



MINISTRY OF  
FINANCE OF  
UKRAINE

# Ukraine: Investor Presentation

February 2022



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# Ukraine's economy: dynamics of selected indicators

	2015	2019	Today
 Real GDP growth	(9.8)%	3.2%	2.7% (Q3 2021)
 Consumer inflation (eop)	43.3%	4.1%	10.0% (Dec 2021)
 Reserves (eop)	US\$ 13.3bn (eop)	US\$ 25.3bn (eop)	US\$ 30.9bn (Jan 1, 2022)
 Primary state budget balance <sup>1</sup>	2.0% of GDP	1.0% of GDP	(0.9)% of GDP <sup>2</sup> (Q3 2021)
 State debt to GDP	67.1%	44.3%	43.6% <sup>3</sup> (Q3 2021)

**Note 1** Primary state budget balance defined as state budget revenues minus expenditures excl. debt service and minus net lending

**Note 2** Estimated based on primary state budget deficit of UAH 43.1bn during Q4 2020 – Q3 2021 and actual nominal GDP of UAH 4,978bn during Q4 2020 – Q3 2021

**Note 3** Estimated based on actual state debt of UAH 2,169bn as of Sep 30, 2021 and actual nominal GDP of UAH 4,978bn during Q4 2020 – Q3 2021

**Sources** State Statistics Service of Ukraine, NBU, State Treasury



# Extensive governmental response to tackle Covid-19 impact

## Economy Stimulus Program



### SMEs support:

- ▶ Expansion of Affordable Loans **“5-7-9%” program** to help SMEs affected by the lockdown (**UAH 83.5bn** were issued since the start in February 2020)
- ▶ Provision of **portfolio state guarantees** for loans and partial **compensation of loan principal**. As of January 1, 2022, banks issued **UAH 8.2bn** of loans under portfolio state guarantees
- ▶ **Moratorium on tax penalties, tax exemption and relief from tax debt** during lockdown<sup>1</sup>
- ▶ **One-off stimulating payments** of c. **US\$ 300** per private entrepreneur in December 2020 and during 1H 2021



### Population support:

- ▶ Expansion of **“Affordable Mortgage at 7%”** program to help low-income families (**UAH 1.3bn** of mortgages were issued in total as of January 2022)
- ▶ **Unemployment and partial unemployment benefits**, which includes raising the minimum support payment and providing immediate support to persons, who had just registered as unemployed
- ▶ **One-off pension increase** to low-income pensioners and monthly pension top-up for retirees aged 80+ years



### Transformation of the economy:

- ▶ **Investments attraction:** involvement of IFIs for the implementation of investment projects
- ▶ **Innovation enhancement:** digital transformation strategy, R&D stimulation, reform of scientific setup
- ▶ **Infrastructure investments:** reconstruction of roads, modernization of educational and medical institutions, reconstruction of cultural heritage sites
- ▶ **Transportation sector reform:** spin-off of Ukrzaliznytsia, reorganization of Seaport Authority, heavy investments into transportation infrastructure

Sources CMU, Ministry of Finance, Parliament of Ukraine

## Covid-19 funds use in 2021

	UAHbn	% of total
Healthcare services procurement	25.0	56%
Vaccines procurement	11.4	26%
Social support of population	3.5	8%
Unemployment-related payments	4.7	11%
<b>Total funds</b>	<b>44.7</b>	<b>100%</b>

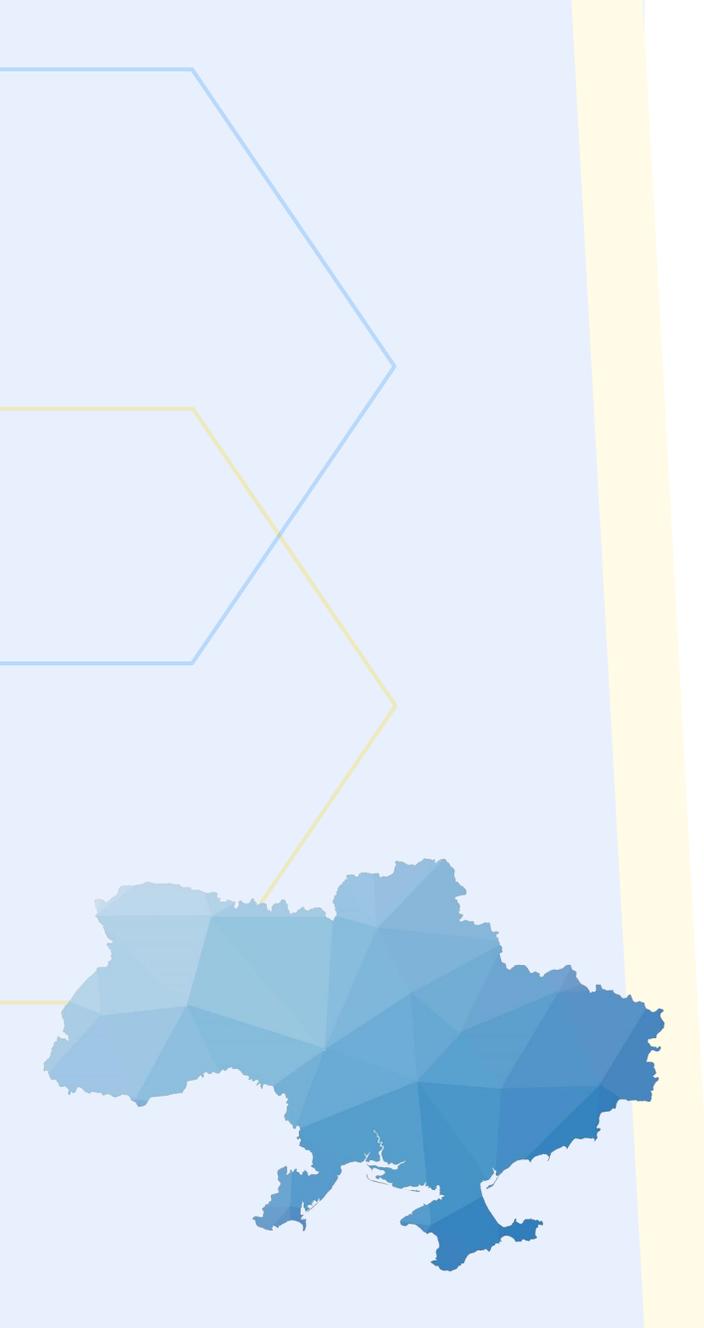
## Vaccines procurement and rollout

Vaccine	Available 2022-23	Received (30.01.2022)	Administered (30.01.2022)	
			1st dose	2nd dose
Pfizer	50.0m	23.2m	6.7m	6.7m
Sinovac	6.5m	10.4m	4.9m	4.7m
Moderna	0.0m	5.1m	1.5m	1.4m
AstraZeneca	0.0m	5.3m	2.1m	1.9m
Covax <sup>3</sup>	10.0m	n/a	n/a	n/a
<b>Total</b>	<b>66.5m</b>	<b>44.0m</b>	<b>15.3m</b>	<b>14.6m</b>

**Note 1** Effective during April-May 2020, January 2021 and April 2021

**Note 2** Disbursement of funds compared to budget plan

**Note 3** 10m vaccines under Covax program, while specific vaccines are not identified



**1 Solid foundation for long-term economic growth**

2 Return to gradual fiscal consolidation

3 Prudent debt management strategy

4 Reviving business climate and development prospects

5 Strong focus on ESG considerations

# Accumulated economic buffer to curb Covid-19 crisis (1/2)

## 2020 GDP in current prices

US\$ 156bn

## GDP per capita dynamics, US\$

2017 US\$ 2,640

+17%

2018 US\$ 3,097

+18%

2019 US\$ 3,663

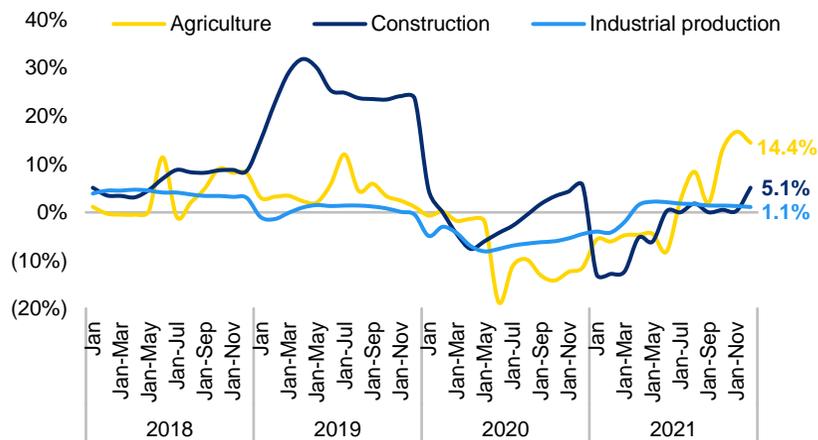
+2%

2020 US\$ 3,727

## Comments

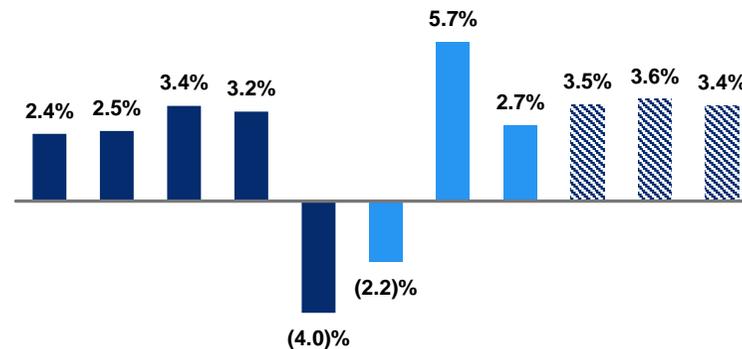
- ▶ In 2020, Ukraine's **real GDP has declined by 4.0%** which is **significantly lower than projected** by the government (-4.8%) and the IMF (-7.2%). In Q3 2021, the real GDP increased by 2.7% which is slightly lower than in Q2 (5.7%)
- ▶ In 2021, the **key economic sector outputs fully returned to upward trend**. Agriculture demonstrates the best performance (14.4% y-o-y in 2021) due to the record harvest of crops, while construction (5.1% y-o-y in 2021) and industrial production (1.1% y-o-y in 2021) grew at a lower pace
- ▶ Despite Covid-19, the **private consumption remained strong in Q3 2021**, while the **fixed capital accumulation is lagging behind** (after a longer contraction during Q1 2020 – Q1 2021)

## Key economic sectors output growth (y-o-y)<sup>1</sup>, %



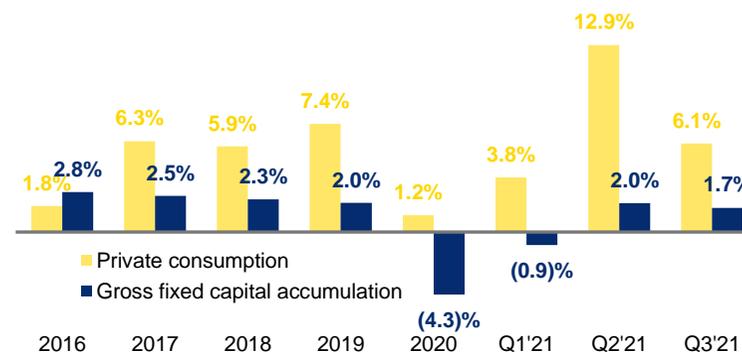
Source State Statistics Service of Ukraine

## Real GDP growth (y-o-y), %



Sources State Statistics Service of Ukraine, IMF WEO Oct 2021 (forecast)

## Component contribution into real GDP growth, p.p.



Source State Statistics Service of Ukraine

## Notes

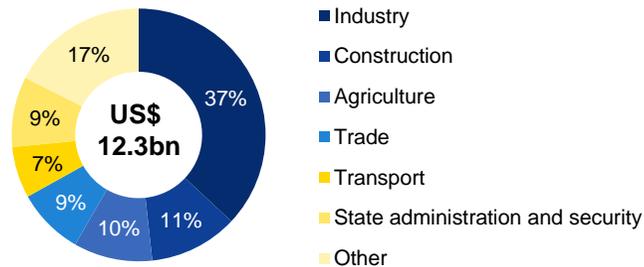
<sup>1</sup> To the corresponding period of the previous year on a cumulative basis

# Accumulated economic buffer to curb Covid-19 crisis (2/2)

## Comments

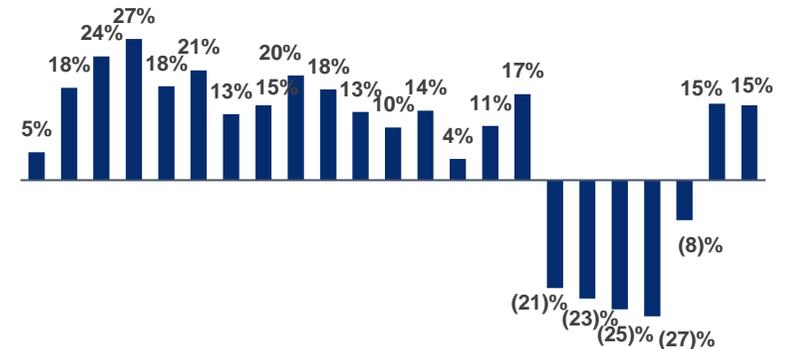
- ▶ **The most fast growing components of industrial output** in 2021 were **furniture and other manufacturing** (8.8% growth), **engineering** (8.0%), and **rubber and plastic products manufacturing** (7.5%)
- ▶ **Gross fixed capital accumulation added 15% y-o-y in Q3 2021, returning on a positive track** after 5 quarters of contraction
- ▶ In 9m 2021, the capital investments increased by 9.7% y-o-y which is expected to solidify Ukraine's prospects for economic recovery post Covid-19 outbreak
  - **Industry has been the major contributor to capital investments in 9m 2021 accounting for c.37%** followed by construction and agriculture with 11% and 10% shares, respectively

## Capital investments split by sector in 9m 2021, %



Source State Statistics Service of Ukraine

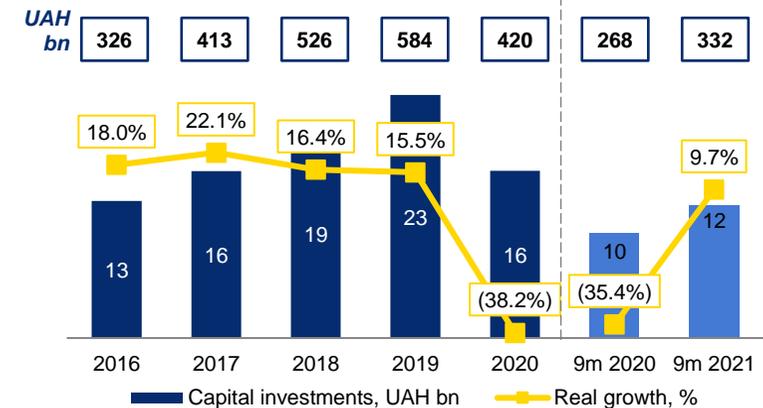
## Gross fixed capital accumulation, % (y-o-y)



Q1'16 Q3'16 Q1'17 Q3'17 Q1'18 Q3'18 Q1'19 Q3'19 Q1'20 Q3'20 Q1'21 Q3'21

Source State Statistics Service of Ukraine

## Capital investments dynamics



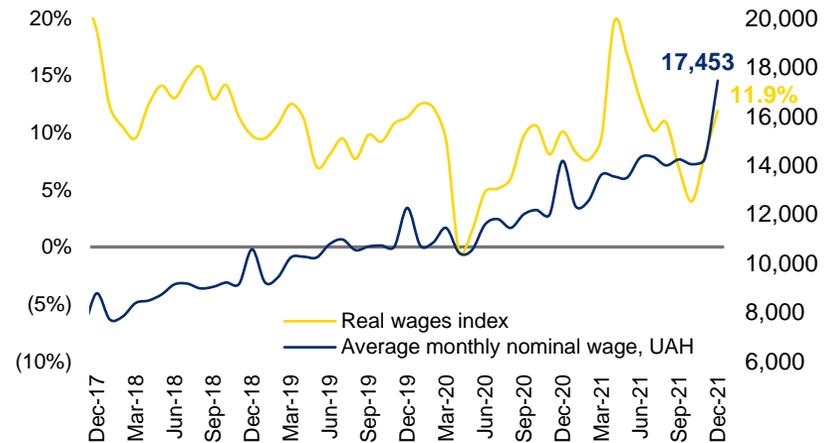
Source State Statistics Service of Ukraine

# Despite economic downturn, consumer demand remains firm

## Comments

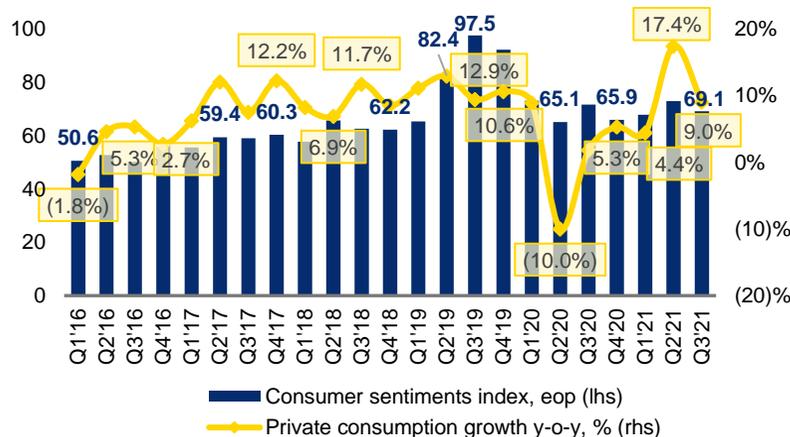
- ▶ Over recent years, consumer demand was consistently driven by a number of factors, including **steady rise in real wages, improving consumer sentiments** (before Q1 2020), **growing personal money remittances**
- ▶ Real wages growth was mainly resilient reflecting post-pandemic recovery and reached 11.9% y-o-y in December 2021, even though the growth pace has slowed (e.g. 19.7% in April 2021) due to rising inflation
- ▶ **Strong real and nominal wages growth had a positive impact on the retail trade as well:** the turnover increased by 10.7% in 2021
- ▶ **Final private consumption grew by 9.0%** and 17.4% y-o-y in **Q3 2021** and Q2 2021, respectively, following a 10.0% y-o-y decline in Q2 2020

## Real wages growth (%) and avg monthly nominal wages (UAH)



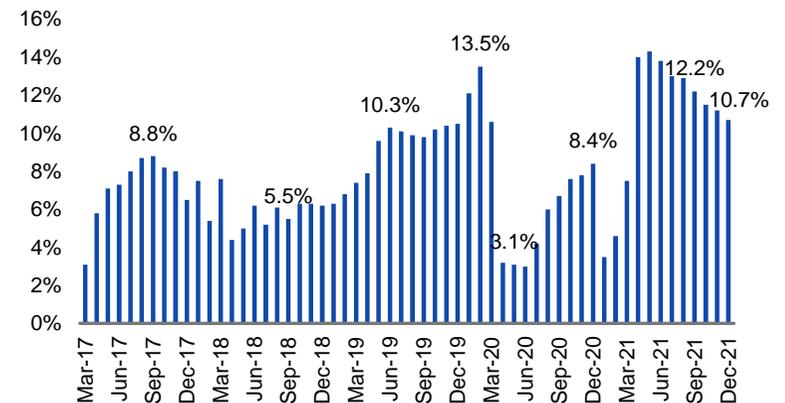
Source State Statistics Service of Ukraine

## Private consumption and consumer sentiments evolution



Source GFK, State Statistics Service of Ukraine

## Retail trade growth (y-o-y)<sup>1</sup>, %



Source State Statistics Service of Ukraine

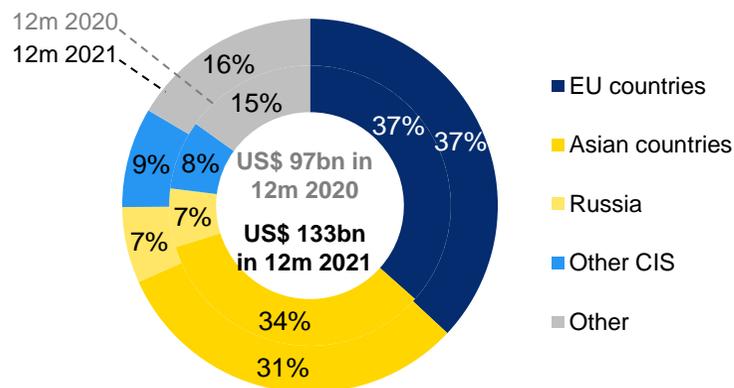
Note 1 To the corresponding period of the previous year on a cumulative basis

# Revival of external trade (1/2)

## Comments

- ▶ **The international trade continued to recover after disruptions caused by global Covid-19 pandemic:** Ukraine's goods trade turnover has increased by 37% y-o-y in 12m 2021 (to US\$ 133bn)
- ▶ The total export and import of goods and services have reached US\$ 81.5bn and US\$ 84.5bn in 12m 2021, respectively
- ▶ **Exports of goods and services have risen by 34.2% y-o-y in 12m 2021** with ferrous and non-ferrous metals as well as agricultural products being the key drivers of such development
- ▶ **Imports of goods and services have increased by 33.9% y-o-y in 12m 2021** driven by the mineral products (on the back of rising energy prices) as well as by machinery

## Geographic structure of goods trade in 2020 & 2021<sup>1</sup>



Source NBU  
Notes

<sup>1</sup> Sum of export and import of goods

## Export and import of goods and services dynamics, US\$ bn

### Export



### Import

Source NBU

Y-o-y change in import, %



# Revival of external trade (2/2)

Overall Ukraine concluded 19 FTAs with 46 countries

- 2001 FTA with Macedonia
- 2008 Ukraine entered WTO
- 2012 FTA with EFTA countries  
FTA with Montenegro
- 2013 FTA with CIS countries
- 2017 DCFTA with the EU  
FTA with Canada
- 2020 FTA with Israel, United Kingdom

## Comments

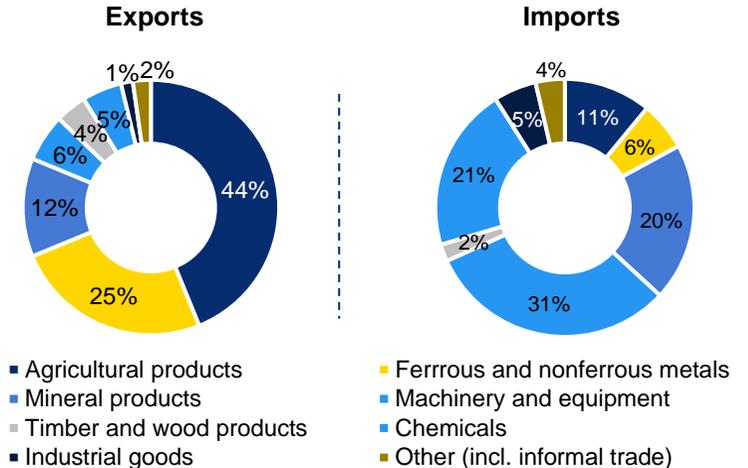
- ▶ Most of Ukraine's **export** is attributable to **agricultural products** (c.44%), **ferrous and non-ferrous metals** (c.25%) as well as **mineral products** (c.12%), while **machinery and equipment** (c.31%), **chemicals** (c.21%) and **mineral products** (c.20%) are the main **import** goods
- ▶ Previously **established trade connections** and **free-trade agreements** are **supporting double-digit growth of export**, even though the export prices deteriorated recently (terms of trade index reached c.99 points in November 2021)
- ▶ As of Jan-Nov 2021, the **share of EU** in the Ukrainian export structure reached **36.7%**, with **Poland** (USD 4.9bn), **Italy** (USD 3.1bn), and **Germany** (USD 2.7bn) being the **main trading destinations**

## 11m 2021 y-o-y increase in export of goods by countries<sup>2</sup>

 <b>Italy / +181.8%</b> USD 3.1bn	 <b>Czech Rep. / +180.5%</b> USD 1.3bn
 <b>Turkey / +170.5%</b> USD 3.6bn	 <b>Poland / +164.5%</b> USD 4.9bn
 <b>USA / +163.5%</b> USD 1.4bn	 <b>Germany / +142.4%</b> USD 2.7bn
 <b>India / +118.6%</b> USD 2.0bn	 <b>Romania / +146.3%</b> USD 1.4bn

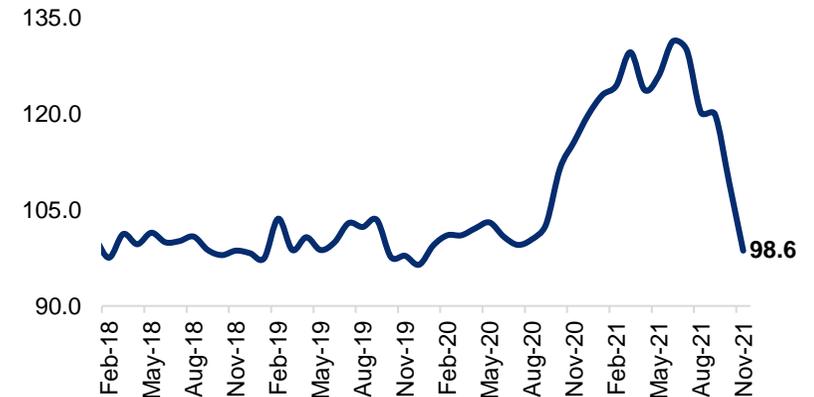
Source State Statistics Service of Ukraine

## Ukraine's exports and imports breakdown<sup>1</sup> in 12m 2021



Source National Bank of Ukraine

## Ukraine's Terms of trade index



Source State Statistics Service of Ukraine

### Notes

- 1 Export and import of goods breakdown
- 2 Only countries, exports of goods to which in 11m 2021 surpassed 2.0% of total Ukraine's export of goods were included

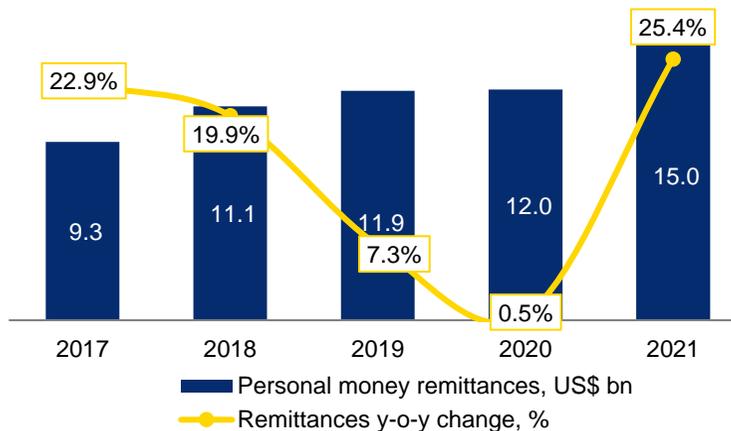
# Firm external position leading to less vulnerability to external shocks

## Comments

- In 12m 2021, **export to EU and Asia increased** by US\$ 8.3bn (1.6x y-o-y) and US\$ 4.7bn (1.3x y-o-y), respectively
- Net inflow** of direct investments in 12m 2021 was US\$ 6.0bn versus **outflow** of US\$ 58m in 12m 2020. It is mainly due to US\$ 4.2bn of reinvested earnings in 12m 2021 (US\$ 488m of earnings withdrawal in 12m 2020)

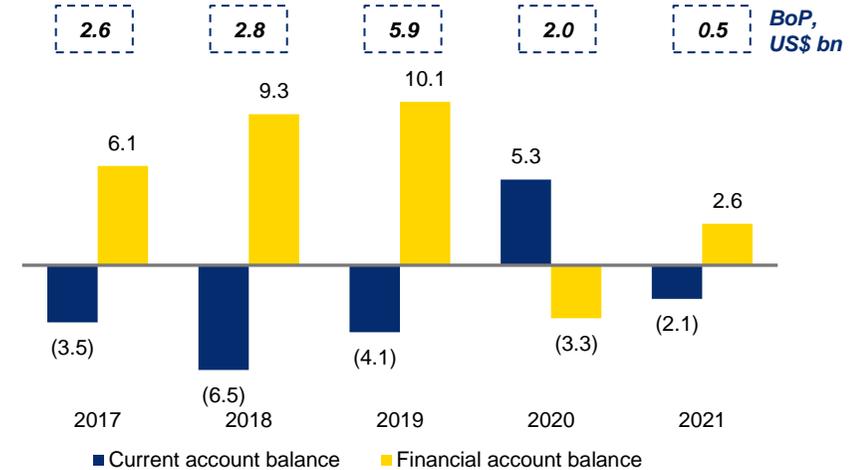
- The trade balance deficit amounted to US\$ 3.0bn** in 2021 (vs US\$ 2.4bn in 2020), despite the higher growth in exports (by 34.2% y-o-y) vs imports (by 33.9% y-o-y)
- The current account (CA) balance demonstrated deficit of US\$ 2.1bn** in 2021 comparing to US\$ 5.3bn surplus a year ago mainly driven by outflows related to investment income (US\$ 18.7bn in 2021 vs US\$ 8.2bn in 2020)
- The inflow of capital through financial account increased by US\$ 5.8bn** and amounted to US\$ 2.6bn inflow in 2021 (vs US\$ 3.3bn outflow in 2020)
- Personal money remittances** grew at a solid pace (25.4% y-o-y) and amounted to US\$ 15.0bn in 2021

## Private money remittances, US\$ bn

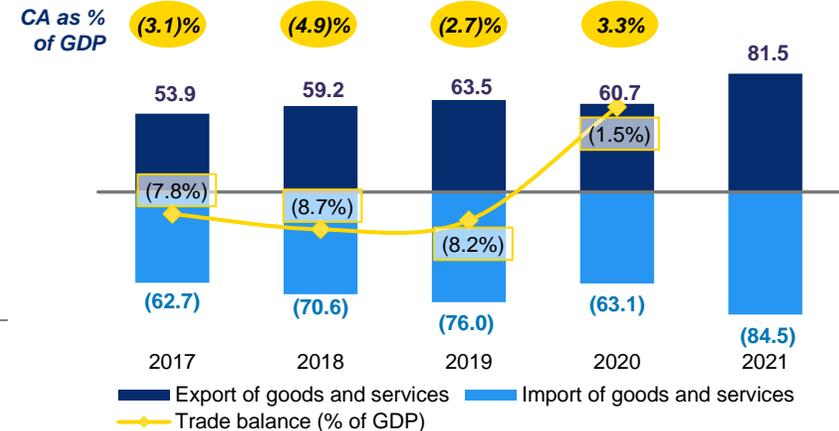


Source NBU

## Balance of payments components, US\$ bn



## Ukraine's current and trade balance dynamics, US\$ bn



# Prudent monetary policy implemented by independent regulator

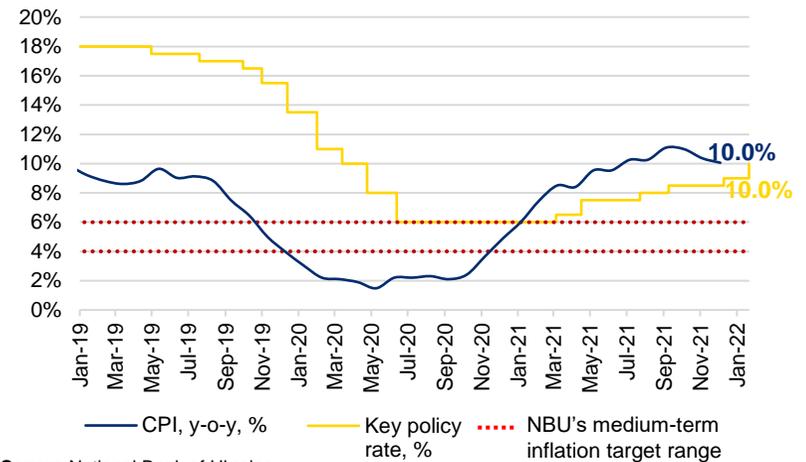
## Comments

**Medium-term consumer inflation target range: 5%+/-1%**

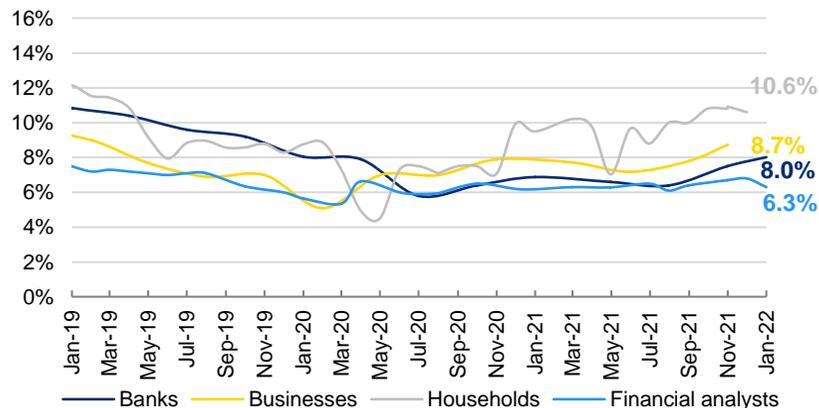
**Y-o-y inflation as of December 2021: 10.0%**

- ▶ **In March 2021, the NBU started the cycle of rate hikes to curb inflation**, raising the key policy rates 6 times during Mar 2021 - Jan 2022 by 4.0 p.p. The CB also rolled back its emergency measures to support banking liquidity in Oct 2021
- ▶ **At the latest MPC meeting, the NBU increased the interest rate by 1.0 p.p. to 10.0%**. The CB assesses that the inflation peak was realized in September with inflation at 11.0%
- ▶ **In December, inflation decelerated to 10.0%**. The increase in prices was mainly driven by processed food, non-food products and services due to rising energy prices
- ▶ **The NBU has worsened its 2022 inflation forecast**, from 5.0% to 7.7%, due to high global energy prices, robust consumer demand, price pressures from trading partners

## Consumer price index (CPI) change and key policy rate



## CPI expectations for the following 12 months



## UAH/US\$ and UAH/EUR exchange rates dynamics

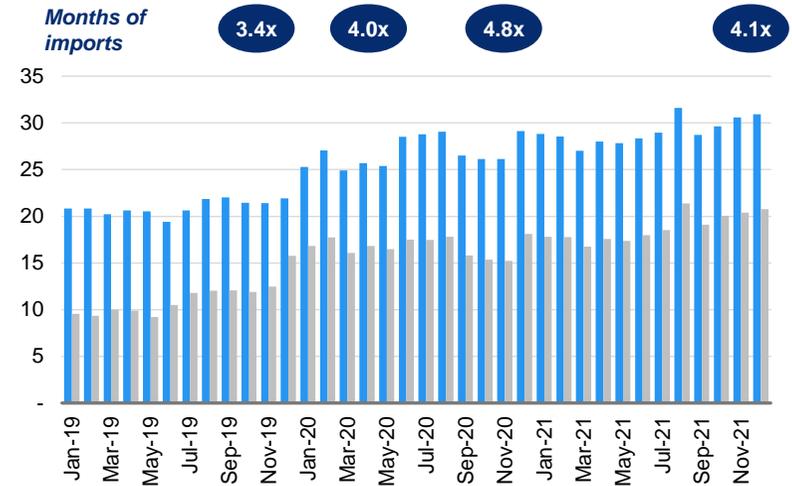


# Accumulated international reserves

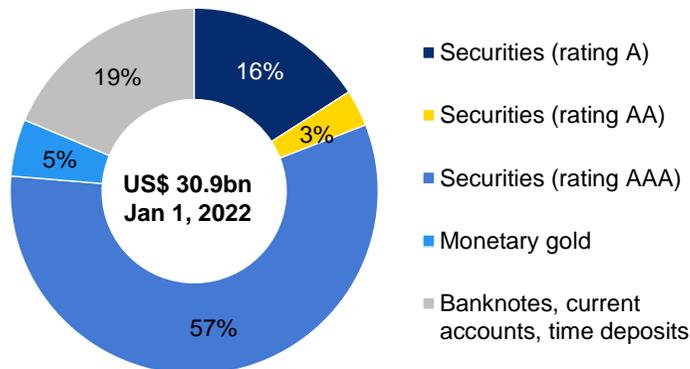
## Comments

- ▶ **Gross international reserves increased by 1.1% (m-o-m) and reached US\$ 30.9bn as of Jan 1, 2022** (covering 4.1 months of future imports)
- ▶ Maintained **high levels of FX reserves** and **floating FX rate policy** are the most influential factors providing strong buffer for Ukraine on the back of the current downturn
- ▶ **FX interventions of the NBU and MoF's debt operations were the main drivers** of the change in FX reserves: FX domestic placement and World Bank tranche brought US\$ 858m and US\$ 105m, respectively, while US\$ 848m were used for repayment and service of FX public debt
- ▶ Also, the NBU sold a net of US\$ 153m in the interbank FX market and the revaluation of financial instruments resulted in US\$ 23m decline in their value

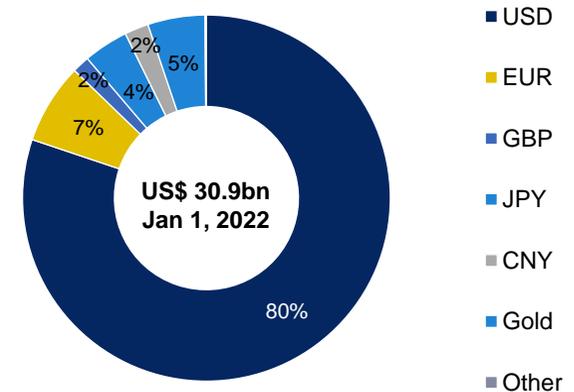
## Gross and net international reserves (eop), US\$ bn



## Gross international reserves by instrument (Jan 1, 2022)

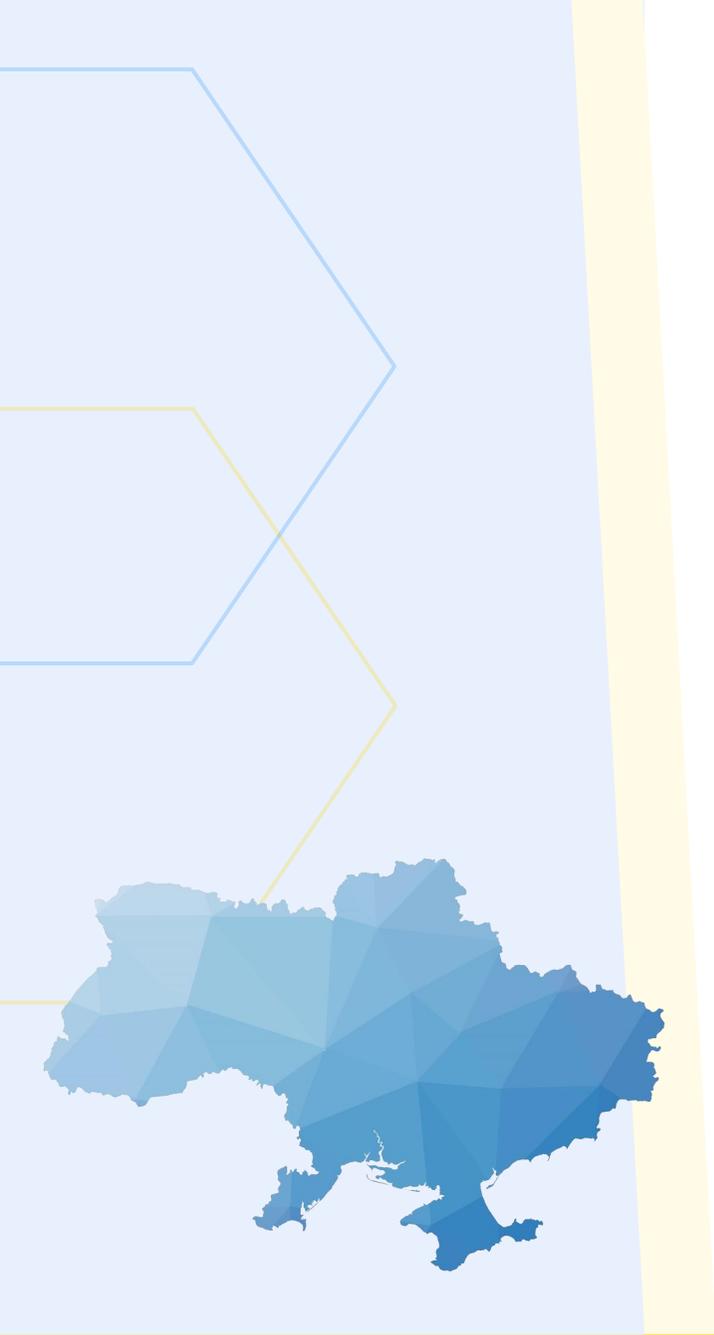


## Gross international reserves by currency (Jan 1, 2022)



Source NBU





- 1 Solid foundation for long-term economic growth
- 2 Return to gradual fiscal consolidation**
- 3 Prudent debt management strategy
- 4 Reviving business climate and development prospects
- 5 Strong focus on ESG considerations

# 2022-2024 Budget Declaration

Key indicators of 2022 Budget Law and 2022-2024 Budget Declaration					
	2020A	2021E/A	2022F	2023F	2024F
<b>Key macroeconomic assumptions</b>					
Nominal GDP, UAHbn	4,192	5,226 <sup>1</sup>	5,369	5,994	6,651
Real GDP growth, %	(4.0%)	4.1%	3.8%	4.7%	5.0%
CPI (eop), %	5.0%	10.0% <sup>2</sup>	6.2%	5.3%	5.0%
PPI (eop), %	14.5%	62.2% <sup>2</sup>	7.8%	6.2%	5.7%
Unemployment rate, %	9.5%	9.2%	8.5%	8.0%	7.8%
Trade deficit, USDbn	(1.8)	(6.2)	(8.6)	(10.6)	(12.1)
<b>Key state budget indicators, UAHbn</b>					
	<i>Actual</i>	<i>Actual</i>	<i>Law</i> <sup>3</sup>	<i>3Y Budget Declaration</i>	<i>3Y Budget Declaration</i>
<b>(i) Revenues</b>	<b>1,076.0</b>	<b>1,296.9</b>	<b>1,323.9</b>	<b>1,333.2</b>	<b>1,451.6</b>
<i>as % of GDP</i>	<i>25.7%</i>	<i>24.8%</i>	<i>24.7%</i>	<i>22.2%</i>	<i>21.8%</i>
<b>(ii) Expenditures</b>	<b>1,288.1</b>	<b>1,490.3</b>	<b>1,499.5</b>	<b>1,497.0</b>	<b>1,614.1</b>
<i>as % of GDP</i>	<i>30.7%</i>	<i>28.5%</i>	<i>27.9%</i>	<i>25.0%</i>	<i>24.3%</i>
<b>(iii) Net lending</b>	<b>5.5</b>	<b>4.5</b>	<b>13.3</b>	<b>16.0</b>	<b>17.1</b>
<i>as % of GDP</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.3%</i>	<i>0.3%</i>
<b>Overall state budget deficit</b>	<b>217.6</b>	<b>197.9</b>	<b>188.8</b>	<b>179.8</b>	<b>179.6</b>
<i>as % of GDP</i>	<i>5.2%</i>	<i>3.8%</i>	<i>3.5%</i>	<i>3.0%</i>	<i>2.7%</i>
State debt, as % of GDP <sup>4</sup>	53.9%	45.2%	50.8%	48.0%	46.4%
State-guaranteed debt, as % of GDP <sup>4</sup>	7.0%	5.9%	6.8%	6.6%	6.0%
State and state-guaranteed debt, as % of GDP	60.9%	51.1%	57.6%	54.6%	52.4%

Source Ministry of Finance of Ukraine, State Treasury Service of Ukraine, National Bank of Ukraine

Note 1 Forecast of the Ministry of Economy as of 15.11.2021

Note 2 According to the actual data from the NBU

Note 3 Approved by the Parliament in the second reading on December 2, 2021

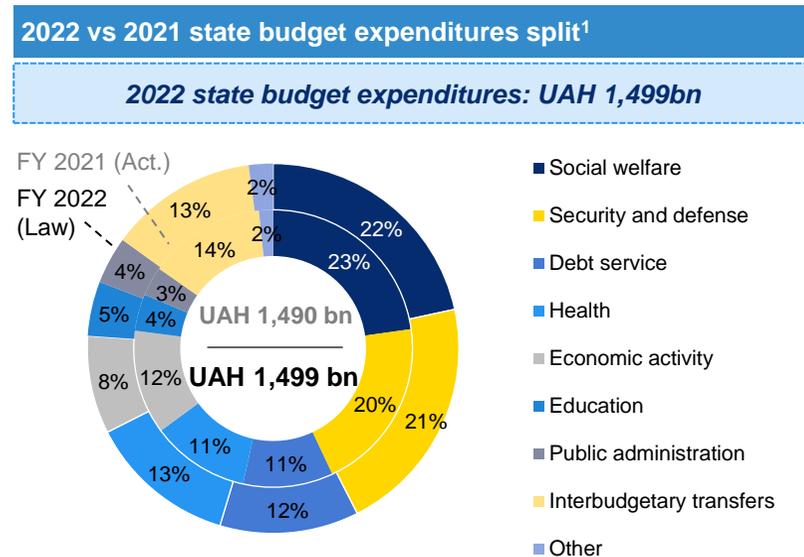
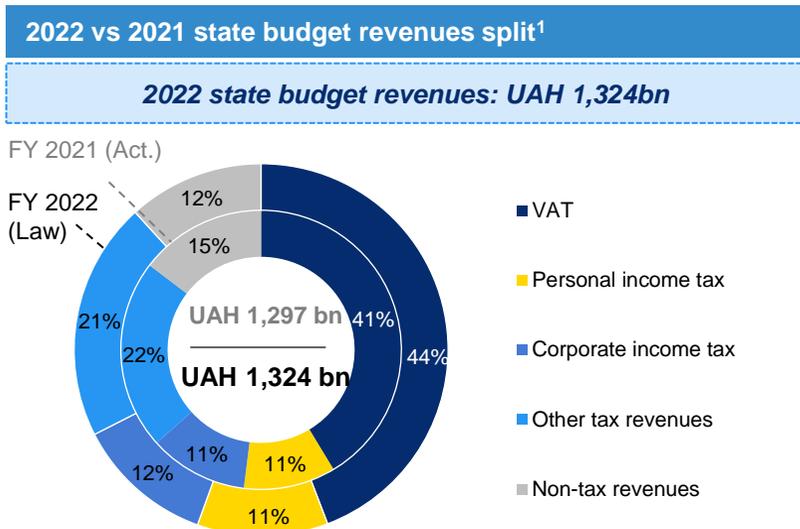
Note 4 Actuals for 2020, based on actual debt and forecasted GDP (by the Ministry of Economy as of 15.11.2021) for 2021, forecasts for 2022-2024 from the presentation of the Budget Law 2022



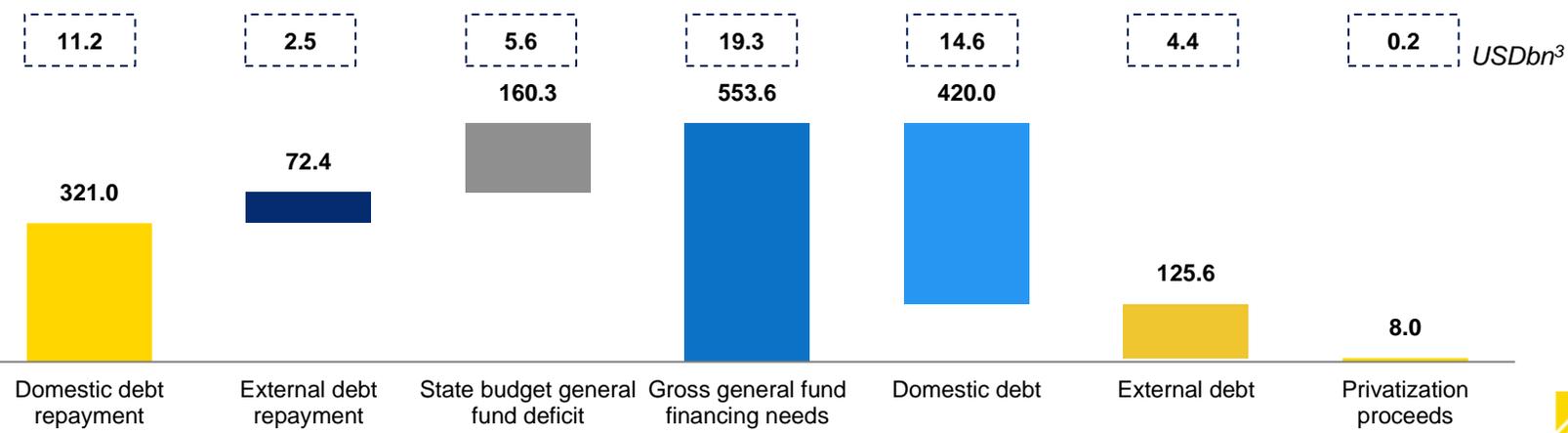
# 2022 state budget to resume gradual fiscal consolidation

## Key indicators of 2022 State budget:

- Total revenues: **UAH 1,324bn** (+2%)
- Total expenditures: **UAH 1,499bn** (+1%)
- Budget deficit<sup>2</sup>: **UAH 188.8bn** / **3.5% of GDP in 2022** (per government's forecast of UAH 5,369bn GDP in 2022)



## 2022 State Budget Law: general fund financing, UAHbn



**Notes**

1 According to State Budget Law 2022 (as of December 2021) and Actual Annual State Budget Execution 2021

2 Budget deficit defined as revenues minus expenditures and minus net lending

3 Translated at the 2022 budgeted avg 28.6 UAH per 1 USD



# 2021 state budget execution

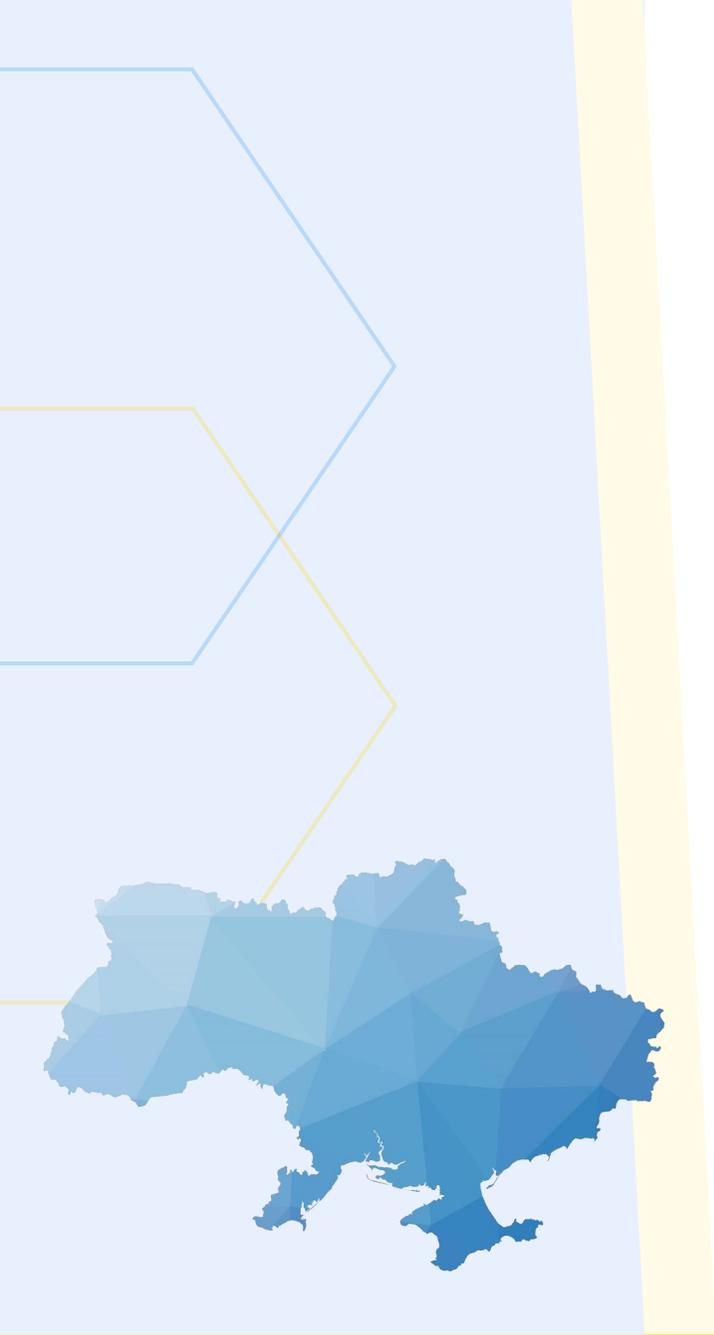
UAH m	Jan-Dec 2020	Jan-Dec 2021	% diff.	FY 2021 (Plan as of Dec 2021)	% execution
<b>Revenues</b>	<b>1,076,017</b>	<b>1,296,853</b>	<b>+21%</b>	<b>1,281,143</b>	<b>101%</b>
<b>Tax revenues, incl.</b>	<b>851,116</b>	<b>1,107,091</b>	<b>+30%</b>	<b>1,069,790</b>	<b>103%</b>
Personal income tax and income charge	117,281	137,555	+17%	137,580	100%
Corporate profit tax	108,695	147,752	+36%	145,976	101%
Fee for the use of mineral resources	52,476	80,749	+54%	73,237	110%
Excises	138,296	162,451	+17%	149,646	109%
VAT (net of VAT reimbursement)	400,600	536,489	+34%	524,860	102%
Export and Import duties	30,461	38,177	+25%	34,793	110%
Other taxes and duties	3,307	3,917	+18%	3,697	106%
<b>Non-tax revenues</b>	<b>224,901</b>	<b>189,762</b>	<b>(16%)</b>	<b>211,353</b>	<b>90%</b>
<b>Expenditures</b>	<b>(1,288,017)</b>	<b>(1,490,259)</b>	<b>+16%</b>	<b>(1,544,156)</b>	<b>97%</b>
General public functions, incl.:	(163,849)	(206,643)	+26%	(216,150)	96%
Debt service	(119,719)	(155,652)	+30%	(158,836)	98%
Security and Defense	(278,047)	(301,937)	+9%	(308,263)	98%
Economic activity	(168,889)	(180,990)	+7%	(191,485)	95%
Protection of environment	(6,637)	(8,200)	+24%	(9,372)	87%
Municipal utilities and services	(89)	(164)	+85%	(365)	45%
Healthcare	(124,925)	(170,505)	+36%	(175,948)	97%
Intellectual and physical development	(9,826)	(15,970)	+63%	(17,897)	89%
Education	(52,857)	(63,837)	+21%	(70,428)	91%
Social welfare	(322,720)	(339,279)	+5%	(341,038)	99%
Interbudgetary transfers	(160,177)	(202,733)	+27%	(213,210)	95%
<b>Net lending</b>	<b>(5,096)</b>	<b>(4,531)</b>	<b>(11%)</b>	<b>(10,118)</b>	<b>45%</b>
<b>Primary state budget balance</b>	<b>(97,377)</b>	<b>(42,286)</b>	<b>(57%)</b>	<b>(114,295)</b>	<b>+37%</b>
<b>Overall state budget balance</b>	<b>(217,096)</b>	<b>(197,937)</b>	<b>(9%)</b>	<b>(273,131)</b>	<b>72%</b>



# 2021 consolidated budget execution

UAH m	Jan-Dec 2020	Jan-Dec 2021	% diff.	FY 2021 (P)	% diff.
<b>Revenues</b>	<b>1,376,662</b>	<b>1,662,243</b>	<b>+21%</b>	<b>1,632,261</b>	<b>+2%</b>
<b>Tax revenues</b>	<b>1,136,687</b>	<b>1,453,804</b>	<b>+28%</b>	<b>1,401,890</b>	<b>+4%</b>
Personal income tax and income charge	295,107	349,785	+19%	343,482	+2%
Corporate profit tax	118,472	163,844	+38%	160,264	+2%
Fee for the use of mineral resources	57,113	89,319	+56%	79,672	+12%
Excises	153,850	180,300	+17%	166,404	+8%
VAT (net of VAT reimbursement)	400,600	536,489	+34%	524,860	+2%
Property taxes	37,433	43,243	+16%	42,162	+3%
Export and Import duties	30,461	38,177	+25%	34,793	+10%
Other taxes and duties	43,651	52,646	+21%	50,252	+5%
<b>Non-tax revenues</b>	<b>239,974</b>	<b>208,439</b>	<b>(13%)</b>	<b>230,371</b>	<b>(10%)</b>
<b>Expenditures</b>	<b>(1,595,290)</b>	<b>(1,844,378)</b>	<b>+16%</b>	<b>(1,938,144)</b>	<b>(5%)</b>
General public functions, incl.:	(204,819)	(252,606)	+23%	(264,655)	(5%)
Debt service	(121,239)	(157,592)	+30%	(160,909)	(2%)
Security and Defense	(279,880)	(303,677)	+9%	(310,128)	(2%)
Economic activity	(262,815)	(293,350)	+12%	(327,871)	(11%)
Protection of environment	(9,057)	(10,621)	+17%	(12,804)	(17%)
Municipal utilities and services	(32,214)	(56,895)	+77%	(63,354)	(10%)
Healthcare	(175,791)	(203,610)	+16%	(210,885)	(3%)
Intellectual and physical development	(31,711)	(43,358)	+37%	(46,852)	(7%)
Education	(252,283)	(312,915)	+24%	(331,329)	(6%)
Social welfare	(346,720)	(367,347)	+6%	(370,266)	(1%)
<b>Net lending</b>	<b>(5,316)</b>	<b>(4,773)</b>	<b>(10%)</b>	<b>(10,448)</b>	<b>(54%)</b>
<b>Primary consolidated budget balance</b>	<b>(102,705)</b>	<b>(29,317)</b>	<b>(71%)</b>	<b>(155,421)</b>	<b>(81%)</b>
<b>Overall consolidated budget balance</b>	<b>(223,944)</b>	<b>(186,908)</b>	<b>(17%)</b>	<b>(316,330)</b>	<b>(41%)</b>





- 1 Solid foundation for long-term economic growth
- 2 Return to gradual fiscal consolidation
- 3 Prudent debt management strategy**
- 4 Reviving business climate and development prospects
- 5 Strong focus on ESG considerations

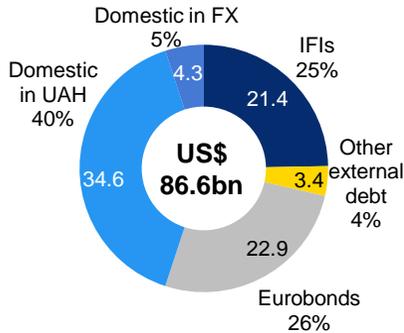


# Prudent and proactive debt management strategy

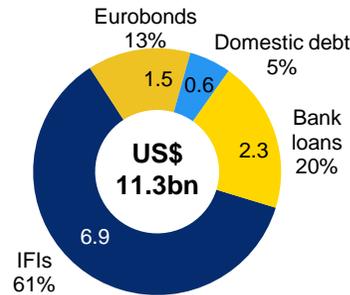
## State and state-guaranteed debt structure (end-2021)

(In US\$ bn)

### State debt

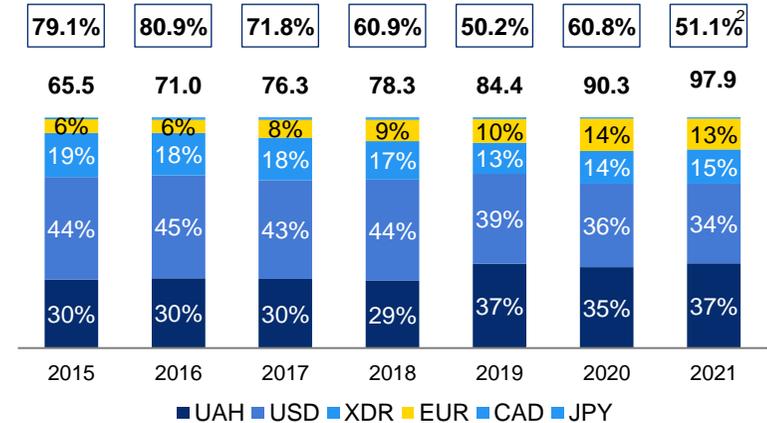


### State-guaranteed debt



## State and state-guaranteed debt by currency, US\$ bn

Total (% of GDP)

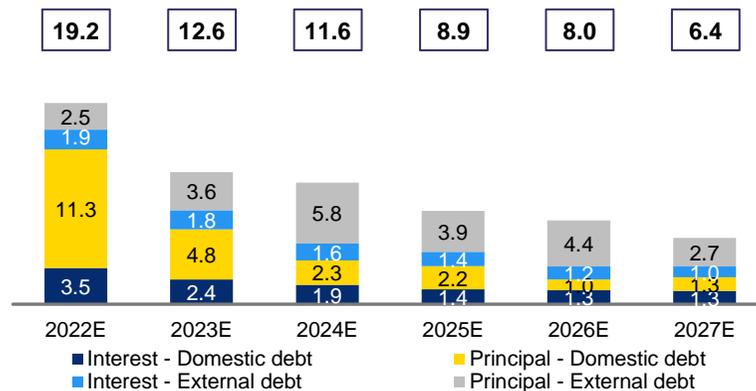


As of end-2021, Ukraine's total state and state-guaranteed debt (US\$ 97.9bn / UAH 2,672bn) split between:

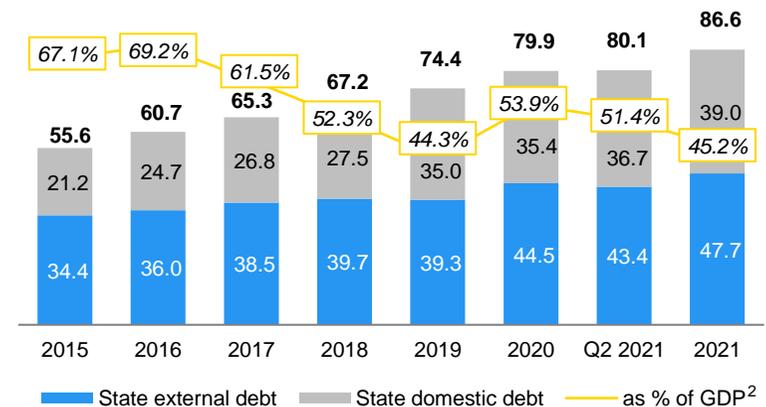
- 58% of external debt, 42% of domestic debt
- 88% of state debt, 12% of state-guaranteed debt

## State debt amortization schedule (01.01.2022)<sup>1</sup>, US\$ bn

Total debt service



## State debt dynamics, US\$ bn



### Notes

- Incl. outstanding debt obligations only
- Ministry of Economy GDP estimate for 2021 as of 15.11.2021 in amount of UAH 5,225.5bn

Source Ministry of Finance



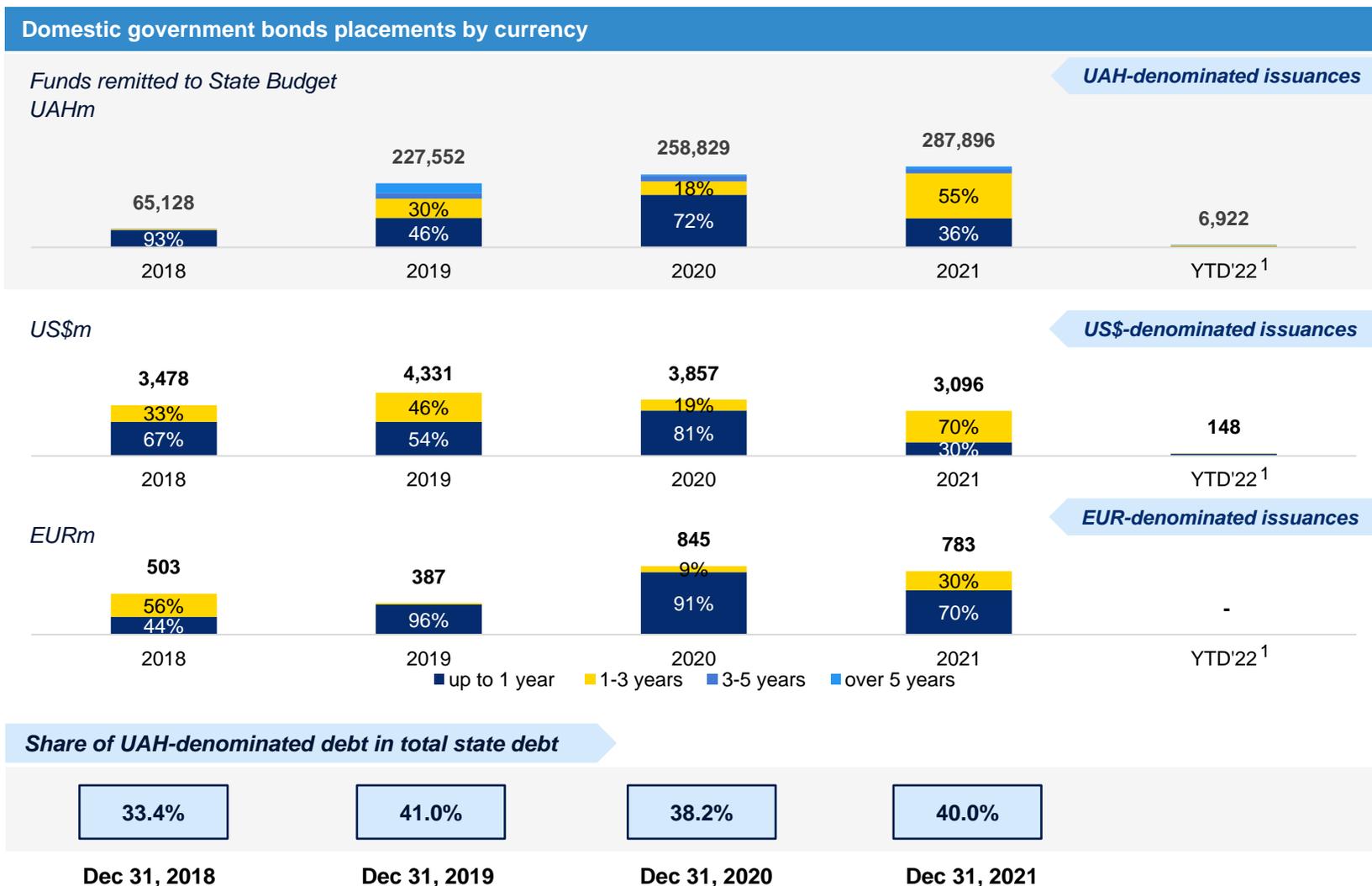
# Switching focus to UAH-denominated issuances on domestic market

- **UAH-denominated issuances grew at 72% CAGR over 2017-2021**

- After a major 3.5x 2019 y-o-y volume increase, 2020 saw further growth of 14% y-o-y in UAH-denominated securities

- Year 2021 kept the positive growth tendency with an increase of 11% y-o-y for UAH-denominated issuances

- In line with MTDS objectives, **FX-denominated issuances are kept relatively stable**

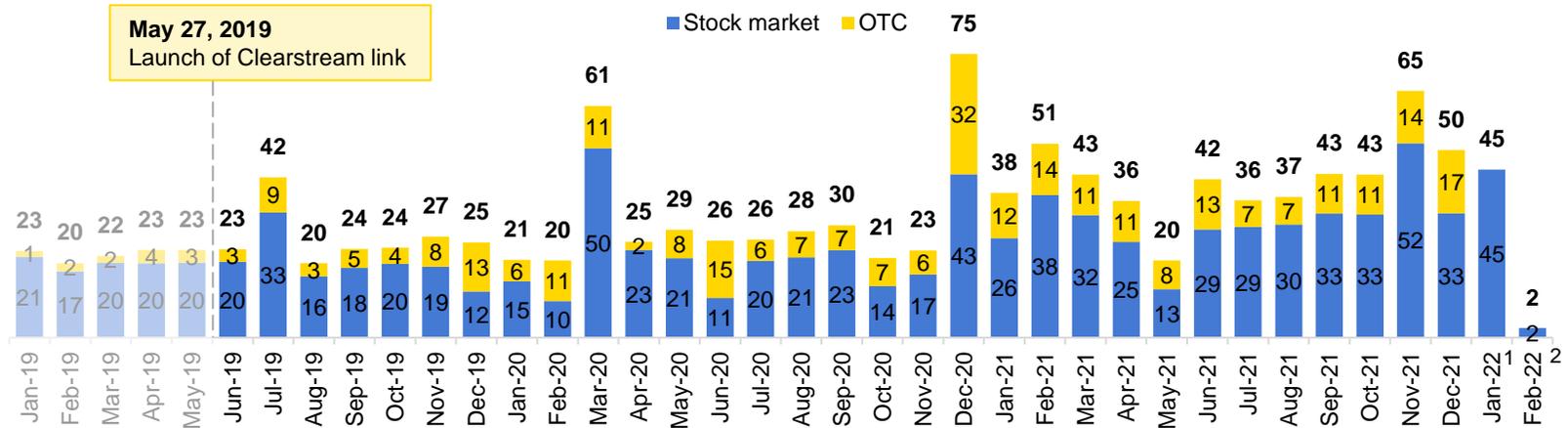


Source Ministry of Finance  
Note 1 As of February 1, 2022

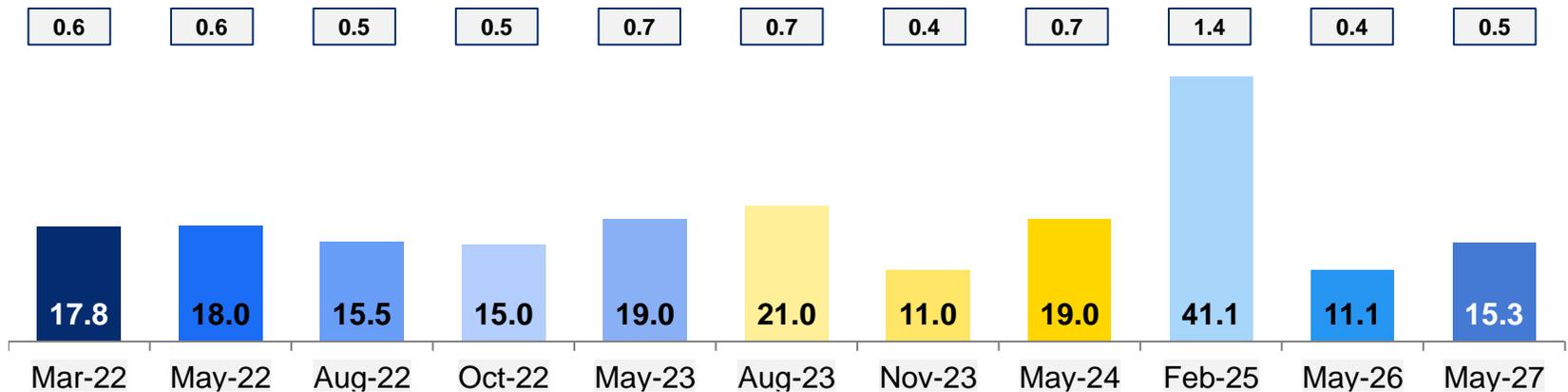


# Steady increase in secondary trading

## Secondary trading volume of domestic government bonds (stock market and OTC)



## Outstanding benchmark bonds<sup>2</sup>



Notes  
 1 Data represents the combination of stock market and OTC  
 2 As of February 1, 2022

Source Ministry of Finance

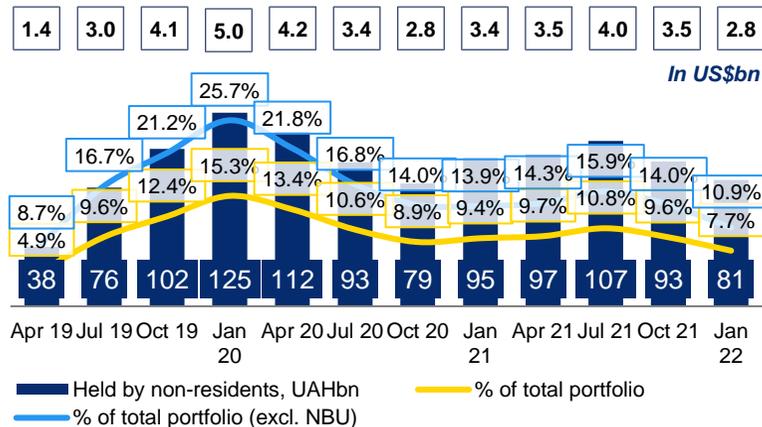


# Ukraine's domestic government bond holders

## Key highlights

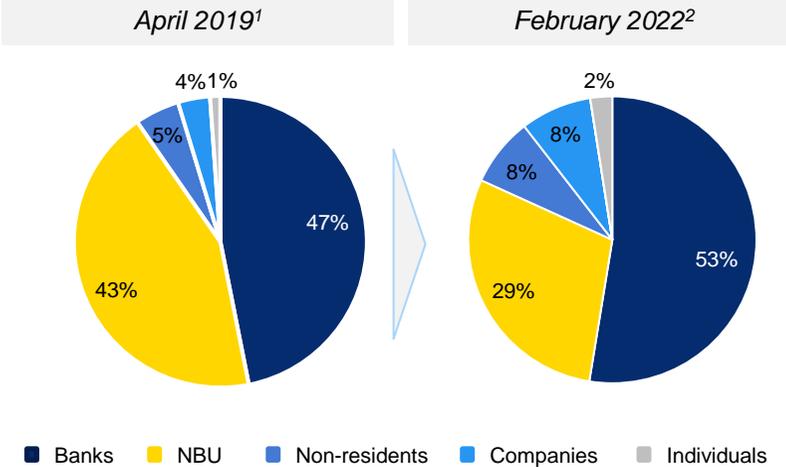
- ▶ With a **c.53%** share, banks are currently the largest holder of domestic government bonds followed by the **NBU**, which accounts for **c.29%** of the portfolio<sup>2</sup>
- ▶ At **c.8%** of total outstanding Ukrainian domestic government bonds as of February 2022<sup>2</sup>, the **portfolio held by non-residents** has returned on its upward trajectory in H1 2021 (after Mar-Nov 2020 decline in line with the EM's capital outflow), while the dynamics was mainly negative in H2 2021
- ▶ **Ukraine is making consistent steps to deepen domestic government bond market** and to **increase share of non-residents in local currency bonds portfolio**
  - A link between Clearstream, the international central securities depository, and the depository of the NBU active since May 2019 ensuring streamlined access to Ukraine's domestic government bond market

## Domestic government bonds held by non-residents (eop)

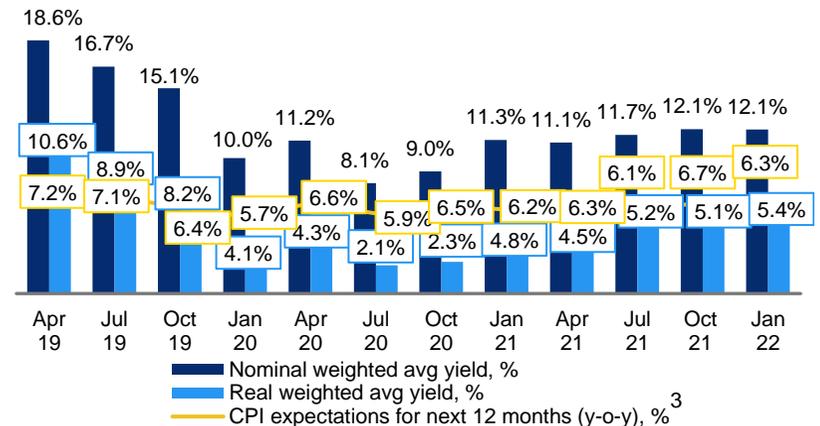


Source Ministry of Finance, NBU

## Domestic government bond holders<sup>1</sup>



## Nominal and real weighted avg yields at primary auctions, %



Source Ministry of Finance of Ukraine, NBU

- On August 28, 2020, the NBU has eliminated obstacles for foreign investors to enter the Ukrainian securities market through establishment of the **direct access to the purchase and sale of government bonds with the help of a "nominee holder"**
- Ukrainian banks that have accounts with the NBU depository can open depot accounts for its foreign clients for the purpose of buying and selling Ukrainian government bonds

### Notes

- 1 As of April 26, 2019
- 2 As of February 1, 2022
- 3 According to NBU's survey about inflation expectations of financial analysts for the next 12 months



# Pipeline of official concessional external financing

*Combined with a proactive response to Covid-19 economic fallout, Ukraine managed to secure a range of concessional financing from its international partners to cover significant portion of external financing needs of the general fund of the state budget for 2020-2022*

Partner	Programs	Pipeline financing
<b>International Monetary Fund</b>	<ul style="list-style-type: none"> <li>On November 24<sup>th</sup> 2021, IMF has disbursed the second tranche to Ukraine in amount <b>US\$ 0.7bn</b> (SDR 0.5bn) under Stand-By Arrangement. Following the first review of the Program in November 2021, the SBA was extended to June 2022</li> <li>On June 9<sup>th</sup> 2020, IMF Executive Board approved <b>18-month Stand-By Arrangement (SBA)</b> for Ukraine, under which <b>US\$ 2.1bn</b> (SDR 1.5bn) was disbursed immediately. The total amount of program is <b>US\$ 5.1bn</b> (SDR 3.6bn) that will be directed to support BoP and budget to help address the effects of Covid-19 while moving forward important structural reforms. As of now, the total amount received under the program is <b>US\$ 2.8bn</b> (SDR 2.0bn)</li> <li>On August 25<sup>th</sup> 2021, Ukraine has received <b>US\$ 2.7bn</b> (SDR 1.9bn) under <b>SDR allocation program</b>, part of IMF's assistance to member countries in economic recovery from the Covid-19</li> </ul>	<b>c.US\$ 2.2bn<sup>1</sup></b>
<b>Bilateral creditors</b>	<ul style="list-style-type: none"> <li>In January 2022, Canada has approved <b>USD 100m</b> loan to Ukraine</li> <li>In 2022, Ukraine expects <b>EUR 150m</b> within the Untied Financial Loan provided by Germany to combat COVID-19 impact. The proceeds will be directed to support "Affordable Loans 5-7-9"</li> <li>On January 24<sup>th</sup>, 2022, European Commission announced a new MFA package of <b>EUR 1.2bn</b> plus <b>EUR 120m</b> of bilateral assistance to address the financing needs due to tense geopolitical and economical situation. Since 2014, the EU has approved EUR 5.0bn in MFA support for Ukraine, o/w EUR 3.3bn were disbursed during 2014-2018, EUR 1.1bn in 2020, EUR 600m in 2021</li> </ul>	<b>c.US\$ 1.7bn</b>
<b>World Bank</b>	<ul style="list-style-type: none"> <li>On September 15<sup>th</sup> 2021, two projects were signed: <b>US\$ 200m</b> Improving Higher Education for Results; <b>US\$ 212m</b> Improving Power System Resilience for European Power Grid Integration</li> <li>Following delivery of reforms in social, healthcare and education spheres Ukraine plans to attract <b>US\$ 150m</b> within the <b>WB Performance-Based Financing program</b> in 2022</li> <li>On Dec 10<sup>th</sup> 2021, the World Bank agreed financing of <b>US\$ 150m</b> for "Additional funding of the Project "Emergency Response to COVID-19 and Vaccination in Ukraine", which was disbursed and added to the existing US\$ 90m loan under this project</li> <li>In December 2021, <b>US\$ 350m Economic Recovery Development Policy Loan</b> was signed and disbursed</li> <li>The total investment project portfolio in Ukraine amounts to US\$ 3.6bn in 15 ongoing projects.</li> </ul>	<b>US\$ 0.6bn</b>
<b>Total amount of envisaged committed external financing from the official partners</b>		<b>c.US\$ 4.5bn</b>

## Notes

<sup>1</sup> Translated from SDR to US\$ based on 1.3907 US\$ per 1 SDR IMF exchange rate as of January 28, 2022



# Status of cooperation between Ukraine and the IMF

## New US\$ 2.7bn SDR allocation program

- ▶ On August 25, 2021, Ukraine has received more than **US\$ 2.7bn** (SDR 1.9bn) under SDR allocation program as part of IMF's assistance to member countries in economic recovery from the coronavirus crisis. The amount is proportional to Ukraine's existing quota in the Fund (0.0042%)

## Current 18-month US\$ 5.0bn SBA program

- ▶ On May 21, 2020, a Staff Level Agreement on a new **18-month SDR 3.6bn (c. US\$ 5.1bn) arrangement under the Stand-By Arrangement (SBA) was agreed**. It was further approved by the Executive Board on June 9
- ▶ It replaced the Staff Level Agreement on a 3-year Extended Fund Facility (EFF) program which was agreed in December 2019
- ▶ As of today, Ukraine has already received **US\$ 2.8bn financial support under the program**
- ▶ The size and timing of further tranches are subject to the future IMF mission reviews

## Key priorities under IMF's 2020 SBA program:

- ▶ Mitigating the economic impact of the crisis, including by supporting households and businesses
- ▶ Ensuring continued central bank independence and a flexible exchange rate
- ▶ Safeguarding financial stability while recovering the costs from bank resolutions
- ▶ Moving forward with key governance and anti-corruption measures to preserve and deepen recent gains

Sources IMF, Ministry of Finance

Note 1 Translated from SDR to US\$ based on 1.3907 US\$ per 1 SDR IMF exchange rate as of January 28, 2022

## Past EFF, SBA and SDR programs

Availability date / Reviews	SDR m	US\$ m
<b>SDR allocation program (US\$ 2.7bn)</b>		
August 25, 2021 [disbursed]	1,928	2,738
<b>Total SDR program</b>	<b>1,928</b>	<b>2,738</b>
<b>SBA 2020 program (US\$ 5.0bn, 179% of quota)</b>		
June 9, 2020	1,500	2,076
November 24, 2021 [1 <sup>st</sup> review]	500	699
Following reviews	1,600	2,225 <sup>1</sup>
<b>Total SBA program</b>	<b>3,600</b>	<b>5,070</b>
<b>SBA 2018 program (US\$ 3.9bn, 139% of quota)</b>		
December 18, 2018	1,000	1,391
<b>Total SBA program</b>	<b>1,000</b>	<b>1,391</b>
<b>EFF 2015 program (US\$ 17.5bn, 900% of quota)</b>		
March 11, 2015	3,546	4,879
July 31, 2015 [1 <sup>st</sup> review]	1,182	1,659
September 15, 2016 [2 <sup>nd</sup> review]	716	1,003
April 3, 2017 [3 <sup>rd</sup> review]	734	996
<b>Total EFF program</b>	<b>6,178</b>	<b>8,537</b>

# IMF Structural Benchmarks

Structural Benchmarks	Completion Date
1 Approve a 2022 budget targeting a general government deficit of 3.5 percent of GDP	End-November 2021
2 Enact legal amendments to reverse the relaxation of eligibility criteria for state representatives to supervisory boards of state-owned banks	End-November 2021
3 Adopt time-bound succession plans for the supervisory boards of each of the SOBs, consistent with the approved 2021-2024 strategies for each of the banks	End-November 2021
4 Complete and publish the audit of the of the remaining portion of the funds spent out of the Covid-related spending program	End-December 2021
5 NBU will adopt a time-bound action plan, in consultation with IMF staff, to improve professional capacity of bank supervision	End-December 2021
6 The Prosecutor General's Office to publish a semiannual report on the outcomes of criminal proceedings against former bank owners, managers, and other related parties in each resolved bank since the beginning of 2014, with aggregate data on the number of persons investigated, tried, and convicted as well as the amount of fines and damage recovered	End-December 2021
7 Cabinet will endorse a roadmap that outlines the steps required to take PrivatBank and Oschadbank to the market for partial or full privatization and advance the objective of attracting reputable international investors	End-January 2022
8 Adopt and publish a comprehensive asset recovery strategy paper and action plan	End-February 2022
9 Enact amendments to the SAPO law to improve the selection procedures of SAPO officials, strengthen its capacity to regulate its organizational activities, and establish mechanisms for accountability of SAPO Leadership	End-March 2022
10 Develop and make available to all gas suppliers a consumer database with all the information necessary for a new supplier to bill households	End-March 2022
11 Complete the one-off integrity check of existing HCJ members by the Ethics Council in line with provisions in the new HCJ law	End-April 2022
12 Appoint a supervisory Board in Energoatom with a majority of independent members selected through a transparent and robust procedure	End-May 2022

Source IMF



# B / Positive credit rating affirmed by Fitch, B / Stable - by S&P

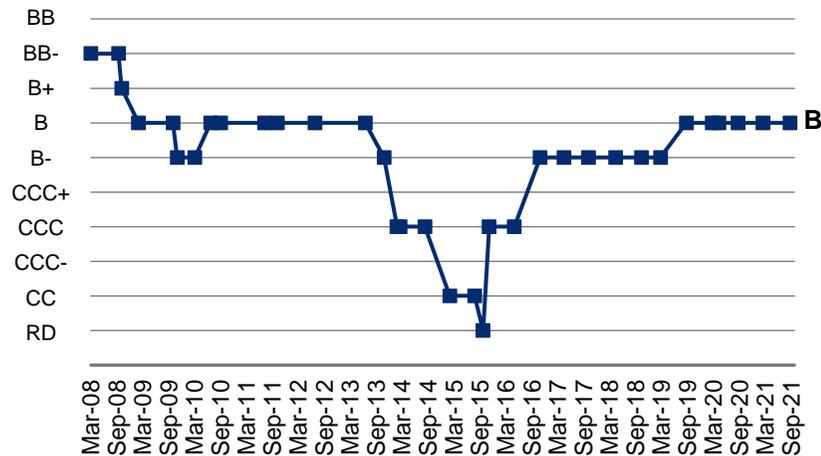
## FitchRatings

**Rating: B, Positive**

Last update: Aug 6, 2021, reaffirmed at B, outlook raised to positive  
Next update: Feb 2022

### Key rating drivers of the last review:

- ▶ Track record of multilateral support and a credible macroeconomic policy framework that has underpinned resilience to the coronavirus shock and macroeconomic stability
- ▶ FX reserves consolidation, commitment to inflation-targeting and prudent fiscal policy with noticeable reduction in government debt
- ▶ Expectations for gradual fiscal consolidation and continuation of macroeconomic policies
- ▶ Human development indicators compare favorably with the peer group, a net external creditor position of close to 11% of GDP, and lower general government debt than the 'B' median



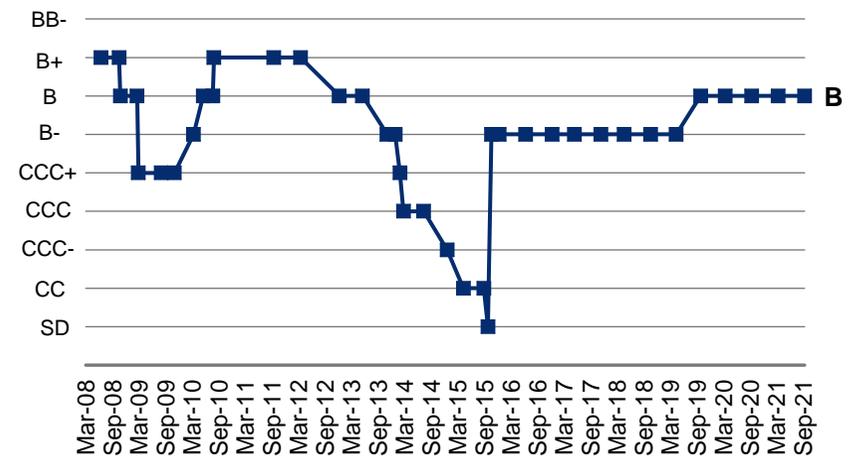
## S&P Global

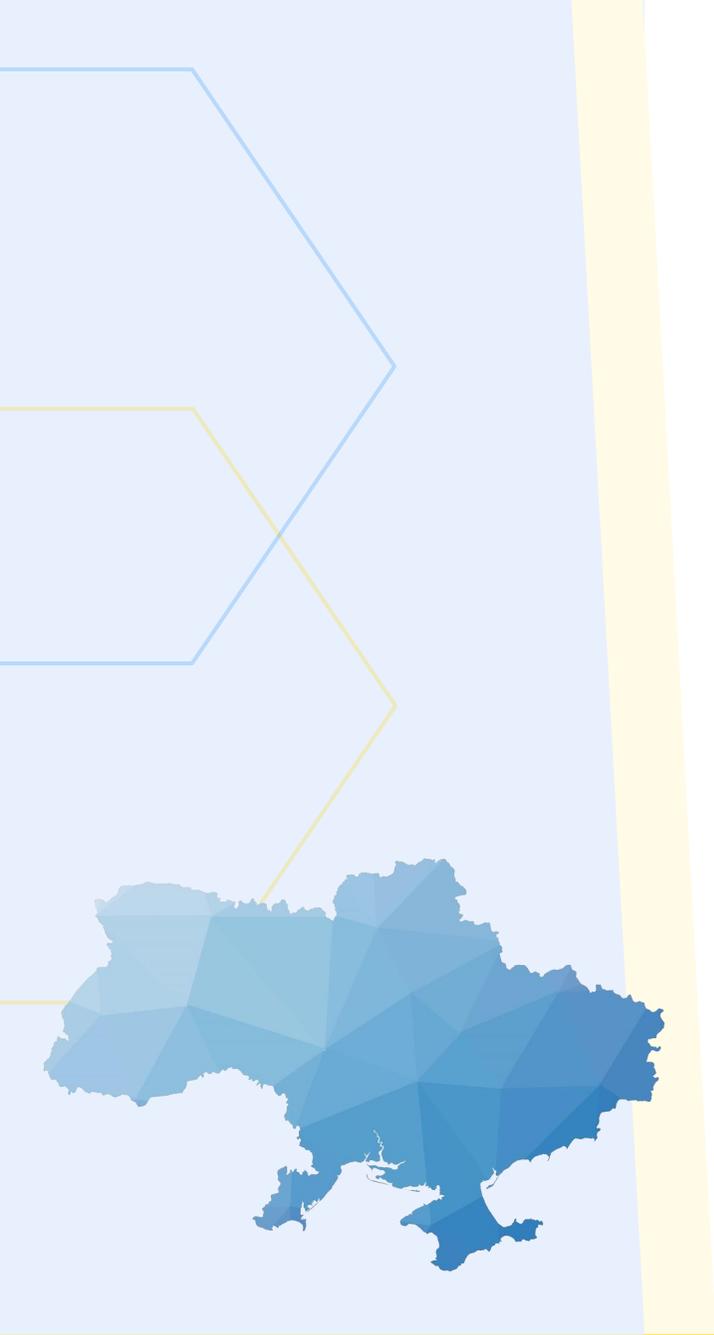
**Rating: B, Stable**

Last update: Sep 10, 2021, reaffirmed at B, outlook stable  
Next update: Feb 2022

### Key rating drivers of the last review:

- ▶ Ukraine's growth, balance of payments, and public finances all outperformed the expectations in 2020
- ▶ Reserve adequacy has improved, providing a cushion against potential adverse external developments including further delays in the disbursement of concessional loans
- ▶ Stronger macroeconomic management since 2015 and augmented foreign exchange (FX) reserves
- ▶ The ongoing implementation of reforms helps the government access commercial debt markets and receive concessional funding from international financial institutions (IFIs)

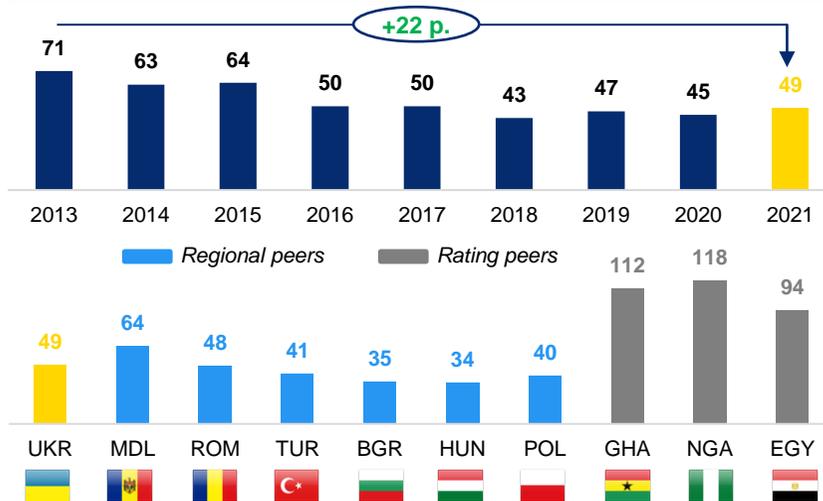




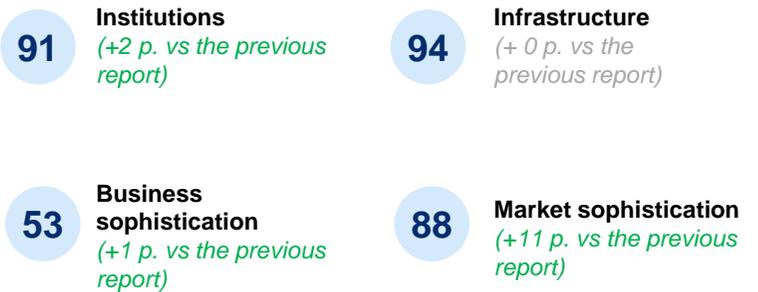
- 1 Solid foundation for long-term economic growth
- 2 Return to gradual fiscal consolidation
- 3 Prudent debt management strategy
- 4 Reviving business climate and development prospects**
- 5 Strong focus on ESG considerations

# Business climate improvement to accelerate growth potential

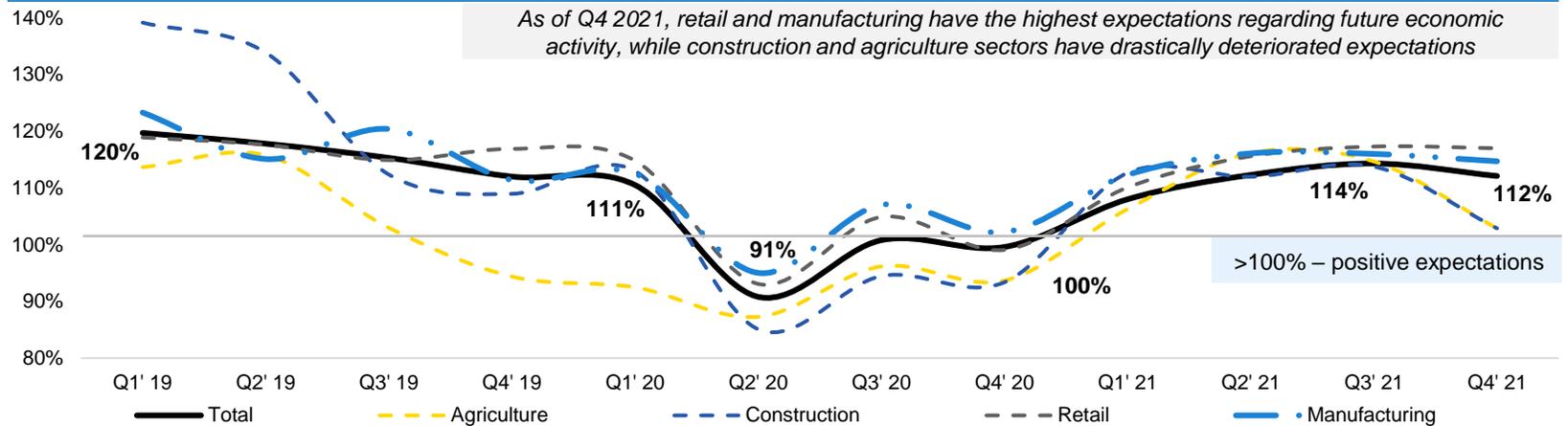
Global Innovation Index 2021: Index evolution, comparison with peers and main rating pillars



Ukraine's selected pillars in 2021 global ranking



Business expectations index by the NBU



Source NBU



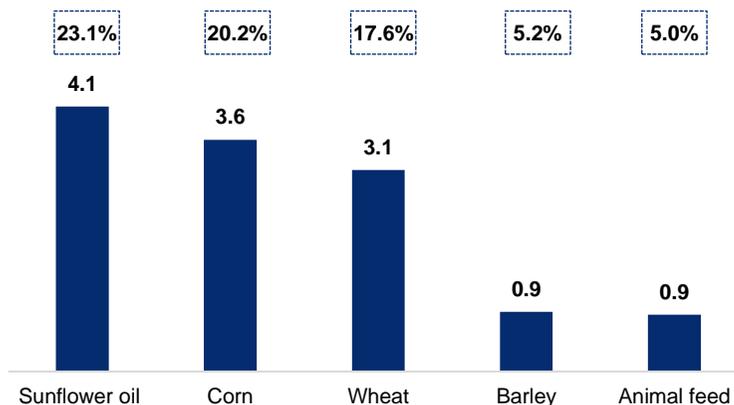
# Seizing crisis opportunity for agri exports

## Comments

- ▶ Over the last 5 years, the **worldwide consumption of wheat and corn increased by 6.0% and 7.1% respectively**, mainly driven by the population growth
- ▶ Ukraine also increased its production and export recently: export of wheat is expected to reach MMT 787 in 2021/22 while the corn should peak at MMT 1,168 reflecting a 22% and 77% increase in export volumes, respectively, compared to 2017/2018
- ▶ With relatively **strong export prices**, corn and wheat are key export commodities that have already brought **US\$ 6.7bn** in export inflows (as of Sep 2021)
- ▶ Export of **agricultural products** itself constitute **c. 40%** of all exports, with **top 5 products** share of **c. 26%**

## Agri export volumes (US\$ bn) and goods breakdown<sup>1</sup>

### Share in agri export

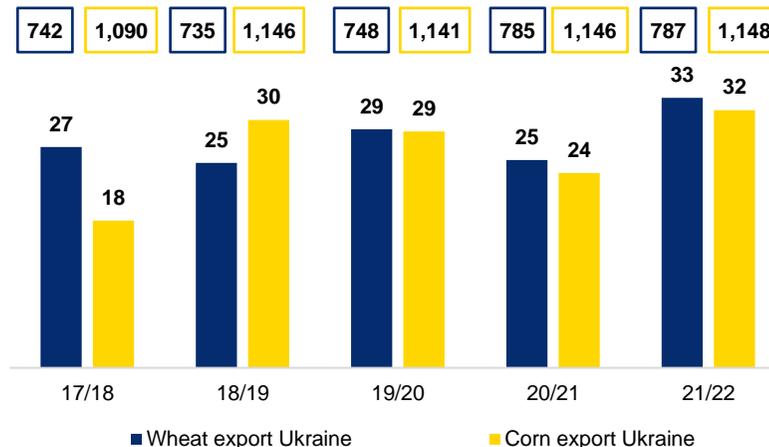


Source State Customs Service of Ukraine

Note 1: In January – September 2021

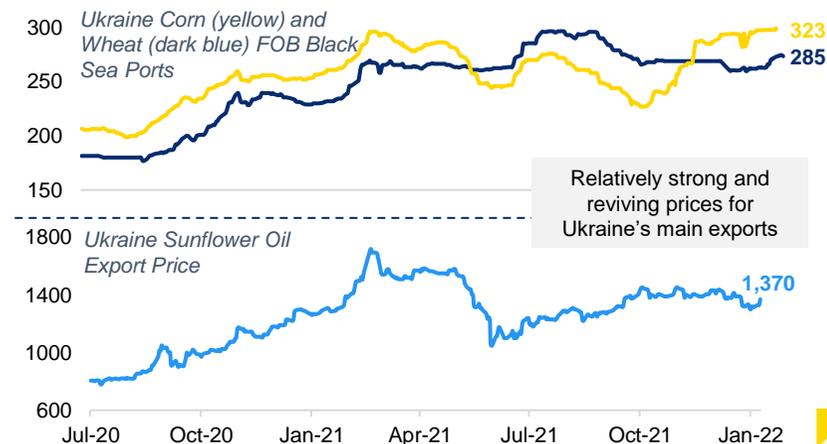
## Wheat and corn consumption (world) and Ukraine's export

### Metric tons



Source USDA

## Ukraine's export prices on selected agri goods (US\$ / t)



Source Bloomberg, as of Jan 28, 2022

# Booming IT sector on the back of global digitalization

Selected large tech players in Ukraine



softserve



GENESIS



DataArt



AJAX

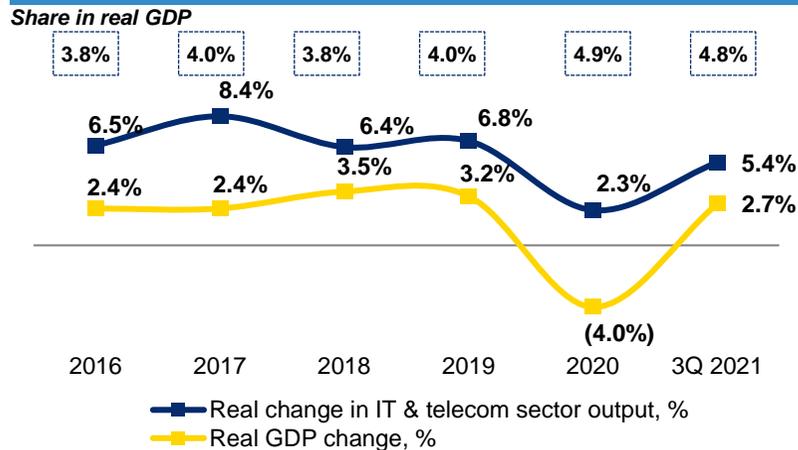
evo

playrix

## Comments

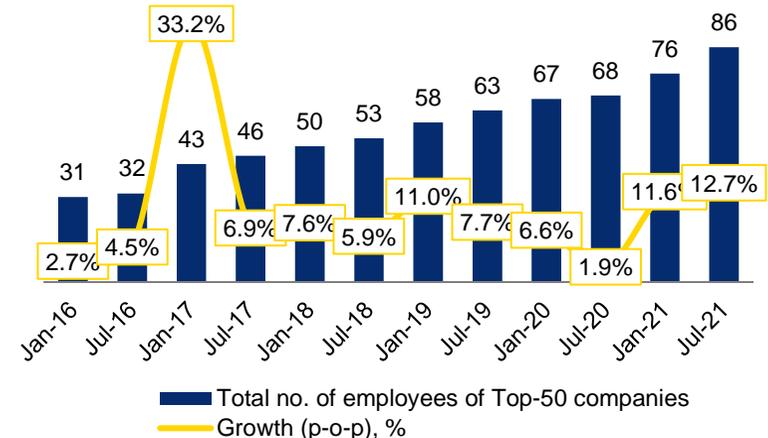
- ▶ Driven by the global trend of digitalization, Ukraine is experiencing a significant growth of IT sector: the number of **employees** in top **50 companies** has risen from **31k** in January **2016** to **86k** in July **2021**
- ▶ The **industry** demonstrates **higher output growth**, comparing to the whole economy: **average of 6.1%** over **2016-2020** vs 1.5% for general economy, leading to increase in the **share** of the sector in the **real GDP** from **3.8%** to **4.9%**
- ▶ Being focused on the international market, the industry is also boosting export inflows: **USD 4.9bn** in 11m **2021** vs **USD 1.8bn** in 2016
- ▶ This led to almost **2x increase** of the **share** in the total **export**: **6.7%** in **2021** vs **3.9%** in **2016**

## IT & telecom sector output vs GDP real change, %



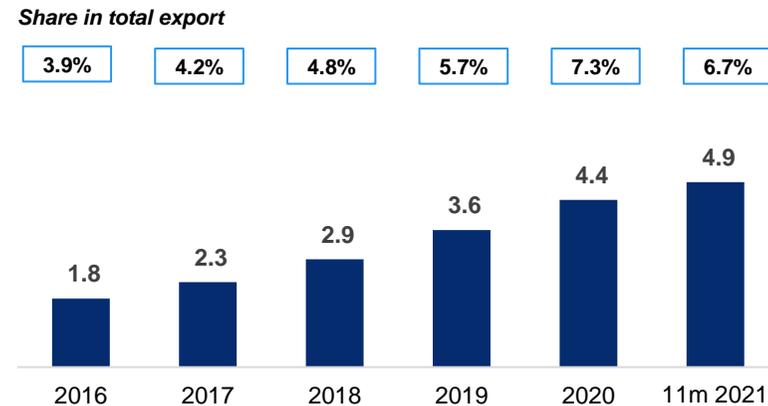
Source State Customs Service of Ukraine

## Employment in IT companies, thousand people



Source DOU

## Export of IT services, USDbn



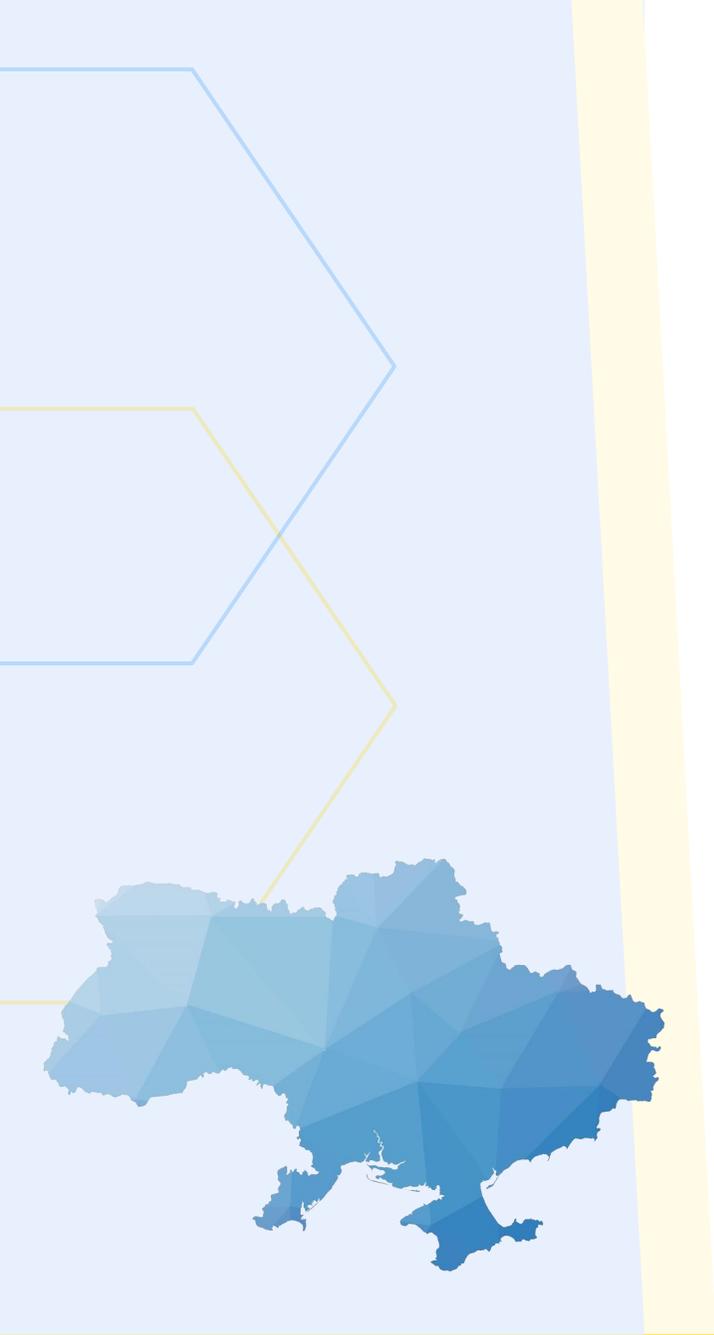
Source National Bank of Ukraine

# Business reforms

	Key updates (2019-2021)	Selected results
<b>Institutions &amp; governance</b> 	<ul style="list-style-type: none"> <li>▶ <b>Anti-corruption:</b> launch of High Anti-Corruption Court in 2019, full anti-corruption infrastructure in place</li> <li>▶ <b>Decentralization:</b> liquidation of inefficient administrative units (April 2020)</li> <li>▶ <b>Transparency:</b> resolution on open datasets (April 2021)</li> </ul>	<p><b>879</b> criminal proceedings by the NABU with 322 cases filled to the courts and 56 convictions</p> <p><b>136</b> new units were formed from 490 units. This step is expected to increase the efficiency of local governance</p> <p><b>1000+</b> datasets to be published by various government bodies. To keep the data, “Diia. Open Data” portal has been created</p>
<b>Digitalization</b> 	<ul style="list-style-type: none"> <li>▶ <b>Telecom:</b> Simplifying licensing procedures for the telecom companies (January 2021)</li> <li>▶ <b>Strategy:</b> The strategy of digital transformation of Ukraine to 2024 (February 2021)</li> <li>▶ <b>IT ecosystem Diia City:</b> Launch of a special legal and tax regime for IT industry (Jan 2022)</li> </ul>	<p><b>14.5m</b> Ukrainians already had access to the 4G in Sep 2021 (vs 12m in March) The reform is expected to boost the coverage to 95% in 2023</p> <p><b>94</b> digital transformation projects in the fields of education, healthcare, justice, economics and trade, energy and infrastructure</p> <p><b>5%</b> will be income tax rate for residents (vs 18% in other industries), companies will be able to choose between standard corporate tax (18%) and tax on distributed profits (9%)</p>
<b>Business climate</b> 	<ul style="list-style-type: none"> <li>▶ <b>FDI attraction:</b> law to improve the investment climate in Ukraine voted by MPs in July 2020</li> <li>▶ <b>Big Construction:</b> started in 2019, expanded in 2020-2021</li> <li>▶ <b>Land market:</b> Law on land market voted by the MPs in March 2020, the market officially started in July 2021</li> <li>▶ <b>SME:</b> Law on facilitating connection for small and medium businesses to power lines (July 2021)</li> </ul>	<p><b>EUR 20m+</b> should be the value of an investment project to receive a manager responsible for the project preparation</p> <p><b>5,100 km</b> roads and 250 bridges built and reconstructed in 2021</p> <p><b>219k ha</b> of land sold since the launch of the market (July 2021 – January 27<sup>th</sup>, 2022)</p> <p><b>112</b> days should be spent now (vs 267 before) to connect small businesses to power lines</p>

Sources CMU, Ministry of Digital Transformation, NBU, Ministry of Agrarian policy and Food of Ukraine, NABU, Verkhovna Rada



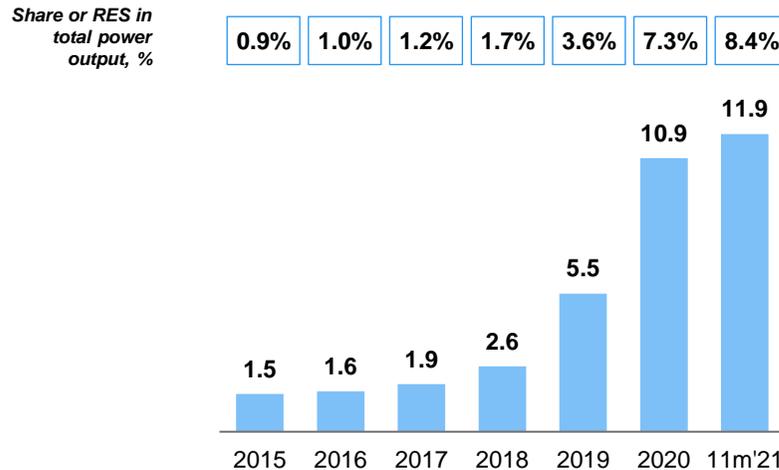


- 1 Solid foundation for long-term economic growth
- 2 Return to gradual fiscal consolidation
- 3 Prudent debt management strategy
- 4 Reviving business climate and development prospects
- 5 **Strong focus on ESG considerations**

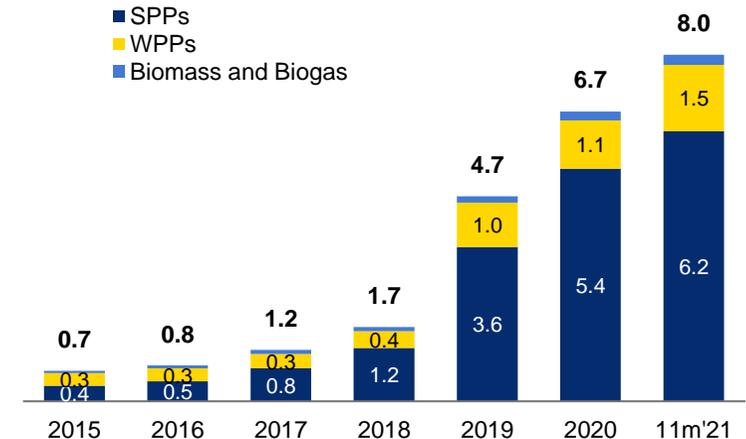
## Ukraine's Paris agreement commitments

- Ukraine is a Party to the UNFCCC and is one of the first countries which ratified the Paris Agreement.
- Ukraine's 1st NDC defines GHG emissions target as 'not exceeding 60% of the 1990 level'.
- In July 2021, the 2nd NDC were published, aiming to reduce GHG emissions to 35% of the 1990 level by 2030 (37% as of end 2019)
- The draft of 2nd NDC targets the share of renewables to account for 30% by 2030 (vs. 25% actual target).

## Electricity production from RES, TWh



## RES installed capacity dynamics as of eop, GW



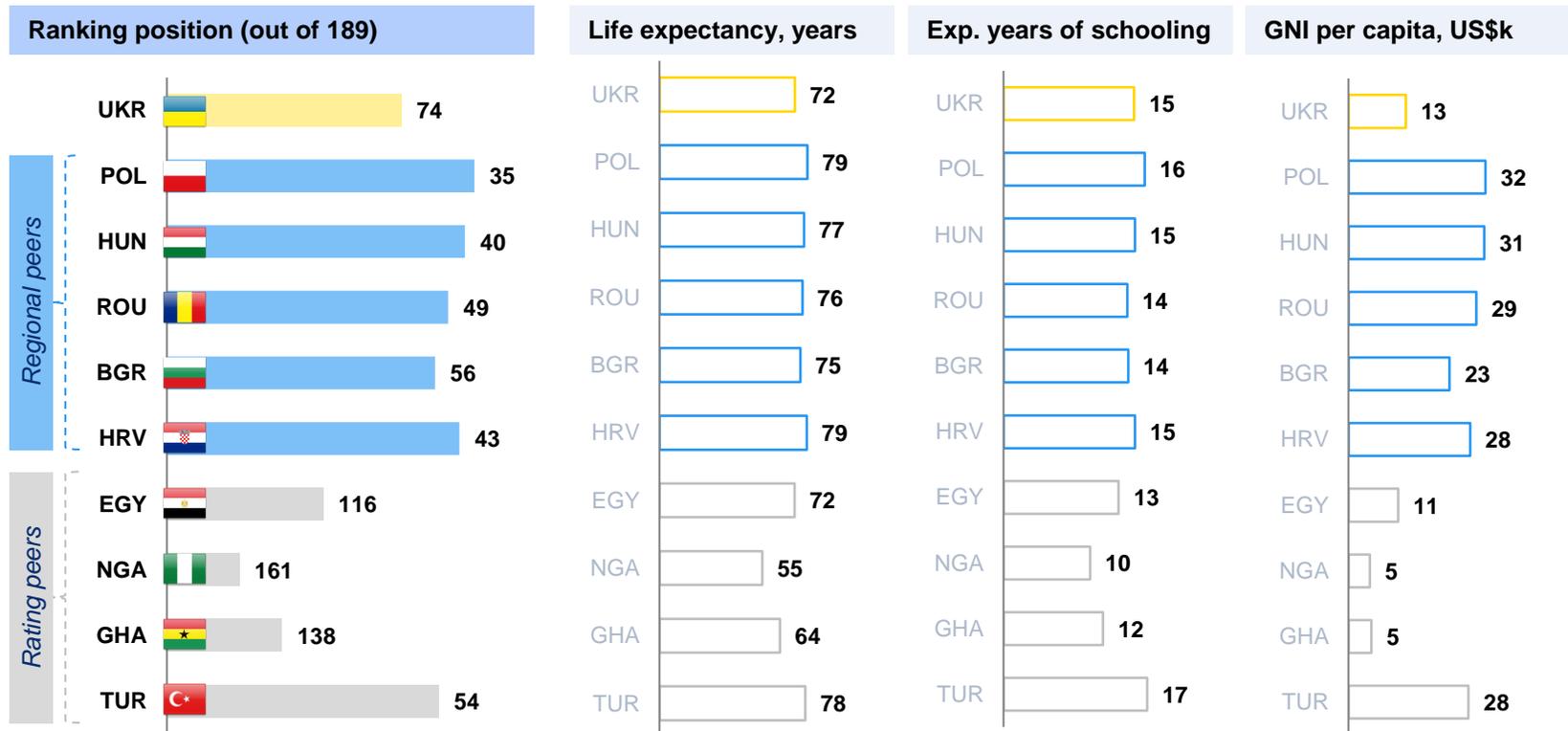
## Key environmental initiatives / commitments

- 2016:** Ukraine signed the **Paris agreement** in April and ratified it in September
- 2017:** the government adopted the **Energy Strategy of Ukraine until 2035**. It outlines measures to: (i) reduce greenhouse gas emissions, and (ii) restructure the coal sector to reduce its environmental impact
- June 2020:** Government signs Memorandum with green energy producers
- August 2020:** IFC Partnered with Ukraine's National Securities and Stock Market Commission to Boost Green Finance
- March 2021:** Ukraine approved National Economic Strategy 2030, committing to reach 25% share of renewables as of 2030
- June 2021:** President signed a law on the launch of "Green Country" project, aimed at increasing the forest area by 1m ha in 10 y.
- November 2021:** Debut 5-year Green and Sustainability-linked Eurobond issuance for a US\$ 825m size at 6.875% yield
- November 2021:** Ukraine has made important commitments on **COP26 UN Climate Change Conference** (reduce GHG emissions by 7% vs 2019 over the next 10 years and become a **carbon-neutral country by 2060**; signed the **Global Initiative to Reduce Methane Emissions** by 30% by 2030 compared to 2020 levels, etc.)



## UNDP Human Development Index 2020

- Ukraine belongs to **High Human Development group** within **UNDP HDI** (which is also used by selected credit rating agencies) and demonstrates consistent improvement since 2015
- While life expectancy and education indices perform relatively in line with the regional peers and generally overperform rating peers, the income measure, GNI per capita, is the one pulling the country's ranking down



- ▶ In order to further enhance the country's human capital, both education and healthcare sectors are currently undergoing reforms with the following key priorities:
- Education:** (i) affordable and quality pre-school education, (ii) New Ukrainian School, (iii) modern professional (vocational) education, (iv) quality higher education and development of adult education, (v) development of science and innovation
  - Healthcare:** (i) implementation of the new financing mechanism "money follows the patient", (ii) introduction of "family" doctors, (iii) primary care, palliative care, and emergency medical care 100% funded by the state, (iv) new methods for procuring and distributing vaccines, (v) new licensing and educational standards for doctors, etc.

Sources UNDP, Ministry of Education and Science of Ukraine, Ministry of Health of Ukraine



▶ One of the key feature of Ukraine’s structural reform agenda is **enhancing social development** and **ensuring comprehensive economic growth**. Ukraine’s strategy to support rural development is based on six key pillars:

## (1) Regional development

With the **State Strategy for Regional Development 2021-2027**, Ukraine aims to, among others:

- ▶ Increase **per capita gross regional product** in 75% of regions with the lowest rates to the level of the **top 25%**
- ▶ Increase the **Regional Human Development Index** in 75% of regions with the lowest rates to the level of the **top 25%**

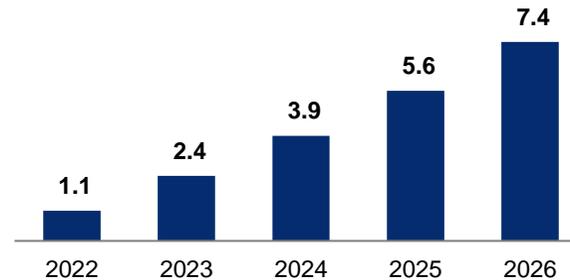
## (4) Digital transformation (key 2030 targets)

- 95%** of citizens are active users of high-speed Internet
- 99%** of all highways and railways are covered by mobile internet technologies
- 200** Ukrainian cities to switch to digital management platforms
- 99%** of processes are digital in the following areas: education, medicine, transport, public safety, social security, etc.

Source National Economic Strategy 2030

## (2) Safe and affordable drinking water

Targeted cumulative number of people to be provided with quality drinking water (millions)



Source "Drinking water of Ukraine" for 2022-2026

## (5) SMEs support

- ▶ State program “**Affordable loans 5-7-9%**” was launched to provide financing support to SMEs
  - A SME can obtain a loan of up to **UAH 1.5m** for a period of up to **5 years**
  - Since the beginning of the program, **33,436 loans** have been issued (**UAH 85.2bn** as of January 31, 2022)

## (3) Development of accessible transport

**National Transport Strategy 2030** is aiming to maximize the transport potential of Ukraine:

- ▶ Reduce the fatalities due to road accidents by **50% by 2030**
- ▶ Increase in the share of electric transport in domestic traffic to **75% by 2030**
- ▶ Increase in the share of accessible public transport for people with disabilities to **50% by 2030**
- ▶ At least **6bn** transported passengers in **2030** (from 4.3bn in 2019)

## (6) Gender equality

**Key targets of the State Strategy for Equal Rights and opportunities for Women and Men until 2030:**

	2022-2024	2025-2027	2028-2030
Share of women among deputies in Ukrainian parliament, (%)	21%	30%	40%
Share of women among deputies of regional and local councils, (%)	30%	30%	40%
Share of gender sensitive budget programs, (%)	20%	30%	40%

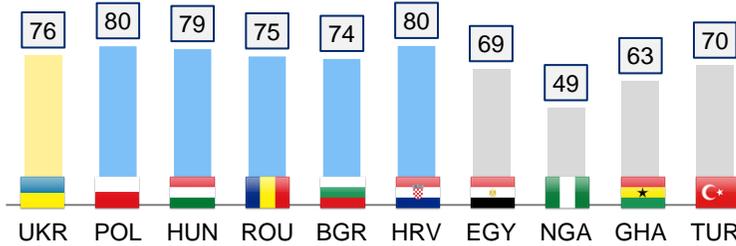


## Ukraine vs peers in governance ratings

### Sustainable Development Goals Index 2021



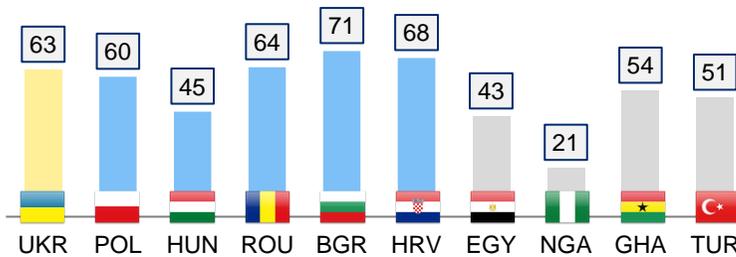
- ▶ Rating: 0 (worst) to 100 (best)
- ▶ Analyzes country's performance within 17 goals



### Open Budget Index 2019



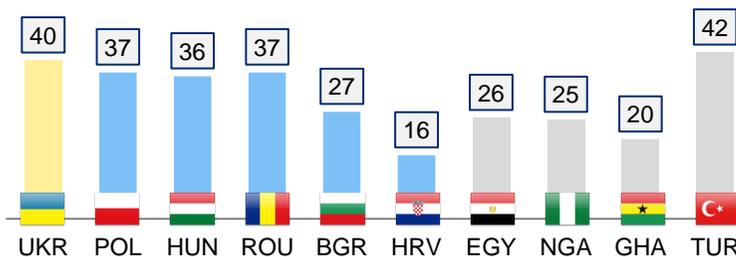
- ▶ Rating: 0 (worst) to 100 (best)
- ▶ Analyzes country's budget transparency



### Investor Relations Index 2020



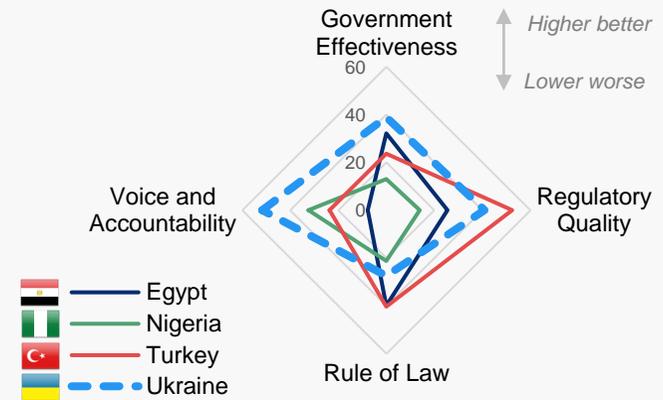
- ▶ Rating: 0 (worst) to 42 (best)
- ▶ Analyzes country's investor relations function



Sources U.S. Department of State, World Bank, UN, TPPR, International Budget Partnership, IIF

## WGI and other developments on governance

### Worldwide Governance Indicators 2020

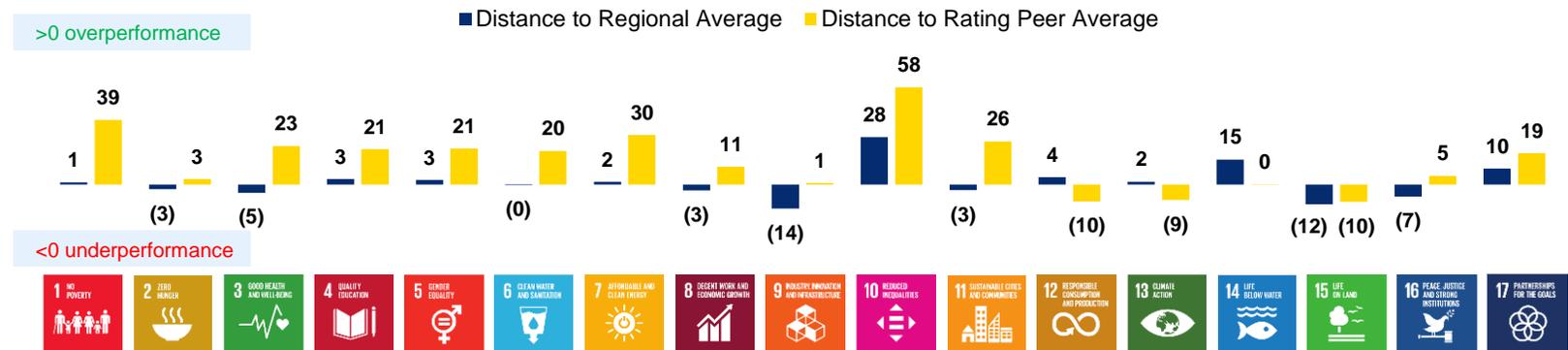
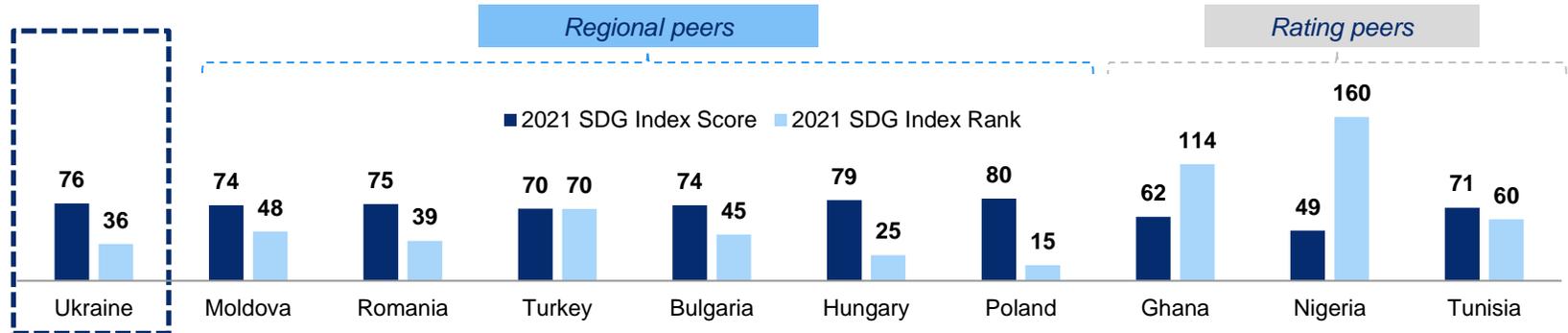


- ▶ **Worldwide Governance Indicators (WGI)** are published by the World Bank and constitute an important basis for sovereign credit ratings
  - Ukraine performs in line with its rating peers demonstrating relatively solid performance in Voice and Accountability, Government Effectiveness and Regulatory Quality pillars
- ▶ Besides the mentioned indices, Ukraine has also topped **Transparent Public Procurement Rating** in 2020 (among 40 countries)
- ▶ European Open Data Portal named **Ukraine as one of the trend-setter in opening up the finance data** in Europe because of its online data platform E-data. This platform combines several three portals: Spendings, OpenBudget, ProIFIs.



# Robust focus on delivering SDGs

## SDG Performance: Ukraine vs regional and rating peers



▶ **Ukraine performs at the higher end of the SDG Index overperforming all of the regional (except for Hungary and Poland) and rating peers:**

- **Regional peers:** Ukraine outperforms regional peers the most in SDG 10 “Reduced inequalities”, SDG 14 “Life below water” and SDG 17 “Partnership for the goals”, while the largest underperformance is attributable to SDG 9 “Industry innovation, infrastructure”, and SDG 15 “Life on land”
- **Rating peers:** Ukraine outperforms rating peers in all but three goals, namely SDG 12 “Responsible consumption and production”, SDG 13 “Climate action”, and SDG 15 “Life on land”





MINISTRY OF  
FINANCE OF  
UKRAINE

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