



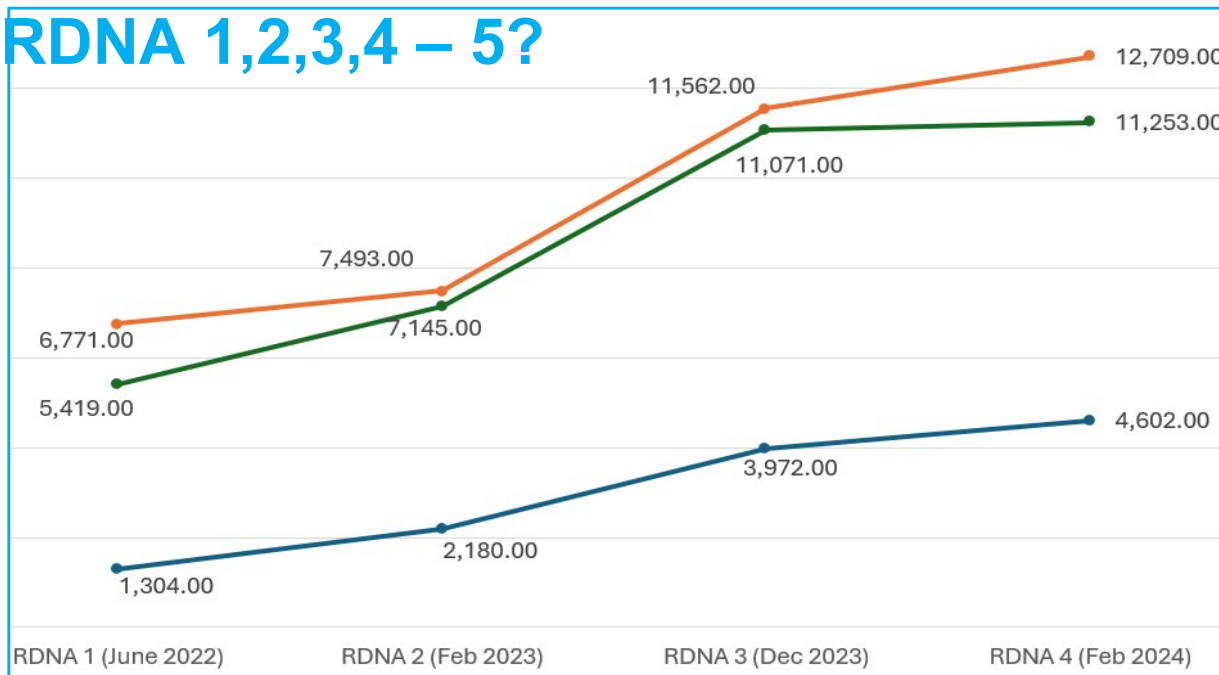
Beyond Emergency Response: Enabling Conditions for Ukraine's Water Sector Recovery

Growing impact & critical response deficit

Infrastructure Strikes (+45% / 2024)

- 2,348 residential infra, 285 schools, + 211 clinics
- 499 energy infra targets: 68% reduction of pre-war power generation capacity

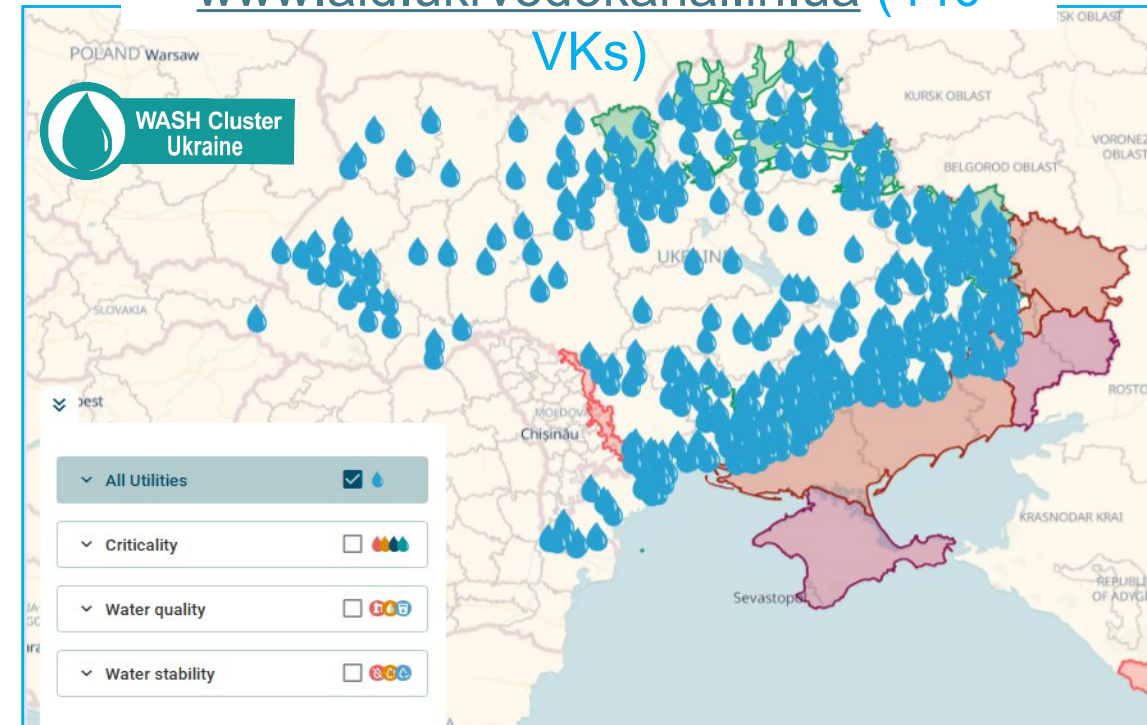
RDNA 1,2,3,4 – 5?



— Total damages (US\$ million)
— Total losses (US\$ million)
— Total recovery and reconstruction (US\$ million)

WSS Emergency needs at its peak

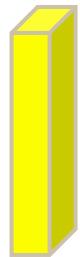
- WSS: 8.5 M ppl in need; 2.9 M reached (June 2025)
- WSS 9.7% funded / \$ 365M (vs 40%)
www.aid.ukrvodokanal.in.ua (440



Sustain humanitarian capacity to prevent system collapse

Growing impact & critical response deficit

78% of largest water utilities supplying 6 million people without adequate backup capacity during power blackouts (e.g. +1.8MW in Zaporizhia) → over 4 million people at risk"

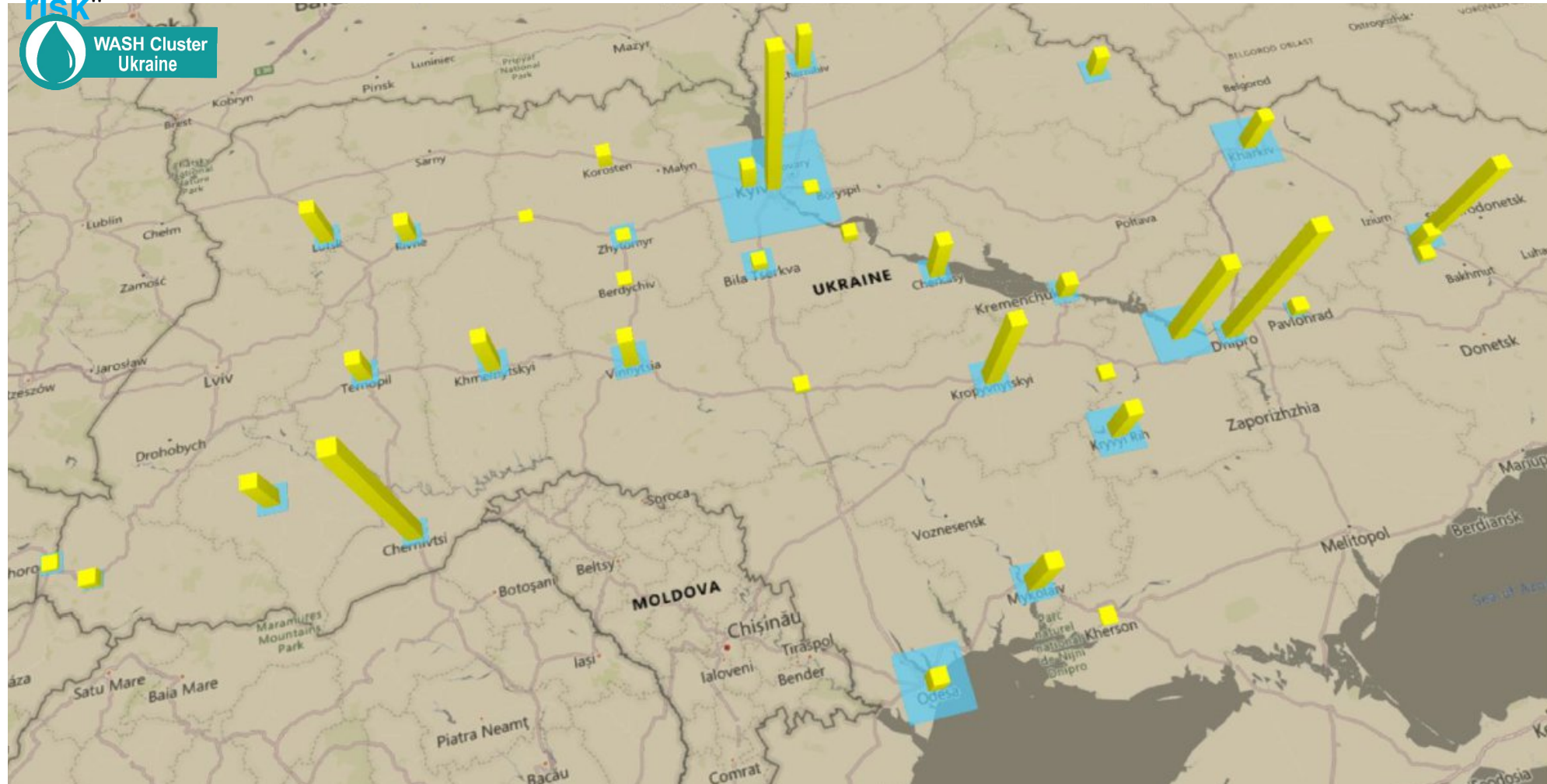


\$ required for
back-up power
supply



population
served

\$ 11 million



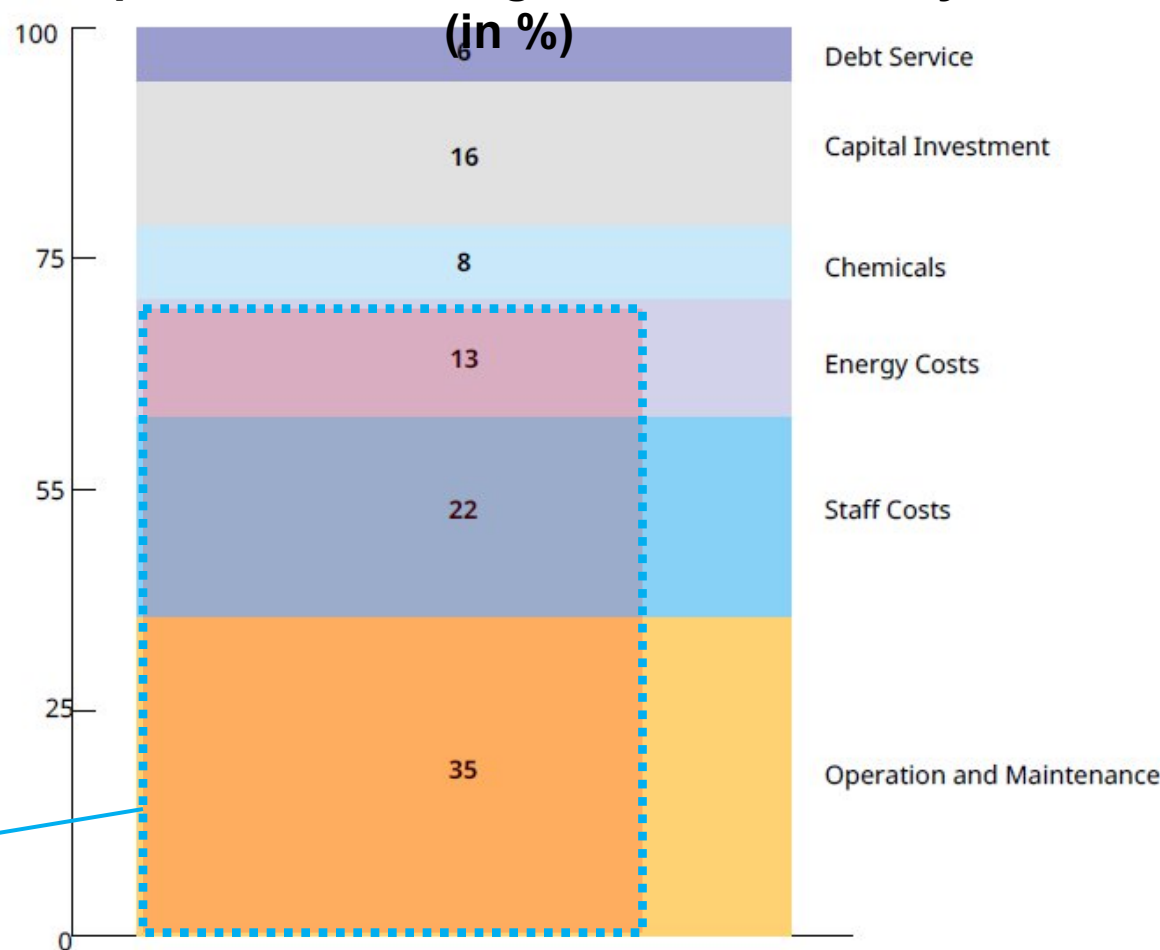
Water Tariff – Ukraine Vs EU Cost structure

Cost vs revenues for WS&S Services



What Ukrainian utilities can currently afford

Theoretical Breakdown of Water Bill Expenses for Average EU Water Facility

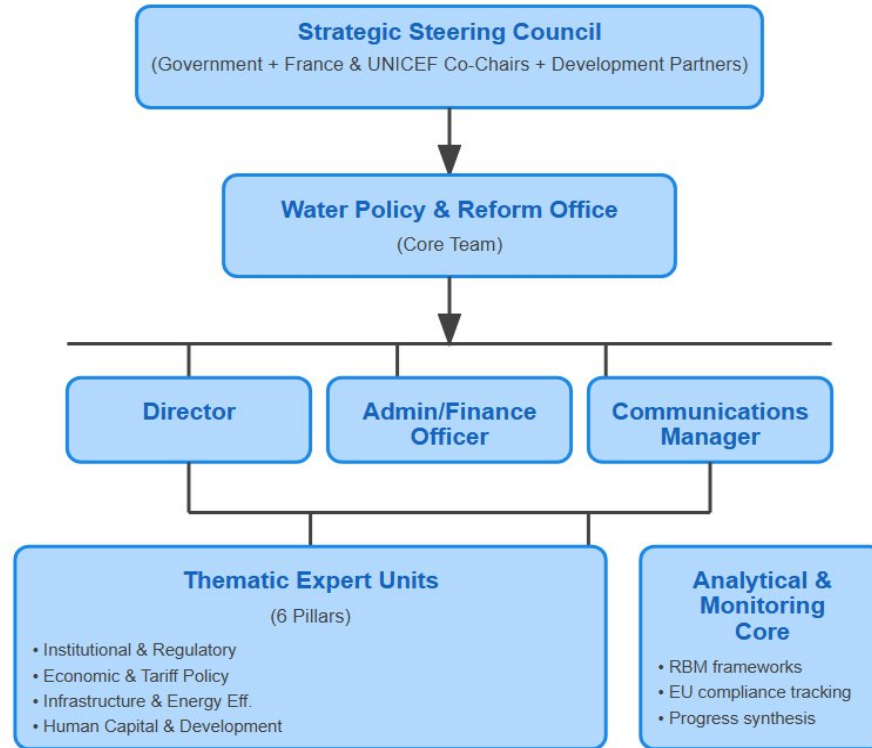


- ☐ Shift to recovery ? **loans & creditworthiness**
- ☐ **Private sector investment** is critical for WSS recovery – **business incentive ?**
- ☐ EU experience: **cost-recovery tariffs can be implemented alongside effective social protection mechanisms** (targeted subsidies, two-block tariffs)

Challenges, opportunities, priorities

Opportunities

- **WSS coordination** established in UDP (Group 17)
- **WSS Reform Office** being established in MinDev
- **M&E system** and **WQM system** being developed (MinDev)
- **Structuring capacity development:** training curriculum, national trainers, twinning pilots...
- Reform law (Law 4196) to **corporatize municipal enterprises**
- **Ukraine Recovery Program III & DREAM pipeline:** 68 approved water supply & wastewater modernization projects (out of 131)



Challenges & priorities

- **Address immediately preventable losses:** energy, water, chemicals + quality of work supervision
- Critical campaigns led by the State Agency for Restoration to enable recovery **not funded** (energy, NRW...)
- **No pipeline of WSS recovery projects:** prioritization criteria and phasing aligned to budgets and needs?
- Sector still fragmented and limited coordination (MinEco, MinHealth...)
- Regulation, Institutional Dev. and coordination to accelerate Financing
- Lack of recovery plans and investment cases, pragmatic, locally owned