministers of Ukraine adopted Resolution #442 which foresees the extension of eQueue to 15 checkpoints in addition to Yahodyn - Dorohusk checkpoint already operating under this system. Registration of drivers in eQueue starts on Monday, May 8, 2023. Extending the operation of eQueue to other cargo checkpoints will allow organizing queues management in front of international checkpoints across the state border of Ukraine for road transport, will optimize the time spent in queues, and will reduce the cost of transporting goods.
4. Development of Danube ports	The Ministry prepared a draft Resolution to expand the capacity of the Danube ports, but the Armed Forces of Ukraine have not yet given their consent to establish a transshipment between the mouth of the Danube river and

	<p>Zmiinyi Island due to security concerns.</p> <p>The Ministry is developing the state's strategic infrastructure, dredging the Bystre mouth, acquiring an additional fleet, and modernizing the berthing infrastructure. The question of creating suitable conditions to attract private business is also of high priority: six private projects are currently being implemented along the Danube river.</p> <p>The Ministry also acknowledges the need to regulate queues for vehicles at the entrance to the Danube ports, introduce an eQueue and create more storage sites.</p> <p>This year it is expected to increase transshipment volumes up to 20 million tons of cargo, including 16-17 million tons of agricultural cargo.</p>
5. Access to the Register of construction activities in certain regions of Ukraine	<p>AmCham members informed the Ministry that, setting the task of building new civil protection shelters for permanent use, they faced the problem of lack of access to the Register of Construction Activities (Register) in some regions of Ukraine, particularly in the Mykolaiv region. The Ministry assured the participants that it would contribute to the solution of this problem as soon as possible.</p>
6. Implementation of the electronic consignment note system (e-TTN)	<p>Together with the members of the Ukrainian Parliament, the Ministry is working on the issue of postponing the launch of the registry and obligatory introduction of e-TTN. Currently, the business is being connected to the providers, and the whole system is being tested, but the process is slow. In this regard, there is a justified need to extend the test period and postpone the launch of e-TTN, so that the business can gradually get used to it and work out all challenges that may arise.</p>
7. On the necessity to amend the Law of Ukraine #2722-IX "On Postal Services" dated November 3, 2022 (Law of Ukraine).	<p>The Ministry contacted the Universal Postal Union (UPU) regarding the need to obtain particular UPU codes to approve the places of international postal exchange. Consequently, there are two options: introduce the issuance of the mentioned UPU codes or amend the Law of Ukraine and cancel this requirement. The Ministry will get back to this issue and provide updated information and results shortly.</p>
8. Grain Initiative	<p>At the governmental and presidential levels, appropriate measures are taken to ensure that the Grain Initiative will be prolonged and operate properly. For its part, the Ministry is doing everything possible to ensure that the work of the Grain Initiative is effectively coordinated and extended to other ports of Ukraine, particularly in the Mykolaiv region.</p>
9. Concession of the Ukrainian seaports	<p>The possibility of releasing the concessionaire from fulfilling the financial obligation of the concession through a bank guarantee for the period of martial law in the absence of activities in the closed seaport is being considered. In particular, this concerns the ports of Kherson and Olvia. The process of resolving the issue is underway.</p>
10. Draft Procedure for compensation for investments made by business entities in strategic port infrastructure facilities (draft	<p>Considering the suggestions and additional comments received, the draft Procedure was revised last week and sent to respective executive bodies. It is expected that next week</p>

Procedure)	the Ministry will receive approval from the executive bodies and share the draft Procedure's final version with the business community. The Cabinet of Ministers of Ukraine may approve the final version of the draft Procedure in May.
11. Construction and restoration of damaged power stations	The Ministry, jointly with Ukrenergo, is working on constructing new substations, repairing existing ones, and providing more reliable protection at the main substations of the Ukrenergo network. Regarding the possibility of building and restoring new generation capacities, cooperation with USAID and other American partners and the Ministry of Energy is developing. The Ministry is also working to create favorable conditions for private investors, so it is ready to accept proposals with already developed restoration projects for defined regions.
12. Reimbursement of guarantees	Issues of war risk insurance and reimbursement of guarantees are a problem faced by international investors in Ukraine. In close cooperation with the U.S. International Development Finance Corporation (DFC), the launch of such an important financial instrument is expected. Research is underway on the need for and demand for reimbursement and insurance to collect data before launching targeted collaborations.
13. Accrual and payment of the consumption volumes of utilities consumed at the facilities of Ukrainian business entities during the occupation.	The issue of de-occupied territories and the establishment of payment for communal services there for both the population and enterprises is rather acute. This problem and the possibility of canceling the payment for the distribution of consumed electricity for the occupied territories must be resolved at the legislative level. The Ministry for Reintegration of the Temporarily Occupied Territories of Ukraine is developing a draft Law that should settle this issue.
14. Communication stations	AmCham members highlighted the possibility of synchronizing the Ministry's recovery plans to restore roads, bridges, and other transport arteries with plans to build new communication stations along the roads and connect them to the power supply. The Ministry supported this idea but still emphasized that the most critical issue to be restored is the electricity supply to the cities and residential areas that have been de-occupied. Accordingly, restoring de-occupied cities, towns, villages, and other settlements is now a priority.