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**URTF** UKRAINE RELIEF, RECOVERY,  
RECONSTRUCTION AND REFORM  
TRUST FUND



**THE WORLD BANK**  
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ANNUAL REPORT 2022–23

# UKRAINE RELIEF, RECOVERY, RECONSTRUCTION AND REFORM TRUST FUND

## Global Partnership in Action





**Reporting Period:** December 2022–December 2023

**Report Date:** March 2024

*All financial figures presented in this report are expressed in United States dollars (US\$), unless otherwise stated.*



A boy carries Ukrainian flag. Photo: Michele Ursi | Dreamstime.  
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# Contents

Acknowledgements	6
Acronyms and Abbreviations	7
Foreword	9
Executive Summary	11

## 01

### COUNTRY CONTEXT 14

1.1 Rapid Damage and Needs Assessment: Effects of Russia's Invasion of Ukraine	15
1.2 The World Bank's Response to Support Ukraine	16
1.3 Establishment of the URTF with Government of Ukraine Ownership	17

## 02

### URTF DEVELOPMENT OBJECTIVES AND PROGRAM DESCRIPTION 19

2.1 The URTF Theory of Change	20
2.2 Program Results Framework	21
2.3 Framework Approach to the URTF-Supported Projects	22
2.4 Annual Work Plan as Basis for the URTF's Programming	23

## 03

### KEY RESULTS OF PROJECTS FUNDED BY THE URTF 26

3.1 Health Enhancement and Lifesaving (HEAL) Ukraine Project	27
<i>Purpose and Project Description</i>	27
<i>Project Beneficiaries</i>	27
<i>Intermediate Project Results</i>	28
3.2 Repairing Essential Logistics Infrastructure and Network Connectivity (RELINC) Project	30
<i>Purpose and Project Description</i>	30
<i>Project Beneficiaries</i>	31
<i>Intermediate Project Results</i>	31

<b>3.3</b>	Restoration Project of Winterization and Energy Resources Ukraine (REPOWER)	32
	<i>Purpose and Project Description</i>	32
	<i>Project Beneficiaries</i>	33
	<i>Intermediate Project Results</i>	33
<b>3.4</b>	Housing Repair for People’s Empowerment Project (HOPE)	34
	<i>Purpose and Project Description</i>	34
	<i>Project Beneficiaries</i>	34
	<i>Intermediate Project Results</i>	35
<b>3.5</b>	Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) Project	36
	<i>Purpose and Project Description</i>	36
	<i>Project Beneficiaries</i>	37
	<i>Intermediate Project Results</i>	37
<b>3.6</b>	Public Expenditures for Administrative Capacity Endurance (PEACE) Project	38
	<i>Purpose and Project Description</i>	38
	<i>Project Beneficiaries</i>	39
	<i>Intermediate Project Results</i>	39
<b>3.7</b>	Critical Technical Assistance and Capacity-Building Engagements	39

## 04

### **RISKS AND CHALLENGES** 41

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<b>World Bank Approach to Risk Management at Project, Portfolio, and Bank Levels</b>	42
<b>Risk-by-Risk Review</b>	44
<i>Strategic Risks</i>	44
<i>Fiduciary Risks</i>	44
<i>Stakeholder Risks</i>	44

## 05

### **LOOKING AHEAD** 46

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<b>Annex 1. Results Framework</b>	48
<b>Annex 2. Financial Information</b>	56



## BOXES

---

Box 1.	The URTF Partnership Council Members	10
Box 2.	Third Rapid Damage and Needs Assessment (RDNA3)	15
Box 3.	The World Bank as a Partner for Ukraine's Immediate Recovery and Future Reconstruction	16
Box 4.	The URTF Governance Structure	17
Box 5.	Principles Guiding the URTF Activities	18
Box 6.	Lessons Learned from Other Multi-Donor Trust Funds in Fragility and Conflict Situations	18
Box 7.	Advantages of the Framework Approach to Emergency Operations in Ukraine	22

## FIGURES

---

Figure 1.	The Multi-Donor Resources for Institutions and Infrastructure (MRII) Facility	16
Figure 2.	The URTF Theory of Change	20

## TABLES

---

Table 1.	The URTF Funds Committed in 2023	24
----------	----------------------------------	----

## CHARTS

---

Chart 1.	HEAL Framework Project Financing	28
Chart 2.	RELINC Framework Project Financing	31
Chart 3.	REPOWER Framework Project Financing	33
Chart 4.	HOPE Framework Project Financing	35
Chart 5.	ARISE Framework Project Financing	37

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# Acronyms and Abbreviations

<b>ADVANCE Ukraine</b>	Advancing Needed Credit Enhancement for Ukraine Trust Fund
<b>ARISE</b>	Ukraine Agriculture Recovery Inclusive Support Emergency Project
<b>AWP</b>	Annual Work Plan
<b>BE</b>	Bank-executed
<b>CEB</b>	Council of Europe Development Bank
<b>COVID-19</b>	Coronavirus disease 2019
<b>CSO</b>	Civil society organization
<b>CY</b>	Calendar year
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>EIB</b>	European Investment Bank
<b>ERA</b>	Ukraine Economic Resilience Action Program
<b>ESF</b>	Environmental and Social Framework
<b>EU</b>	European Union
<b>FCV</b>	Fragility, Conflict, and Violence
<b>FM</b>	Financial management
<b>FNS</b>	Food and nutrition security
<b>G7</b>	Group of Seven
<b>GBV</b>	Gender-based violence
<b>GDP</b>	Gross domestic product
<b>GFF</b>	Global Financing Facility
<b>GoU</b>	Government of Ukraine
<b>GRM</b>	Grievance redress mechanism
<b>HEAL</b>	Health Enhancement and Lifesaving Ukraine Project
<b>HOPE</b>	Housing Repair for People's Empowerment Project
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>IDA</b>	International Development Association
<b>IFC</b>	International Finance Corporation
<b>IMF</b>	International Monetary Fund
<b>IPF</b>	Investment project financing
<b>ISR</b>	Implementation status and results report

<b>MDB</b>	Multilateral development bank
<b>MDCP</b>	Multi-Agency Donor Coordination Platform
<b>MDTF</b>	Multi-donor trust fund
<b>MFB</b>	Multi-family apartment building
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>MRII</b>	Multi-Donor Resources for Institutions and Infrastructure Facility
<b>PAD</b>	Project appraisal document
<b>PDO</b>	Project development objective
<b>PEACE</b>	Public Expenditures for Administrative Capacity Endurance Project
<b>PHC</b>	Primary healthcare
<b>RDNA</b>	Rapid Damage and Needs Assessment
<b>RNDA3</b>	Third Rapid Damage and Needs Assessment
<b>RE</b>	Recipient-executed
<b>RELINC</b>	Repairing Essential Logistics Infrastructure and Network Connectivity Project
<b>REPOWER</b>	Restoration Project of Winterization and Energy Resources Ukraine
<b>RF</b>	Results Framework
<b>SPUR</b>	Special Program for Ukraine and Moldova Recovery
<b>SURE</b>	Support to Ukraine's Reconstruction and Economy Trust Fund
<b>TF</b>	Trust fund
<b>ToC</b>	Theory of Change
<b>TPM</b>	Third-party monitoring
<b>UNOPS</b>	United Nations Office for Project Services
<b>URTF</b>	Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund
<b>WB</b>	World Bank



# Foreword



**Sergii Marchenko,**  
Minister of Finance,  
Ukraine

I am honored to address you within the pages of the Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund Annual Report. This document reflects a crucial chapter in Ukraine's history—the country's resilience in the face of Russia's invasion. From the onset of the full-scale war, the World Bank, together with our international partners, have extended an invaluable hand of solidarity to the people of Ukraine.

On behalf of my country, I wish to convey profound gratitude to the World Bank for promptly establishing the URTF—a trust fund that embodies collaboration and unity. Not only does it symbolize the trust and commitment our partners have in Ukraine's future but also provides a coordinated financing mechanism, enabling Ukraine to sustain essential government services, undertake relief efforts, and drive our recovery and reform agenda forward. As the country continues to face the horrors of war, the collective support channeled through the URTF offers a lifeline, ensuring the livelihoods of millions of Ukrainians.

The framework emergency operations supported by the URTF reflect our shared dedication to rebuild and restore—to mend damaged critical infrastructure, reestablish public services, and sustain the economic heartbeat of our nation. Their built-in social, environmental, and fiduciary safeguards and robust monitoring mechanisms provide for the transparent, accountable, and efficient utilization of resources. The Government of Ukraine remains committed to ensuring that every project aligns with the World Bank's stringent standards and delivers timely and efficient outcomes for our people.

I extend my deepest gratitude to the countries that stand by us, and the World Bank for their unwavering dedication. Together, we are authoring a story of renewal that will resonate for generations to come.



**Arup Banerji,**  
Regional Director for Eastern Europe,  
The World Bank

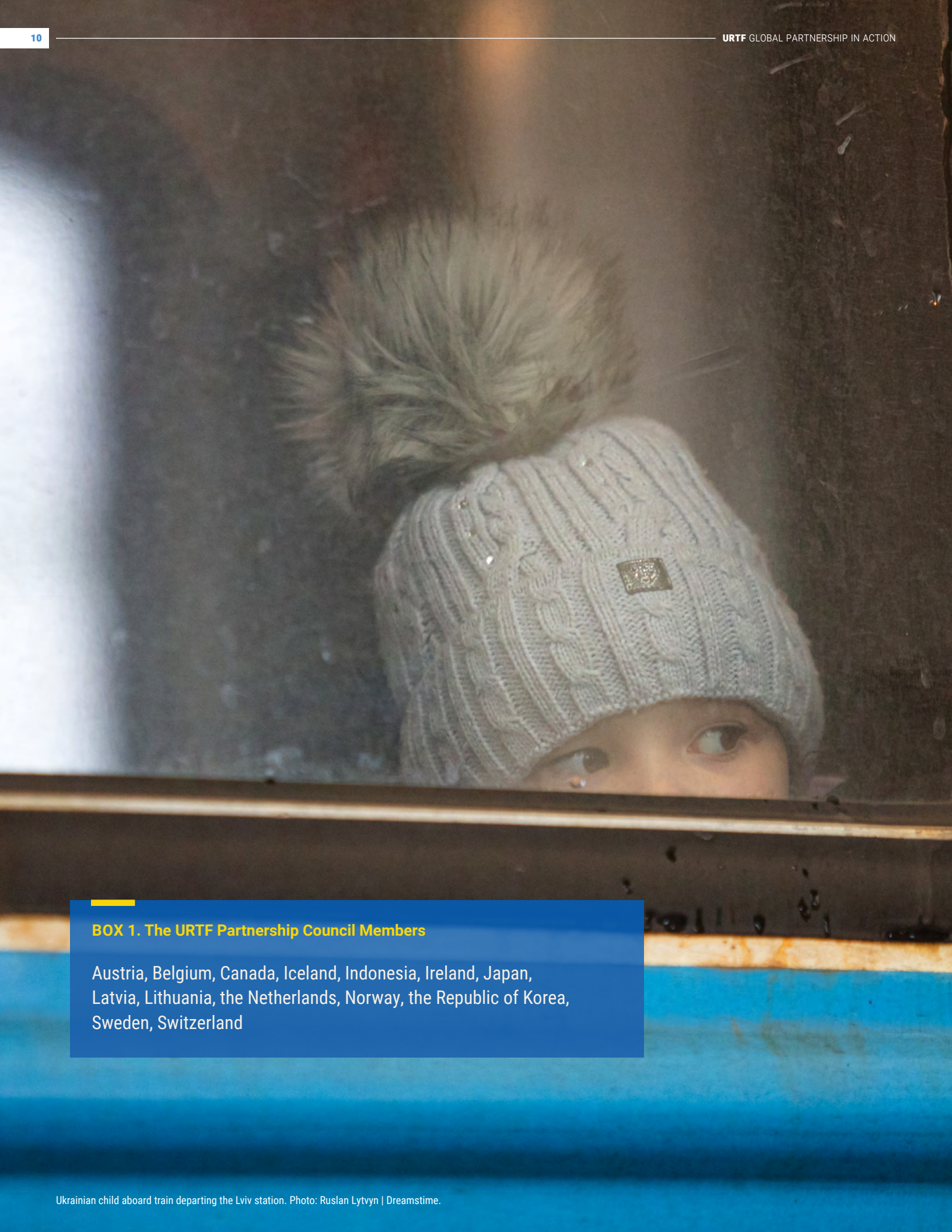
Russia's invasion of Ukraine has caused immense human suffering and profound damage to Ukraine's economy. The Government of Ukraine needs support to continue providing essential services, including keeping schools and hospitals operating and helping the most vulnerable in the population. And Ukraine's economic functioning and eventual economic recovery needs pressing repairs for transport and energy infrastructure, housing, schools, and hospitals, and critical support for the farmers and enterprises creating jobs and incomes across the country.

The Multi-Donor Resources for Institutions and Infrastructure (MRII) for Ukraine Facility—a suite of innovative financing initiatives that work complementarily with each other and in conjunction with broader international support—was established by the World Bank Group to help mobilize and channel essential resources from Ukraine's international partners to meet these needs.

The Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund, established under the MRII in December 2022, is a fast-track mechanism to channel grant contributions from partners to the most urgent recovery needs identified by Ukraine. With a focus on strong government ownership and operational delivery, the URTF aims to address the uncertainty of the ongoing war by supporting flexible programming that can respond to the rapidly evolving context.

In its first year of operations, the URTF achieved significant progress. The trust fund not only mobilized \$1.5 billion in donor support through December 2023 but also made disbursements to projects that helped millions of Ukrainians—by helping Ukraine's government deliver critical services and begin early recovery efforts. The URTF backs emergency projects that rely on the Bank's tested fiduciary, environmental, and social frameworks for monitoring and reporting. They are designed to adapt to on-the-ground events and scale to integrate additional financing while making impacts quickly.

All of this would not have been possible without the generous backing of Ukraine's development partners. On behalf of the World Bank, I extend our deepest gratitude for the unwavering support and tangible impact made on countless lives.



**BOX 1. The URTF Partnership Council Members**

Austria, Belgium, Canada, Iceland, Indonesia, Ireland, Japan, Latvia, Lithuania, the Netherlands, Norway, the Republic of Korea, Sweden, Switzerland



# Executive Summary

**The World Bank's Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF), established in December 2022, is addressing immediate relief and recovery needs and laying the groundwork for longer-term reconstruction and reform.**

The URTF's development objective is to provide a coordinated financing and support mechanism to assist the Government of Ukraine (GoU) in sustaining its administrative and service delivery capacity, conducting relief efforts, and planning and implementing Ukraine's recovery, resilient reconstruction, and reform agenda. In its first year of operation, the URTF attracted over \$1.5 billion in donor support, of which over \$1.3 billion were programmed to enable emergency relief operations and technical assistance in Ukraine. Over \$471.0 million of the committed funds were disbursed by the end of 2023.

**In 2023, Ukraine continued to demonstrate a remarkable focus on its immediate priorities and articulate its vision for its future, while coordinating extraordinarily well with partners—and URTF has emerged as a critical tool with strong government ownership in these efforts.** While coordinating at the macro level through the Multi-Agency Donor Coordination Platform (MDCP), Ukrainian authorities actively engage the Bank and donors through the URTF, ensuring that funds are used to address the country's highest priorities and are well coordinated with other sources of financing. Ukraine's Ministry of Finance co-chairs the URTF Partnership Council, ensuring alignment with national priorities. As part of the World Bank Group's Multi-Donor Resources for Institutions and Infrastructure (MRII) Facility, the URTF ensures seamless complementarity with other support, increasing funding for key

projects and reducing transaction costs for Ukrainian authorities, including through:

- Advancing Needed Credit Enhancement for Ukraine (ADVANCE Ukraine) Trust Fund and bilateral guarantees for additional International Bank for Reconstruction and Development (IBRD) lending,
- Multi-donor trust funds for Public Expenditures for Administrative Capacity Endurance (PEACE) Project,
- The International Finance Corporation's (IFC's) Ukraine Economic Resilience Action (ERA) Program,
- The Multilateral Investment Guarantee Agency's (MIGA's) Support to Ukraine's Reconstruction and Economy Trust Fund (SURE TF), and
- The International Development Association's (IDA's) Crisis Facility.

## The URTF's support is already making an impact, with over 14.6 million beneficiaries by the end of 2023

**The URTF has supported the World Bank's emergency operations in Ukraine—projects designed in a framework approach that focus on the most severely affected sectors, as identified in the Rapid Damage and Needs Assessment (RDNA).** According to the Third Rapid Damage and Needs Assessment (RDNA3), which covers damages incurred over a nearly two-year period from Russia's invasion of Ukraine on February 24, 2022, to December 31, 2023, the highest estimated recovery and reconstruction needs are in housing (17 percent of the total), followed by transport (15 percent), commerce and industry (14 percent), agriculture (12 percent), energy (10 percent), social protection and livelihoods (9 percent), and explosive hazard management (7 percent).

Accordingly, the URTF programmed support to the following operations in 2023:

- Health Enhancement and Lifesaving (HEAL) Project—\$10 million, with \$78 million under preparation;
- Repairing Essential Logistics Infrastructure and Network Connectivity (RELINC) Project—\$50 million;
- Restoration Project of Winterization and Energy Resources Ukraine (REPOWER)—\$200 million;
- Housing Repair for People’s Empowerment Project (HOPE)—\$162.5 million;
- Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) Project—\$320 million;
- Public Expenditures for Administrative Capacity Endurance (PEACE) Project supporting essential social transfers—\$190 million, with \$295 million under preparation, as of end-December.

The World Bank developed the framework approach to relief and recovery interventions in response to Ukraine’s specific needs. The approach allows for utilizing multiple sources of financing and making an on-the-ground impact quickly. While the operations are designed and appraised at their full scale, their implementation starts with initially available financing.

**The URTF’s support is already making an impact, with more than 14.6 million beneficiaries to date, of which more than 54 percent are women.** This includes 13 million beneficiaries under the PEACE project, 1.5 million under HEAL, 100 thousand under HOPE, and 10 thousand under the ARISE project. This support from the URTF has allowed the government to continue to exercise core functions and conduct relief efforts—a key objective of this program and a critical one at this challenging time—even as the country builds its analytical and implementation capacity for recovery, reconstruction, and reform. At the project level, key progress and results achieved include:

- **HEAL:** over 3 million vaccinations were administered to children under the age of seven, forming a defense against common childhood illnesses;

- **RELINC:** 700 meters of modular bridges were in the procurement process by the end of 2023;
- **REPOWER:** procurement for six autotransformers is underway;
- **HOPE:** 65,000 applications for compensation submitted, of which 36,500 were approved; beneficiaries have received \$100 million in compensation for home repairs;
- **ARISE:** \$180 million disbursed to improve access to agricultural finance for farmers and food processors, leveraging \$1 billion in agricultural private capital mobilization for more than 9,600 farmers; and
- **PEACE:** with support of the project, the government continues to exercise its core functions, 98 percent of pensions were paid on time, and over 90 percent of public employees were paid on time.

**The URTF has also begun providing support for critical technical assistance and capacity building—with a total commitment of \$6.4 million in 2023.**

The World Bank task teams worked with Ukrainian counterparts to prepare several technical assistance and capacity-building engagements and implementation will scale-up in 2024, including for: [Enhancing Integrity and Competition and Building Capacity in Public Procurement](#); [Public Infrastructure Delivery Management for Reconstruction](#) to support preparation of the Public Investment Management (PIM) Roadmap and address regulatory gaps for use of donor funds for reconstruction, with initial just-in-time notes delivered on PIM, cross-cutting issues, and legislation; [Support to Effective Implementation and Impact Evaluation of the ARISE Project](#) to evaluate impact and farmers’ access to funding, with the first Environmental and Social Management System (ESMS) for the Business Development Fund (BDF) prepared; [Empowering Civil Society to Safeguard Anti-Corruption Architecture and Integrity of Reconstruction Process](#) to safeguard anti-corruption architecture by monitoring the legislative framework on anti-corruption and the rule of law and promoting civic oversight of anti-corruption infrastructure performance; [Center for Advancement in](#)

[Restoration and Modernization Capacity](#), with the Ministry of Restoration and Kyiv School of Economics (KSE), for a country-wide training program for government agencies, local authorities, and civil society organizations (CSOs); and [third-party monitoring agents](#) are being engaged by the World Bank to support additional monitoring and verification of supported projects.

**The URTF is a key part of the overall World Bank engagement and approach for providing critical and coordinated financing to Ukraine.** This means managing the World Bank’s overall engagement, portfolio, and pipeline and identifying and managing risks in operations in a coordinated manner. The World Bank, with

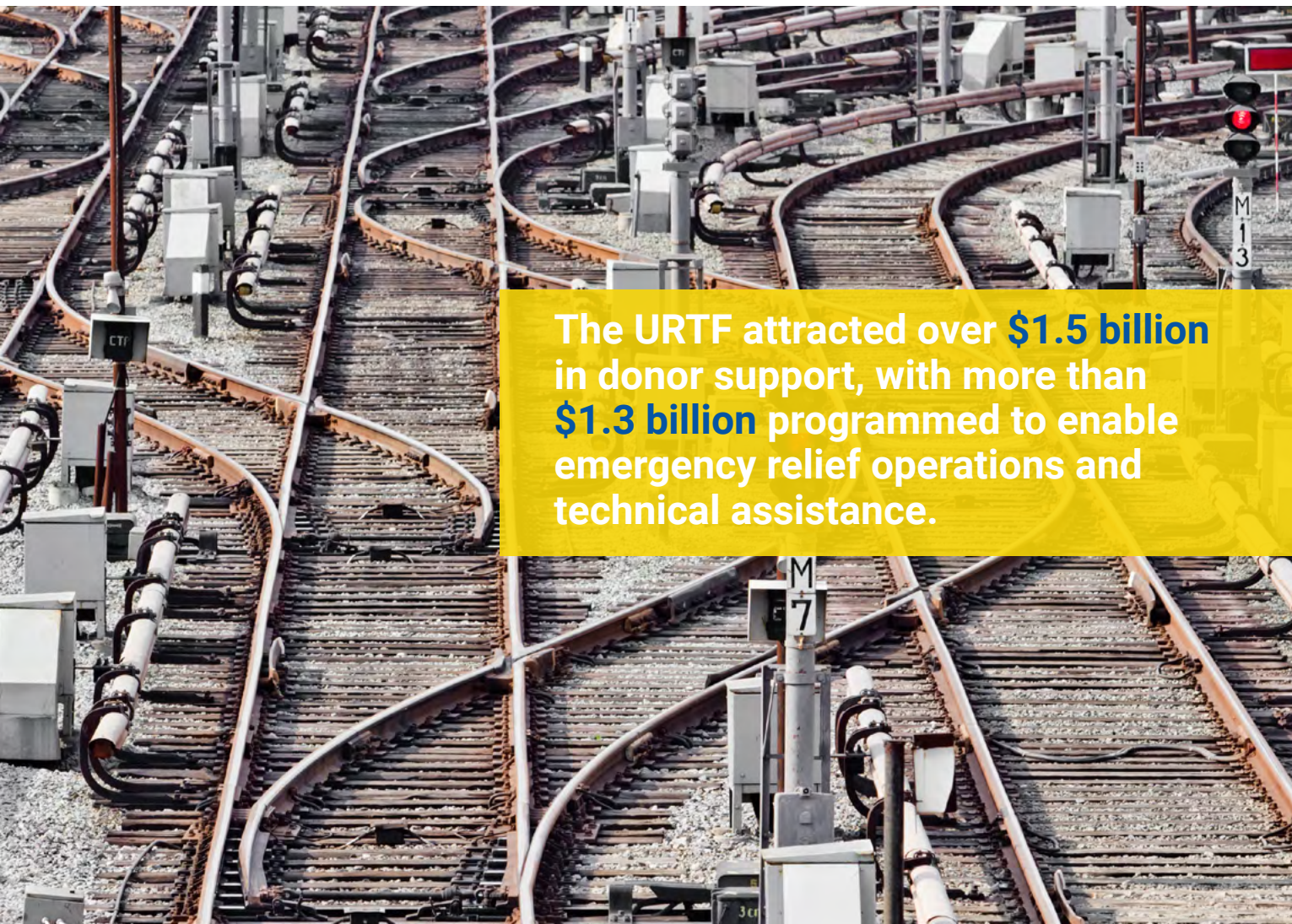




support from the URTF, manages risks through multiple approaches, including (i) at project level, through the Bank's project design and implementation support approach, (ii) at portfolio level, with specific technical assistance, including with URTF support and oversight, and (iii) through the Bank's overall approach and corporate functions. The World Bank also has a strong capacity to support countries to design and implement complicated large-scale programs and projects, drawing on the Bank's well-tested policy framework, including the Environmental and Social Framework (ESF) and robust fiduciary arrangements, which support the transparency, effectiveness, and efficiency of financial management and procurement.

**In 2024, the URTF remains focused on ensuring successful implementation, bringing new projects through the Annual Work Plan (AWP) process, and supporting partners in financing and coordination efforts.** With one year of URTF in operation, the program has supported government relief, recovery, reconstruction, and reform priorities, making grants to projects in line with the AWP and toward URTF's development objectives. The GoU and World Bank teams have worked through several key constraints in project implementation and disbursement, including coordination among ministries in having grants approved and declared effective and in procurement. Disbursement thus far in 2024 point to progress. The URTF will present its next

AWP for the period through June 2025 at its Annual Partnership Council Meeting in April 2024. This plan, jointly developed by Ukraine and the World Bank, will set out proposed new funding for existing projects, as well as several new projects, including in education. The World Bank will continue to engage and support partners through URTF fundraising. The URTF was established with an expectation of about \$1 billion in funding per year over its 10-year initial period. In 2023, URTF surpassed this amount—reaching over \$1.5 billion—and entered into its so-called Investment Case scenario for resource allocation. Maintaining this level of support will be challenging in the current global climate, and the World Bank and URTF are prepared to support donors' efforts.



The URTF attracted over **\$1.5 billion** in donor support, with more than **\$1.3 billion** programmed to enable emergency relief operations and technical assistance.

# 01

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## Country Context

The URTF is focused on delivering relief and recovery support that meets Ukraine's unique development needs in its current wartime context, while preparing for longer-term reconstruction and reform. This section sets out the key context for the URTF's establishment and its first year of operations.



## 1.1 Rapid Damage and Needs Assessment: Effects of Russia's Invasion of Ukraine

**Rapid Damage and Needs Assessments (RDNAs) provide the technical basis for the Ukrainian government and international donors to prioritize the recovery efforts.<sup>1</sup>**

Russia's invasion of Ukraine launched on February 24, 2022, has inflicted catastrophic damages on the country. Three months after the invasion, the GoU, the World Bank, the European Commission, and the United Nations, in cooperation with development partners, launched the RDNA. The ongoing RDNA process aims to take stock of Ukraine's damages and losses and assess the scale of economic and social needs for Ukraine's survival during the war and for its prosperity afterward. The RDNA approach has been applied globally in post-disaster and war contexts to inform recovery and reconstruction planning.

**The RDNA process has shown that living standards in Ukraine have collapsed.** The invasion has displaced an estimated 3.7 million people within Ukraine and caused more than 5.9 million people to flee to neighboring countries.<sup>2</sup> A large majority of the displaced are women, children, and the elderly. Those remaining in the country are experiencing serious disruptions in access to basic services. The substantial damage to infrastructure has interrupted access to health, education, electricity, and water services.

### BOX 2. Third Rapid Damage and Needs Assessment (RDNA3)

#### Ukraine's Reconstruction Needs



Photos (left to right, top to bottom): Destroyed Kyiv multi-story building after shelling. Photo: UserG115632523 | istock.com. Modern high-speed train in Ukraine. Photo: Dmytro Hrushchenko | istock.com. A large hydraulic press in the shop in the middle of the wood blanks presses the wood layers for the production of plywood. Photo: Oleksandr Yakoniuk | istock.com. Wheat harvesting in the summer. Photo: Kateryna Kukota | istock.com. Aftermath of Russian massive shelling in Lviv region, Ukraine. Photo: Nicktys | Dreamstime.com. A displaced family. Photo: Ukrinform; Ukrainian Explosive Ordinance Disposal Officer detecting metal by metal detector device. Photo: Yaroslav Litun | istock.

<sup>1</sup> Ukraine—Third Rapid Damage and Needs Assessment (RDNA3) Feb 2022–Dec 2023 (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099021324115085807/P1801741bea12c-012189ca16d95d8c2556a>.

<sup>2</sup> UN High Commissioner for Refugees (UNHCR), Operational Data Portal and International Organization for Migration (IOM), "Ukraine: Internal Displacement Report—General Population Survey Round 14 (September–October 2023)."

**Poverty rates have surged, increasing 5.5 percent in 2021 to 24.2 percent in 2022,** thereby pushing an additional 7.1 million people into poverty and erasing 15 years of progress. As of February 2023, the direct damage inflicted on critical infrastructure has been estimated at \$152 billion, with long-term reconstruction and recovery needs projected at a staggering \$486 billion.

**The effects have reached far beyond Ukraine.** Russia's invasion of Ukraine set off a massive energy shock and an equally severe spike in food prices across Europe and other parts of the world reliant on Ukraine's agricultural exports. Resulting inflationary shocks have disproportionately impacted the poor and vulnerable around the globe.

## 1.2 The World Bank’s Response to Support Ukraine

Eleven days after the full-scale invasion, the World Bank mobilized a package of IBRD/IDA and partner budget-support financing to help ensure the provision of critical public services and social expenditures. The Bank’s program in Ukraine was adjusted to address urgent priorities, such as macroeconomic stability, essential public services, and humanitarian relief. As the war continued, the World Bank Group worked together to establish a suite of innovative financing options.

**The Multi-Donor Resources for Institutions and Infrastructure (MRII) Facility supports Ukraine through a coordinated approach among the World Bank Group organizations and in close engagement with the development partners.** The MRII takes a phased and multi-pronged approach to mobilizing financing and coordinating sources of support through guarantees, co- and parallel financing, and other financial instruments. All MRII facilities (Figure 1) allow donors to support Ukraine in addressing its immediate needs to sustain key public services, the private sector, and wider recovery and reconstruction needs identified in the RDNA.

In 2023, the International Development Association (IDA) established a Crisis

### BOX 3. The World Bank as a Partner for Ukraine’s Immediate Recovery and Future Reconstruction

Longstanding partnership with Ukraine. Over the past three decades, the Bank has implemented nearly 100 development projects and programs in Ukraine and efficiently engaged with the authorities on the country’s critical reform agenda.

Implementation capacity to support large-scale programs in partner countries is demonstrated all over the world.

Expertise in convening, mobilizing, and coordinating global support for countries impacted by fragility, conflict, and violence.

Global and multisectoral knowledge in relevant areas, including health, education, and structural reforms.

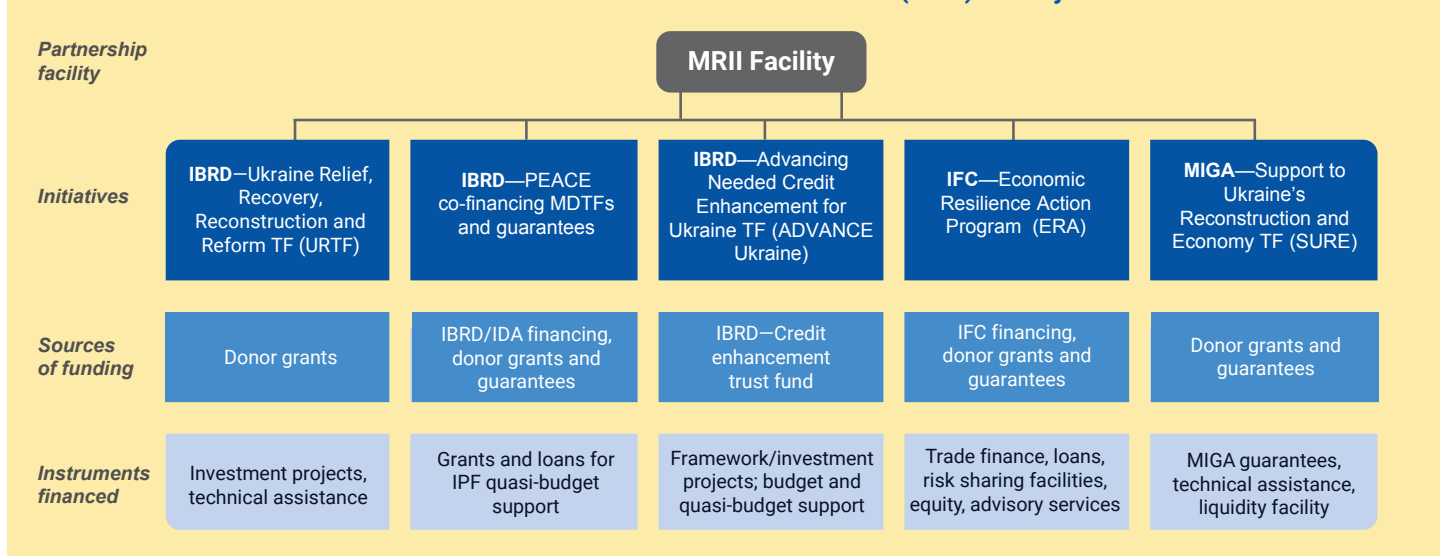
Ability to unlock private sector investment and technical assistance in support of Ukraine’s relief, recovery, and resilient reconstruction efforts.

Support Window with a Special Program for Ukraine and Moldova Recovery (SPUR) to help address the continuing far-reaching social and economic impacts of the invasion on both Ukraine and neighboring Moldova, which is hosting Ukrainian refugees.

**The Group’s engagement has resulted in the mobilization of commitments and pledges of over \$40 billion in financing by the end of 2023.** These funds, sourced through various

instruments including donor grants, IBRD loans guaranteed by partners, IBRD and IDA loans, short- and long-term IFC financing, and MIGA guarantees, have helped Ukraine to (i) sustain core government functions and basic administrative and service delivery capacity; (ii) undertake investments to repair destroyed critical infrastructure, restore public services, and help meet urgent needs of economic recovery; and (iii) support the private sector to enable jobs and the provision of critical goods and services.

**FIGURE 1. The Multi-Donor Resources for Institutions and Infrastructure (MRII) Facility**



Source: <https://www.worldbank.org/en/country/ukraine/brief/mrii>.



### 1.3 Establishment of the URTF with Government of Ukraine Ownership

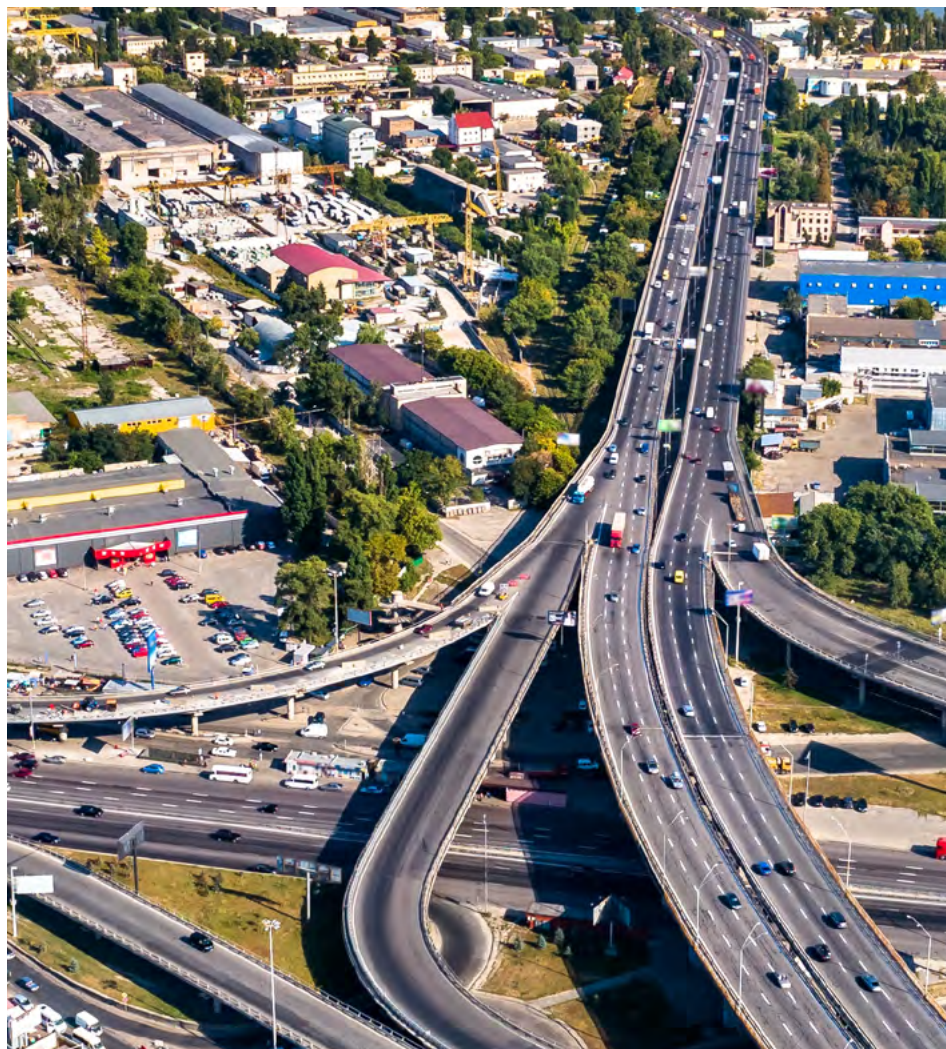
The URTF was established in December 2022 as an umbrella program of the World Bank, functioning as a multi-donor trust fund. A year into the trust fund's operations, by the end of December 2023, it attracted \$1.5 billion in funds, highlighting the increasing commitment among partners to the recovery of Ukraine. Contributors to the URTF include Austria, Belgium, Canada, Iceland, Indonesia, Ireland, Japan, Latvia, Lithuania, the Netherlands, Norway, the Republic of Korea, Sweden, and Switzerland.

#### BOX 4. The URTF Governance Structure

The **Partnership Council** consists of development partners as members, with the GoU and the World Bank as co-chairs. It serves as a high-level governance body and provides strategic guidance and direction on the URTF's activities.

The **Program Management Team** is responsible for day-to-day management of the program. The team undertakes umbrella-level resource planning and budgeting and leads coordination within the Bank on program planning and delivery.

**As a part of the MRIF Facility, the URTF complements other World Bank programs, as well as support to Ukraine from bilateral and multilateral partners.** The development and execution of the program activities support the work of the MDCP for Ukraine. Out of the Bank's own initiatives, the URTF most notably complements the PEACE project in its development objective to contribute to sustaining the government administrative and service delivery capacity to exercise core government functions at the national and regional levels.



Aerial view of a road interchange in Kyiv. Photo: Leonid Andronov | Shutterstock.

**This complementarity in great part is due to Ukraine's strong ownership of the URTF.** Ukraine's Ministry of Finance serves as a co-chair on the URTF Partnership Council, which ensures the relevance and appropriateness of the supported initiatives and warrants the

potential to elevate operational efficiency when needed. The program closely engages with government ministries, agencies, and state-owned enterprises to prioritize relief needs and create an operational structure for the efficient channeling of resources.

**The URTF supports the World Bank's emergency operations in Ukraine—projects designed in a framework approach that focus on the most severely affected sectors**

### BOX 5. Principles Guiding the URTF Activities

**Government ownership:** Ukraine's relief and recovery plans to guide the URTF activities under strong ownership of the country's government. This includes its role in the URTF's governance as a co-chair of the Partnership Council, the driving force of the program.

**Mobilizing rapidly at scale:** The URTF aims to mobilize responsible financing at scale to meet the massive needs ahead. The near-term focus is on the rapid delivery of critical analytical work, financing, and implementation of activities.

**Integrated approach leveraging the World Bank Group resources:** As part of the MRIF facility, the URTF works with Ukraine, the World Bank Group, and development partners, taking an integrated approach to planning, resource mobilization, implementation, and monitoring.

The URTF serves an urgent need, as it supports Ukraine through emergency operations, technical assistance, and capacity-building initiatives that cannot be funded with non-grant financing

**Due to its flexibility, the URTF serves an urgent need, as it supports Ukraine through emergency operations, technical assistance, and capacity-building initiatives that cannot be funded with non-grant financing.** It provides donors with a clear and recognized structure to support the longer-term recovery and reconstruction process. The URTF also helps Ukraine to meet its financing needs, in line with the needs expressed through the MDCP and the

Extended Fund Facility (EFF) Arrangement of the International Monetary Fund (IMF), by committing the first nearly \$700 million above its Base Case for projects identified in Ukraine's 2023 State Budget Law.

**The establishment of the URTF aligned with the World Bank Group's Strategy for Fragility, Conflict, and Violence (FCV) 2020–2025.** The World Bank's efforts in Afghanistan, Somalia, the West Bank and Gaza, and Iraq demonstrated the global standards set for partnering for resilience, recovery, and physical reconstruction in some of the world's most challenging contexts. Pooled funding and partnership platforms are part of the development approach in conflict-affected, crisis, and reconstruction situations. The benefits of this approach include better coordination among development partners, harmonization of objectives, joint leverage in dialogue with governments, improved efficiency, and diluted exposure to political and reputational risks. It also supports more predictable funding and a strong fiduciary and monitoring framework.

### BOX 6. Lessons Learned from Other Multi-Donor Trust Funds in Fragility and Conflict Situations

Realism is required regarding fragility risks to program objectives. While the complexity and ambition of the program in FCV situations can increase over time, it is important that decision-making not be driven by optimistic expectations regarding future political and security developments. It is important to (i) articulate explicit assumptions regarding future political and security conditions; (ii) reflect these assumptions in a clear intervention logic; and (iii) test these assumptions periodically against actual developments and revise program design and intervention logic accordingly.

Coordinated provision of unconditional budget support can be of critical importance in immediate post-conflict contexts. The provision of substantial, predictable, and coordinated recurrent cost support can be crucial in restoring and maintaining functional government systems. It provides a valuable alternative to fragmented budget support programming or individually managed investment projects, which can overwhelm scarce government capacity and contribute further to daunting aid coordination problems.

Third-party monitoring (TPM) can provide vital safeguards in weak-governance environments. TPM arrangements can facilitate contributions of recurrent cost financing by MTDf partners, as they provide the necessary assurance that fiduciary risks are adequately managed. This assurance might be difficult to achieve solely through core government fiduciary control and expenditure management frameworks, especially if relevant institutions are weak in a post-conflict context.

# 02

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## URTF Development Objectives and Program Description

The URTF is delivering support in line with its development objectives. This section details the programming approach.

## 2.1 The URTF Theory of Change

The URTF’s development objective is to provide a coordinated financing and support mechanism to assist the GoU to sustain its administrative and service delivery capacity; conduct relief efforts; and plan and implement Ukraine’s recovery, resilient reconstruction, and reform agenda. Accordingly, the URTF program is structured around two key pillars:

**Pillar 1**

*Government Capacity and Relief, and*

**Pillar 2**

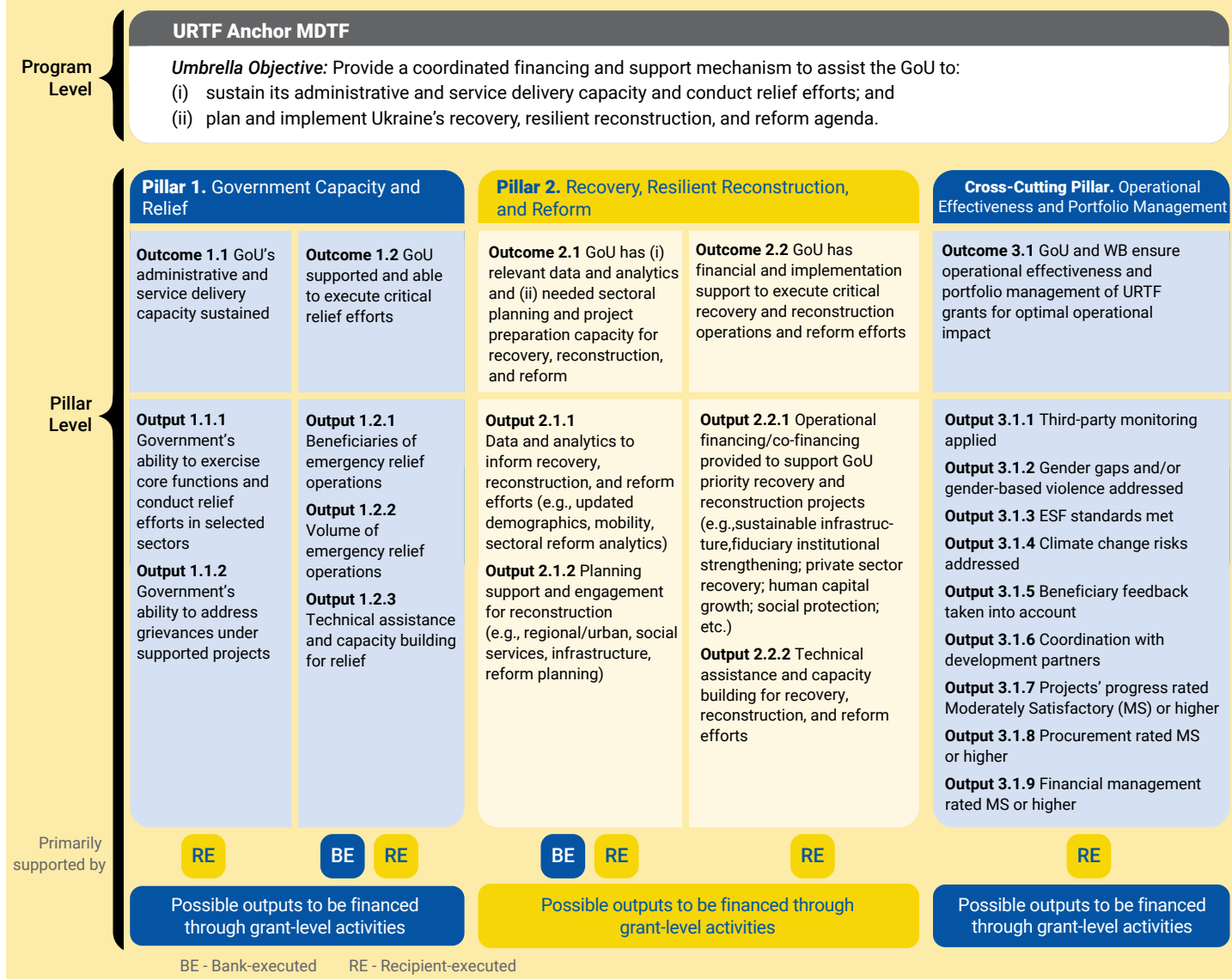
*Recovery, Resilient Reconstruction, and Reform.*

An additional cross-cutting pillar, *Operational Effectiveness and Portfolio Management* has been added during the monitoring and

evaluation stage of the progress report preparation.

While the URTF takes a phased approach to supporting Ukraine’s relief, recovery, and resilient reconstruction initiatives, it recognizes that the standard boundaries between these stages may not always be applicable. The program’s flexible structure makes it a useful support instrument in assisting Ukraine throughout the relief,

**FIGURE 2. The URTF Theory of Change**





recovery, and reconstruction stages. Acknowledging that the country will need support over multiple years, the URTF has been established for an initial 10-year period.

## 2.2 Program Results Framework

**The URTF's Results Framework (RF) is an articulation of its overall performance and different levels of results expected from the activities funded by the program.**

The RF has been developed to guide the monitoring and evaluation of the URTF progress and to facilitate the dialogue between the government, URTF donors, and the World Bank on portfolio performance, project results, challenges, and areas in need of attention. It is expected to be revised periodically to offer the certain level of flexibility necessary in the current fragile context and volatile environment.

**Since the URTF's inception, the RF has been revised to better align with the activities funded by the program and within the approved AWP.** As is the case with the other World Bank umbrella trust funds, RFs are reviewed and updated on an annual basis to add select indicators from newly supported projects and better reflect the scope of the program. The general structure of the RF has stayed the same, and in the short term, the URTF focuses on the activities under Pillar 1, which consist of both targeted emergency relief operations, including budget-type support, and analytical tasks. In the medium term, the focus is expected to shift toward the preparation of investment projects to bolster the country's recovery, resilient reconstruction, and reform plans, which will be reflected through the indicators under Pillar 2. An updated Results Framework is presented in Annex 1.

**The indicators under both pillars have been largely adjusted to better reflect the impact of the program and take into account the framework projects that are already under implementation.** For instance,

**Consistent with its Theory of Change (ToC), from the start of operations, the URTF focused on Ukraine's immediate needs as outlined in the updated RDNA.** By doing so, the trust fund concentrated on achieving outcomes 1.1, 1.2, and 2.1. The program

some of the newly added indicators focus on the government's capacity to exercise core functions in the sectors supported by the program, and its ability to efficiently address grievances received within the fund-supported projects, as well as on the total volume of the URTF-supported emergency relief operations, including the amounts that will directly support the projects identified in Ukraine's State Budget Law 2023.

**Additionally, a new cross-cutting pillar focusing on the overall program's operational effectiveness and portfolio management has been added.** This modification aims to better track the efficiency and progress of the activities implemented, as well as to align with support for key development areas, such as climate change and gender equality, among others. In particular, the indicators under this pillar will help track the efficiency of supervision of the framework projects under implementation with URTF support; the projects addressing climate vulnerabilities and gender gaps; and the projects' progress in the overall implementation, procurement, and financial management; as well as the level of coordination with other development partners.

**Most of the newly added indicators—in particular, the intermediate results indicators—draw from data in the framework projects' results.** Results under each World Bank operation are documented through a rigorous bottom-up process of data collection and reporting by the government line ministries and are tracked in the Bank's operational data systems and documents. During the lifetime of a project, progress on indicators is tracked through implementation

committed its first grants to relief projects in the health, energy, transport, housing, and agriculture sectors, as well as for supporting critical social expenditures and beginning work on the early-stage recovery needs.

status and results reports (ISRs), which are updated at least every six months and publicly disclosed. ISRs present data reported by each implementing line ministry and agency. Data are reviewed by the Bank's technical teams before being captured in its data systems.

**The program acknowledges that, given the volatile environment and evolving challenges Ukraine is facing, the ToC and RF will continue to be reviewed and updated going forward.** This will be done with guidance from the URTF's Partnership Council. Such periodic reviews will allow the URTF to adapt to the highly uncertain and changing nature of the war, conditions in Ukraine, and the country's demand and plans for relief, recovery, and reconstruction. In this context, the RF will help to guide the program, assess progress, and recalibrate assumptions over time.

## 2.3 Framework Approach to the URTF-Supported Projects

The escalation of Russian air assaults on Ukrainian infrastructure in the last quarter of 2022 increased the urgency of meeting rapidly emerging needs. This spurred the World Bank to focus on relief and rehabilitation projects. Toward this end, the Bank, on an accelerated timeline, prepared operations to help respond to destruction in critical economic and social sectors. The URTF reflects the unprecedented mobilization and innovative financing through these framework projects.

**Framework projects are Bank-supported emergency operations that mobilize partner resources through an innovative and flexible design.** They provide a clear line of sight for the GoJ, the World Bank, and other development partners. The projects follow a phased approach, so they are adaptable to events on the ground and flexible and scalable to integrate donor financing and requirements while targeting impacts and disbursing rapidly. With the operation's total required financing appraised, the process of incorporating additional funds

### BOX 7. Advantages of the Framework Approach to Emergency Operations in Ukraine

Advantages to Ukraine's development partners: consolidating needs in priority areas and allowing for resource pooling with the World Bank and other partners; ensuring high standards for projects, including in design, and with safeguards against fraud, corruption, and environmental and social risks.

Advantages to Ukrainian authorities: directing multiple donor resources toward a shared sectoral objective, thereby bolstering government leadership and oversight; benefitting from economies of scale in planning, implementation, and safeguarding operations.

is simplified. The projects follow the Bank's comprehensive suite of technical, fiduciary, environmental, and social safeguards; their implementation timeline is 12–24 months.

**Immediate priorities in the winter of 2022–2023 were aligned with the RDNA and centered around the health and transport infrastructures, and power sectors.**

Accordingly, the first framework project approved by the Bank's Board of Directors in December 2022 was the Health Enhancement and Lifesaving (HEAL) Project. Framework

projects in transport (the Repairing Essential Logistics Infrastructure and Network Connectivity [RELINC] Project) and energy (the Restoration Project of Winterization and Energy Resources Ukraine [REPOWER]) followed, approved in February and April 2023, correspondingly. By the end of 2023, two more projects were approved: the Housing Repair for People's Empowerment (HOPE) Project (August 2023), and the Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) Project (October 2023).



Streets of Kyiv. Photo: World Bank.

**Under the HOPE housing project, 65,000 applications were submitted, beneficiaries have received \$100 million in compensation for home repairs by end of 2023**

## 2.4 Annual Work Plan as Basis for the URTF's Programming

**The URTF committed \$1.3 billion to projects by the end of 2023—in line with the AWP.** Throughout the first four months following establishment, the URTF planned and processed grants to the framework emergency operations based on the interim work plan, which laid out indicative budget allocations. In April 2023, the program held its inaugural Partnership Council meeting, where the AWP was discussed and subsequently endorsed by the council members. The AWP serves as the basis for the URTF's programming through June 30, 2024. By the end of this reporting period, five approved framework projects were in effect, with more grants made to the PEACE project, and technical assistance and capacity-building activities. Also, a new project in education was under design for subsequent URTF financing (Table 1).

**In line with Ukraine's enormous needs, multiple sources of financing, and uncertain specific resources for the URTF, the AWP considered two scenarios for resource allocation: a Base Case and an Investment Case.** The Base Case indicated projects and activities to be supported with funds already committed to the URTF at the time of the AWP review during the Partnership Council—for a total allocation of \$384 million. The Investment Case considered a total allocation of \$2 billion, allowing the URTF to fill further funding gaps in the framework projects.

**By the end of 2023, further contributions moved the URTF into the Investment Case.** These pledges allowed the trust fund to begin to address the needs identified in the Investment Case. The first nearly \$700 million above the Base Case has been committed to projects identified in Ukraine's 2023 State Budget Law, allowing Ukraine to balance its needs for urgent financing support under its agreements for macro-fiscal stability, while also taking on critical relief and recovery activities.



Patients waiting to see a doctor. Lviv, July 2023. Photo: World Bank.



TABLE 1. The URTF Funds Committed in 2023

PROJECT	DEVELOPMENT OBJECTIVE	APPRAISED PROJECT COST	FUNDING SECURED AS OF END-CY23
Health Enhancement and Lifesaving (HEAL) Ukraine Project	Restore and improve access to essential mental health and rehabilitation services, address urgent needs for health services, and provide financial protection in the emergency context.	\$500 million	<ul style="list-style-type: none"> <li>■ €100 million loan—IBRD (guaranteed by Spain)</li> <li>■ \$10 million grant—GFF</li> <li>■ \$10 million grant, with additional \$78 million grant under preparation—URTF</li> <li>■ €100 million loan—Council of Europe Development Bank (CEB)</li> </ul>
Repairing Essential Logistics Infrastructure and Network Connectivity (RELINC) Project	Provide the means for mitigating the immediate impact that disrupted transport networks have on Ukraine's population and economy.	\$585 million	<ul style="list-style-type: none"> <li>■ \$50 million grant—URTF</li> </ul>
Restoration Project of Winterization and Energy Resources Ukraine (REPOWER)	Enable the restoration of essential energy services in Ukraine.	\$500 million	<ul style="list-style-type: none"> <li>■ \$200 million grant—URTF</li> </ul>
Housing Repair for People's Empowerment Project (HOPE)	Support affected households to regain adequate housing through resilient repair of damaged housing stock; and support the national government in priority climate-resilient policy reforms.	\$800 million	<ul style="list-style-type: none"> <li>■ \$162.5 million grant—URTF</li> </ul>
Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) Project	Maintain inclusive agricultural production and provide an immediate and effective response to an eligible crisis or emergency.	\$550 million	<ul style="list-style-type: none"> <li>■ \$320 million grant—URTF</li> <li>■ \$230 million—IBRD loan through credit enhancement from ADVANCE Ukraine TF (Japan)</li> </ul>
Public Expenditures for Administrative Capacity Endurance (PEACE) in Ukraine			<ul style="list-style-type: none"> <li>■ \$1 billion—IDA</li> <li>■ \$2 billion—IBRD (Guaranteed by UK, Denmark, the Netherlands, Lithuania, and Latvia)</li> <li>■ \$1 billion—IBRD loan through credit enhancement from ADVANCE Ukraine TF (Japan)</li> <li>■ \$21 billion—Co-financing MDTFs (US, Japan, Germany, Spain, Finland, Ireland, Switzerland, Belgium, Iceland)</li> <li>■ \$190 million grant, with additional \$295 million grant under preparation—URTF</li> </ul>
Bank-executed (BE) project preparation/implementation support for recipient-executed (RE) activities		\$1.45 million	<ul style="list-style-type: none"> <li>■ \$0.3 million—URTF</li> </ul>
Critical technical assistance and capacity building		\$12 million	<ul style="list-style-type: none"> <li>■ \$6.4 million—URTF</li> </ul>
Program management and administration (BE)		\$0.75 million	<ul style="list-style-type: none"> <li>■ \$0.75 million—URTF</li> </ul>
<b>Total committed by the URTF</b>			<ul style="list-style-type: none"> <li>■ <b>\$1.3 billion—URTF</b></li> </ul>



**Other sources of financing are also available for the framework projects (Table 1).** This includes the recently established Advancing Needed Credit Enhancement for Ukraine Trust Fund (ADVANCE Ukraine), supported by the Government of Japan, as well as financing from other programs. The World Bank works to integrate financing sources for the framework projects with other World Bank lending and multilateral development banks (MDBs), as well as

private capital financing, where feasible and appropriate.

**With funding secured under the Investment Case of the AWP, URTF programming through June 30, 2024, is focused on:**

- Filling funding gaps in effective framework projects,
- Providing partial funding for new framework projects to ensure that the needed project implementation structure

is established and future investment into the sector is accelerated, and

- Delivering critical technical assistance and capacity building to address operational needs and recovery planning.

**While stipulating clear strategic guidance and a roadmap with anticipated milestones, the URTF programming also allows for adapting to the changing FCV context and evolving landscape of Ukraine's needs.** This ensures that the trust fund is not constrained by preset budget confines, allowing for responsive interventions as circumstances dictate. By offering forward-looking guidance combined with unwavering transparency and open dialogue, the URTF remains committed to maintaining donor trust.

## The URTF programming allows for adapting to the changing FCV context and evolving landscape of Ukraine's needs



Employees of Ukraine's State Agency for Restoration and Development of Infrastructure and UNOPS Ukraine representative supervise the delivery of the modular road bridges. Procurement was conducted by UNOPS Ukraine. March 2024. Photo: Ivan Bondar.

# 03

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## Key Results of Projects Funded by the URTF

The URTF's support is already making an impact, with more than 14.6 million beneficiaries to date, of which more than 54 percent are women. This includes 13.0 million beneficiaries under the PEACE project, 1.5 million under HEAL, 100,000 under HOPE, and 10,000 under the ARISE project. This support from URTF has allowed the government to continue to exercise core functions and conduct relief efforts—a key objective of this program and a critical one at this challenging time—even as the country builds its analytical and implementation capacity for recovery, reconstruction, and reform. Key results and updates on the projects that the URTF has supported through end-December 2023 follow, as well as details about critical technical assistance and capacity-building initiatives.

### 3.1 Health Enhancement and Lifesaving (HEAL) Ukraine Project

#### Purpose and Project Description

The war in Ukraine has devastated health care infrastructure, interrupted the delivery of routine health services in many localities, and increased the need for mental health support and rehabilitation. Childhood immunization was down 20 percentage points year-on-year, and uptake of preventive screening was down 50 percentage points. As of February 2023, 15.9 percent of publicly owned health facilities were estimated to have been damaged or destroyed.

The needs of the health sector for the next 10 years were estimated at \$16.4 billion to cover the accumulated infrastructure damage and losses to the health sector, as well as scale up critical health services. This amount includes the cost of building new infrastructure and the immediate recovery of facilities that are damaged, as well as the expansion of rehabilitation and

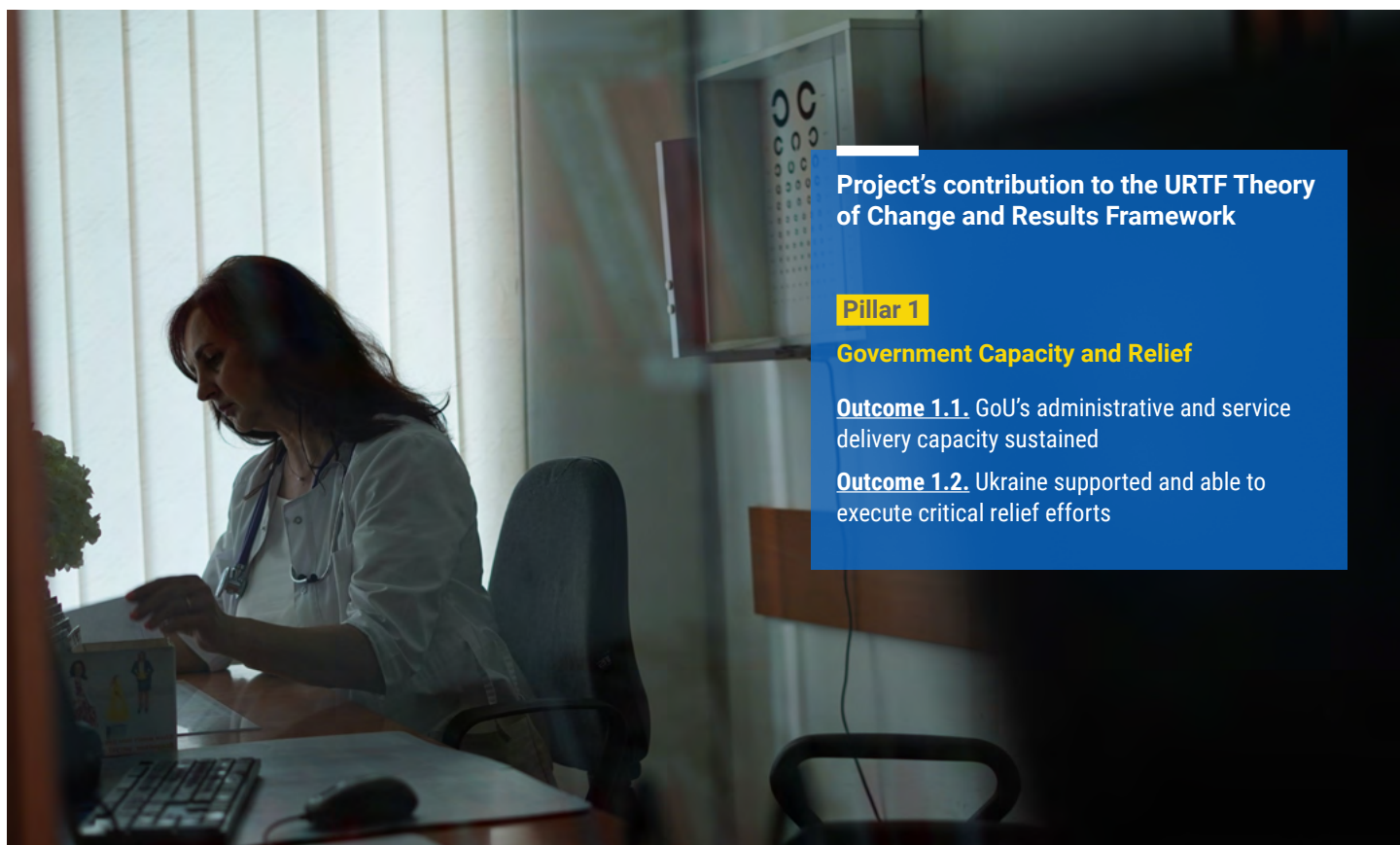
mental health services resulting from war-related trauma.

HEAL's development objectives are to restore and improve access to essential health care, address new and urgent needs for health services, and provide financial protection in an emergency context. The project is composed of four components, addressing the vital needs of the health system:

1. **Mental health and rehabilitation services:** supporting the introduction of a new health package for mental health and meeting the increased demand for rehabilitation services.
2. **Primary health care (PHC):** improving access and utilization of PHC services disrupted by the war, especially immunization, check-ups (screening), and access to affordable medicines.
3. **Hospital care:** restoring and modernizing select hospitals (based on hospital efficiency masterplan).
4. **Capacity-building, digitalization, and innovation:** supporting key health sector institutions, strengthening ongoing digitalization efforts, and encouraging innovation.

#### Project Beneficiaries

The project has multiple beneficiary groups, with all residents of Ukraine who use preventive and curative health services being the largest. The focus is especially placed on people in need of



#### Project's contribution to the URTF Theory of Change and Results Framework

##### Pillar 1

#### Government Capacity and Relief

**Outcome 1.1.** GoU's administrative and service delivery capacity sustained

**Outcome 1.2.** Ukraine supported and able to execute critical relief efforts

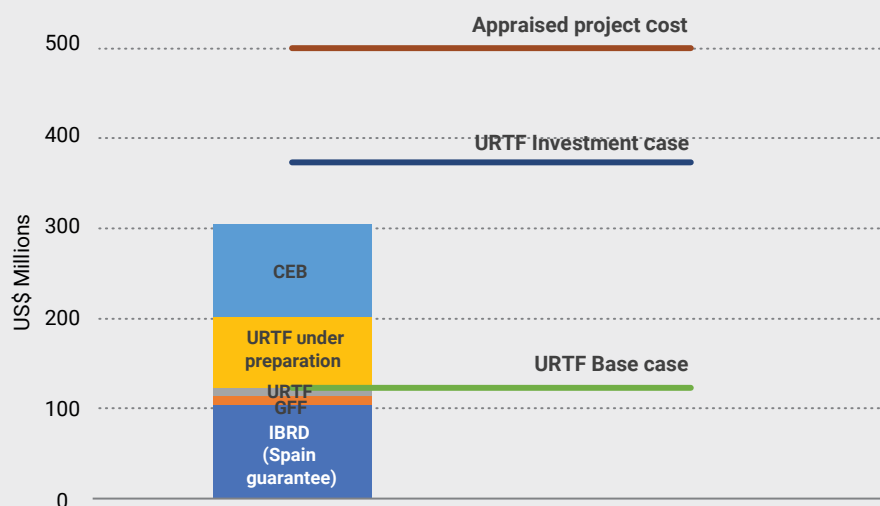
mental health services, people in need of rehabilitation services, people with or at risk of noncommunicable diseases, and young children. As the HEAL project will invest in the strengthening of primary and hospital care facilities, all patients who will receive care at these facilities will also directly benefit from investments. Beneficiaries also include the medical and nonmedical staff of health care facilities who will receive training through the project, as well as incentive payments for delivering priority services.

**HEAL is strongly aligned with the government's directions for recovery outlined in the National Recovery Plan, as well as with the overall World Bank Group's approach to supporting Ukraine.** For the health sector, the specific goal of the National Recovery Plan is to upgrade the health care system to enable human capital growth. The plan envisages activities related to mental health, rehabilitation, PHC, digital health and data, and the health workforce.

The plan envisages activities related to mental health, rehabilitation, PHC, digital health and data, and the health workforce.

**The \$500 million project is designed to support activities which Ukraine needs to address in the ongoing emergency, with a scope of support that is informed by both available and future financing over the immediate and short term.** Such a framework approach provides a clear line of sight for the GoU, the World Bank, and other development partners on the urgent needs in the sector, as well as a simplified process to move from the financing available at the start of the operation to the \$500 million target. The URTF has made a grant of \$10 million to the project, with an additional \$78 million under preparation. Other sources of financing include: €100 million IBRD loan backed by a guarantee from the Government of Spain; \$10 million grant from the Global Financing Facility (GFF) for Women, Children and Adolescents. The Council of Europe Development Bank (CEB) approved a €100 million loan co-financing HEAL in November 2023.

**CHART 1. HEAL Framework Project Financing**



### Intermediate Project Results

**By the end of 2023, significant progress was made in achieving the objectives of the project.** In terms of primary health care, over 3 million vaccinations were administered to children under the age of seven, forming a defense against common childhood illnesses. Almost 1 million Ukrainians were provided subsidized medicines under the Affordable Medicines Program. Under the component focused on mental health and rehabilitation services, over 3,000 health care professionals were trained on providing care for survivors of gender-based violence (GBV). Moreover, Ukrainians were able to seek critical mental health care, with some 80,000 people accessing services under the project. Over 30,000 people completed a course of rehabilitation services. In 2023, the HEAL Ukraine project disbursed €47 million.

**By the time of publishing of this report, the project continued to make headway in its targets.** Procurement has been launched for the reconstruction of the Irpin district hospital and the Bobrovyrskyi primary health care center, as well as for gas and electric vehicles to support mobile provision of primary health



A full-scale war is going on in Ukraine. Every day, our medical system is tested for resilience. Every day we are forced to respond to new challenges. Thanks to the support of international partners and the self-sacrificing work of our heroic doctors, we have been able to uphold our medical frontline.

I thank the World Bank for a reliable shoulder of support. Funds under the signed agreement will be allocated to areas critical for the health care system: the enhancement of physical and mental rehabilitation services, which are seeing an ever-increasing demand in war conditions, as well as the restoration of access to medical care in war-affected territories.

We work together to ensure the provision of high-quality, accessible, and free medical care for Ukrainians.”

—Viktor Liashko, Minister of Health, Ukraine



care, diagnostic equipment for primary health care facilities, and around 10 packages for information technology (IT) for health care facilities.

Under the restoration and modernization of hospitals component, 120 primary health

care facilities were chosen to be equipped with solar panels and battery storage. Due to the targeted strikes on energy infrastructure, medical facilities all over Ukraine face the risk of being left without power in case of blackouts or emergency power outages. Having electric power is critical

for medical facilities so that life-saving equipment can operate and doctors can provide uninterrupted medical care. In total, more than 1,000 medical institutions from different regions of Ukraine have submitted applications within the project.

## Voices of HEAL Beneficiaries

### *Strengthening Ukraine's health care in the midst of war*

The Health Enhancement and Lifesaving project (HEAL) is reconnecting people with preventative health care, restoring regular checkups, recovering childhood immunization coverage, and improving access to medication for people with chronic conditions. HEAL is also training primary care providers to provide initial mental health help and support victims of gender-based violence. It also helps scale up the development of rehabilitation services, an underdeveloped field in Ukraine. The project supports government expenditures needed to scale up these essential services, as well as investment needs to modernize facilities and train medical staff.

### *Expanding access to mental health services through primary care doctors*

The need for mental health services has grown dramatically. One in five people in Ukraine may be suffering from mental health issues due to war and conflict.

"I was worried for a very long time about all sorts of problems, but with the beginning of the war, these problems simply intensified," says Nikita Vitvitsky, a patient.

The government has launched a large training program for primary care providers to screen for and address mental health issues, where appropriate.

"The war is a hard challenge to bear for our society," says Roksolana Tkach, a family doctor in Lviv. "On the emotional level, the symptoms include loss of ability to sleep, increased anxiety, decreased physical capabilities, loss of interest in everyday life.

That is why our first and foremost task is to help such patients recover and return to their lives, improve the quality of their lives. It is important that these depression episodes or PTSD are not worsened and that the patient stays out of the deep psychological pathology."

### *Rehabilitation*

The war has increased the demand for rehabilitation services as there have been many injuries, amputations, and burn victims. HEAL is an opportunity to set up systems to support rehabilitation for war and non-war related needs alike. Stroke patients, for example, are usually one of the largest groups of people who require these services.

"We have more military personnel, and many are developing various diseases due to the overloads they experience. Many of them have degenerative diseases, herniated discs, high blood pressure. On the other hand, many people who have family members in the military or are worried, many people are now suffering from such post-traumatic stress disorder," says Oleksii Leontiev, head of the neurosurgical department at a local hospital.

Now that the government has recognized this need and contracted providers, there are more than 160,000 people who have received these kinds of services. The response has been overwhelming. "You can see the results of your work with your own eyes," says Petro Skodliak, head of neurorehabilitation department at a local hospital. "It inspires you in a way. It uplifts you. I love this profession."

### *Equipping primary health care workers with gender-based violence training*

There is a demand in learning how to help the victims of gender-based violence (GBV). Experts estimate that in 2022, four million people in Ukraine needed services to prevent violence and support survivors.

Based on the survey of primary care doctors and cooperation with the government, the Bank has supported the preparation of self-paced GBV training. It was launched in December 2022 on a National Health Service online platform.

To date, over 2,800 health care providers have taken the training, many of whom were in Kyiv as well the Kharkiv and Dnipropetrovsk oblasts, which are close to the front line. The demand for training continues with doctors and nurses registering for the course. Participants' positive feedback indicates that the course is useful and that it enabled them to help victims of GBV.

"There's more work to be done in terms of assisting gender-based violence victims," says Yaryna Pikulytska, pediatrician in Lviv, who completed the GBV training. "Now we're all living in stress, and I'm sure it's very difficult for those who have experienced such violence to approach a doctor and talk about it.... I feel that I can provide them with a safe environment where they can heal, recover, and move forward with their lives."



### IMPACT STORY:

Strengthening Ukraine's Healthcare in the Midst of War ([worldbank.org](https://www.worldbank.org))

## 3.2 Repairing Essential Logistics Infrastructure and Network Connectivity (RELINC) Project

### Purpose and Project Description

At the time of project appraisal, the war has affected about 26 percent of Ukraine's area, including critical corridors for imports and exports. Most notably, there have been severe disruptions to maritime ports along the Black Sea and Azov Sea which, prior to the war, handled approximately 135–150 million tons of cargo per year. This included approximately 70 percent of all exports and about 95 percent of grain exports, specifically. In lieu of Black Sea access, Ukraine's shippers started to rely on longer road and rail routes to ports on the Baltic, Adriatic, Atlantic, or Romanian/Bulgarian Black Sea coasts. The additional distance required to reach alternative ports is estimated at approximately 1,200–1,500 kilometers, which adds to transportation costs.

Direct total transport sector damage is estimated at US\$34 billion between February 2022 and December 2023. The

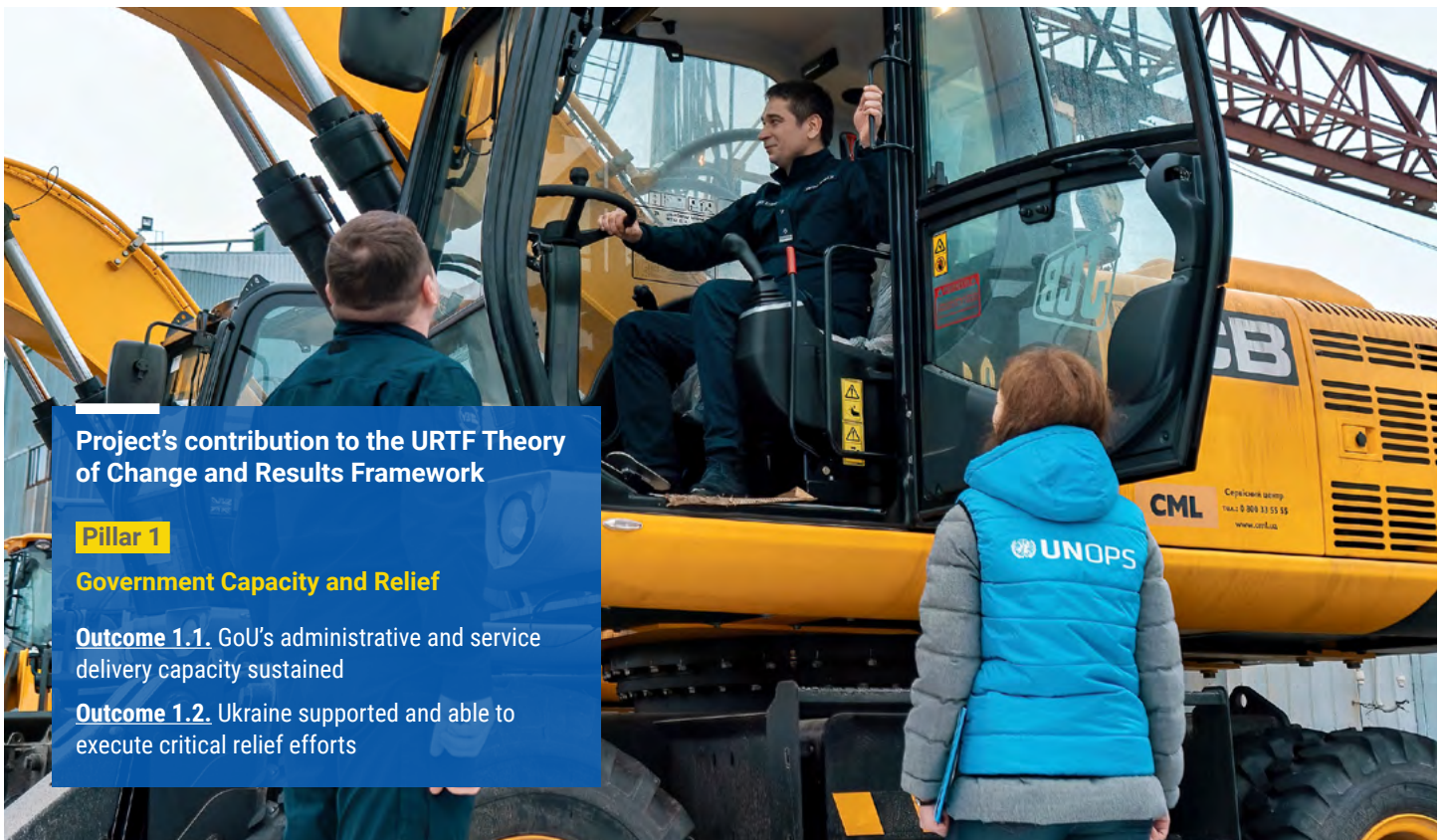
largest concentrations of damage are (i) local oblast, village, and communal roads combined (32 percent); (ii) motorways, highways, and other national roads (21 percent); and (iii) railway infrastructure, rolling stock, equipment, and other assets combined (19 percent). Damage to transport infrastructure is not evenly distributed and appears correlated to changes in war intensity. Severe damage is concentrated around settlements where more protracted fighting took place.

RELINC's development objective is to provide the means for mitigating the immediate impact that the disrupted transport networks have on Ukraine's population and economy. The project is structured around four components:

1. **Lifeline road connections:** provision of modular bridges for immediate and urgent repairs to restore damaged road

network, materials for emergency road repairs during winter, and equipment to enhance western road border crossing points to mitigate impacts of Black Sea disruption.

2. **Lifeline rail connections:** procurement of components for the production of flatbed railway wagons, modular bridges, materials, and equipment to repair damaged rail connections, and rolling stock urgently needed to support the export of Ukraine's agricultural commodities via European Union (EU) ports.
3. **Readiness for urgent reconstruction initiatives and project management:** support for technical studies for future recovery projects and for project supervision and monitoring.
4. **Contingent emergency response:** an unfunded component designed to provide a swift response in the event of a crisis or emergency.



Project's contribution to the URTF Theory of Change and Results Framework

#### Pillar 1

#### Government Capacity and Relief

**Outcome 1.1.** GoU's administrative and service delivery capacity sustained

**Outcome 1.2.** Ukraine supported and able to execute critical relief efforts

Ukrainian Railways staff with machinery for emergency rail repairs, which just arrived in Ukraine. The equipment included truck lifts, front and telescopic loaders, excavators, drilling machines, and hydraulic jacks. Procurement was conducted by UNOPS Ukraine. December 2023. Photo: UNOPS (Yurii Veres).

## Project Beneficiaries

The primary beneficiaries of the project are people living in oblasts, where territory has been liberated from Russian forces, as well as displaced persons returning home. Transport networks in these oblasts have seen the heaviest damage due to both occupation and shelling across the front lines. Specifically, Donetsk, Luhanska, Khersonska, Kharkivska, Mykolaivska, and Zaporizka oblasts together accounted for an estimated 74 percent of transport reconstruction needs. More broadly, beyond the frontline oblasts, RELINC is expected to benefit road/rail passengers and shippers who rely on Ukraine's inland transport networks that have been damaged by long-range strikes.

**RELINC is aligned with Ukraine's National Recovery Plan, which envisages the expansion of the westward transit capacity.** It specifically supports the country's "resilience objective" and the approach outlined in the World Bank's "Relief, Recovery, and Resilient Reconstruction" paper. In line with this approach, the operation is set to finance urgently needed physical repairs to restore and enhance the transport network's basic functionality, which is a fundamental requirement for relief efforts while the war remains ongoing.



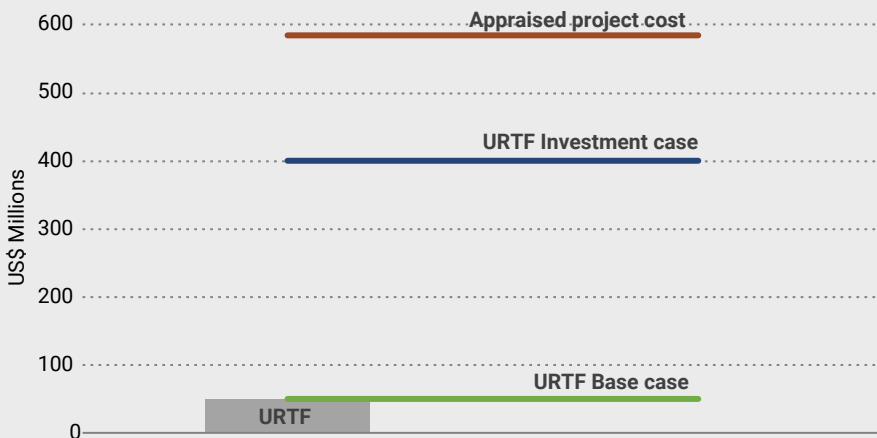
Ukraine's transport sector suffered severe damages; according to RDNA2, 22 percent of the total \$411 billion estimated reconstruction and recovery needs are in transport. We face disruption not only to the international transport arteries but also to roads and bridges connecting villages and towns with their neighboring communities and regional centers. Many bridges providing such connectivity were destroyed or damaged during the invasion.

The Repairing Essential Logistics Infrastructure and Network Connectivity (RELINC) Project is set to address immediate needs in railway and road networks. It was designed to provide much-needed urgent relief and benefit from multiple donor contributions made to the URTF. Our losses are immense, and partner support, both in terms of funding and technical assistance and capacity-building activities, is key to Ukraine's recovery and resilient reconstruction.

We are grateful to the international community and the World Bank, which made this project possible."

—Oleksandr Kubrakov, Deputy Prime Minister for Restoration, Minister for Communities, Territories and Infrastructure Development, Ukraine

CHART 2. RELINC Framework Project Financing



The RELINC project is designed as a \$585 million framework operation. It was launched with initial financing of \$50 million in grants from the URTF. The project framework outlines activities to be implemented with this funding, as well as activities to be financed by additional resource mobilization, which is expected to be filled as subsequent Bank and donor funding materializes.

## Intermediate Project Results

**With the URTF support, 700 meters of modular bridges were in the procurement process at the end of 2023.** This complemented other bilateral donor and development partner support, which in total allowed for meeting the immediate needs for restoring road bridge access. The URTF also is funding the manufacturing of about 200 flatbed railway wagons and the procurement of equipment and materials for repairing damaged rail bridges—to support the export of Ukraine's agricultural commodities via the European Union ports. In December 2023, the production of flatbed wagons has started and first delivery of emergency railroad repair machinery was made, with first sets of modular bridges expected to be delivered in March 2024.

By the end of 2023, \$48 million of the grant amount was disbursed. The project was being restructured to add a new component that would support lifeline river connections and back the procurement of navigation and transloading equipment, vessels, and materials for infrastructure repairs to improve the operational capacity at Danube ports.



### 3.3 Restoration Project of Winterization and Energy Resources Ukraine (REPOWER)

#### Purpose and Project Description

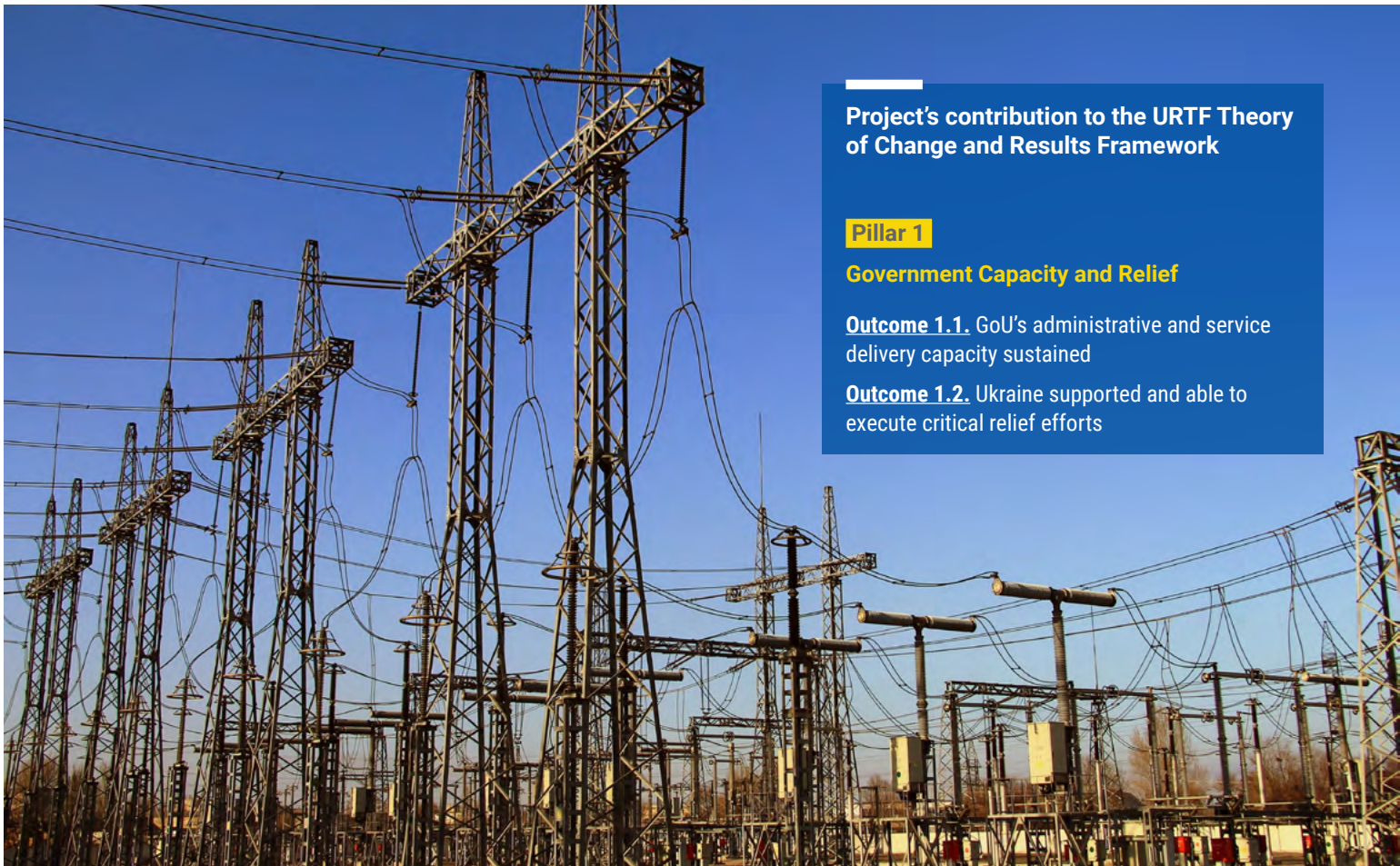
**At the time of project appraisal, more than one-half of the energy facilities have been damaged due to Russia's attacks that have occurred since October 2022.**

The critical points of the power network, particularly high voltage substations, have become a primary target of the attacks, with a substantial number of autotransformers damaged. This led to supply disruptions in all regions of Ukraine. Repeated attacks temporarily left millions of people without access to electricity. At the end of November 2022, a partial system blackout was caused leaving most electricity consumers in all regions of Ukraine without electricity.

In major cities, disruptions in electricity supply have led to disruptions in critical public services. Gas and district heating networks have also suffered substantial damage. Water supply had to be halted due to electricity outage in several districts in Kyiv. About 40 percent of the population living in multifamily apartment buildings in urban areas are connected to district heating, which also includes domestic hot water supplies. This makes the urban population the most vulnerable group in case of no gas supply or the destroyed district heating infrastructure.

**The development objective of the REPOWER project is to enable the restoration of essential energy services in Ukraine.** The project consists of three components:

1. **Emergency equipment for the electricity transmission infrastructure:** provision of autotransformers, transformers, circuit breakers, and other substation equipment and materials for Ukrenergo. This is the most critical support to restore the electricity supply for the entire transmission network.
1. **Emergency equipment for the heating services:** provision of mobile heat-only boilers for heating centers, mobile mini co-generation units, other equipment, and materials for repairing district heating and gas networks as well as liquid fuel depots and alternative heating options.
2. **Project management and monitoring:** project supervision and monitoring support.



#### Project's contribution to the URTF Theory of Change and Results Framework

##### Pillar 1

##### Government Capacity and Relief

**Outcome 1.1.** GoU's administrative and service delivery capacity sustained

**Outcome 1.2.** Ukraine supported and able to execute critical relief efforts

### Project Beneficiaries

**Ultimate project beneficiaries include all consumers in Ukraine, who have suffered from disruptions in critical energy services.**

Given that the project is to fund critical equipment to restore the halted services, all populations and industries will benefit from the project interventions. Direct project beneficiaries are the energy companies: under components 1 and 3, Ukrenergo is an implementing beneficiary, while component 2 is to be implemented by the Ministry of Energy to provide emergency heating equipment to district heating companies in the cities of Kharkiv, Mykolaiv, Sumy, Nizhyn, and Pryluky. Additional beneficiaries could be identified during implementation, depending on damages occurring to the energy and heating infrastructures.

**The project is aligned with the National Recovery Plan, as well as with the approach of the World Bank to support Ukraine.** By repairing damage to critical infrastructure and restoring energy services, the project will contribute to re-establishing a stable electricity supply. Access to a reliable and quality energy supply can boost productivity and economic activity, which can in turn create opportunities for jobs and incomes.



Through our long-term cooperation with the World Bank, we have been able to successfully implement a number of important initiatives. Today, Ukraine is faced with challenges related to the post-war recovery and energy sector modernization introducing cutting-edge technologies. In this context, the focus of cooperation is on attracting assistance to repair the electricity and heat supply infrastructure. I am confident that we have many more joint projects and initiatives ahead of us that will strengthen the resilience of the Ukrainian power system and improve overall energy security."

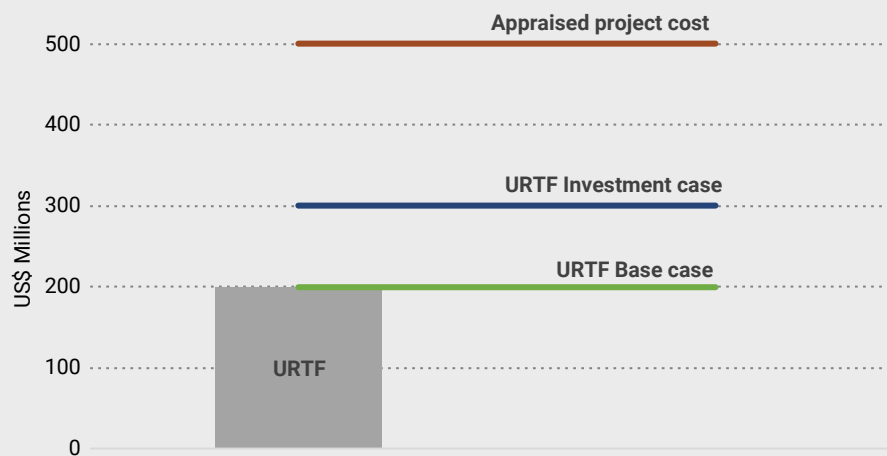
—German Galushchenko, Minister of Energy, Ukraine

**The REPOWER project—appraised in its entirety for \$500 million—was approved by the World Bank’s Board on April 11, 2023, and became effective in July 2023.** The initial funding was provided by the URTF with a grant of \$200 million, in line with the APW’s Base Case scenario. Consistent with the framework approach, the project’s components are designed as sustainable within the available financing, while also being flexible enough to absorb additional financing as resources become available. Such an approach supports the needed agility and speed of delivery in an emergency.

### Intermediate Project Results

**At the end of the 2023 calendar year, procurement for six autotransformers was underway.** The state implementing agency Ukrenergo processed the first procurement package, which was launched in October, to procure autotransformers. Other procurement packages for pickup trucks and truck-mounted cranes were launched in December 2023. Contracts with suppliers are expected to be signed during December 2023 – January 2024; the first disbursements are expected to be made during this period as well. In the meantime, Ukrenergo has engaged a procurement agent to support their procurement, and thus expedited procurement and contract implementation are expected. While the project continues to support remaining needs, the new needs to protect autotransformers and other key infrastructure units have emerged. To account for them, the project is being adjusted.

**CHART 3. REPOWER Framework Project Financing**





### 3.4 Housing Repair for People's Empowerment Project (HOPE)

#### Purpose and Project Description

According to RDNA2, the housing sector was the most affected in terms of cost of damage, with the total estimated damage cost to be over \$50 billion. Russia's invasion of Ukraine is estimated to have impacted about 1.45 million residential units, directly affecting approximately 3.5 million people. Nearly 87 percent of the damaged housing units are part of the multi-family apartment buildings (MFBs), and four out of five damaged buildings are located in urban areas.

To address the damages and to support affected populations, the GoU has made significant efforts to identify, register, monitor, and prioritize the most urgent housing repairs. The government requires that all damaged assets are verified and registered by local self-governments or hromadas in the Registry of Damaged and Destroyed Property. The registry is managed by the Ministry for Communities, Territories, and Infrastructure Development and is linked with the eRegistry, managed by the Ministry of Justice. The damage inventory system is designed to mitigate the risk of providing double support for repair of the damaged housing units and to monitor the progress of repairs, and extent nature, and location of damaged assets.

The project development objective of HOPE is to increase households' access to repaired housing units damaged by Russia's invasion. The project consists of three components:

1. **Repair of residential units with partial damage.** This component provides funding for the government's compensation program to affected households for the emergency repair of their partially damaged residential units or single-family houses.
2. **Design and capital repair of partially damaged MFBs.** This component is designed to support green and resilient

capital repairs of partially damaged MFBs through the concerned *hromadas*.

3. **Project management and capacity strengthening.** This component includes financing project management, technical assistance, and local capacity-building activities to advance project implementation.

#### Project Beneficiaries

The primary beneficiaries of the HOPE project are people whose housing units have suffered partial damages. This includes around 98,000 residential units and single-family houses benefitting from the compensation program under the first component, and an additional 8,000 households in 160 multi-family residential buildings across five municipalities under

the second component. Other beneficiaries, inter alia, include residents in the selected *hromadas* who would benefit from an increase in planning capacity at the local level, as well as contractors, laborers, and construction material manufacturers. There is also an indirect benefit to the total population of the country from the increased capacity of the authorities to build back better with improved energy performance of the building and by promoting universal accessibility for all.

The project goes in line with the Ukraine National Recovery Plan, one of the key tasks of which is to restore and create new quality housing and living infrastructure with protective, sustainable, and inclusive solutions. The plan outlines the need to rebuild a clean and safe environment and ensure sustainable development in



#### Project's contribution to the URTF Theory of Change and Results Framework

##### Pillar 1

##### Government Capacity and Relief

**Outcome 1.1.** GoU's administrative and service delivery capacity sustained

**Outcome 1.2.** Ukraine supported and able to execute critical relief efforts

Residents of Kyiv repair their house after damages caused by a Russia's drone attack. August 2023. Photo: World Bank.

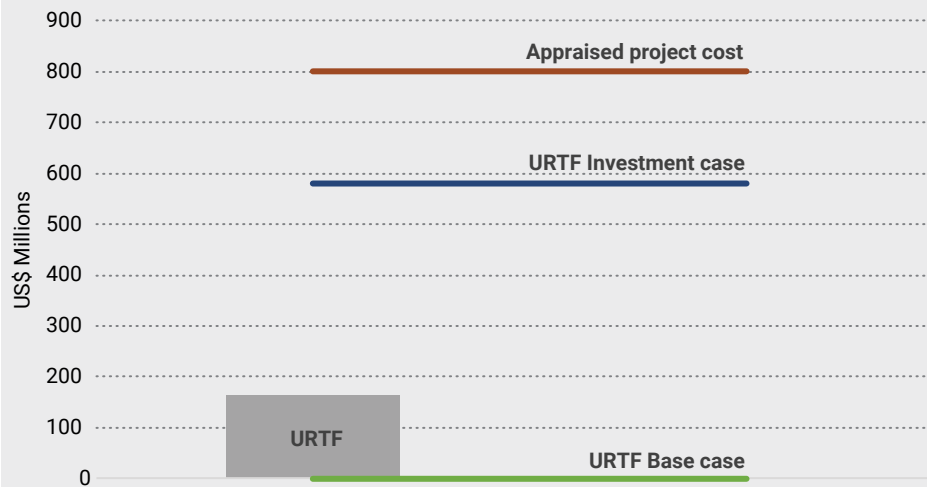


line with the EU Green Deal. HOPE is also aligned with the World Bank’s approach paper “Relief, Recovery and Resilient Reconstruction: Supporting Ukraine’s Immediate and Medium-Term Economic Needs.” Among other things, it stipulates aiding Ukrainian authorities in establishing the housing recovery governance, financing, and implementation modalities. HOPE will also contribute to the Bank’s goals of ending poverty and boosting prosperity, and its Climate Change Action Plan 2021–2025 on “Supporting Green, Resilient, and Inclusive Development.”

**The Housing Repair for People’s Empowerment Project is appraised at \$800 million.** The project’s initial funding consists of a \$162.5 million URTF grant and a \$70.0 million IBRD loan, backed by a credit enhancement from the ADVANCE Ukraine Trust Fund and supported by the government of Japan. HOPE’s project design follows the framework approach and therefore has the



**CHART 4. HOPE Framework Project Financing**



capacity for scaling up, should additional funding become available, which would allow to further increase the number of beneficiaries.

**Intermediate Project Results**

**The HOPE operation was approved by the Bank’s Board of Directors on August 30, 2023, and became effective on October 18, 2023.** By the end of the year, 65,000 applications for compensation were submitted, of which 36,500 were approved. Beneficiaries have received \$100 million in compensation for home repairs—supported by the URTF—as of end-December 2023. Under component 2, city eligibility and selection criteria, as well as the selection criteria for the clusters of buildings to be included in the project, were finalized and included in the Project Operations Manual. Furthermore, as an indirect benefit of this project, the Bank team is coordinating the donor effort in support of Ukraine’s housing restoration. This includes bilateral and multilateral coordination meetings with participation of the donor community and government officials.



“The World Bank responded very quickly to address Ukraine’s need for the restoration of its housing sector, which was affected by the military aggression of the Russian Federation. Ukraine received \$162.5 million from the Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund under the HOPE Project. As of February 2024, nearly \$105 million has been paid in compensation to over 40 thousand households to help them restore their homes through minor and medium repairs. It is of paramount importance for us that our partners support Ukraine’s efforts to restore its resilience and address immediate needs under wartime conditions.”

**—Oleksandr Kubrakov, Deputy Prime Minister for Restoration, Minister for Communities, Territories and Infrastructure Development, Ukraine**

### 3.5 Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) Project

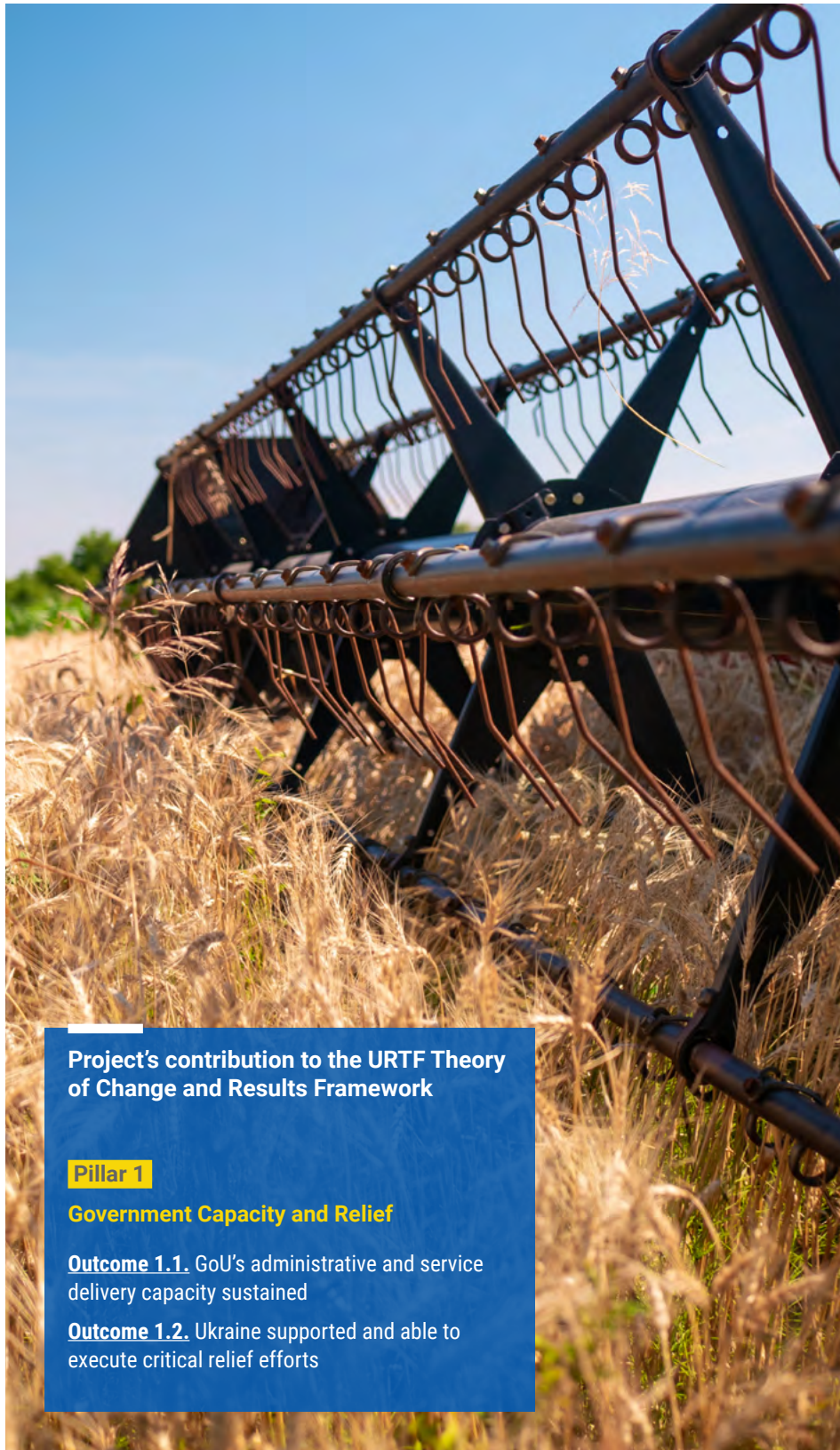
#### Purpose and Project Description

**Ukraine's agriculture is heavily affected by the war: in 2022, the revenues of farmers from selling grains and oilseeds dropped by 80 percent compared to 2021, due to the lower production area, yields, and farmgate prices.** As of February 24, 2023, the total cost of damage and losses to agriculture was estimated at \$40 billion. This excludes decontamination of landmines and unexploded ordinances on agricultural land, as well as damages to irrigation, agricultural logistics, and food processing. Access to finance was identified as the most crucial obstacle for farmers, from small to large, to continue producing food.

**Ukraine's agriculture is export oriented: on average, two-thirds of agricultural products are exported.** As Russia's invasion continues, the cost of damages increases each month, negatively affecting food and nutrition security in Ukraine and worldwide.

**The ARISE project's development objective is to maintain an inclusive agricultural production and provide an immediate and effective response to an eligible crisis or emergency.** The project has four components:

1. **Supporting access to finance to farms through affordable credit:** maintain access to short-term finance for farms and reduce the cost of borrowing against the headwinds of the conflict, so that farmers could continue agricultural production.
2. **Supporting access to finance to small-sized farms through grants:** support agricultural production by small-sized farms, recognizing their unique challenges to access sufficient commercial finance under component 1 and/or secure inputs on credit from the input suppliers.
3. **Project management:** support project management, coordination, monitoring and evaluation, and implementation of environmental and social measures



#### Project's contribution to the URTF Theory of Change and Results Framework

##### Pillar 1

#### Government Capacity and Relief

**Outcome 1.1.** GoU's administrative and service delivery capacity sustained

**Outcome 1.2.** Ukraine supported and able to execute critical relief efforts



under the Bank’s Environmental and Social Framework.

4. **Contingent emergency response component:** an unfunded contingency component that can be activated in case of an eligible emergency event as a result of Russia’s invasion.

### Project Beneficiaries

The primary beneficiaries of the ARISE project are Ukraine’s agricultural producers, who will benefit from the support for the next production seasons, which would allow them to maintain or increase their incomes.

The secondary beneficiaries are banks, input suppliers, and traders benefitting from more liquid farmers. Another group of secondary beneficiaries is local and global food consumers, who will benefit from the increased availability of food, which is expected to impact the global market price and eventually contribute to a return to lower food prices.

The project is aligned with the Global Alliance for Food Security jointly convened by the the Group of Seven (G7) and the Bank as a coordinated and solidarity response to the global food and nutrition security (FNS) challenges ahead. In Elmau, Germany, on June 28, 2022, the leaders of the G7 countries committed to increasing FNS and protecting the most vulnerable, whom the food crisis threatens to affect the most. They also committed to helping Ukraine to keep producing agricultural products in view of the next harvest seasons and resume its agricultural exports to world markets.

The total estimated project cost is \$2,200 million. Initial funding is provided by the \$320 million grant from the URTF and complemented with the \$230 million IBRD loan through credit enhancement from the ADVANCE Ukraine Trust Fund, supported by the Government of Japan. Commercial financing in the amount of \$1,500 million is expected to contribute to the project by the end of 2024. ARISE was approved by the

Bank’s Board of Directors on October 30, 2023, and signed on November 7, 2023.

### Intermediate Project Results

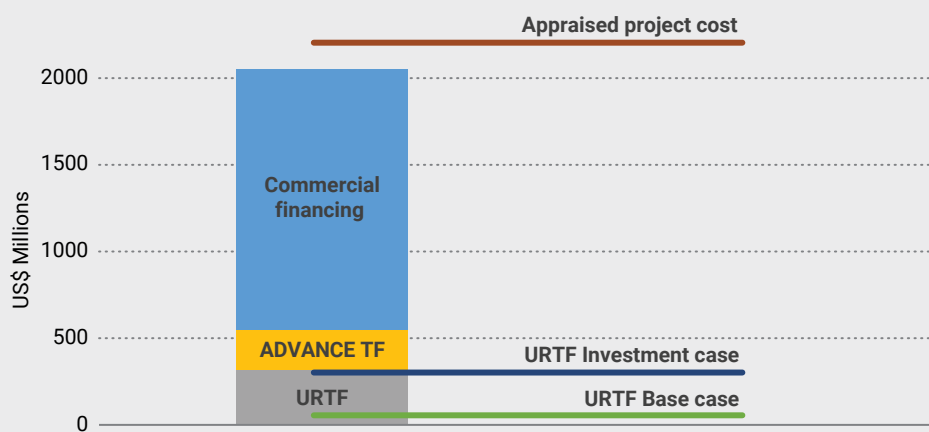
By end of 2023, significant progress was made under the project; \$180.2 million were already disbursed to improve the access to agricultural finance for farmers and food processors. These funds leveraged the mobilization of about \$1.0 billion of agricultural financing (i.e., private capital mobilization) for more than 9,600 farmers, who could access more affordable working capital to continue agricultural production in 2023. This improved access to finance contributed to an increased production of major grains and oilseeds in 2023, estimated at 79 million tons compared to 73 million tons in 2022 which, despite the decline in the planting area by 10 percent, benefitted local and global consumers through lower food prices.



With the war still raging, uncertainty continues to hang over Ukrainian agriculture, which has huge ramifications for the country and for global food and nutrition security. The ARISE Project helps thousands of Ukrainian farms, including many small ones, to continue producing in what are certain to be extremely challenging conditions in the months ahead. In 2023 alone, the project helped about 11 thousand farms to access \$1.2 billion of private working capital at affordable interest rate for continued agricultural production. The continued support from ARISE in 2024 and 2025 will reduce uncertainty for Ukraine’s farmers, support their livelihoods, and ensure food and nutrition security.”

— Markiyany Dmytrasevych, Deputy Minister of Agrarian Policy and Food, Ukraine

CHART 5. ARISE Framework Project Financing





### 3.6 Public Expenditures for Administrative Capacity Endurance (PEACE) Project

#### Purpose and Project Description

The PEACE project was launched by the World Bank in June 2022. Its development objective is to contribute toward sustaining the government administrative and service delivery capacity to exercise core government functions at the national and regional levels. PEACE was based on the core learning that the World Bank Group had gained through decades of work in FCV situations that sustaining institutional capacity is more effective than rebuilding it. Specifically, according to the World Development Report 2011, retaining effective public institutions, fostering accountability, enhancing service delivery,

and promoting citizen engagement are necessary for addressing the drivers of fragility.

The project was initially approved as a \$1.492 billion investment project financing (IPF). It was financed by exceptional access to a \$1 billion equivalent non-concessional IDA credit and a \$492 million IBRD loan, guaranteed by the Netherlands, Latvia, Lithuania, and the United Kingdom. A dedicated co-financing multi-donor trust fund (MDTF) was established to support the project, and contributions were later received from the United States, Germany, Spain, Finland, Ireland, Switzerland, Belgium, and Iceland.

The PEACE project became the World Bank's flagship financing instrument for Ukraine, which enabled donors to unite efforts in providing fast and targeted support. As of December 31, 2023, PEACE—including subsequent six rounds of additional financing and trust fund resources—had reached a total worth of \$24,766 billion and disbursed over \$23 billion.

The large transfers to Ukraine through the PEACE platform are monitored regularly to ensure the integrity of the processes and eligibility of expenditures. The process includes verification by the Ukrainian government and review by the World Bank before disbursement, grievance redress

#### Project's contribution to the URTF Theory of Change and Results Framework

##### Pillar 1

##### Government Capacity and Relief

**Outcome 1.1.** GoU's administrative and service delivery capacity sustained

**Outcome 1.2.** Ukraine supported and able to execute critical relief efforts



Solonka, Lviv region, large crater and destroyed homes after a rocket attack. Photo: Nicktys | Dreamstime.

mechanisms and fiduciary safeguards, as well as annual project audits. To further mitigate risks, these measures are supplemented with a review of the eligibility of samples of expenditures and functionality of controls in the project, performed by an independent auditor, as well as with a high-frequency survey. The first two Agreed Upon Procedures reviews initiated by the Bank under the Enhanced Implementation Arrangements found no significant deviations in expenditures and confirmed that controls for the project's funds are adequate.

**In December 2023, the URTF made a \$190 million grant to support the administrative and service delivery capacity of Ukraine's government through the PEACE project, with an additional \$295 million grant under preparation— for a total of \$485 million.** The grant aligns with the URTF's development objective—to provide support to the GoU to sustain its administrative and service delivery capacity. It will co-finance critical social expenditures to help sustain livelihoods of vulnerable persons.

### Project Beneficiaries

**The project directly benefits staff in central and regional governments, as well as school employees, first responders, retirees, internally displaced persons, and other vulnerable populations.** PEACE benefits Ukrainian citizens by helping the government to provide continued access to public services, core government functions, and education services. Ensuring payment of social assistance and old age pensions benefits the population at large as well. Also, women are the majority of beneficiaries of social assistance and old age pensions.

### Intermediate Project Results

**By end of 2023, the number of the project beneficiaries reached over 13 million people.** It includes 10 million pensioners, 500,000 employees of educational institutions, 145,000 government employees, 56,000 first responders, and over 3 million social assistance beneficiaries. With the support of the project, the government continues to exercise its core functions: 98 percent of pensions were paid on time, and over 90 percent of public employees were paid on time.



The financial support of partners under the World Bank's PEACE in Ukraine project is crucial for implementation of the state's social and humanitarian obligations during the war, when the vast majority of the budget revenues are directed to the needs of the security and defense forces. At the same time, the Government of Ukraine's absolute priority is to ensure the efficient, transparent, and accountable use of donor funds. Therefore, the Ministry of Finance is working closely with the World Bank and USAID teams to ensure that every dollar of financial aid is used for its intended purpose. After all, the trust of our partners is our key asset in building effective cooperation."

—Sergii Marchenko, Minister of Finance, Ukraine

## 3.7 Critical Technical Assistance and Capacity-Building Engagements

**As designed and implemented, the URTF is focused on providing support for critical technical assistance and capacity building—with a total commitment of \$6.4 million in 2023.** In 2023, the World Bank task teams worked with Ukrainian counterparts to prepare several technical assistance and capacity-building engagements for a total of \$1.4 million. In line with the URTF's Annual Work Plan and Results Framework, the first round of grants was made on a rolling basis and was focused on enhancing anti-corruption and fiduciary oversight, as well as on building capacity for project implementation and broader recovery and reconstruction:

- **Enhancing Integrity and Competition and Building Capacity in the Public Procurement in Ukraine.** The development objective is to enhance competition and build capacity in public procurement. Hands-on implementation support has been provided, and a series of capacity-building events on public procurement has been organized for 16 agencies implementing operations financed by the World Bank. Additionally, this work is supporting the GoU in advanced bid-rigging screening and designing pro-competition interventions, which should lead to freeing up resources for recovery and reconstruction by reducing overcharges linked to collusion in public procurement.
- **Public Infrastructure Delivery Management for Reconstruction.** Technical assistance to support preparation of the Public Investment Management (PIM) Roadmap is another activity that is addressing regulatory gaps for the use of donor funds for reconstruction. So far, under this activity a workshop for the Ministry of Finance (MoF) employees was conducted and a series of just-in-time notes on the PIM cycle, cross-cutting issues, and required changes in legislation have been prepared. Going forward, support on

## The Center for Advancement in Restoration and Modernization Capacity will work on building capacity to design, prepare, and implement restoration projects across Ukraine

investment programming and review of the investment programs will be provided to the MoF and relevant agencies.

- **Support to Effective Implementation and Impact Evaluation of the ARISE Project.**

This engagement is supporting the ARISE framework project in agriculture by evaluating its impact and farmers' access to funding, with further possible expansion. So far, under this activity the first Environmental and Social Management System (ESMS) for the Business Development Fund (BDF) was prepared and adopted by the BDF, which allowed the disbursement of \$90 million under component 1 of the ARISE project. A training program on the ESF is under preparation for the 35 participating financial institutions, with the first training expected to take place in April 2024. Additionally, the Environmental and Social Management Framework is being developed for the support to small farms under component 2 of the ARISE project. Once adopted, it will guide implementation of the grants to small farms.

- **Empowering Civil Society to Safeguard Anti-Corruption Architecture and Integrity of Reconstruction Process in Ukraine.** This initiative focuses on safeguarding anti-corruption architecture

by monitoring the legislative framework on anti-corruption and the rule of law and promoting civic oversight of anti-corruption infrastructure performance.

**In July 2023, the World Bank and the Kyiv School of Economics (KSE) signed a letter of cooperation to develop a country-wide training program to build capacity and improve the skills of government agencies, local authorities, and CSOs.** On November 9, 2023, the Center for Advancement in Restoration and Modernization Capacity was opened. In close cooperation with the Ministry of Restoration it will work on building capacity to design, prepare, and implement projects across the country. The program will focus on various areas of project management, such as procurement, fiduciary, environment and social issues, stakeholder management, procedures, among others. A grant for this work for approximately \$3 million is being prepared.

**Finally, third-party monitoring agents are being engaged by the World Bank to support additional monitoring and verification of URTF-supported projects.** An initial envelope of \$2 million has been allocated for this purpose and further described in Section 4.



# 04

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## Risks and Challenges

The URTF is a part of the overall World Bank engagement and approach for providing critical and coordinated financing to Ukraine. This means managing the World Bank's overall engagement, portfolio, and pipeline and identifying and managing risks in operations in a coordinated manner. In general, the World Bank, with support from the URTF, manages risks through multiple approaches, including (i) at the project level, through the Bank's project design and implementation support approach, (ii) at the portfolio level, with specific technical assistance, including with URTF support and oversight, and (iii) through the Bank's overall approach and corporate functions.<sup>3</sup>

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<sup>3</sup> For a wider explanation of how the World Bank works with partners through trust funds, please see [Partnering with the World Bank through Trust Funds and Umbrella 2.0 Programs. A Guide for Development Partners.](#)

## World Bank Approach to Risk Management at Project, Portfolio, and Bank Levels

**The World Bank has a strong capacity to support countries to design and implement complicated large-scale programs and projects**, drawing on the Bank's well-tested policy framework<sup>4</sup>, including the Environmental and Social Framework (ESF)<sup>5</sup> and robust fiduciary arrangements, which support the transparency, effectiveness, and efficiency of financial management and procurement.

**The World Bank and its teams identify, mitigate, and manage risks in the design and implementation of all World Bank-supported projects, including those supported by IBRD/IDA and trust funds like the URTF.** Therefore, the URTF's risk management is performed in line with the World Bank's Risk Framework for Operations<sup>6</sup>, including through the Systematic Operations Risk-Rating Tool. Risk ratings are validated during preparation and implementation, and World Bank management monitors high-risk operations through regular reporting. This continuous process of calibration ensures that management reviews are aligned with the level of risk. The risks and risk management approaches are highlighted in each Project Appraisal Document (PAD) of each framework project.<sup>7</sup>

**Risk management and controls are the key criteria that are explicitly considered at the trust fund level when a new trust**

**fund is being established.** For a TF to be accepted, risks have to be judged as acceptable and manageable by the World Bank. The key risks relevant to the URTF are fiduciary, strategic, financial, stakeholder, and other risks; they were assessed against two dimensions—the probability of the risk occurring and the impact of the risk on the URTF development objective.

**For emergency operations funded by the URTF, third-party monitoring (TPM) agents are being engaged.** While a portfolio-wide TPM contract is under preparation, URTF-supported projects include key design

elements that promote accountability, results, and citizen engagement. The HEAL project is engaging CSOs in the development of systems and approaches to monitor provision of rehabilitation services from the patient's perspective and has also launched a pilot of patient ambassadors that help patients navigate the health system and provide feedback to health facilities. RELINC, HOPE and REPOWER have TPM agents also integrated within the project to support procurement activities, monitor delivery of goods, and verify the completion of activities. RELINC engaged the United Nations Office for Project Services (UNOPS)



View of the Dnieper River in Kyiv. Photo: Roman Belogorodov | Shutterstock.

<sup>4</sup> As a World Bank-managed trust fund program, the URTF recipient-executed activities are subject to applicable operational policies and procedures for IBRD and IDA financing, while Bank-executed activities will be subject to the Bank's quality standards.

<sup>5</sup> <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>.

<sup>6</sup> [The World Bank's risk framework for operations: update on the first year of implementation](#).

<sup>7</sup> PAD for each framework project can be found here: [HEAL](#), [RELINC](#), [REPOWER](#), [HOPE](#), and [ARISE](#).

to support the government under separate outputs agreements signed with each implementing agency. HOPE is in the process of hiring an independent TPM agent to verify project activities and that expenditures for housing repairs are being used for intended purposes. REPOWER is in the process of contracting a third-party procurement agent to support procurement, delivery and quality verification of the energy equipment. The Bank is also in the process of hiring a TPM consultant to provide support to the Bank teams' supervision and monitoring of project activities, especially in verification of delivery and activities implementation in areas outside of Kyiv, where staff are unable to access project

sites, including social, environmental and fiduciary compliance.

**While portfolio- and project-level risk management approaches are critical, the World Bank also works at the country level to support key development initiatives, sometimes beyond the scope of specific large-scale projects—with the effect of supporting improved risk management.**

For example, the World Bank has worked with the GoU authorities for several years to support the GoU's development and implementation of the Prozorro procurement platform in Ukraine. Moreover, the URTF is supporting key technical assistance to the GoU ministries in procurement, public investment management, and anti-corruption—these are products of key areas of opportunity for Ukraine and will help it take on key risks.

**Mitigating corruption in Ukraine requires a sustained and multifaceted effort.**

It involves strengthening institutions, promoting transparency, enforcing anti-corruption laws, strengthening civil society, encouraging international cooperation, and educating citizens. The GoU, working with development partners, continues to take measures to enhance integrity and accountability. On the other hand, the World Bank actively monitors the Ukraine portfolio for evidence of fraud and corruption. The

Bank has robust mechanisms in place to swiftly deal with any reports, including the grievance redress mechanism (GRM) in each project, work of the Integrity Vice Presidency<sup>8</sup>, among many others.

**The URTF has committed funds and rolled out the first round of grants for enhancing anti-corruption and fiduciary oversight.**

The World Bank teams, in collaboration with Ukrainian counterparts, prepared several needed Bank-executed technical assistance and capacity-building engagements. These include:

- Enhancing Integrity and Competition and Building Capacity in the Public Procurement in Ukraine
- Technical Assistance on Public Infrastructure Delivery Management for Reconstruction
- Empowering Civil Society to Safeguard Anti-Corruption Architecture and Integrity of Reconstruction Processes in Ukraine
- Ukraine Competitive Procurement for Recovery, Reconstruction, and Reform Project

**Additionally, the Bank has put in place enhanced measures, such as portfolio reviews with the GoU.** The goal is to ensure that the funds are used effectively, and that project implementation aligns with the intended objectives and desired outcomes.

<sup>8</sup> <https://www.worldbank.org/en/about/unit/integrity-vice-presidency>.

**Third-party monitoring (TPM) will verify the on-site delivery and provision of goods and services, ensuring that relief efforts are effectively reaching intended recipients**





## Risk-by-Risk Review

**Based on the World Bank Trust Fund Risk Assessment, the overall risk rating to the achievement of the URTF development objective is *high* due to the ongoing war, with widespread and unpredictable security, combined with political, social, and macroeconomic instability.** A potential increase in the duration, intensity, and geographic scope of the war could hinder even targeted relief, recovery, and reconstruction efforts. The key risks relevant to the URTF are assessed against two dimensions—the probability that the risk will occur and the impact of the risk on the development objective. An overview of the most important risks is presented below.

### Strategic Risks

**Strategic risks are rated *high*.** The main strategic risk is related to the ongoing uncertainty in the country and political context due to the ongoing war in Ukraine and reflects the possibility of misalignment of the URTF activities with the country's strategy objectives in case the strategic objectives change. To mitigate this risk, the Bank team monitors the situation in the country and re-aligns the URTF activities accordingly, as needed, based on the discussion with the GoU. Another strategic risk is related to the potential duplication of activities, based on sources of financing designated for Ukraine from donors through other platforms. To mitigate this risk, the Bank's team stays in close collaboration with the GoU and other development partners, as well as monitors media sources on the latest efforts in the country.

### Fiduciary Risks

**Fiduciary risk is *high* due to financial and procurement management risks due to the war.** There is a high risk of delayed procurement procedures and prolonged contract negotiations due to the constrained capacity of the implementing agencies, slow procurement processing and decision-

making with potential implementation delays; poor contract management; disruptions in production and supply chains; and increased risk of fraud and corruption—abuse of simplified procurement procedures; false delivery certification; inflated invoices; and theft of goods, commodities, and materials procured or delivered. All of these could potentially impact the development partners' interest in providing additional support to Ukraine going forward. A contributing factor to "high" risk is also the limited ability of the Bank team to carry out on-site supervision visits.

**To deal with potential procurement delays, the World Bank will support the implementing agencies in applying procedural flexibilities and advising on the applicability of force majeure.** In addition, to mitigate the identified risks depending on the specific project, it is recommended to (i) maintain accountability for following the expedited approval processes for emergencies; (ii) assign staff with responsibility to manage each contract; (iii) involve international engineering and consulting companies to assist the implementing agencies with best international practices and provide technical supervision services according to legal requirements of Ukraine; (iv) ensure oversight by the World Bank teams in close coordination with the Borrower's oversight agencies; (v) hold regular Anti-Corruption Guidelines awareness-raising workshops for all stakeholders; and (vi) use the World Bank's system of making direct payment to the contractors or suppliers or consultants on behalf of the client from the proceeds of the financing when needed, in accordance with the terms of the loan and grant agreements.

**Additionally, the Bank team will conduct more frequent and larger-scope team missions and will engage an independent third-party monitoring agency to supervise certain projects.** In particular, the third-party monitoring agency will carry out physical verification of delivery of goods and works

and monitor compliance of works with the environmental and social requirements of the World Bank, as well as collect beneficiary feedback and help the Bank teams ascertain whether the projects are reaching their intended results based on the view and evidence from the ground. The World Bank project task teams will continuously support the implementing agencies and will monitor the projects to flexibly adjust the mitigation actions to reduce additional or unforeseen risks. The projects supported by the URTF will be subject to the World Bank's Anti-Corruption Guidelines, dated October 15, 2006, and revised in January 2011, and July 1, 2016 (Guidelines on Preventing and Combatting Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants).

### Stakeholder Risks

**The stakeholder risks are rated as *substantial*.** These risks account for the possibility of a lack of clear definition of the roles, accountabilities, and coordination mechanisms of the Bank and development partners/stakeholders. They are mitigated through the clear specification of these aspects in the URTF governance framework, as well as close dialogue and cooperation with the development partners at each stage of program implementation. The World Bank has been meeting regularly with the main development partners to share information, and discuss and coordinate support to the country, including as part of the MDCP for Ukraine, that was launched in 2023 to bring together officials from Ukraine, the EU, and the G7 countries, as well as partners from international financial institutions to coordinate efforts to address the country's immediate financing needs and future economic recovery and reconstruction needs across different sources and established instruments for financing. The MDCP's goal is to direct resources in a coherent, transparent, and inclusive manner, enabling efficient planning and delivery of assistance to Ukraine and avoiding duplication.



Apartment building and power lines destroyed by shelling. Photo: Oleksandr Baranov | Dreamstime.

## Financial Risks

**At the start of the URTF program, financial risks were considered *moderate*, but will continue to be monitored.** The major financial risk is related to the development partners' commitment to contribute to the URTF being limited (e.g., availability of adequate budgets and funds). To manage this risk, the Bank engages closely with partners and Ukrainian authorities to try to align expectations of all parties and subsequent project preparation by government and Bank technical teams. The World Bank will continue close dialogue with the development partners going forward to secure the flow of contributions to meet the URTF development objectives over time.

## Other Risks

**Other risks are rated *high*.** There is a high risk that the repairs and equipment financed by the projects supported by the URTF during the relief phase could be further damaged or destroyed by the ongoing war. However, it should be noted that the longer timeline for the delivery of certain pieces of equipment could help avoid damages by the military attacks during the period of intensive attacks, while the nature of certain assets and materials purchased under several projects supported by the URTF will also provide mitigation regarding the extent of loss should damage occur.

# 05

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## Looking Ahead





Refugees in temporary shelter and help center in Cracow, Poland. Photo: Grzegorz Kozakiewicz | Dreamstime.

**In 2024, the URTF remains focused on ensuring successful implementation of approved projects.** With one year of the URTF in operation, the program has supported government relief, recovery, reconstruction, and reform priorities, making grants to projects in line with the AWP and toward URTF's development objectives. The GoU and World Bank teams have worked through several key constraints in project implementation and disbursement, including coordination among ministries in having grants approved and declared effective and in procurement. Disbursement thus far in 2024 points to progress.

**The URTF will present its next AWP for the period through June 2025 at its Annual Partnership Council Meeting in April 2024.** This plan, jointly developed by Ukraine and the World Bank, will set out proposed new funding for existing projects, as well as several new projects, including in education. Funding will be dependent on resources available for the URTF and specific government priorities under still changing conditions.

**The URTF will also continue to implement its critical capacity-building, technical assistance, and other support programs.** This will include scaling up of the Center for Advancement in Restoration and Modernization Capacity with the Kyiv School of Economics; initial outputs from the technical assistance programs, such as in Public Investment Management; and full implementation of third-party monitoring to support project implementation, underscoring URTF's commitment to upholding fiduciary safeguards and ensuring funds are utilized efficiently and transparently.

**Finally, the World Bank will continue to engage and support partners through URTF fundraising.** The URTF was established with an expectation of about \$1 billion in funding per year over its 10-year initial period. In 2023, the URTF surpassed this amount—reaching over \$1.5 billion—and entered into its so-called Investment Case scenario for resource allocation. Maintaining this level of support will be challenging in the current global climate, and the World Bank and the URTF are prepared to support donors' efforts.

**The URTF will continue to implement its critical capacity-building, technical assistance, and other support programs, and to engage partners through fundraising**

## ANNEX 1.

# Results Framework

## Pillar 1. Government Capacity and Relief

**Pillar Development Objective:** Provide a coordinated financing and support mechanism to assist the Government of Ukraine (GoU) to sustain its administrative and service delivery capacity and conduct relief efforts.

### Pillar 1—Outcome 1.1. GoU’s administrative and service delivery capacity sustained

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 1.1.1</b> The government continues to exercise core functions and conduct relief efforts in sectors supported through URTF (Qualitative)	The government experiences difficulties with the provision of essential services	Delivery of essential services and relief efforts in selected sectors continues with support from the URTF	Delivery of essential services and relief efforts in selected sectors continues with support from the URTF	Public information, teams’ expert opinions	As of December 2023, the URTF has been supporting operations in the following sectors: health, transport, energy, agriculture, housing. With the URTF support, the GoU has been implementing the compensation payments program for households with minor and medium damages, procuring emergency equipment for heating services, securing equipment and machinery for emergency railroad repairs, addressing damage to healthcare infrastructure, increasing access to repaired housing units, and improving access to agricultural finance for farmers and food processors. Through the PEACE project, URTF financing helped cover eligible expenditures incurred by the GoU, including government, school and tertiary education employees’ salaries, pensions, social assistance, IDP payments, and child and family benefits, and enabled the country to meet its financing needs in 2023.
<b>Output 1.1.2</b> GoU is able to address grievances received under the URTF-supported operations (Qualitative)	No grievances received	The project implementation units supported by URTF have successfully been addressing grievances received.	GoU has relevant capacity and is able to efficiently and effectively resolve complaints and grievances received.	Projects’ GRMs	Grievances addressed by the GoU on URTF projects. As of December 2023, the HOPE project received approximately 150 queries related to the application process, all of which have been addressed, and is the only project to receive any grievances to date.

## Pillar 1—Outcome 1.2. GoU supported and able to execute critical relief efforts

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 1.2.1</b> Beneficiaries of emergency operations (Number)	0	14.6 million, including 13 million under PEACE, 1.5 million under HEAL, 100 thousand under HOPE, and 10 thousand under ARISE projects	15 million	Projects' RFs, teams' estimates	This is the estimated number of beneficiaries under all the emergency operations currently supported by the URTF, including the PEACE project co-financed by URTF. Both the actual and the target numbers of beneficiaries will increase going forward, due to (i) increased funding available under the URTF over the course of implementation, which will increase the number of projects funded, and (ii) further data collection, as it is currently not possible to estimate these numbers under the RELINC and REPOWER projects.
of which women, (Percent)	0	54	50		Based on the available data the share of women in the total number of beneficiaries under the URTF-supported projects has exceeded 54 percent.
<b>Output 1.2.2</b> Volume of URTF-supported targeted emergency relief operations, US\$ million (Number)	0	934.5	1,930.0	URTF team	Both the actual and the target numbers will increase going forward, due to increased funding available under URTF over the course of implementation, which will increase the number of projects funded.
of which on-budget support operations, US\$ million	0	690.0	700.0		Support to the projects identified in Ukraine's State Budget Law 2023. Both the actual and the target will increase going forward, due to increased funding available under URTF over the course of implementation, which will increase the number of projects funded.
<b>Output 1.2.3</b> The GoU has strengthened capacity and additional sources of reliable data to conduct relief operations (Qualitative)	Little capacity, available analytics, and lack of experience on the GoU side in conducting relief operations.	With URTF support the GoU has been strengthening its capacity to respond to various shocks and stresses and to conduct relief operations.	The relevant staff trained, GoU has strengthened its capacity to respond to a variety of shocks and stresses and has additional sources of data to implement relief operations.	Teams' estimates based on the capacity building activities/ support provided	With the URTF financing, the WB has been providing support, including capacity building activities, just-in-time analytics, ongoing implementation support, to the GoU on the number of topics. These include helping the Ministry for Communities, Territories, and Infrastructure Development (MCTID) to define the selection criteria for towns participating in the HOPE project and also for a cluster of buildings to be included in the project for the detailed study preparation; supporting the development of the Public Investment Management (PIM) Reform Roadmap by the GoU, led by the MoF; organizing a series of events on public procurement, extraction, and initial review of procurement data.



## Pillar 1—Outcome 1.2. (cont)

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 1.2.3 (cont.)</b>					<p>The first Environmental and Social Management System (ESMS) has been prepared and adopted by the Business Development Fund (BDF), which allowed the disbursement of \$90 million under the ARISE project. Additionally, the ARISE project team started preparation of the ESF training program for 35 participating financial institutions and the BDF.</p> <p>A Center for Advancement in Restoration and Modernization Capacity supported by the URTF will become a knowledge hub focused on training the trainers and a cohort of managers in the key central bodies the GoU, local authorities, as well as CSOs. It is planned that more than 100 decision-makers and over 200 project managers will undergo the necessary trainings in the center.</p>

## Pillar 1—Intermediate Results Indicators

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 1.1.1.1</b> Number of people who completed a defined course of rehabilitation services (disaggregated by gender) (Number)	0	38,862	112,500	HEAL RF, ISRs	
<b>Output 1.1.1.2</b> Number of communities reconnected through the URTF support (Number)	0	0	250	RELINC RF, ISRs	First delivery of modular bridges is expected by March 2024.
<b>Output 1.1.2.1</b> Percent of grievances addressed in the URTF-supported operations (Percent)	0	100	100	Projects' GRMs	As of December 2023, only the HOPE project received grievances. These included about 150 queries related to the application process, all of which were addressed.
<b>Output 1.2.2.1</b> Number of health care facilities renovated by the HEAL project (total) (Number)	0	0	325	HEAL RF, ISRs	The indicator refers to the combined number of hospitals and PHC facilities renovated under the HEAL project, including with the URTF support.
<b>Output 1.2.2.2</b> Capacity to increase the resilience of critical logistics chains (Tons/year)	0	0	4,440,000	RELINC RF, ISRs	First delivery of flatbed wagons is expected by June 1, 2024.

## Pillar 1—Intermediate Results Indicators (cont)

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 1.2.2.3</b> Number of equipment for the transmission system operator delivered and installed or operational due to the URTF support (Number)	0	0	22	REPOWER RF, ISRs	
<b>Output 1.2.2.4</b> Number of heating equipment delivered and installed or operational due to the URTF support (Number)	0	0	50	REPOWER RF, ISRs	
<b>Output 1.2.2.5</b> Number of compensation payments disbursed to households for emergency home repairs (Number)	0	36,500	98,000	HOPE RF, ISRs	
<b>Output 1.2.2.6</b> Number of agricultural producers who were able to access loans with the URTF support (Number)	0	9,600	12,000	ARISE RF, ISRs	
<b>Output 1.2.2.7</b> Private capital mobilization leveraged with the URTF support (US\$ million)	0	1,100	1,500	ARISE RF, BDF	
<b>Output 1.2.3.1</b> Number of institutions supported by capacity development during the relief stage (Number)	0	16	20	Projects' RFs, teams' estimates	The number includes the relevant ministries, project implementing agencies, selected towns participating in the projects.  Enhanced implementation support and a series of capacity building events on public procurement for 16 agencies implementing operations have been organized during November–December 2023.
<b>Output 1.2.3.2</b> Analytics for relief (e.g., rapid assessment, remote sensing) supported by the URTF	0	3	7	Teams' inputs	Extraction and initial review or procurement data covering 18 million tenders have been conducted. A series of just-in-time notes (2) on the Public Investment Management (PIM) cycle, PIM cross-cutting issues, and PIM definitions and required changes in legislation.
<b>Output 1.2.3.3</b> Number of capacity-building activities for the GoU staff during the relief stage (Number)	0	14	20	Projects' RFs, teams' estimates	A number of capacity-building events, including on public procurement (13), have been conducted for the relevant staff of the GoU and agencies implementing operations supported by the URTF. A workshop was organized for the MoF on the topic of Public Investment Management, including on investment programming, international experience, and dealing with the EU funds.

## Pillar 2. Recovery, Resilient Reconstruction, and Reform

Pillar Development Objective: Provide a coordinated financing and support mechanism to assist the Government of Ukraine to plan and implement Ukraine's recovery, resilient reconstruction, and reform agenda.

### Pillar 2—Outcome 2.1. GoU has (i) relevant data and analytics and (ii) needed sectoral planning and project preparation capacity for recovery, reconstruction, and reform

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 2.1.1</b> Strengthen GoU's ability to plan for recovery and reconstruction (e.g., regional/urban, social services, infrastructure) and conduct needed feasibility studies (Qualitative)	GoU has core capacity related to various sectors, but lacks needed budget and technical expertise in core sectors and skills	—	GoU has increased its capacity and has been able to access and deploy key expertise for better project design and preparation.	Teams' expert opinions	With support from the URTF, municipalities/hromadas will be able to prepare feasibility studies and detailed design packages for the restoration of partially damaged multi-family buildings. Additional activities will be planned at a later stage.
<b>Output 2.1.2</b> Inform and influence the GoU reconstruction and sector planning (Qualitative)	GoU has little capacity, technical expertise, and data necessary to develop plans and policies for sector planning and reconstruction	—	GoU has additional sources of data and expertise to inform its sector policy programs and recovery and reconstruction plans.	Teams' expert opinions based on discussions with GoU	

### Pillar 2—Outcome 2.2. GoU has financial and implementation support to execute critical recovery and reconstruction operations and reform efforts

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 2.2.1</b> Value of IBRD/IDA/TF investments supported by the URTF for recovery and reconstruction operations, US\$ million (Quantitative)	0	—	6,000 (tbc)	URTF team	
<b>Output 2.2.2</b> Implementation support available to carry out recovery and reconstruction operations (Qualitative)	GoU has little fiduciary, procurement, and technical capacity resources to implement recovery and reconstruction operations.	—	GoU has adequate fiduciary, procurement, and technical capacity resources to implement recovery and reconstruction operations.	Teams' opinion based on the capacity building activities/support provided in the fiduciary, procurement, FM areas	



## Pillar 2—Intermediate Results indicators

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 2.1.1.1</b> Number of technical reports, analytical studies, feasibility studies, action plans to inform recovery and reconstruction supported by the URTF (Number)	0	—	4	URTF team	The end target includes preparation of the PIM Reform Roadmap, report on bid-rigging in public procurement in Ukraine, and two impact evaluations planned under the ARISE project.
<b>Output 2.2.2.1</b> Number of capacity-building activities for the GoU staff implementing recovery and reconstruction operations (Number)	0	—	N/A	Project teams	The target number of capacity building activities supported in the recovery and reconstruction phase will be defined at a later stage when the projects supported in the recovery and reconstruction phase are selected.
<b>Output 2.2.2.2</b> Number of institutions supported by capacity development during the recovery and reconstruction stage (Number)	0	—	3	Teams' inputs based on the capacity-building activities/support provided	At least three institutions will be supported during the recovery and reconstruction phase. The target number of institutions to be supported will increase going forward, due to increased funding available under the URTF over the course of implementation, and when the projects supported in the recovery and reconstruction phase are selected.

## Cross-cutting Pillar. Operational Effectiveness and Portfolio Management of URTF Grants

Pillar Development Objective: Provide a coordinated financing and support mechanism to assist the Government of Ukraine to plan and implement Ukraine's recovery, resilient reconstruction, and reform agenda.

### Cross-cutting Pillar—Outcome 3.1. GoU and World Bank ensure operational effectiveness and portfolio management of URTF grants for optimal operational impact

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 3.1.1</b> Share of operations using third-party monitoring (TPM) (Percent)	0	0	60	Project documents	Complementary implementation support of selected framework projects augmented by a TPM consultant.  As of December 2023, the process of hiring a TPM consultant remained ongoing.
<b>Output 3.1.2</b> Share of operations addressing gender gaps and/or incorporating gender-based violence (GBV) prevention or response (Percent)	0	80	75	Project documents	Projects aiming to narrow the identified gender gaps and/or prevent prevent GBV through actions supported by the project. More information about the World Bank's approach to integrating gender in operations can be found here: <a href="https://www.worldbank.org/en/topic/gender/overview#3">https://www.worldbank.org/en/topic/gender/overview#3</a> .  With the exception of the PEACE project that covers the incurred eligible expenditures such as salaries, social assistance, pensions and other benefits, all the projects supported by the URTF aim to either narrow the identified gender gaps and/or prevent gender-based violence.
<b>Output 3.1.3</b> Share of operations meeting the World Bank's Environmental and Social Framework (ESF) standards (Percent)	0	100	100	Project documents	Indicator captures that the URTF-funded projects have (i) met the Bank's extensive ESF standards to avoid, reduce, and mitigate environmental and social risks during preparation, and (ii) remains in compliance during implementation. More information about the World Bank's ESF can be found here: <a href="https://www.worldbank.org/en/projects-operations/environmental-and-social-framework">https://www.worldbank.org/en/projects-operations/environmental-and-social-framework</a> .

INDICATOR	BASELINE (2022)	ACTUAL (DEC 2023)	END TARGET (2033)	SOURCE OF DATA	NOTES
<b>Output 3.1.4</b> Share of operations addressing climate change (Percent)	0	80	75	Project documents	<p>Projects aiming to address climate vulnerabilities and enhance climate resilience and adaptation, while mitigating greenhouse gas emissions through actions supported by the project. More information about the World Bank's approach to climate change in operations can be found here: <a href="https://openknowledge.worldbank.org/server/api/core/bitstreams/8e0c1fa0-4082-580f-a31a-a1b77ffc8ca3/content">https://openknowledge.worldbank.org/server/api/core/bitstreams/8e0c1fa0-4082-580f-a31a-a1b77ffc8ca3/content</a>.</p> <p>With the exception of the PEACE project that covers the incurred eligible expenditures such as salaries, social assistance, pensions and other benefits, all the projects supported by the URTF aim to enhance climate change resilience and manage climate-related vulnerabilities.</p>
<b>Output 3.1.5</b> Share of operations incorporating beneficiary feedback (Percent)	0	100	100	Project documents	<p>Projects incorporating citizen engagement, referred to as Beneficiary Feedback (BF), in the Investment Project Financing and with clearly identified beneficiaries. Projects should include BF indicators to monitor citizen engagement throughout project implementation, which should clearly capture feedback from citizens or monitor the degree of involvement in decision-making that citizens have in the design, implementation, or oversight of projects.</p>
<b>Output 3.1.6</b> Share of operations effectively coordinated with development partners (Percent)	0	100	100	Project documents	<p>Projects coordinated with the international development finance partners through the Multi-agency Donor Coordination Platform for Ukraine. Link: <a href="https://coordinationplatformukraine.com/">https://coordinationplatformukraine.com/</a>.</p>
<b>Output 3.1.7</b> Share of operations rated "Moderately Satisfactory" or higher in progress toward achievement of PDO and overall implementation progress (Percent)	0	100	100	Project documents	<p>More information about the World Bank's approach to results, including ISRs, can be found here: <a href="https://www.worldbank.org/en/results">https://www.worldbank.org/en/results</a>.</p>
<b>Output 3.1.8</b> Share of operations rated "Moderately Satisfactory" or higher in procurement (Percent)	0	100	100	Project documents	<p>More information about the World Bank's approach to procurement in projects: <a href="https://www.worldbank.org/en/projects-operations/products-and-services/procurement-projects-programs">https://www.worldbank.org/en/projects-operations/products-and-services/procurement-projects-programs</a>.</p>
<b>Output 3.1.9</b> Share of operations rated "Moderately Satisfactory" or higher in financial management (Percent)	0	100	100	Project documents	<p>More information about the World Bank's approach to financial management: <a href="https://www.worldbank.org/en/programs/financial-management">https://www.worldbank.org/en/programs/financial-management</a>.</p>



## ANNEX 2.

# Financial Information

Financial information for the Ukraine Relief, Recovery, Reconstruction and Reform Multi-Donor Trust Fund  
World Bank Trust Fund Reference Number TF073897

## Sources of Funding

Period: As of 12/31/2023

(Unaudited—Expressed in United States Dollars)

CONTRIBUTIONS	ORIGINAL CURRENCY	AMOUNT (US\$) <sup>9</sup>
Austria	EUR 30 million	\$31.99 million
Belgium	EUR 3 million	\$3.18 million
Canada	CAD 115 million	\$85.60 million
Iceland	USD 6.33 million	\$6.33 million
Indonesia	USD 5 million	\$5.00 million
Ireland	EUR 6 million	\$6.47 million
Japan	USD 473.07 million	\$473.07 million
The Republic of Korea	USD 10 million	\$10.00 million
Latvia	EUR 2 million	\$2.18 million
Lithuania	EUR 5 million	\$5.32 million
The Netherlands	EUR 150 million	\$160.30 million
Norway	NOK 6.135 billion	\$585.42 million
Sweden	SEK 540 million	\$52.99 million
Switzerland—SECO	CHF 10 million	\$10.74 million
Switzerland—SDC	CHF 44 million	\$47.25 million
Investment income <sup>10</sup>	As of December 31, 2023	\$47.05 million
<b>Total</b>		<b>\$1,532.89 million</b>

<sup>9</sup> Sums of columns may be different than totals due to rounding. US\$ value of contributions is accounted at time of receipt of funds into the URTF trustee account. Further detail is available at the Development Partner Center (DPC): <https://ebizprd.worldbank.org/wfa/ccloginpage.html>.

<sup>10</sup> Investment income of this trust fund is credited to TF073897 (Ukraine Relief, Recovery, Reconstruction and Reform Multi-Donor Trust Fund) in accordance with administration agreement(s) and hence forms part of the fund balance of this trust fund.

## Grants Committed and Disbursed

Period: 01/01/2023 to 12/31/2023

(Unaudited—Expressed in United States Dollars)

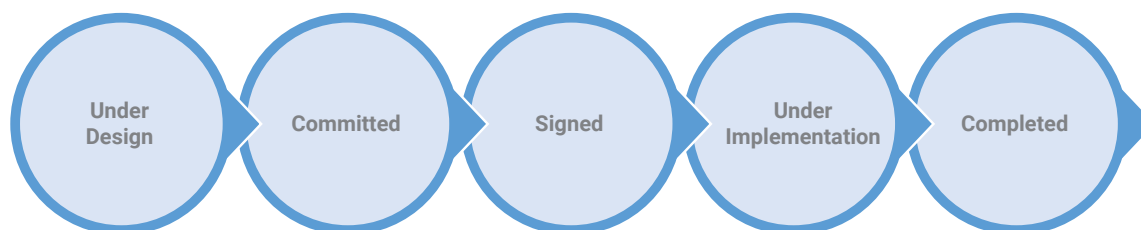
ACTIVITIES	TYPE	PROJECT #	GRANT STATUS	GRANT NUMBER	BASE CASE	INVESTMENT CASE	GRANT AMOUNT	PERCENT	DISBURSEMENTS DURING CY23
<b>Large-scale Recipient Activities</b>					\$365.00	\$1,930.00	\$1,307.50	95.89%	\$470.67
REPOWER Ukraine	RE	P180332	Under Implementation	TF0C0424	\$200.00	\$300.00	\$200.00		—
RELINC	RE	P180318	Under Implementation	TF0C0417	\$100.00	\$400.00	\$50.00		\$48.06
HEAL <sup>11</sup>	RE	P180245	Under Implementation	TF0C0814	\$10.00	\$250.00	\$88.00		—
HOPE	RE	P181200	Under Implementation	TF0C2310	—	\$580.00	\$164.00		\$52.42
ARISE	RE	P180732	Under Implementation	TF0C2986	\$55.00	\$300.00	\$320.00		\$180.19
PEACE <sup>12</sup>	RE	P178946	Under Implementation	TF0C3379	—	—	\$485.00		\$190.00
Social Infrastructure	RE		Under Design		—	\$100.00	—		—
<b>Project Preparation and Implementation Support/Supervision</b>					\$0.70	\$1.45	\$0.25	0.02%	\$0.12
REPOWER Ukraine	BE		Under Implementation	TF0C0423			\$0.05		\$0.03
RELINC	BE		Under Implementation	TF0C0796			\$0.05		\$0.03
HEAL	BE		Under Implementation	TF0C1945			\$0.05		\$0.04
HOPE	BE		Committed				\$0.05		—
ARISE	BE		Under Implementation	TF0C2987			\$0.05		\$0.03
<b>Critical Technical Assistance and Capacity Building</b>					\$2.27	\$12.00	\$6.40	0.47%	\$0.09
Center for Advancement in Restoration and Modernization Capacity (with Kyiv School of Economics)	BE		Committed				\$3.00		—
Support to Effective Implementation of the ARISE Projects	BE		Under Implementation	TF0C3172			\$0.20		\$0.02
Enhancing Integrity and Competition and Building Capacity in the Public Procurement in Ukraine	BE		Under Implementation	TF0C3213			\$0.30		\$0.04
Technical Assistance on Public Infra Delivery Management for Reconstruction	BE		Under Implementation	TF0C2745			\$0.40		\$0.03

<sup>11</sup> Under HEAL (P180245), a grant of \$10 million has been signed, with additional planned commitment of \$78 million in CY2024.

<sup>12</sup> Under PEACE (P178946), a grant of \$190 million has been signed and disbursed, with additional grant of \$295 million signed in CY2024.

ACTIVITIES	TYPE	PROJECT #	GRANT STATUS	GRANT NUMBER	BASE CASE	INVESTMENT CASE	GRANT AMOUNT	PERCENT	DISBURSEMENTS DURING CY23
Empowering Civil Society to Safeguard Anti-Corruption Architecture and Integrity of Reconstruction Process in Ukraine	RE		Committed				\$0.45		–
	BE		Under Implementation	TF0C3110			\$0.05		–
Third-Party Monitoring	BE		Committed				\$2.00		–
<b>Program Management and Administration</b>	BE		Under Implementation	TF0C0655	\$0.45	\$0.75	\$0.75	0.06%	\$0.17
<b>World Bank Cost Recovery Framework<sup>13</sup></b>	–				\$15.51	\$55.80	\$48.61	3.56%	\$33.51
<b>Total</b>					<b>\$383.93</b>	<b>\$2,000.00</b>	<b>\$1,363.51</b>	<b>100.00%</b>	<b>\$504.56</b>

## Guide to Status of URTF Grants



STATUS	DESCRIPTION
<b>Under design</b>	Under design for URTF funding
<b>Committed</b>	Commitment made by the URTF to Ukraine. Project preparation is underway.
<b>Signed</b>	Grant agreement has been signed by the World Bank and Ukraine for recipient-executed grants.
<b>Under implementation</b>	Project under implementation
<b>Completed</b>	Project has closed

<sup>13</sup> For recipient-executed (RE) activities, a fee is charged when trust funds are committed for RE activities under a Grant Agreement signed between the Bank and a recipient. The fee is based on the cumulative value of the committed amounts, as follows: a 5 percent fee on first \$50 million committed; a 4 percent fee on the next \$450 million committed; a 3 percent fee on next \$500 million committed; and a 2 percent on any further amounts committed. For bank-executed (BE) activities, a standard flat fee of 12 percent is charged on the total amount of disbursements. No indirect rate on personnel will be charged to trust funds subject to this 12 percent flat fee. Further information on World Bank Cost Recovery framework: <https://thedocs.worldbank.org/en/doc/1dfff870f2ebee8ec76dfb-7383d67c96-0060072021/original/CR-Fact-Sheet-2021.pdf>.





**URTF**

UKRAINE RELIEF, RECOVERY,  
RECONSTRUCTION AND REFORM  
TRUST FUND



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