



Department for
Business & Trade

REBUILD UKRAINE

Guide to Doing Business with Ukraine



The
UK stands with
UKRAINE

Велика Британія підтримує Україну

March 2023

Guide to Doing Business with Ukraine

Purpose

The United Kingdom stands with Ukraine. We want to mobilise our world-class businesses to help Ukraine build back better.

This guide acts as the initial step for UK businesses wanting to do business with Ukraine and should be read in conjunction with [Exporting guide to Ukraine - great.gov.uk](#) and other signposted documents.

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This guide has been produced in collaboration with the Department for Business and Trade's Industry Advisor on Ukraine reconstruction (Mott MacDonald supported by Crown Agents).



Foreword

Russia's devastating invasion of Ukraine has targeted a significant part of Ukraine's infrastructure leaving it with a formidable reconstruction challenge, which international trade must play an essential role to overcome. The World Bank estimate that the current cost of reconstruction and recovery in Ukraine amounts to \$349bn. Since the launch of the UK-Ukraine Infrastructure Taskforce in July 2022, the Department for Business and Trade has worked to assist Ukraine with its immediate and long-term Recovery Plan across a range of sectors. To help Ukraine's immediate recovery, and to achieve its aims to build back better requires a global response including the full force of British business behind it.

UK industry possesses the vital expertise and experience to support Ukraine with these reconstruction goals. This guide provides UK businesses with increased awareness of Ukraine's reconstruction priorities, alongside more confidence and guidance in operating in the country. The Department for Business and Trade will continue to understand the evolving reconstruction and recovery needs of Ukraine and will take a leadership role in coordinating and mobilising UK industry involvement in responding accordingly.

Andrew Mitchell

Director General for Exports and UK Trade

Section 1.

Ukraine: overview and reconstruction needs



Photo by Shutterstock

1. Background and overview

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1. Background and overview

Russia's full-scale invasion of Ukraine has resulted in enormous damage to Ukraine's infrastructure and will require a huge response from the international community to help Ukraine restore, recover and build back better.

Cost estimates for the reconstruction based on a joint report by the World Bank, Government of Ukraine and European Commission in September 2022 set an initial figure at \$349bn. However given the ongoing widespread attacks on civilian infrastructure since Autumn 2022, the eventual figure will be much greater.

UK business has world class expertise in the design and delivery of major infrastructure programmes and, in collaboration with international partners, can play a significant role in the recovery effort across all sectors.

1.1 Geographical and economic context

- It is the second biggest country by land mass in Europe at over 600,000km².
- It has a population of around 41 million and therefore a large developed consumer market.
- Six cities with a population of at least one million.
- Vast natural resources from minerals to agriculture.
- A well-developed though aging industrial base.
- Skilled labour, and a good education system.

- Major global food exporter with a significant role in global food security.
- Emerging as a global Information Technology and Communications (ITC) service provider.
- Total trade in goods and services between the UK and Ukraine was £1.9 billion in the four quarters to the end of Q3 2022 and Ukraine is the UK's 72nd largest trading partner, leaving huge room for growth¹.
- Granted European Union (EU) accession candidate status in 2022.
- Increasingly open and favourable trade regime since joining the World Trade Organisation in 2008 and adoption of EU-related trade reforms since 2014.

Top exports	Top imports
Seed oils	Refined petroleum
Corn	Cars
Wheat	Packaged medicaments
Iron ore	Gas
Semi-finished iron	Coal
Top export destinations	Top importers
China	China
Poland	Russia
Russia	Poland
Turkey	Germany
Egypt	Belarus

Table 1: Pre-invasion, top imports and exports. Source: *Ukraine (UKR) Exports, Imports, and Trade Partners* | OEC - The Observatory of Economic Complexity (www.oec.world)

¹ Department of International Trade. Trade and Investment Factsheets. Ukraine. Date of release: 17 February 2023. [Trade and Investment Factsheet \(www.assets.publishing.service.gov.uk\)](http://www.assets.publishing.service.gov.uk)

While a growing, lower-middle income economy before the invasion, Ukraine's GDP contracted by 30% in 2022. Prior to the invasion, in 2021, GDP per capita was \$4,835 compared to an EU average of \$38,411.²

1.2 UK-Ukraine relations

- As the second largest donor after the US, the UK has committed £2.3bn in military assistance to Ukraine so far.
- A bilateral UK-Ukraine Agreement is in place for political, foreign and security cooperation, which includes a preferential trade agreement. [UK-Ukraine political, free trade and strategic partnership agreement - GOV.UK \(www.gov.uk\)](http://www.gov.uk).
- In 2022 UK Export Finance pledged to retain its £3.5bn worth of financial support for trade to Ukraine - helping the country to fund its recovery and reconstruction projects and allowing UK exporters and Ukrainian buyers to access the finance they need to trade commercially.
- A Memorandum of Understanding signed between the UK Department for International Trade, now Department for Business and Trade (DBT), and the Ukrainian Ministry of Development of Communities, Territories and Infrastructure agreed UK support for the reconstruction.
- In 2022, the UK agreed in principle a Digital Trade Agreement (DTA) with Ukraine and will expand on the current UK-Ukraine Free Trade Agreement to help modernise bilateral trade in the digital era and deepen economic ties with Ukraine. [UK-Ukraine Digital Trade Agreement - GOV.UK \(www.gov.uk\)](http://www.gov.uk).

1.3 Operating environment

- The ongoing full-scale invasion of Ukraine presents challenges in the current operating environment, however UK companies are currently operating in-country through local or international partnerships from Ukraine, Poland and Turkey.
- For most infrastructure projects licensing and permits are required and this is covered in more detail in Section 3.6.
- UK businesses are able to export goods currently to the EU/Ukraine border as business as usual using INCOTERMS for protection of goods being shipped (www.great.gov.uk).

Total needs as of June 1, 2022

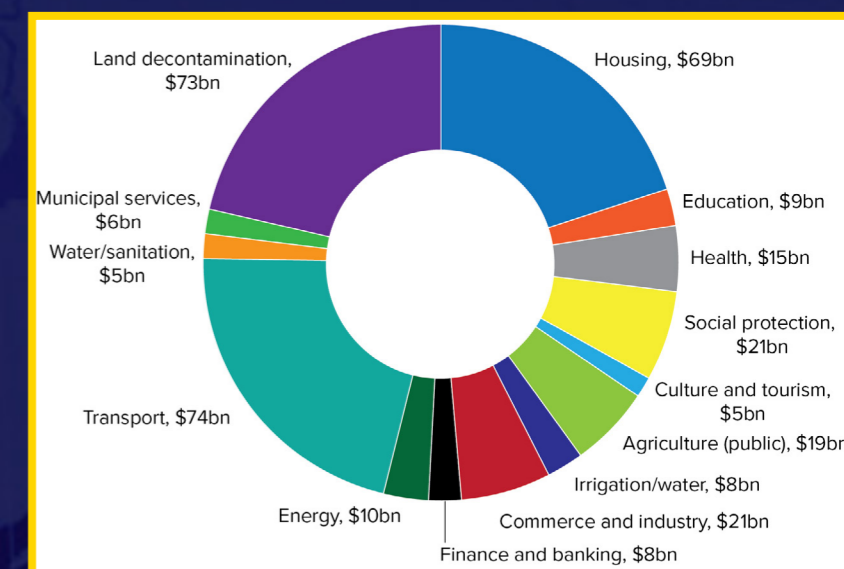


Figure 1: World Bank. *Ukraine Rapid Damage and Needs Assessment (English)*. Washington, D.C.: World Bank Group (www.worldbank.org).

² GDP per capita (current US\$), The World Bank (www.data.worldbank.org).

1.4 Reconstruction and recovery needs

- From the \$349bn cost for reconstruction estimate from the World Bank, Government of Ukraine and European Commission report, the sectors with the highest estimated needs are transport (\$74bn), land decontamination (\$73bn), and housing (\$69bn). Other key sectors include Energy and Extractives (\$11bn), Water Supply and Sanitation (\$5bn), Health (\$15bn), Telecommunications and Digital (\$0.7bn) and Municipal Services (\$6bn).³

- The table below shows pre-conflict exports, current and future priority sectors for UK industry. The recovery phase is currently planned for 2023-2025⁴, with the aim to build resilience for the economy to be able to function under continuous security threat.
- The Ukraine National Recovery Plan estimates the modernisation phase will take place from 2026-2032.
- Current estimates for clearance of explosive remnants of war (ERW) and land decontamination could take up to 10 years, although key sites are given priority.

Priority economic/reconstruction sectors for UK industry

Pre-conflict exports from UK to Ukraine (2021-22)	Current urgent/recovery needs (2023-2025)	Post-conflict/modernisation (2026-2032)
<p>Top 5 services</p> <ul style="list-style-type: none"> Travel Business services Financial services Intellectual property Telecommunication and information services <p>Top 5 goods</p> <ul style="list-style-type: none"> Specialised machinery Cars Medicinal and pharmaceutical products Other chemicals Textile fibres 	<ul style="list-style-type: none"> Emergency energy restoration Healthcare infrastructure and systems (rebuilding hospitals, health centres and rehabilitation services) Transport infrastructure (concentrated on emergency repairs of critical infrastructure) Agriculture and agri-tech (storage and transshipment, modernisation/tech, agrichemicals, machinery) 	<ul style="list-style-type: none"> Digital infrastructure Energy Upgraded physical infrastructure to facilitate logistics (ports, rail, bridges, roads, airports) Machines and equipment Pharmaceuticals Agriculture and agri-tech Institutional reform Financial services Information technology and communication (ITC) Modernisation of housing and social infrastructure Urban design and planning Security and defence

³ World Bank: Ukraine recovery estimate

⁴ Ukraine's National Recovery Plan, National Recovery Council, June 2022.

1.5 Free trade agreement (FTA) & market access

The UK-Ukraine Political, Free Trade and Strategic Partnership Agreement (“the FTA”) is the central pillar to our bilateral trading relationship with Ukraine. It provides preferential treatment for trade in goods and services, whilst setting clear rules and conditions for customs and trade facilitation, sanitary and phytosanitary (SPS) measures, intellectual property rights, public procurement and much more besides. The full text of the agreement as well as detailed guidance is available (www.gov.uk/government/collections/uk-ukraine-political-free-trade-and-strategic-partnership-agreement).

- Trade in goods – Tariffs**
British and Ukrainian businesses currently benefit from zero tariffs. In May 2022 the UK and Ukraine fully liberalised tariffs, removing all remaining tariffs. These temporary measures are set to run for a 12-month period until May 2023, with the UK government in the process of extending the existing liberalisation measures until March 2024.
- Services**
The services provisions within the FTA provide a range of benefits, including requirement that UK services businesses established or operating in Ukraine must be treated no less favourably than Ukrainian domestic suppliers.
- Public procurement**
The FTA grants mutual access to large parts of each other’s public procurement markets at national, regional and local level. This means that guarantees of equal treatment apply to both countries' companies and suppliers.

- Intellectual property (IP)**
The FTA IP provisions seek to achieve a balanced and effective level of protection and enforcement of IP rights, including by, but not limited to, effective implementation of the international treaties dealing with IP to which the UK and Ukraine are both parties. This aims to encourage investment in the production and commercialisation of innovative and creative products while allowing fair consumer access.
- Rules of Origin (RoO)**
The RoO provisions in the FTA deliver a number of advantages to UK businesses, including: more access and flexibility to source more affordable inputs, improved market access, and enhanced supply chain resilience. To take advantage, UK businesses must ensure they comply with the RoO requirements under the FTA, which can be checked via www.gov.uk/guidance/check-your-goods-meet-the-rules-of-origin.
- Investment protection**
Provisions in the FTA and the UK-Ukraine Bilateral Investment Treaty include investment protection provisions where both parties make binding commitments regarding the treatment of each other’s investors and their investments. These are designed to make sure that investors/investments are protected from discrimination, unfair treatment, and expropriation without compensation at fair market value by the host state.
- Reporting Barriers to Trade**
Businesses can use www.great.gov.uk/report-trade-barrier if they encounter a new trade barrier or have an issue with an existing trade barrier in Ukraine. The UK government might be able to help resolve it. A trade barrier is something that slows down, limits or prevents a UK business exporting to or investing in an overseas market.

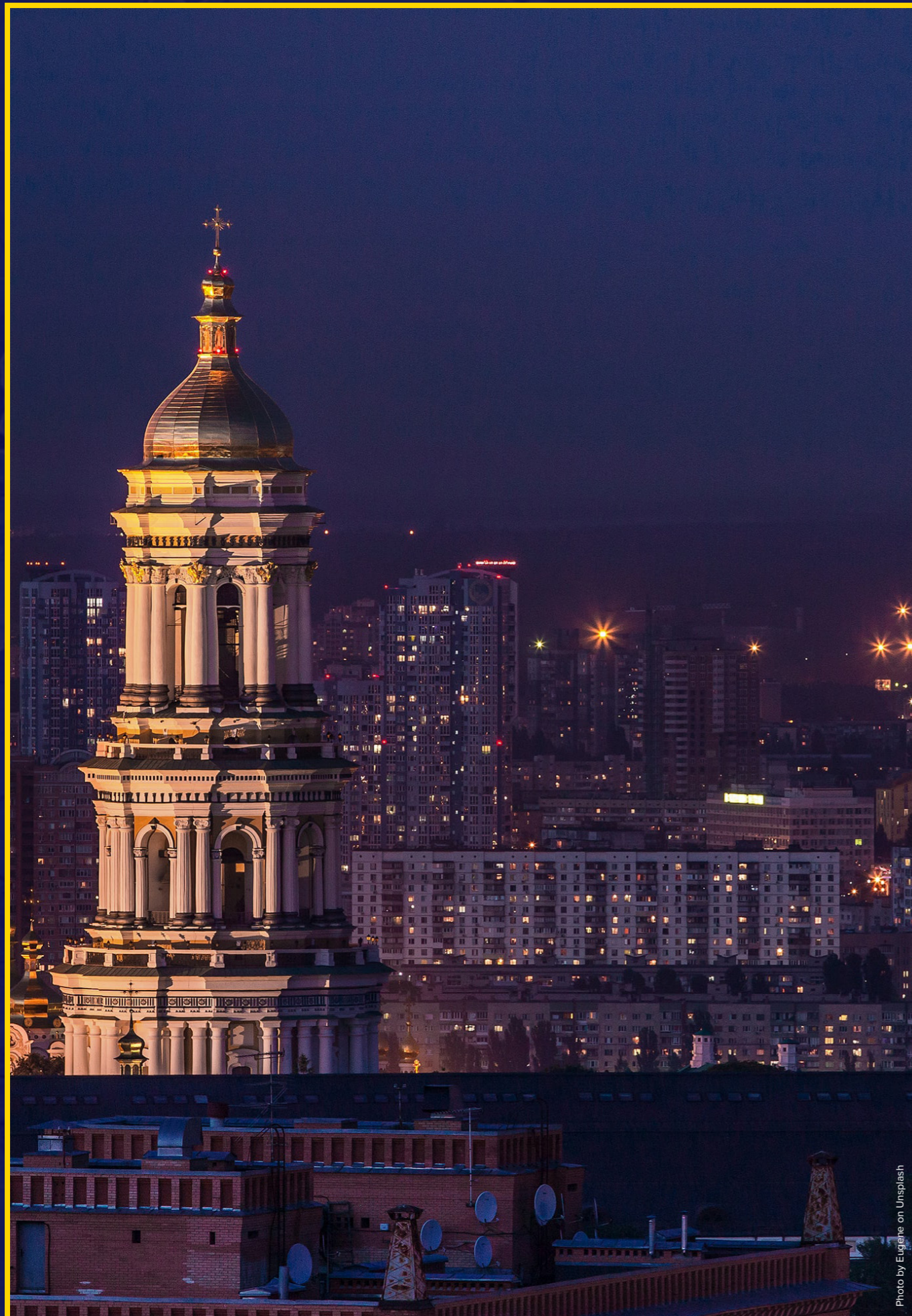


Photo by Eugene on Unsplash

Section 2. Donor funding and procurement



Photo by Marjan Blar on Unsplash

2. The infrastructure funding landscape

- 2.1 [Potential funding opportunities](#)
- 2.2 [Multilateral development banks](#)
- 2.3 [Sovereign donors](#)
- 2.4 [The role of UK Export Finance](#)
- 2.5 [Public procurement in Ukraine](#)

2. The infrastructure funding landscape

There is a growing recognition that Ukraine’s reconstruction must commence and not wait for the end of conflict. Funders comprise:

- **Multilateral development banks (MDB)**, which receive their funding from a number of countries and provide assistance in the form of loans that must be repaid, often by the recipient government; and
- **Sovereign donors** where funding is generally provided as grants.

Most opportunities are reactive: the funder will develop their own project and invite interested companies to bid.

International Finance Corporation (IFC) is relatively unique in that it welcomes proactive proposals whereby a company can approach them with their own idea for a project.

At present, while there are some opportunities relevant to UK firms, significant volumes of funding are going direct to the Government of Ukraine and are therefore harder to access.

However, the UK is viewed by MDBs and sovereign donors alike as a key integrator of solutions.

By capitalising on this integrator function and maintaining close engagement with funding bodies, the UK is expected to support and influence Ukraine’s reconstruction, and increasingly open opportunities for UK infrastructure exporters.

How can UK companies access funding opportunities and how can the DBT support?

Each donor has their own specific procurement modalities. Most develop projects in consultation with Ukrainian partners and then advertise on procurement portals for competitive tender.

UK companies wishing to bid for such opportunities need to:

- Register on the relevant portal.
- Express interest in any suitable opportunities.
- Bid for them according to the organisation’s own procurement guidelines.

It can be helpful to informally approach donors to discuss their requirements.

Donors may be open to proactive proposals from UK companies. IFC is particularly amenable to this. In this case, the UK company can either informally approach the donor or submit a proposal via their website (details at the end of this section).

Key funders and donors in Ukraine and relevance for UK companies

<p>EBRD (€3 billion for Ukraine)</p> <p>Some relevant opportunities on portal for which UK companies are eligible. May be open to proactive proposals.</p>	<p>IFC (\$2 billion under discussion)</p> <p>Highly relevant for UK companies now: open to proactive proposals for any viable project.</p>	<p>FCDO (£220 million)</p> <p>Highly relevant for UK companies in the future. Current funds are largely allocated or going through multilaterals.</p>
<p>USAID (\$10 billion allocated)</p> <p>Few relevant opportunities at this stage and can be challenging for UK companies without US registered entities or partnering with US companies.</p>	<p>EU (€4 billion + €9 billion loans)</p> <p>Few relevant opportunities at this stage and can be challenging for UK companies without entities registering in EU territories or partnering with companies from EU member states.</p>	<p>World Bank (\$13 billion)</p> <p>Some relevant opportunities available on portal, but small in scale.</p>

Multilateral development banks

Generally reactive opportunities




Open to proactive approaches



Sovereign donors





2.1 Potential funding opportunities as of March 2023

Funding source/ Guarantee provider	Funding package for Ukraine	Modality	Key eligibility requirements	Approx. timeline	How can UK companies access opportunities	Potential opportunities as of March 2023	Open to proactive proposals?
EBRD	€2bn.	Loans given directly to project, backed by guarantees.	Any company provided not on sanctions/corrupt practices lists.	Normally follows OJEU process – takes 6-9 months. Open to single sourcing in exceptional circumstances.	All EBRD-led procurement opportunities are advertised on the EBRD Portal (ecepp.ebrd.com) .	Few opportunities on Ukraine portal open to competitive tender. Also, opportunities available via their parties funded by EBRD.	Yes, in exceptional circumstances.
World Bank	\$13bn already mobilised. Discussions ongoing about \$170bn package under roadmap.	Vast majority of support through loans to Ukraine and other governments. Some small Technical Assistance contracts.	Open to all companies worldwide not on debarment list.	c.6 months.	Much of World Bank spending is not accessible (e.g. provision of liquidity to cover public sector wages). World Bank tenders appear on their online portal. Subscribe for alerts at alerts.worldbank.org .	Opportunities and criteria are published on the World Bank portal - (alerts.worldbank.org) .	Not routinely (though may be potential to influence for smaller proposals).
IFC	\$2bn support package agreed at December 2022 board meeting.	Loans directly to project implementers.	Any international company.	Usually 6-9 months but opportunities to fast track.	Either through official channels on IFC website - www.ifc.org or personal contacts.	Open to proactive proposals: see IFC website (www.ifc.org) on 'How to Apply For Financing'.	Yes
EuropeAid	€4bn in immediate assistance plus further €9bn in macro-financial loans under Rebuild Ukraine Facility.	Majority through the Ukraine government and NGOs. Some contracts.	Procurement open to any EU company. UK firms may not bid directly but many have EU entities which can bid. Or there may be opportunities to sub.	Normally follows OJEU process – takes 6-9 months. Open to single sourcing in exceptional circumstances.	Calls for proposals advertised on EC Funding and Tenders Portal - (europa.eu) . May not be the opportunity to influence directly as a non- EU state.	No major tenders currently advertised but several under development. See: Search Funding & Tenders (europa.eu) .	No
USAID	\$10bn allocated, but very small proportion committed or spent.	Mostly through Multilaterals and NGOs so far. Likely to be direct procurement in future.	Some bias and eligibility criteria favouring or requiring the use of US companies.	6-9 months.	Opportunities are advertised, but usually best accessed through US primes or US entities.	Currently limited, but the US Senate has written to USAID criticising their speed of response and requesting them to accelerate, including through contracts. See: Tenders - USAID Energy Security Project (energysecurityua.org) for Energy Security tenders.	Not directly by UK companies, potentially via US primes.

2.2 Multilateral development banks

European Bank for Reconstruction and Development (EBRD)

EBRD are currently in dialogue with the Ukrainian Government for support on immediate emergency restoration needs and opportunities in reconstruction. This is currently focused on the energy grid and railways. EBRD are currently negotiating a new funding €300m package for Ukraine and UkrZaliznytsya (Ukraine’s state-owned rail company) for a programme of track repairs and additional rolling stock.

Assistance approach

EBRD’s historic involvement in Ukraine included significant Ukraine-based staffing and pre-invasion associated activities including infrastructure loan facilities and the examination of potential public-private partnerships (PPPs).

EBRD are taking a leading MDB role in driving the pace of availability of reconstruction financing into Ukraine. However, there are currently no EBRD facilities available to be accessed for funding infrastructure projects. EBRD are at the pre-concept stage of developing reconstruction loan facilities for Ukraine.

Ongoing discussions are taking place between EBRD and Ukrenergo (Ukraine’s state-owned electricity provider), to initially restore and rebuild energy infrastructure comprising sub-stations and energy grid.

Following drone and missile attacks on the Ukrainian energy infrastructure, this has become an immediate priority. It is also a longer-term requirement as it will provide Ukraine with a source of revenue through energy exports to the EU.

How can UK companies access EBRD funding?

Direct EBRD contracts are nearly all procured through international competitive tender. Suppliers wishing to bid for EBRD contracts first need to register on [EBRD’s Client eProcurement Portal \(ECEPP.ebrd.com\)](http://ECEPP.ebrd.com). It may also be helpful to register for mobile alerts: [European Bank for Reconstruction and Development \(govdelivery.com\)](http://govdelivery.com). Companies then need to submit proposals in full compliance with EBRD procedures (set out on the Portal) by the specified deadline.

In rare cases where goods or services are particularly sensitive or limited to one supplier, EBRD may be amenable to single sourcing. EBRD also provides loans to international

and Ukrainian commercial banks. For smaller loan sizes it may be worth approaching such banks as intermediaries.

World Bank

Some procurement will be directly with the World Bank, but the larger opportunities will be loan funded and therefore channelled through an implementing agency. However, in World Bank designated fragile, conflict and violence (FCV) situations, where the local capacity to reliably manage funds may be limited, the World Bank will pay organisations directly.

How can UK companies access World Bank funding?

Most World Bank funding is routed through the Ukrainian government and other national institutions which may not be suitable for many UK companies. Directly procured contracts are all advertised on two World Bank procurement portals:

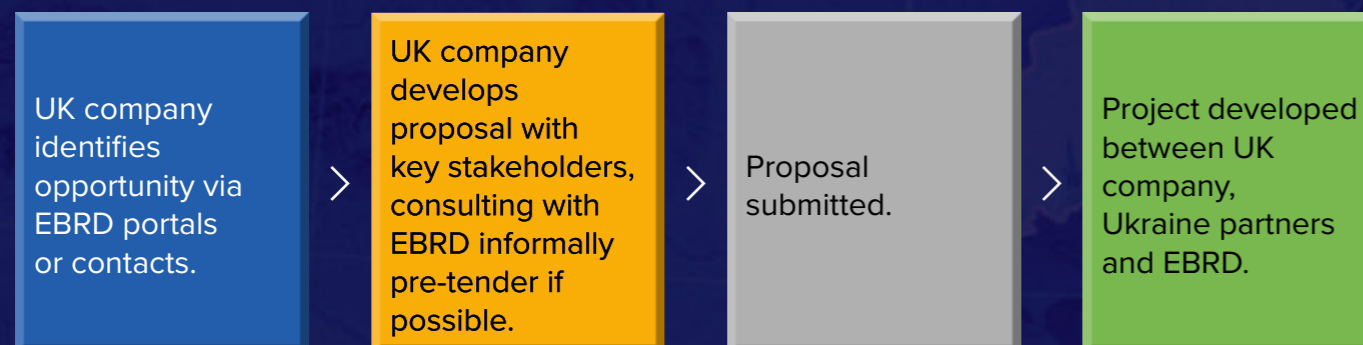
- [WBG eConsultant2 \(worldbank.org\)](http://worldbank.org) which is for consultancy opportunities.
- [World Bank Projects \(projects.worldbank.org\)](http://projects.worldbank.org) which is for operational procurement of projects.

To access these opportunities, UK companies need to register for alerts and submit proposals according to World Bank guidelines as set out on the portals.

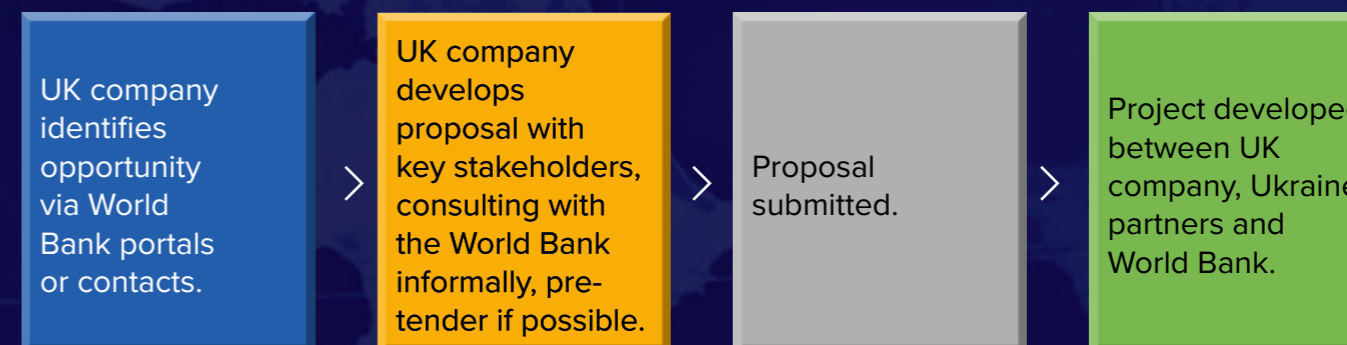


Photo by Shutterstock

The EBRD procurement process



The World Bank procurement process



2.3 Sovereign donors

United Kingdom (primarily FCDO)

The UK has taken a leading role in providing support to Ukraine’s infrastructure reconstruction. Underpinned by a Memorandum of Understanding on infrastructure reconstruction signed by the UK and Ukraine governments, the UK is mobilising the UK infrastructure supply chain. Both governments recently committed to a new UK-Ukraine Transport Partnership to share engineering expertise and provide support to rebuild Ukraine’s damaged transport infrastructure, particularly the rail sector which will fall under the £10m Ukrainian Railways support package.

How can UK companies access opportunities?

Foreign Commonwealth and Development Office (FCDO) opportunities are advertised on the Jaggaer Portal for competitive tender. Prior to releasing opportunities, FCDO often run Early Market Engagement meetings where they brief the market and take questions. Interested suppliers should register on the Portal and ‘Express Interest’ in relevant opportunities to receive alerts.

Full guidance on the process and details on how to register on the portal is available on the FCDO website here: [Procurement at FCDO - Foreign, Commonwealth & Development Office \(www.gov.uk\)](https://www.gov.uk/government/procurement).



Photo by Shutterstock

European Union (EIB and EUROPEAID)

The European Investment Bank (EIB) is focused on the north and east of Ukraine and has commenced its disbursement of approximately €1bn. This funding is the first tranche of the European Commission’s recently approved €1.5bn in EIB assistance, in addition to the initial €700 million provided by the EIB in 2022. Priority focus areas for the EU include repair to transportation, digital and energy infrastructure⁵.

Separately, the EIB is investing an additional €540m in other Ukrainian sectors and is leading discussions with the European Commission to support additional lending. Beyond Ukraine, the EIB manages a trust fund with €20bn in guarantees.

Devex reports that this fund could crowd in approximately €80bn in private funding for rapid deployment, although at present it is yet to be leveraged. These opportunities are expected to be procured through the EU’s procurement portal (OJEU), although it is unclear at this stage if UK firms are eligible to tender for these opportunities. However, it is expected that UK headquartered firms, bidding through an EU subsidiary, will be eligible to access these opportunities.

⁵ Devex: EIB ramps up Ukraine work

How can UK companies access opportunities?

For EuropeAid, tenders are advertised on the ‘Tenders Electronic Daily (TED)’ website: [TED Tenders Electronic Daily \(europa.eu\)](https://ted.europa.eu). Suppliers need to register to receive alerts and bid for potential opportunities.

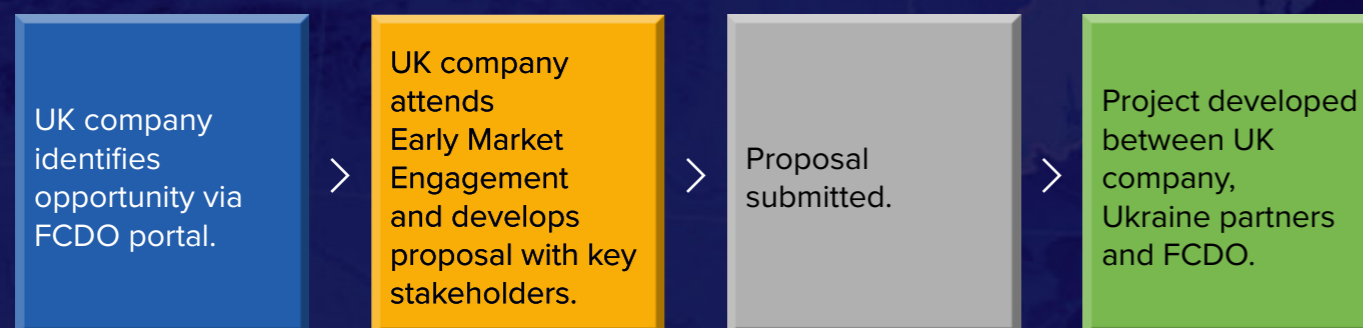
For most opportunities it would be advisable, if not mandatory, for UK firms to bid through EU subsidiaries or in consortia with EU partners.

The EIB has a separate supplier portal which contains details of all opportunities and instructions on how to bid: [Homepage \(eib.org\)](https://www.eib.org).

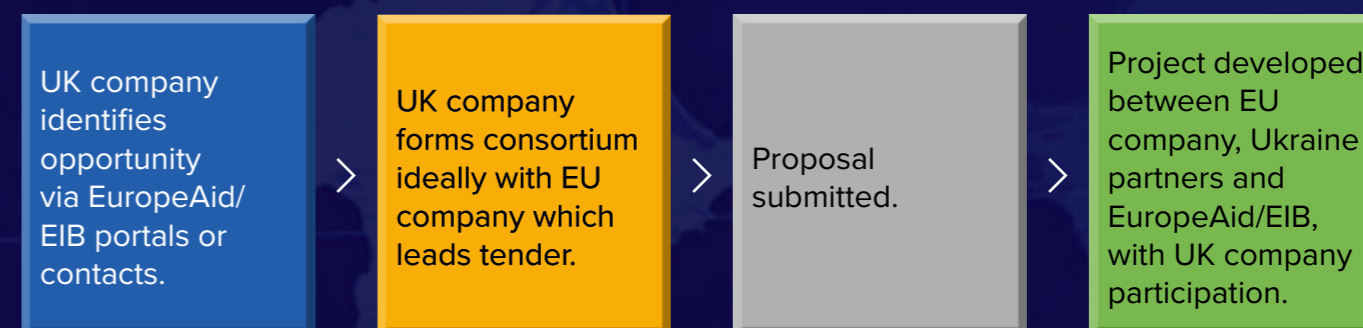


Photo by Shutterstock

The FCDO procurement process



The EuropeAid/EIB procurement processes



United States (USAID)

USAID continues to actively support Ukraine through the United States' initial \$10bn allocation and by investing in more than 40 ongoing projects and working with nearly 700 implementing partner staff. The organisation continues to aid critical sectors, including those of interest to the UK infrastructure supply chain. These include repairing and upgrading Ukraine's energy infrastructure in preparation for winter. In the Kyiv Oblast, USAID support is specifically targeted towards health and local governance. More broadly, USAID's longer-term priorities for Ukraine, developed before Russia's invasion, included

anti-corruption, energy security, governance, economic growth and health, organised around the four pillars set out in their 2019-2024 Country Development Cooperation Strategy.

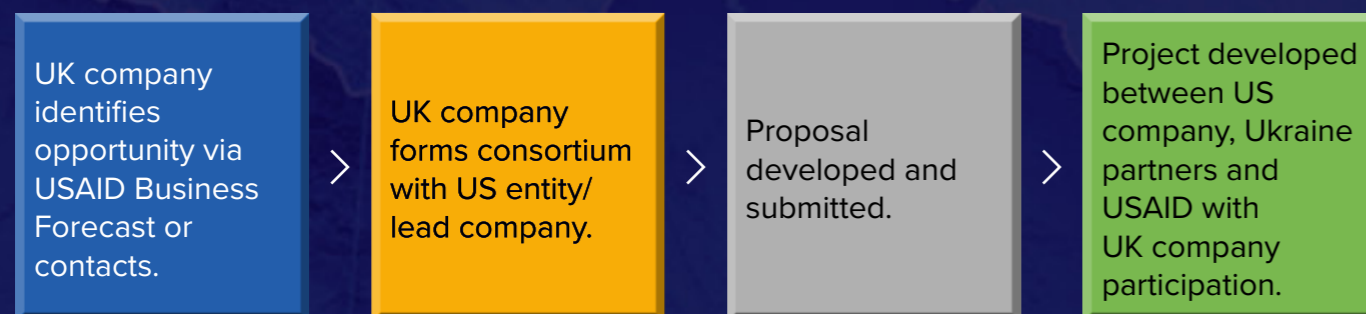
How can UK companies access opportunities?

Currently, USAID's Ukraine Mission is actively discussing procurement strategy and requirements, and all public solicitations will be listed on the USAID Business Forecast and advertised on their public procurement portal. A specific timeline is not available. Interested suppliers should register on the portal to receive alerts and bid. It would be advisable for UK suppliers to bid through

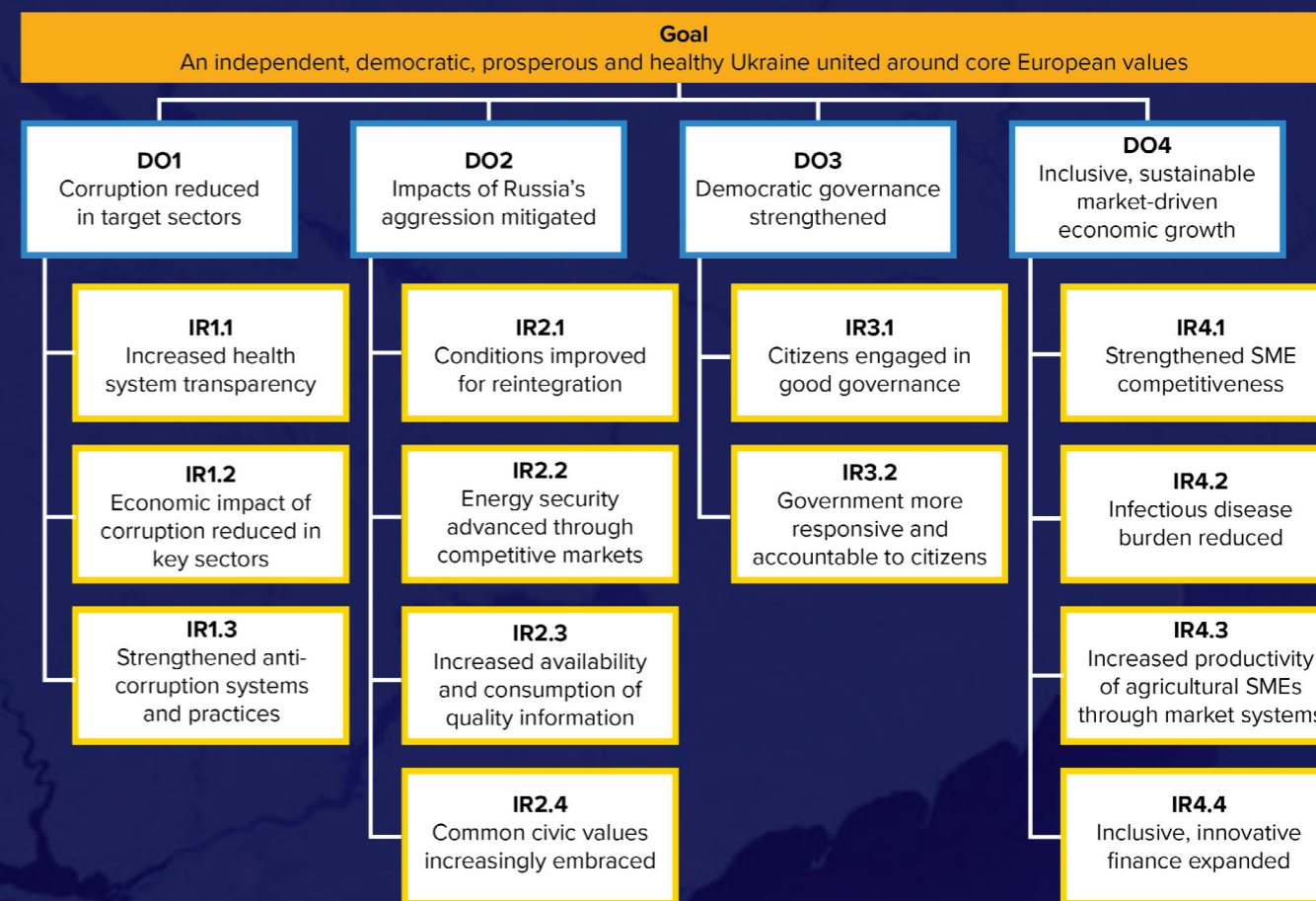
US entities or in consortia with US firms with experience of operating in the USAID market, which has very specific requirements. There are a number of active tenders

within the USAID Energy Security Project see [Tenders - USAID Energy Security Project \(energysecurityua.org\)](https://energysecurityua.org).

The USAID procurement process



USAID's priorities for Ukraine (as set out pre-full-scale invasion)



Source: USAID, Country Development Cooperation Strategy 2019-2024 (www.usaid.gov).

2.4 The role of UK Export Finance

UK Export Finance (UKEF) is not a donor, but provides guarantees on loans or insurances that make it possible for UK companies to participate in projects overseas where there may be a higher risk of default.

UKEF is the British government’s Export Credit Agency (ECA) looking to provide financial support to facilitate exports from the UK. As long as a project has a minimum UK content of 20% (by value), UKEF can be a source of financing and insurance for UK business.

Further information can be found on the [UKEF website \(www.gov.uk\)](http://www.gov.uk).

UKEF support falls broadly into two categories:

Support for UK exporters	Protection against the risk of non-payment by an overseas buyer, help to raise bonds required under the export contract and assistance with working capital requirements .
Support for overseas buyers	Attractive financing terms for overseas buyers of UK goods and services can help exporters make their offering more competitive .

How can UK companies access UKEF support?



2.5 Public procurement in Ukraine

In the longer term, a large proportion of the reconstruction will be procured by the Ukrainian government. Public procurement is carried out electronically through ProZorro (governmental e-procurement system). The e-procurement system is designed to automate all procedural steps and to exclude the potential unfairness of public procurement by the authorities, purchasers and bidders. ProZorro remains one of the most successful recent reforms in Ukraine and is considered by the World Bank as a model for e-procurement reform.

The volume of Ukraine's public procurement market in 2019 was 581.3bn UAH (equivalent to \$22.4bn). In terms of value, the largest contracts concern construction and repair works, fuel, energy, transport means and transport services, construction materials, medical equipment and medicines.⁶

Bidders from 48 countries participated in Ukrainian tenders in 2019. In terms of value, the most successful bidders were from Belarus, Czech Republic, Canada, Poland and the USA.

Who are the buyers?

The buyers are primarily public companies, including state/municipal authorities and social security authorities or non-commercial legal entities owned by state/municipal bodies. They also include specialised companies, i.e. mostly state/municipal business entities operating in designated areas of the economy (oil and gas, heating, electricity, water, railway infrastructure, postal services etc).

Top goods and services purchased through ProZorro in 2018-2019⁷

- Construction services.
- Petroleum products, fuel, electricity.
- Construction and installation works.
- Other goods (mining equipment, furniture, mining products and metals, agricultural products).
- Construction structures and materials.
- Medical equipment, pharmaceutical products.
- Food, beverages, tobacco and related products.
- Transport services, tourist agency services.
- Repair and technical maintenance services.

How can UK companies access opportunities?

On the [ProZorro website \(prozorro.gov.ua\)](http://prozorro.gov.ua) companies can find information on all tenders. The website does not give access to participate in tenders. To participate companies should register at a private platform. The bidder can choose any platform. All platforms are connected to ProZorro and display the same information on procurements. Regardless of the platform used, the tender data will be identical.⁸

⁶ EBRD, guidelines for non-Ukrainian suppliers on participation in public procurement tenders in Ukraine. Updated 2020. (infobox.prozorro.org)

⁷ Public procurement in Ukraine using the ProZorro system: a guide for Canadian bidders (tradecommissioner.gc.ca)

⁸ ProZorro public procurement platform spreads its wings (ProZorro) | Joinup (europa.eu)

Platforms with an English interface include:

- [Zakupki.prom.ua](https://zakupki.prom.ua)
- [SmartTender.biz](https://smarttender.biz)
- [Opentenders.online](https://opentenders.online)
- [E-tender.ua](https://e-tender.ua)
- [Zakupivli24.pb.ua](https://zakupivli24.pb.ua)

After selecting a platform, the bidder must complete the registration and authorisation process. Registration and authorisation take time, so make sure you register in advance.

These EBRD guidelines give an in-depth overview of how to use ProZorro to access public tender opportunities: [Guidelines for non-Ukrainian suppliers on participation in public procurement tenders in Ukraine \(infobox.prozorro.org\)](https://infobox.prozorro.org).

Section 3.

Operations, legal and regulatory information



3. Operations, legal and regulatory information

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- 3.2 [Government landscape](#)
- 3.3 [Current anti-corruption measures](#)
- 3.4 [Market challenges](#)
- 3.5 [Insurance](#)
- 3.6 [Sector specific guidance](#)

3. Operations, legal and regulatory information

3.1 Legal information

Doing business in Ukraine is not without challenges. Certain legal aspects and processes can be confusing, but the Government of Ukraine is working with the UK and other partners to improve the business environment. UK businesses engaging with Ukraine government or business counterparts need a good understanding of the Ukrainian legal framework and other legal frameworks that could be used. DBT offers advice at [Some of the issues UK companies can expect to encounter are shown below:](http://Department for Business and Trade Ukraine (www.gov.uk) for UK businesses to succeed in Ukraine.</p>
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- **Standardisation** – There is no current bilateral agreement on standards, therefore products may need MTU or other government support to be certified in country. Product liability insurance may be required.
- **Intellectual property (IP)** – As IP rights are territorial, any IP manufacturers may have in the UK may need to be registered for export into Ukraine. As a member of the World Trade Organisation, this should offer some protection from copy or theft.

EU holding areas, other EU tariffs may be applicable. Businesses can access these via [- **Consumer protection laws** – Ukraine has its own consumer protection laws which can be referenced at \[Despite the ongoing full-scale invasion, the Ukrainian Judicial system is still operating, with courts sitting. Thus, Article 26 of the\]\(http://Information in the field of consumer rights protection | Ministry of Economy of Ukraine \(www.me.gov.ua\).

</div>
<div data-bbox=\)](http://Welcome to Access2Markets to Market Access Database users | Access2Markets (europa.eu).</p>
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3.2 Government landscape

3.2.1 National and regional make up

Many of Ukraine’s pre-conflict plans to implement whole-scale Government reform, following President Zelenskyy’s election win in 2019 have been held up due to the ongoing full-scale invasion. The country has been developing and implementing public administration changes in line with EU standards and Organisation for Economic Co-operation and Development (OECD) principles for public governance. [Ukraine is a parliamentary-presidential unitary republic, with their constitutional authority shared by the Supreme Council \(Verhova Rada\) and the office of the President as its head of state and guarantor of state sovereignty and territorial integrity, plus the rights and freedoms of its citizens.](http://Public governance in Ukraine (oecd.org).</p>
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Ukraine has 24 oblasts and one autonomous region (Crimea) and almost 11,000 municipal or village councils (Silska Rada), 458 city and 783 town councils.



Figure 2: Ukraine Map of Oblasts

UK business may find the premise of local and regional rule confusing, hence the advice is to use locally recruited expertise to navigate the requirements.

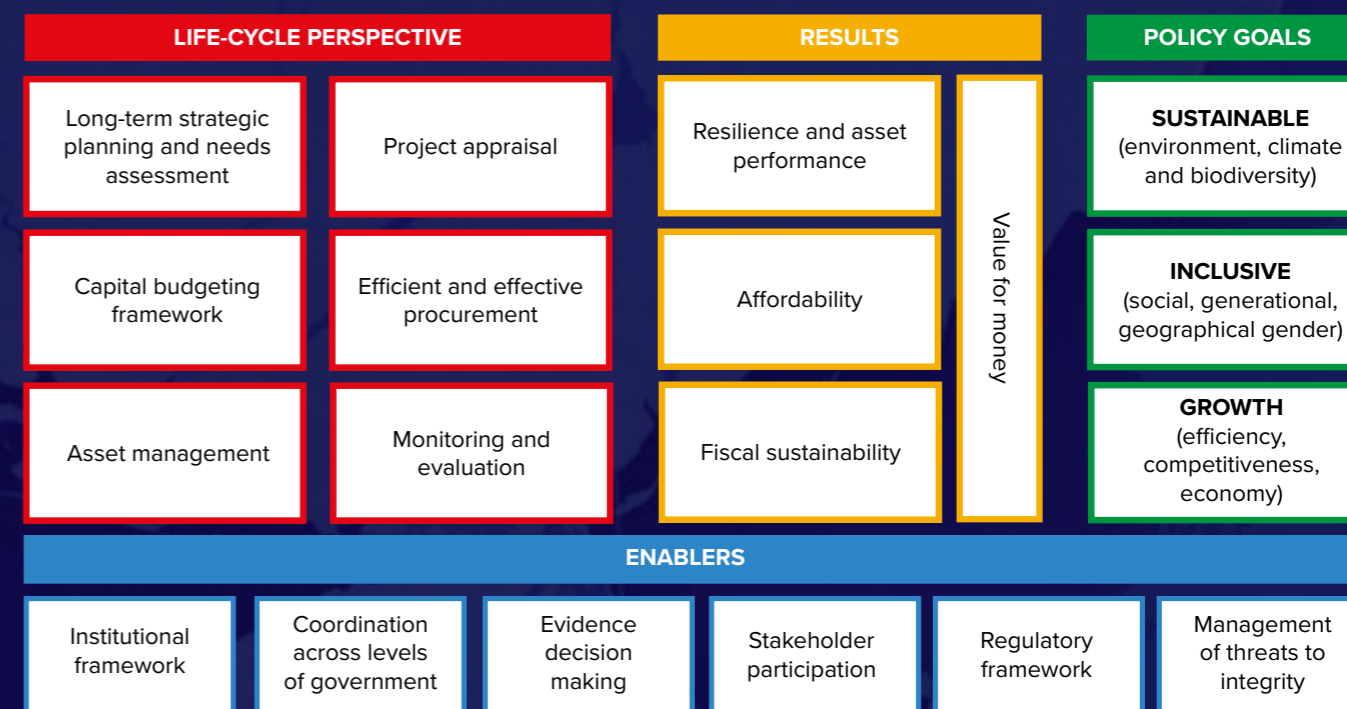


Figure 3: The architecture of infrastructure recovery in Ukraine (www.oecd.org)

3.2.2 Government absorption capacity

Rebuilding Ukraine will take considerable effort and resource. Infrastructure recovery alone is estimated in the region of \$349bn (World Bank - September 2022). Through the use of initiatives such as the Ukraine Reconstruction platform, multi-agency donor co-ordination will be able to support and increase the effectiveness of the reconstruction plan (eu-solidarity-ukraine.ec.europa.eu/eu-assistance-ukraine/reconstruction-ukraine_en).

3.2.3 Advice on navigating the changing landscape

The OECD have been working with the Government of Ukraine to assess and outline a plan to navigate the ever changing landscape in the country, noting the fiscal challenges present as shown in figure 2. [The architecture of infrastructure recovery in Ukraine \(oecd.org\)](https://www.oecd.org/infrastructure/infrastructure-recovery-in-ukraine/).

3.3 Current anti-corruption measures

Previous and current Ukraine governments have shown commitment to tackling corruption in Ukraine. During the end of January and beginning of February 2023, President Zelenskyy has continued to underline his commitment to UK/EU and other Western powers in stamping out the issue.

Ukraine continues to work on combatting corruption with recent improvements to 122/180 in 2021 (see figure 4). This work is ongoing and evidenced during the full-scale invasion as Ukraine continues to meet UK/EU and other international donor requests.

On 6 March 2023, Semen Kryvonos was appointed director of the anti-Corruption Bureau of Ukraine (NABU) (nabu.gov.ua/en) to boost efforts and highlight the determination of Ukraine to be corruption free. One example of improving process is ProZorro which has significantly increased transparency, though the impact still needs to be seen. The Government of Ukraine will continue its focus on tackling corruption, with support from an EU technical mission, USAID and other countries and enablers.

On a further positive note, the IFIs all have strict procurement processes to combat corruption, which further protects UK businesses who utilise these enabling funds to support reconstruction efforts. More detail is shown within the procurement in Section 2. UK businesses considering other routes to market should be aware of this risk and potential barrier to operation and place strict controls to ensure commercial dealings are managed and consistent with UK/EU standards.

Date	Corruption ranking	Corruption index
2021	122°	32
2020	117°	33
2019	126°	30
2018	120°	32
2017	130°	30
2016	131°	29
2015	130°	27
2014	142°	26

Figure 4: [Countryeconomy.com/government/corruption-perceptions-index/ukraine](https://countryeconomy.com/government/corruption-perceptions-index/ukraine). If you think you have been mistreated by an official, you should report your case to the National Agency on Corruption Prevention at: nazk.gov.ua/report-corruption or telephone (+38 044) 200 06 91.

3.4 Market challenges

3.4.1 Operating environment

Due to the ongoing full-scale invasion, Ukraine remains a difficult country to operate and work within. Due to the war efforts, there is little support for organisations which could lead to UK business procuring this at own cost. Even if provisioned there are strict rules on what support services are able to offer, and a requirement to liaise with government entities, such as Ministry for Communities, Territories and Infrastructure Development of Ukraine (MTU) and local

Oblast Government bodies for licensing. Currently, partnering with third country prime contractors (EPCs) organisations who have continued to work in the country has been the preferred method of contracting in Ukraine, where the EPC has relationships, experience of bureaucracy and appetite to assume and mitigate the risk.

Tell DBT if you think you're facing a new trade barrier or have an issue with an existing trade barrier. We might be able to help resolve it. Trade barriers in any sector can be reported via [Report a trade barrier \(great.gov.uk\)](https://www.great.gov.uk/report-a-trade-barrier) or by email to DITukrainereconstruction@trade.gov.uk.



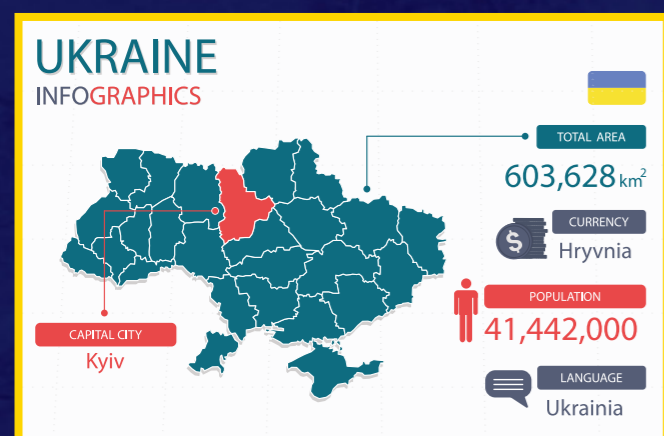
Figure 5: *Anti-Corruption Pendulum in Ukraine: a Step Forward After a Step Back* | [Трансперенсі Інтернешнл Україна \(ti-ukraine.org\)](https://transparency.org.uk).

3.4.2 International sanctions

Some UK sanctions apply to areas that are not currently under the control of the Ukrainian government. If you are looking to do business in such an area, you should check the sanctions regulations and guidance to ensure compliance. Information on UK sanctions relating to Russia is available at www.gov.uk/government/collections/uk-sanctions-on-russia.

3.4.3 Language

The dominant spoken and business language to be used is Ukrainian including for written contracts. The number of English speakers is not exactly known, but a 2001 census found that up to 51% of young Ukrainians in cities were able to converse in the language. The percentage drops rapidly once you reach rural areas. This means a translator is required for most day to day transactions and is essential when dealing with government, military bodies or completing process paperwork.



3.4.4 Organisational culture

The culture remains hierarchical, with the most senior person leading any meeting or presentation and a respect for superiors. Finances are commonly discussed as a final agenda item. Clear topics, presentations with graphics and detailed information to support are recommended when presenting. [Ukrainian Culture - Business Culture - Cultural Atlas \(sbs.com.au\) \(2022\)](http://Ukrainian Culture - Business Culture - Cultural Atlas (sbs.com.au) (2022)).

3.4.5 Standards

There is no current bilateral agreement on standards, therefore products may need MTU or other government support to be certified in country. Product liability insurance may be required. Also as noted in Sector Specific guidance, industries such as energy and rail use products which do not conform with EU or UK norms.

3.4.6 Tariffs and rules of origin

UK Government has eased trading with Ukraine requirements by tailoring tariffs and relaxing some areas on proof of origin.

Guidance is offered at [Trade with Ukraine \(www.gov.uk\)](http://Trade with Ukraine (www.gov.uk)).

3.4.7 Bureaucracy

Ukraine remains bureaucratic in nature, with a requirement to obtain permits and licenses for most activities, all of which can take some considerable time.

3.5 Insurance

Giving the ongoing conflict, the ability to take out insurance is a significant issue. Some sectors of insurance (such as shipping) have been limited or withdrawn, and others are potentially in flux. This is a changing landscape.

Therefore, an understanding of how insurance factors may act as a barrier or cause risk is key for UK based businesses wishing to work with Ukraine. Please see our collection of FAQ papers that will help answer some of the questions on these topics.

Basic details below:

Risk class	Limit of indemnity
Employer Liability/Workers Compensation	UK legal requirement - min £5M
Public and Products Liability	Business/contract specific
Professional Indemnity where it is a pure design/specification exposure	Business/contract specific

3.5.1 Basic insurance cover

All UK business having dealings within Ukraine will be exposed to varying levels of risk. The table shows the minimum levels of basic insurance that we expect organisations to require. These do not differ from the requirements of operating within the UK/EU.

3.5.2 Additional activity based insurance cover

The EIB procurement guide states that all prices for delivery shall be on CIF/CIP incoterms, meaning that the Marine and Transit elements need to be covered from the exporting country to the value of shipment.

Projects are often subject to performance bond which becomes a risk to be mitigated under insurance indemnity.

Risk class	Limit of Indemnity
Marine/Transit (CIF) where goods/works are being supplied	Value of shipment
Performance Bond	Contract specific as a percentage of contract value, and potentially with time/milestone specified phased reductions on bond
Medical/Travel cover if UK employees are to travel/work within the UA	£30,000

Advice to UK businesses:
The Risk Factor have developed a useful and comprehensive guide to insurance requirements in Ukraine - [The Risk Factor \(www.theriskfactor.com\)](http://The Risk Factor (www.theriskfactor.com)).

3.5.3 High risk insurance cover

Currently UK Government does not recommend travel and operations for UK business in Ukraine. FCDO and DBT are however working with Lloyds of London to consider future insurance options to be made available when the operating climate allows. In the meantime, there are high risk destination insurance products available for UK business who may be travelling into Ukraine at the following company web links:

- [Voyager Travel Insurance \(www.voyagertravelinsurance.co.uk/specialist-products/high-risk-voyager-travel-insurance\)](http://Voyager Travel Insurance (www.voyagertravelinsurance.co.uk/specialist-products/high-risk-voyager-travel-insurance))

- [Compare the Market \(www.comparethemarket.com/travel-insurance/content/high-risk-travel\)](http://www.comparethemarket.com/travel-insurance/content/high-risk-travel)

3.6 Sector specific guidance - sectors seen as complimentary to UK business strengths

3.6.1 Transport (Infrastructure - all sectors of transportation)

Transportation is currently seen as a potential \$74bn reconstruction requirement [Modernizing Ukraine's Transport and Logistics Infrastructure \(csis.org\)](#).

MTU are the executive power to formulate policy on all transport areas. Working with the specific government ministries in each area of land, sea, river and aviation, they are responsible for formulating state policy related to transport (and postal service). This includes setting of tariffs and public procurement policy as required.

To achieve this, MTU coordinates with the State Aviation Administration, the National Sea and River Transport Inspection Agency, the National Land Transport Inspection Agency and the National Automotive Road Agency.

3.6.1.1 Transport (Highways)

The MTU look after the 170,000km of roads and motorways in the country. [Roads - Ministry for Communities, Territories and Infrastructure Development of Ukraine \(mtu.gov.ua\)](#).

The main aim of MTU is to bring the highways and wider transportation sector to EU standards, decentralising MTU requirements.

3.6.1.2 Transport (Rail)

Ukrzaliznytsia, or Ukrainian Railways are State owned and regulated also to work under MTU. However, Ukrzaliznytsia accomplishes centralised management of the transportation process in inland and interstate communication regulates railway industrial and economic activity.

Knowledge and understanding of EU requirements for railways reconstruction could be used for positioning by UK business in Ukraine. Currently Ukraine uses a different railway gauge to Western Europe, meaning wheelsets have to be changed to align to enable better passenger and export cargo provision. Increasing connectivity with the EU is vital to extend rail corridors to the EU Trans-European Transport Network (TEN-T)

EBRD are currently negotiating a new €300m funding package for Ukraine and Ukrzaliznytsya for a programme of track repairs and additional rolling stock.

3.6.1.3 Transport (Aviation)

MTU are also responsible for state policy on the use of Ukrainian airspace. Ukraine are one of EASA's pan-European partners (PANEP), a community of no EASA countries who cooperate on the implementation of EU aviation safety rules. The working arrangement document can be found at this link: [Working Arrangement between the State Aviation Administration of Ukraine and EASA on the EU SAFA Programme | EASA \(europa.eu\)](#) 3.6.1.4 Transport (Sea). Due to the large amount of agro-industrial (grain, metals, chemicals) transported from

Ukraine's ports, this sector has a major part to play in Ukraine's future. The blockade on Ukraine's ports was estimated to have cost \$170 million a day in exports, until the UN Black Sea Grain initiative reopened three key ports in Mid-August 2022.

3.6.2 Energy

State administered through the Ministry of Energy (MoE) and a key strategic importance for the country. Current scheme of how UK business would supply equipment and expertise through one of the key sectors - Energy - MoE is shown below:

For the adequate implementation of energy infrastructure projects, it is essential to ensure the availability of relevant construction permits and land ownership rights EU law, norms and standards as required by the Association

Agreement between Ukraine and the European Union. Once implemented the EU legislation and standards will help speed up positive transformations in the energy sector.

Urgent needs	Equipment
Priority I	High voltage auto-transformers
Priority II	Other high voltage equipment
Priority III	DSO equipment
Priority IV	Other equipment
2023	Short-term needs, RDNA
2032	Long term needs

Figure 5: Illustration of current critical requirements as presented at the EIC event by MoE and Ukrenegro - Turning the lights on in Manchester on 12th December 2022.

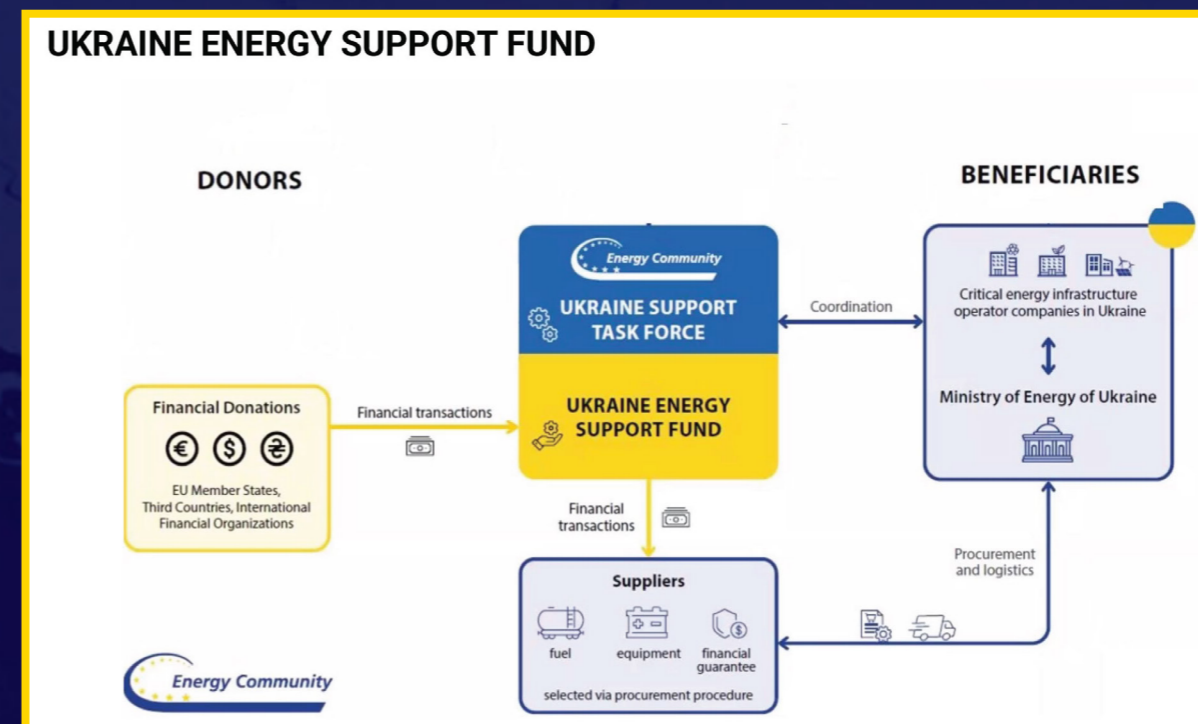
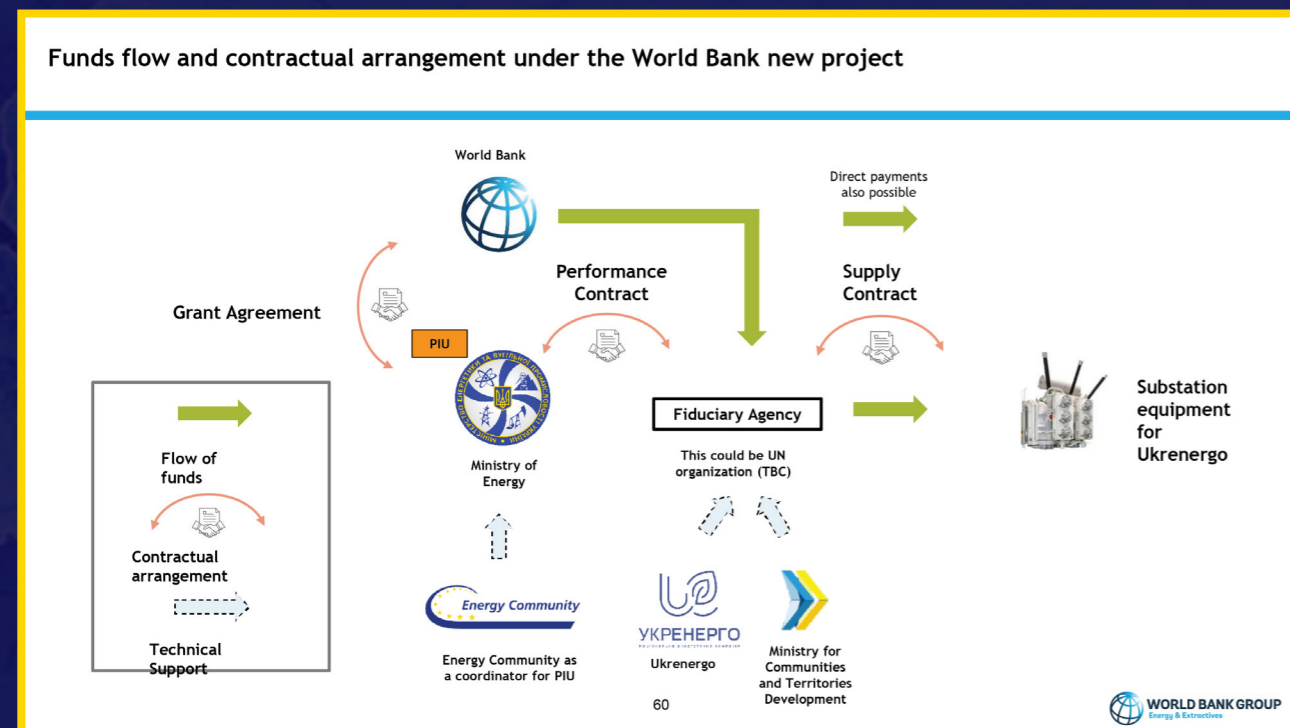


Figure 6: MoE Deputy Minister Safarov, EIC event 12 Dec 2022

A further illustration of the well-defined donor procurement channels (World Bank) to reduce opportunity for corruption. Similar process is in place for other key sectors requiring UK business support.



3.6.3 Built Environment (including licensing and permits)

Pre-conflict Ukraine was ranked as one of the worst European countries in which to obtain building permits. During 2022/23 considerable work is going on to speed up the process as shown at [Ukraine: simplified permit procedures for construction under martial law - European Business Association \(eba.com.ua\)](#).

Controlled through MTU there are three classes of consequences in Ukraine and permits are required for reconstruction activities. Generally UK business will require several local licences, certificates and permits to operate, similar to those required by local Ukraine partners.

The list of documents and procedures differs depending on the type of business (engineering design, technical supervision or construction) and “class of consequences” to which the construction structure belongs.

- CC1 (low)
- CC2 (medium)
- CC3 (high)

The class of consequences (liability) characterises the level of risk to the health and wellbeing of those (permanently or periodically, inside or outside the facility).

A company can provide the engineering design work for CC1 and CC2 objects without a special license. But this company must have a certified Chief Engineer and a Chief Architect. For engineering designing the CC3 objects, a company must have a license.

The construction of CC2 and CC3 objects require a license and certified engineering staff. To begin construction work on objects with class CC2 or CC3, a client for the construction must obtain a permit for their implementation. This permit includes a list of critical technical staff of the contractor. The construction of CC1 class facilities is possible without a special permit. All large structures such as bridges proposed by MTU are CC3 objects.

3.6.3.1 Licensing and permits - Environmental

In addition further environmental considerations are in place in case of construction of buildings with average (CC2) and significant (CC3) consequences, a building permit issued by the local department of the State Inspectorate for Architecture and Construction Monitoring is required to commence construction work. Buildings with average (CC2) and significant (CC3) consequences are commissioned after positive conclusion of the state commissioning committee issued in the form of certificate. Environmental considerations are also commonly required to be recorded and managed and will be monitored through the local municipality.

3.6.4 Healthcare

Managed by the Ministry of Health of Ukraine (MoZ), the government are attempting to modernise and reform a system inherited from the soviet times. [Healthcare Reform \(moz.gov.ua\)](#) focusing on patient needs. During the conflict, the healthcare sector and provision of medical aid and pharmaceuticals has relied heavily on international donors.

There are clear opportunities for UK business to assist in this modernisation and reform. We expect the healthcare sector to be one of the key industrial sectors where our expertise and support will be needed. Opportunities such as [The Ministry of Health of Ukraine and the World Bank Signed a Loan Agreement for 100 Million Euros \(moz.gov.ua\)](#) HEAL project, through World Bank should be investigated along with other opportunities through [Medical Procurement of Ukraine \(medzakupivli.com\)](#).

3.6.5 Agriculture

Headed up by the [Ministry of Agrarian Policy and Food of Ukraine \(minagro.gov.ua\)](#), agriculture is one of the country’s chief industries with pre-conflict grain exports of around \$68bn per annum. Prior to conflict UK agri-tech exports amounted to c£40m p.a.

The vast destruction of crops and infrastructure due to the war jeopardises global food security. Swathes of farmland have been affected by the conflict and there is a particular issue with clearing recaptured land from ERW. The ministry are looking for investors especially around agri-tech to drive innovations in water, energy and food systems.

3.6.6 Water supply and sanitation

The State Water Resources Agency were responsible for water supply and sanitation pre-conflict (rdo.in.ua/en/ministry-environmental-protection-and-natural-resources). As has been reported, water has been weaponised by the nations, where sabotage is common, either through targeting of airborne strikes or through dam and reservoir attack. [EES efficient energy solutions \(ees-group.eu\)](https://ees-group.eu) have been raising procurement requirements and awareness raising activities on [Communication and awareness-raising in the frame of the EU4Environment Water and Data programme \(Ukraine\) | EEAS Website \(europa.eu\)](#).

3.6.7 Telecommunications and digital

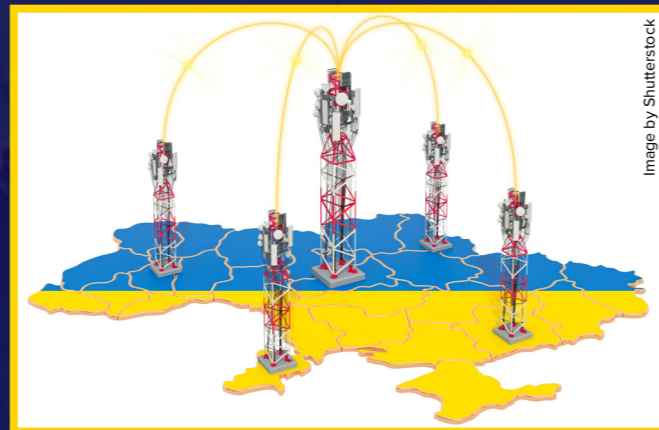
With the Ministry of Digital Transformation, (kmu.gov.ua) heading the effort, it is cooperating with other nations and tech organisations such as [Nokia](#) to help develop this digital capability and leverage the digital skills in the country.

As covered in July 2022⁹, Ukraine need digitalisation tools and expertise to support its recovery. [Digitalisation for recovery in Ukraine \(oecd.org\)](#). Plans have been formulated by the Ukrainian government (Rada) around three pillars, Digital Economy, Digital Infrastructure (internet recovery and development) and Public Service and Registers. As covered in Section 4.2 cyber security is a big concern and the conflict gives the country an opportunity to renew digital infrastructure alongside other recovery projects.

3.6.8 Financial services

The National Bank of Ukraine, provides the governmental oversight of all financial market infrastructure, and prevention of threats to the system (www.bank.gov.ua/en).

Recent [changes to the regulations](#) for procedures for oversight of the payment infrastructure in Ukraine was released in August 2022. The World Bank is sponsoring a project for capacity building in public finance Management support (projects.worldbank.org).



Section 4.

Appendix of security, training and logistics advice



4. Background

- 4.1 [Security considerations for project sites](#)
- 4.2 [Current ERW, mining and unexploded ordnance review](#)
- 4.3 [Travel security advisories including medical/evac](#)
- 4.4 [Key logistical and security advice](#)
- 4.5 [International Private Security Contractors \(PSC\)](#)
- 4.6 [Logistical considerations](#)
- 4.7 [Customs formalities](#)
- 4.8 [Security situation](#)

⁹ World Bank. Ukraine Rapid Damage and Needs Assessment (English). Washington, D.C.: World Bank Group. (worldbank.org)

4. Background

UK Ministry of Defence (MOD), Ukraine MOD, various UK and International Security Intelligence providers, media channels and Open-Source Intelligence (OSINT) outlets such as Institute for the Study of War (ISW) are utilised in providing the detail in this guidance.

The IA provides an advisory service only.

Entering a conflict or post-conflict environment holds many challenges for UK business. Often organisations who wish to help a country in its reconstruction and recovery efforts need to rely on multiple sources of information and advice before sending products and more so people into an area of such extreme risk.

This section covers some of the main areas UK business should assess as part of their management plans when entering the Ukraine market. www.gov.uk/foreign-travel-advice/ukraine. As seen, Ukraine continues to be targeted even in cities far from the main hub of fighting in the east of the country. All project sites, travel to and from these as well as other considerations make this a high to extreme risk activity.

4.1. Security considerations for project sites

Generally, access to locations within Ukraine is possible by road. Access requires coordination and clearances from the MTU, MOD and often, local military and civilian authorities.

- Check route with security provider before departure.
- Be prepared to look for hard cover in event of an air alert or similar.

4.1.1 Ongoing threat analysis (Air, RF spec ops, cyber, other)

Due to the ongoing conflict there will be a continuous threat of attack. Air raid sirens and time in shelters remain high as Russian forces (RF) continue to target Kyiv Oblast. To the North of Kyiv, the threat from Belarus remains as a possibility, maybe as a false flag event. The Ukrainian Armed Forces (UAF) continue to be dispersed in defensive positions to counter any event should it occur.

Cyber threat is one of the key threats to UK business. Robust information security systems and protocols are strongly recommended which includes the use of personal devices. Current intelligence continues to evidence a specific and growing threat against organisations supporting the Government of Ukraine especially in infrastructure reconstruction. National Cyber Security Centre - ncc.gov.uk gives very useful advice to protect business and personal data.

Advice to UK businesses:

Continued threats to operations require a robust and diligent approach to risk management and cyber security advice. Stringent implementation of security protocols is required.

4.2 Current ERW, mining and unexploded ordnance review

Specific requirements for clearance as known are covered here and updated. Kyiv project areas are considered HIGH to EXTREME risk due to reports from Ukraine Prime Minister Shymyhal of estimates for up to 40% of the total land area being heavily mined during the conflict. Some of the key project sites are in known conflict areas where mining is considered to have been prevalent, although mapping of mines in compliance with accepted international conventions for their use is thought unreliable. In August 2022, a mobile app 'Demining Ukraine' was launched to add potential and known locations of ERW and polluted landmine areas.

In addition to this, humanitarian demining has not yet been provided since the RF invasion (information correct as of end of February 2023). Formation of the National Mine Action Authority under the MoD is at initial stages.



Figure 7: Bomb disposal by the Ukrainian State Emergency Services Unit (SESU)

Advice to UK businesses:

Continue to follow advice and information regarding investigation for and disposal of explosive remnants of war (ERW) alongside other demining activities should be in place for all project sites. Assurance through clearance certification by a reputable body is strongly advised and likely to be required under license to operate stipulations. [Download Demining Ukraine mobile app.](#)

Risk
assessment

Operational
requirements

Protective
security
measures

Underpinned by governance

4.2.1 Current ERW clearance certificate process

A simple flow chart for Project Site demining/ ERW clearance and certification requirements.



4.2.2 Use of UK or International ERW/demining capability

We continue to engage with UK and international unexploded ordinance (UXO)/ demining specialist organisations either currently operating in Ukraine, or having in country contacts, enabling them to deploy swiftly. These organisations are considered to have the capability, experience and credibility to provide the required assurance to UK business and clearance certification once licensed to do so.

The recommendation is that, to ensure proper UK confidence on a construction site, clear of ERW and UXO, then a full secondary clearance process should be conducted by an organisation. The issue of insurance and liability remains which ever approach is taken. Indicative costs sit at approximately \$30,000 per month for a demining crew, with up-front costs for specialist equipment of approximately \$300,000. The timeline to enable quality assurance clearance is around 2-3 months at a minimum, dependent upon the site size and conditions.

To contract UK or International specialists for explosive remnants of war (ERW) and UXO clearance expertise, the following is expected to be required:

- GoU permission for the specialist company to be able to enter Ukraine with agreement of MOD and Ministry of Internal Affairs (MOIA).
- Planning and permissions to access the site for clearance.
- Access to the local authority’s military and civilian community.
- Availability of Ukraine nationals to help build local capability and capacity and support international experts.

Tetra Tech Inc., a US based organisation with a UK arm (ex-Coffey), were awarded \$47.6 million through the US Department of State in October 2022 to support Ukraine by providing urgent humanitarian demining assistance. This includes strengthening the country’s capacity through expertise, training and manpower. As of January 2023 demining is still concentrated on Military rather than reconstruction efforts.

From a UK perspective, Optima, HALO Trust and Mozart Group have been known as active in support of SESU and UAF MoD with training and ERW clearance. Developing SESU capability and capacity to lead the clearance of sites to meet their national and international treaty obligations for clearance of ERW remains the advice to UK business.

Currently the Government of Ukraine (GoU) MOD and SESU do not appear to have been given any international company clearance to provide this type of service outside of humanitarian requirements. This is likely to cause insurance and risk management issues for UK business.

Advice to UK businesses:
Remains as utilising a Prime Contractor inside of Ukraine to carry out construction activities, thereby assuming risk and cost for demining/ERW clearance.



4.3 Travel security advisories

Travel into an extreme risk country, which is still in conflict and under regular attack from an enemy with the capability of Russia should be avoided unless absolutely essential. Martial Law remains in place (recent extension until 20th May 2023). Should travel be seen as essential, awareness and training advice is covered in further detail within this guide. This will be updated as new requirements are known, or there is an increase/decrease in risk level.

Complaints about immigration issues should be raised with the State Border Guard Service of Ukraine at: dpsu.gov.ua/en/contacts; telephone: (+38 44 527 63 63; email: dovira@dpsu.gov.ua). You should report any incidents regarding crimes to the police by dialling 102. Support throughout your journey will be required, medical fitness to undertake your task and security and medical emergency cover. As per figure 7 before traveling into Ukraine, considerations of the awareness and training advised in this guidance should be undertaken to ensure you are prepared.



Figure 8: Hostile Environment Training <https://www.specialiststraining.g4s.com/risk-mitigation/case-studies/HEAT/>

Advice to UK businesses:
Continue to avoid travel unless business essential and follow advice and information in this guidance.

4.3.1 Health, safety and wellbeing advisories

Companies operating in Ukraine should be aware that normal European standards of HSW apply. Organisations should plan for and expect to be able to demonstrate on site health and safety standards to that expected in the UK. Work undertaken should have risk assessment, method statements and relevant mitigations for control, down to personal protection equipment (PPE) provided.

Current standards for equipment inspection or licensing and certification for operatives is unknown, but it is expected that previous qualifications should remain valid if expired, due to difficulty in accessing updates.

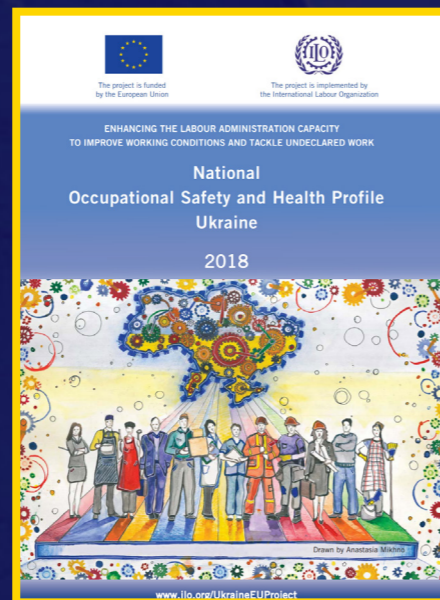


Figure 9: www.ilo.org/budapest/what-we-do/projects/enhancing-labadmin-ukraine/events/

Advice to UK businesses:
Ensure you gain further guidance on the specific HSW risks of your project and mitigate using available controls prior to commencing work. [Pravdop.com/publications/komentarii-zakonodatelstva/ohrana-truda-na-predpriyatii-glavnie-trebovaniya](https://pravdop.com/publications/komentarii-zakonodatelstva/ohrana-truda-na-predpriyatii-glavnie-trebovaniya) is a good source of information on all of the health and safety requirements in Ukraine.

4.4 Key logistical and security advice

4.4.1 Awareness and training

4.4.1.1 Advice

Awareness of the threat, preparation and access to local intelligence will enable safety and security when working in Ukraine. Key points for UK industry to consider when managing and help mitigate risk include:

-  Training
-  Medevac
-  Situational awareness
-  Driver awareness
-  Local insights and networks to mitigate risks
-  Local capability
-  Cyber risk

4.5 International Private Security Contractors (PSC)

The following organisations are reported as working in the country currently in security or medical currently and are therefore considered a good source of information and training to UK business looking to enter or supply to the Ukrainian market.

Local capability: Those international entities that do successfully operate in Ukraine during this time of war have very good local partners, use local Ukraine labour and expertise all of which mitigates risk by building local understanding and support. Developing local capability and capacity builds on the already high level of education and enables long term sustainable work for when the war ends, and travel and safety is easier.



Figure 10: Private military contractors in Ukraine (www.bbc.co.uk)

Allied Extract – Well versed in post conflict situations, offering community and humanitarian relief as well as life support, medical evacuations and training Allied Extract - 501(c)(3) - Ukraine. Afghanistan. We Find a Way.

Control Risk – UK, offers broad services on security issues (www.controlrisks.com/our-services/operational-and-protective-security/high-risk-managed-services/supporting-your-organisation-in-Ukraine).

Eagle Shark – Danish Security Services, intelligence provider and demining company (eagleshark.dk/home/uk).

G4S – UK, Operates in Ukraine. We are not sure if they are offering other than static site security, but the company have a strong reputation for supporting UK business in other countries in which they are present (www.g4s.com/en-ua).

Global Guardian – US based. Some open-source reporting of being active in Ukraine. Unsure of capability (www.globalguardian.com/supported-countries/ukraine).

Healix – UK based and understanding is they have passed due diligence checks and are a potential go to support for UK business in country. Unsure if they can offer CP/secure moves but appear to offer or enable medivac, risk assessments and security advice (healix.com/global-travel-risk-management).

Mosaic – US based, focus on cyber security but also other strands of PSC type work, supporting humanitarian efforts in country (www.mosaicsec.com).

Optima Defence & Security Ltd – Working generally in the humanitarian relief sector offering consultancy advice and training. Optima Defence & Security Group Limited | Devex

Sokol Security – Ukrainian company. We are not sure if they truly fit PSC definition or their capability/reputation. (sokolsecurity.com.ua/en).

Top Guard – Ukrainian company. IA are not sure if they truly fit PSC definition or their capability/reputation (topguard.ua/ua).

4.6 Logistics considerations

4.6.1 Permits to operate, government support advisories

Current specific guidance and detail on operating licences and permits is shown at Appendix 4.3 and will be updated and new detail emerges such as indicated in figure 8 above with UAE relaxing some rules on permits for international haulers.

Advice to UK businesses:

A clear understanding of the process is required when planning work to ensure it can be completed. Continue to follow advice and updates within this guide.



Photo by Shutterstock

Figure 11: Open4business.com.ua/en/ukraine-simplifies-the-rules-for-issuing-permits-for-international-road-transport/

4.6.2 Transportation availability and routes for supply

Logistics solutions on both sides of the Ukraine/EU border are shown in table format at Appendix 4.5 for ease.

Advice to UK businesses:

Planning and early engagement with suppliers is required when looking at haulage options.

4.6.3 Supply chain availability, plant and equipment, labour force

The availability of construction plant and equipment is subject to local military engagement. Many road construction companies still have a significant number of relevant excavators and other types of road construction machines; they are ready to be subcontracted. Labour force is also available but may be hard to get specific skills as the main effort is the war. Many local communities have large road and municipal machinery parks delivered as part of the humanitarian aid effort.



Photo by Shutterstock

Figure 12: www.wunc.org/2022-09-01/as-inspectors-leave-ukraines-nuclear-plant-the-mayor-of-a-nearby-town-has-high-hopes

Advice to UK businesses:

Planning and early engagement with suppliers is required when looking at plant and equipment hire. Further information on suppliers to support will be added as soon as it becomes available.

4.6.4 Road and rail travel

4.6.4.1 Travel in/out of Ukraine

Before any travel is made into country, Journey management plans (JMP) should be in place following advice from security management providers. Travel into and out of Ukraine is either by rail or road. Rail passenger routes run regularly from Poland, Bratislava, Czech Republic and Hungary now. For road, the main border crossings are in the west. Cars can be rented and there is fuel, gas and electric charging networks across the road system. Internationalsos.com are good sources of information on current routes and timings, general entry conditions and visa requirements.

Ukraine has a considerable border stretching across eight neighbouring countries, all of which may have differing regulations for crossing. However, rail travel remains the most viable route for traveling in or out of the country - www.visitukraine.today.



Travel by personal vehicle, although possible with the right support and permits, is not recommended. You must have a valid International Driving Permit to drive legally in Ukraine, as well as your UK driving licence (www.gov.uk/driving-abroad).

Make sure you have original vehicle-registration papers, ownership documents and insurance papers available at all times.

There is an electronic queue process at the Polish border that must be followed (visitukraine.today).



Figure 13: Road Travel – Ukrainian border requirements (www.visitukraine.today)

4.6.5 EU/Ukraine border situation

The conflict has resulted in the closure of all airports and seaports. Shipping lines have also suspended their services from the country and diverted their vessels to other Black Sea ports until further notice. Therefore, there is significant pressure on the land borders that remain open to facilitate the majority of the country's imports and exports, with long waiting times.

The situation at the EU border points is monitored based on information from open sources on the website of the State Border Guard service (dpsu.gov.ua/en/map).

If you need to complain about customs officials, it should be directed to the State Fiscal Service of Ukraine at: sfs.gov.ua/en/; telephone: (+38 044 284 00 07); or send your scanned signed enquiry to: zvernennya@sfs.gov.ua.

4.6.5.1 Border crossing rules for drivers

The State Border Guard Service of Ukraine has primacy on compliance with the general rules for crossing the state border. There are two options for drivers to cross the border:

Drivers transporting medical goods, humanitarian aid for needs of Armed Forces and civilians with permission issued by the MTU or regional military administration. Permission is issued after analysing of requests from military administrations; medical institutions; senders or recipients of humanitarian aid considering volume of cargo and the number of vehicles required for transportation.

Drivers can stay abroad no more than 30 days from the exit date.

Drivers who provide international carriage, border crossing is permitted if the legal entity, owner, of road vehicles, with weight above 3,500 kg, has obtained a licence for international carriage of goods and information with the driver's details is uploaded onto an electronic system, administrated by Ukrtransbezpeka (State Service of Ukraine for Transport Safety).

Only one driver per vehicle can cross a border and from then stay abroad no more than 45 days. Notwithstanding this, operations on cross-border transportation of cranes, fork-lifts etc. for the transshipment of over-gauge goods and drivers are not fixed legislatively.

Theoretically, applications for permission to cross the border can be submitted to the MTU, or military administration, but there is risk of rejection. An alternative solution is to arrange operations at the locations adjacent to the border points of entry.

4.7 Customs formalities

Import procedures are applied to goods brought into the customs territory of Ukraine. Goods are released for free circulation after the customs broker submits a customs declaration based on the documents related to the consignment and all duties and taxes (import duty, VAT). Currently duties are 0% for UK goods into Ukraine under the terms of the liberalised agreement until May (www.gov.uk/government/collections/uk-ukraine-political-free-trade-and-strategic-partnership-agreement).

Currently, the TIR procedure is applied to imported goods moving in Ukraine and accepted by Ukrainian customs as a financial customs guarantee. The use of TIR bonded units is dependent on the country of supply

and any transit countries together with the requirement for TIR compliant vehicles. Customs declarations are made electronically or by hard copy at the border point.

According to unofficial information a special law is being prepared by working group of Verhovna Rada that would grant relief from duties/taxes for goods imported for reconstruction purposes. If this is accurate some type of waiver procedure would be applied. If the goods have the status of "Humanitarian aid" no duties or taxes are applied. Official letters with the aid proposal from donors and confirmation of acceptance from recipient are required.

Advice to UK businesses:

The housing providers previously mentioned that they would be required to purchase supplies on an EXW basis (we advise them it needs to be FCA not EXW) so it seems there may be an option for Ukraine haulage to collect if there is sufficient capacity of the right type of haulage (could be up to 350 loads for the housing). TIR bonded vehicles would be the best option depending on the country of supply and if any transit is involved and/or if there is a duty waiver.

4.7.1 Border Crossing Infrastructure Points (BCP)

At present road, rail and sea options are available (however, seaports are limited to export of grain). All crossing points at the border of Russian Federation and Belarus are closed.

Road border-crossing points

Poland

Name of BCP	Weight limit (t)	Customs brokers/control state services	Transshipment facilities	Drivers facilities	Warehouse facilities	State of access roads (for out of gauge)
Yagodyn-Dorogusk	>7.5	Yes	n/a	Yes	n/a	Yes
Ustylug-Zosyn	<7.5	Yes	n/a	Yes	n/a	Yes
Ugryniv- Dolgobychuv	<7.5	Yes	n/a	Yes	n/a	Yes
Rava-Ruska- Hrebenne	No limitations	Yes	n/a	Yes	n/a	Yes
Grushiv- Budomezsh	<7.5	Yes	n/a	Yes	n/a	Yes
Krakovets- Korchova	No limitations	Yes	n/a	Yes	n/a	Yes
Sheguni-Medyka	No limitations	Yes	n/a	Yes	n/a	Yes
Smilnytsya- Krotsenko	<9.5	Yes	n/a	Yes	n/a	Yes

Romania

Name of BCP	Weight limit (t)	Customs brokers/control state services	Transshipment facilities	Drivers facilities	Warehouse facilities	State of access roads (for out of gauge)
Dyakove- Halmeu	No limitations	Yes	n/a	Yes	n/a	Yes
Porubne- Siret	No limitations	Yes	n/a	Yes	n/a	Yes

Hungary

Name of BCP	Weight limit (t)	Customs brokers/control state services	Transshipment facilities	Drivers facilities	Warehouse facilities	State of access roads (for out of gauge)
Chop (Tysa)- Zahon	No limitations	Yes	n/a	Yes	n/a	Yes
Luzhanka- Bereghshuran	<7.5	Yes	n/a	Yes	n/a	Yes

Slovakia

Name of BCP	Weight limit (t)	Customs brokers/control state services	Transshipment facilities	Drivers facilities	Warehouse facilities	State of access roads (for out of gauge)
Uzhgorod- Vyshne-Nemecke	No limitations	Yes	n/a	Yes	n/a	Yes

4.7.2 Transshipment of Cargo in Poland

Transshipment sites and warehouses in Poland can be advised after identification of cargo type/dimensions. IA are prioritising considerations on how transshipment of cargo might work in Poland. With a focus on dedicated transshipment sites and any concerns/challenges that we should be aware about the ability of UK suppliers delivering out of gauge cargo and handling it over to the prime contractor or Ukrainian subcontractor. We should be able to share more detailed information in the coming weeks.

- Analysing the information received from State services, and from open sources, in general there are currently limited special transshipment facilities or warehouses for processing out of gauge goods at the border points. However, it is possible to arrange transshipment/storage at the premises in areas adjacent to the border. All BCPs have road access suitable for out of gauge cargoes.
- The outward waiting time at border crossing points is increasing, and inward waiting time has stabilised. Border crossing between Poland and Ukraine is being re-organised. Starting 1 September and until further notice, cargo trucks up to 7.5 tonnes will not be allowed passage through the main crossing points (Korchova-Krakovietz, Dorohusk-Yahodin, Hrebenne-Rava Ruska, Meydka-Shehini). Should this measure prove to be successful to ease congestion, the Polish border guards will implement it on a permanent basis. Authorities have indicated that alternative crossing points for trucks up to 7.5 tonnes are Zosin, Dołhobyczów, Budomierz, and Krościenko.
- Prior to transportation, special permission must be granted by Ukavtodor (State Road Agency). In consideration of the

specifics of the loads, they allocate the route from the appointed border crossing-point and decide if escorts are required.

- To ease congestion at the Polish-Ukraine border crossing point of Dorohusk- Yahodin, the Polish authorities have opened the Zosin-Ustiluh border crossing point for all empty trucks leaving Ukraine regardless of their size as of 9 September 2022.

Advice to UK businesses:

Monitor border activity, congestion and queuing and undertake comprehensive route planning prior departure. The carriage of out-of-gauge cargoes should be pre-arranged with the relevant border guards service and State Border Guard Service of Ukraine.

4.7.3 Customs procedures - freight

From 1 October 2022, Ukraine adopted the international application of two new customs conventions to accelerate the customs clearance process, lower the costs related to the importation and exportation of goods and to minimise and standardise customs documentation:

- The Convention on Common Transit, introducing the Standard Transit Procedure NCTS (New Computerised Transit System).
- The Convention on Simplification of Formalities in Trade in Goods, introducing the SAD (Single Administrative Document)

Advice to UK businesses:

It's unknown at present how disruptive the application of the new customs regime may and its effect on already congested border points. Carriers are advised to monitor and access congestion at the border crossing points throughout the changeover period.

A tax and duty waiver is also in place for humanitarian cargoes. Once cargoes are known engagement should be undertaken with MTU to attempt to designate project cargoes as humanitarian

4.7.4 Handover of cargoes at the border to prime contractor to reduce risk

Ukrainian logistics companies are available to ensure all available options of transportation (road, railway). They also can provide direct collection from supplier’s premises on an FCA basis with full services (insurance, customs clearance, licences etc.), TIR procedure can be applied. To reduce logistical risk UK suppliers can consider delivery of goods to the Ukrainian border where ownership will pass to the prime contract holder or another sub-contractor on the project.

Fuel shortages are impacting the operational capacity of transport contractors. The ability to secure storage space in and around hard-to-reach areas has been constrained.

4.8 Security situation

4.8.1 UK government travel advice

UK government current advice is to avoid travel into Ukraine whilst the full-scale invasion is ongoing.

Please see www.gov.uk/foreign-travel-advice/ukraine for up to date advice.

Ukraine Conflict Updates | Institute for the Study of War (understandingwar.org) gives a comprehensive view and everchanging lines of conflict maps from the invasion until the present day, and is used by BBC, Sky and others to explain the ongoing Russia-Ukraine War.

This a reliable source of information for all UK business to access who have interests in Ukraine.

4.8.2 Ukraine theatre of war, current overview – March 2023 - Extreme Risk



Figure 14: 2014 annexation of Crimea and areas of conflict in Donbas region by Russia backed separatists

The full-scale invasion entered its second year on 24 February 2023, as winter deepened, making manoeuvring more difficult. The RF have recently been sending large scale air attacks into Ukraine, and especially Kyiv Oblast, to target critical infrastructure, mainly energy sites using cruise missiles and drones in increasing numbers.

RF offensive operations in Donetsk Oblast continue to intensify, as the area around Bakhmut and Soledar remains the focus of RF efforts having mobilised additional servicemen, along with Wagner Group, Russia’s private military contractor. UAF forces are having to divert troops to defend against these renewed offensives where they are currently ceding territory, albeit slowly.

Belarus and routes into Ukraine and especially Kyiv and Kharkiv from the north presents a risk. Belarus President Lukashenko recently received a visit from Russian President Putin, who has sent assets into the country to strengthen possible support for a Spring 2023 offensive. All current indications support a move by Putin to carry out a major offensive in early March, capitalising on the waiting times for western provided tanks due to arrive in Ukraine, following training of the operators in their use.

Elsewhere UAF are still making slow but steady progress in the Eastern contact zone around near Svatove-Kreminna where they continue to look to disrupt RF supply routes and capability.



Figure 15: Ukraine Conflict Map - 1 February 2023 www.understandingwar.org/background/russian-offensive-campaign-assessment-march-6-2023



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Disclaimer:

The information provided in the guide is considered correct as of 1 March 2023, the information is intended to be updated on a quarterly basis. Users of the guide are also advised to use links provided such as www.great.gov.uk/markets/ukraine/ to access current information between edits.