

## UKRAINE INVESTMENT FRAMEWORK PORTFOLIO OF INVESTMENT PROJECTS (PIP) / PROJECT APPLICATION FORM

Date: 03 02 2025

### I. GENERAL INFORMATION

<b>1</b>	Name of PIP/Project	RENOVATION AND MODERNIZATION OF HOSPITALS			
<b>2</b>	Type of application	PIP: <input checked="" type="checkbox"/> Guarantee <input checked="" type="checkbox"/> Grant for TA <input checked="" type="checkbox"/> Grant for IG  Project/Fund: <input type="checkbox"/> Guarantee <input type="checkbox"/> Grant for TA <input type="checkbox"/> Grant for IG <input type="checkbox"/> Grant for FI	<b>3</b>	UIF call	<input checked="" type="checkbox"/> Public sector <input type="checkbox"/> Private sector direct <input type="checkbox"/> Quasi-equity and equity via intermediation (funds)
<b>4</b>	Lead Finance Institution (eligible counterpart)	<b>Národní rozvojová banka, a. s. (NRB)</b> for the guarantee (formally LFI for submitting this application)  <b>Česká rozvojová agentura (ČRA or CzDA)</b> for the grant and TA	<b>5</b>	UIF Strategic Area <i>(It is possible to tick more boxes in case of multi-sector PIPs/Projects)</i>	<input type="checkbox"/> Access to Finance/Financial Markets <input checked="" type="checkbox"/> Human capital & Social sectors <input type="checkbox"/> Energy <input type="checkbox"/> Transport <input type="checkbox"/> Agri-food <input type="checkbox"/> Critical Raw Materials <input type="checkbox"/> Digital Transformation <input type="checkbox"/> Green Transition <input type="checkbox"/> Strategic investment & industries
	Potential co-financier(s)	-			
<b>6</b>	Sustainable Development Goals (SDGs)	Good health and well-being (3)	<b>7</b>	DAC-code(s)	Basic health infrastructure (12230) Medical services (12191)
<b>8</b>	Brief narrative description of the PIP/Project	<p>The aim of the proposed PIP is to support renovation and modernization of hospitals across Ukraine, including the Eastern part of the country. The ongoing conflict has caused an extensive damage to healthcare facilities, which has negative effect on the scope and quality of healthcare services provided to citizens. Projects under this PIP will strengthen the capacity of Ukraine's healthcare system and effectively address the increased costs and demands directly and indirectly associated with the conflict.</p> <p>This PIP will support the comprehensive reconstruction of local hospitals, targeting critical areas such as operating theatres, intensive care units (ICU), inpatient care, maternal and child health, primary care or rehabilitation and mental health. In addition to infrastructure improvements, the project also aims to enhance healthcare delivery by providing comprehensive technical assistance, which consists of specialized education and training for local clinical specialists, technicians and biomedical engineers. Enhanced skills and expertise of local staff will lead to improved quality of health care services and the overall improvement of the healthcare system in Ukraine.</p> <p>Financing of projects will be composed of loan and grant parts. Loans will be provided by commercial or public banks, the NRB will provide guarantees to incentivise banks to offer loans and the UIF will provide counter-guarantee to take part of the risk. Investment grants and technical assistance will be administered by the Czech Development Agency (ČRA).</p>			
<b>9</b>	Action type and amounts: <sup>2</sup>				
<b>9A</b>	Type and amount of EU	<i>Guarantee</i>		EUR 30.000.000	
		<i>Grant: IG</i>		EUR 53.700.000	
		<i>Grant: TA</i>		EUR 4.200.000	

<sup>1</sup> For the avoidance of doubt, this application form may be used for submissions relating to a Portfolio of Investment Projects (PIPs) or to individual projects/Funds.

<sup>2</sup> Please add/delete rows in each sub-section as required

	contribution requested	<i>Lead fees</i>	EUR 1.064.800
			TOTAL EUR 88.964.800
<b>9B</b>	Size of total Action	<i>Guarantee</i>	EUR 42.800.000
		<i>Grant: IG</i>	EUR 53.700.000
		<i>Grant: TA</i>	EUR 4.200.000
		<i>Lead fees</i>	EUR 1.064.800
		<i>Other</i>	EUR 40.000.000
			TOTAL EUR 141.764.800
<b>10</b>	Counterparty type/ implementing entities	<input type="checkbox"/> Sovereign entity <input type="checkbox"/> Public utility/SOE <input checked="" type="checkbox"/> Municipality <input type="checkbox"/> Private corporate <input type="checkbox"/> Private financial intermediary <input checked="" type="checkbox"/> Other (please specify)  <i>Projects will be realized by local public hospitals as project promoters. Financing will be provided by commercial or public banks. Loans will be taken either by the hospital itself, or by the founder/owner of the hospital (municipality or oblast) who would then pass on the funding to the hospitals themselves.</i>	

**II. OPERATIONAL DETAILS**

<b>11</b>	PIP/Project background and context	<p>The Ukrainian healthcare system has been severely strained due to the Russian invasion, with hospitals facing critical shortages of medical supplies, overwhelmed services, and displaced staff. The proposed project aims to address these challenges by providing technical assistance, transferring best practices, and designing model projects to meet complex needs.</p> <p>The main financial component involves equipping health facilities and improving spaces through a loan and investment grant. Social investments generally face difficulties to obtain resources from financial markets due to longer period of return, even more in the context of war, which creates very specific financial conditions. Situation is further complicated by the uncertainties surrounding Ukraine's health insurance redesign. Hospitals face difficulties securing credit, particularly when struggling to meet funding requirements under the new system. To overcome these challenges, public intervention is necessary. A guarantee is necessary to incentivize banks to offer financing of this type of projects, while an investment grant is crucial to shorten the period of repayment and thus make these projects economically viable from the banking sector's point of view.</p> <p>The proposed PIP is fully aligned with The Ukraine Plan as it serves to fulfil all four strategic goals under section 7 (Human capital), namely strengthening skills, ensuring access to healthcare and rehabilitation, reintegrating into the labour market those who have been excluded from it and increasing quantity of the physically, economically, and socially active population. Among investment needs in social sectors in the next three years, the Ukraine Plan highlights restoration and improvement of damaged health care facilities, increase in the efficiency and effectiveness of health care services and development of competencies of health care service providers.</p> <p>Modernizing hospitals in Ukraine will significantly improve healthcare outcomes, leading to faster diagnoses, more effective treatments and better patient outcomes. Enhanced access to quality medical care brings social benefits, particularly by fostering social cohesion. Including mental healthcare in the recovery project is vital, providing support to those traumatized by the war and aiding in both personal and community healing. This approach also reduces the stigma around mental health, encouraging more people to seek help, which contributes to social stability by reducing risks such as domestic violence and substance abuse. Ultimately, improved healthcare access and quality help reduce disparities, promoting national unity, essential for long-term economic stability and growth.</p> <p>The proposed PIP aligns with the Team Europe Initiative, particularly the Joint Programming: State of Play initiative, which emphasizes EU-Ukraine cooperation. It complements frameworks like the EU4Health program, which strengthens health security in Ukraine and other EaP countries. As Ukraine progresses toward EU membership, these efforts enhance healthcare services and demonstrate the synergy between national reforms and EU policies. PIP will ensure coherence with ongoing EU programs, complementing Ukraine's collaboration with the EaP and facilitating further integration into EU structures. A key aspect is to ensure that EU programs and initiatives are complementary and do not overlap.</p> <p>Drawing on long-term experience in collaboration with municipalities and regional authorities, and adhering to the "bottom-up" principle, the NRB together with the Czech Development Agency and the Czech Ministry of Foreign Affairs prepared an indicative list of 13 hospitals, based on the following criteria: (1) interest in cooperation within the Ukraine Investment Framework, (2) assessment of needs for modernization, (3) continuity and long-term collaboration under Czech development cooperation programs proving reliable management, high-quality care, and responsible financial stewardship, (4) a higher multiplier effect due to existing projects funded by the Czech Republic as part of its development cooperation in Ukraine, (5) the significance of hospitals for a specific region, (6) ability to invest own financial resources, (7) focus on critical areas heavily impacted by the war, particularly care for war veterans and maternal and child care.</p>
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<p>12</p>	<p>Operational concept (Short PIP/Project description, outline of proposed financial structure, type of eligible instruments, investment and financing operations, partners to be covered, complementarity between the different interventions foreseen)</p>	<p>The NRB proposes this PIP, which builds upon three decades of economic and development cooperation between the Czech Republic and Ukraine. This PIP is interconnected with another PIP proposed by the NRB, namely the Ukraine Recovery Guarantee (URG). While the URG targets private investments in productive sectors, this second PIP targets public investments in social sectors (health care). This PIP will consist of six individual projects of renovation and modernization of local hospitals, located in western Ukraine, in the Kyiv region and in the Eastern part of Ukraine as well. Project promoters will be hospitals. The loans from banks to finance these projects will be taken either by hospitals, or by their founding authorities who will in turn pass on the funding to the hospitals. Expenses will be primarily into new medical equipment (mainly medical devices, but also medical furniture and necessary non-medical equipment such as PCs and printers). In some cases, projects include a combination of both medical equipment and construction works, with the latter being financed from other resources than UIF and before the supply of medical equipment. For each project, a needs assessment was conducted in collaboration with hospital directors, focusing on improving patient care across the board. This means that each project was evaluated individually to determine whether patient care improvements required only medical equipment or whether modernization of facilities was necessary as well, without which investments into medical equipment would not yield the desired outcomes. First phase focuses mainly on projects with no requirements in terms of construction works to ensure fast delivery of medical supplies.</p> <p>Productive investments show relatively short period of return, but in case of social investments this period is significantly longer, which may eventually compromise bankability of projects. For this reason, the NRB is submitting this proposal jointly with the Czech Development Agency and requests an investment grant for each project. The inclusion of an investment grant not only enhances the overall financial structure, but also acts as leverage for the credit portion. As a default setup, the proposal asks for an investment grant covering 50% of project expenses, in case of Eastern Ukraine 70%. Grant support will be further negotiated on a case-by-case basis with the Commission, based also on the situation in all hospitals. This setup is needed to ensure that all projects in the pipeline can be realized. Possibilities to reduce the grant intensity below 50-70% will be explored, but based on discussions with the hospitals, they seem to be reluctant to be part of the PIP if the grant intensity falls significantly below the indicated thresholds. Investment project costs will be complemented with technical assistance to ensure necessary upskilling of local staff for the operation of new medical equipment.</p> <p>Commercial loans will be provided by Ukrainian banks. Individual guarantees covering commercial loans is a standardized type of product, which has been repeatedly and successfully realized by the NRB in cooperation with Czech banks. The NRB has profound and long-term experience with guarantee mechanisms, which allows it to easily replicate such schemes to other countries. As standard market mechanisms such as insurance or commercial guarantees are not available on the Ukrainian market now, or only to a very limited extent, the NRB will offer individual guarantees to cover potential losses from the commercial loans, while Ukraine Investment Framework will offer a counter-guarantee enabling to leverage Czech resources, support more projects and increase impact of the proposed PIP. As the program is based on individual guarantees, it is the NRB who will finally approve individual projects, based on credit risk assessment of each project promoter, which will be done in parallel to due diligence procedures conducted by the financing banks.</p> <p>As the proposed PIP targets medical infrastructure investments and medical services, it will have significant benefits to whole population in communities served by the supported hospitals undergoing reconstruction, renovation and modernization. More specifically, individual projects will focus on vulnerable groups such as pregnant women and newborn babies, chronically ill patients, low income and rural populations or war veterans. The proposed PIP will also have benefits for healthcare professionals (clinical specialists, technicians, biomedical engineers) directly via training and upskilling and indirectly via modern medical equipment to work with. Interests of the groups are represented by local health authorities, community organisations or patient advocacy groups.</p> <p>The proposed PIP and the indicative pipeline of projects has been presented to the representatives of Ukrainian authorities on local level as well as on national level (Ministry of Economy, Ministry of Health) and has been generally welcomed as tackling with urgent needs of country's healthcare sector.</p>

<p>13</p>	<p>Programme/Project stage</p>	<p>The NRB has been preparing a pipeline for the proposed PIP since Summer 2024. In cooperation with the Ministry of Foreign Affairs, Office of the Government Envoy of the Czech Republic for the Reconstruction of Ukraine, Czech Embassy in Kyiv and the Czech Development Agency, it has been able to prepare a pipeline of projects eligible for support under this PIP. The identification of beneficiaries has been finalized. Projects in Western Ukraine and Kyiv are in a very mature stage, finalizing concrete demands for medical equipment. Technical specifications have been negotiated with the hospitals and their founders to ensure that they meet the required standards and are aligned with the specific needs of each hospital. Preliminary project documentation (detailed project plans, objectives, timelines, resource allocations) is under preparation. Negotiations on financing have started as well, including discussions with commercial and public banks. On the other hand, projects in Eastern Ukraine are in a less mature stage and will be further elaborated in the following weeks and months. Each hospital will submit a standardized form on the identification of needs. In case of hospitals in the Western part, these identification forms are already available. In case of hospitals in the Eastern part, these identification forms will be finalized early in 2025. In any case, the pipeline of mature projects for the first phase covers pretty much in full the requested allocation of the PIP for the guarantee part, far above the 40% requirement requested by DG NEAR. This pipeline is annexed in Part II of the application form.</p>
<p>14</p>	<p>Main objectives of the PIP/Project and alignment with:  A. Ukraine Facility objectives and principles (Art. 3 &amp; 4 of UF Regulation – see also Annex I)  B. Ukraine Plan  C. RDNA 3  D. Enlargement report  E. EU horizontal policies</p>	<p>The main objective of the PIP is to support reconstruction, renovation and modernisation of local hospitals in different regions of Ukraine. The proposed PIP is aligned with:</p> <p><b>A. Ukraine Facility objectives and principles</b></p> <p>The proposed PIP will focus on improving health infrastructure and medical services, thereby contributing to the recovery, reconstruction, restoration and modernisation of the country and its economy (general objective A) and to fostering social and territorial cohesion and convergence towards Union standards in the health sector (general objective B). More specifically, the PIP will help to rebuild and modernise country's infrastructure (specific objective B), to address social and health challenges and to improve access to services, particularly for vulnerable groups (specific objective C), to repair, rebuild, safeguard and improve social infrastructure (specific objective F), to promote gender equality, empowerment of women and girls, the rights of children and persons with disabilities as well as to reinforce the effectiveness and transparency and to improve financial management and public procurement in the public sector (specific objective L), and to support decentralisation and local development (specific objective K).</p> <p><b>B. Ukraine Plan</b></p> <p>The proposed PIP is fully aligned with The Ukraine Plan as it serves to fulfil all four strategic goals under section 7 (Human capital), namely strengthening skills, ensuring access to healthcare and rehabilitation, reintegrating into the labour market those who have been excluded from it and increasing quantity of the physically, economically, and socially active population. Among investment needs in social sectors in the next three years, the Ukraine Plan highlights restoration and improvement of damaged health care facilities, increase in the efficiency and effectiveness of health care services and development of competencies of health care service providers.</p> <p><b>C. RDNA 3</b></p> <p>In section about the health sector, RDNA3 summarizes that this sector has experienced war-related disruption and damage to infrastructure and service delivery. One in eight health facilities has been fully or partially damaged. The total recovery and reconstruction needs in the sector, including also the improved designs and service delivery models, are estimated to be US\$ 14.2 billion over ten years. The urgent needs for 2024 are estimated to be almost US\$ 1 billion. Therefore, the proposed PIP with its substantial volume of investments into hospitals is fully aligned with RDNA3.</p> <p><b>D. Enlargement report</b></p> <p>The proposed PIP is not directly linked to reforms, which are part of <i>acquis communautaire</i>. Nevertheless, it has potential to fulfil some of the measures recommended by the Commission in its enlargement report under chapter 28 on consumer and health protection. Specifically, some programs for HealthCare system upgrade are targeted, such as improvement of rehabilitation services, investments into healthcare facility network, expanded use of health care data, enhancement of digital health and others.</p> <p><b>E. EU horizontal policies</b></p> <p>The EU's horizontal social policy broadly aims to promote social inclusion and access to essential services, including healthcare, across member states and partner countries such as Ukraine. However, the health sector is rather national than EU competence.</p>
<p>15<sup>3</sup></p>	<p>A. Alignment with UIF Strategic Orientations –</p>	<p><i>Human capital &amp; social sectors</i></p> <p>Strategic Orientations target the health sector by delineating several directions for the support from the Ukraine Investment Framework, including the restoration and upgrading of damaged health care facilities,</p>

<sup>3</sup> Please add/delete rows in each sub-section as required

	<p>strategic areas for investments</p>	<p>the provision of modern medical equipment for diagnostic analysis and treatment, the development of tailored treatment and care protocols and the improved efficiency and effectiveness of health care services. The proposed PIP is covering all the above-mentioned improvements in the health sector, with a specific focus on addressing the needs of vulnerable populations. Targeted improvements in key healthcare services - including maternal and child health, intensive care, mental health, and particularly rehabilitation for war veterans - are essential. The focus on veteran rehabilitation addresses the urgent needs of those affected by conflict, contributing significantly to social stability and reintegration efforts. This not only aids in the recovery and well-being of veterans but also supports social cohesion and reduces the long-term social and economic burdens associated with untreated trauma and disability. Furthermore, the project promotes the advancement of medical technology and the healthcare industry. By incorporating state-of-the-art equipment and facilities, it encourages the adoption of new technologies and best practices, thereby stimulating innovation within the healthcare sector.</p>
	<p>B. Alignment with UIF Strategic Orientations – horizontal considerations</p>	<p><i>Access to finance / Financial markets for economic resilience and recovery</i></p> <p>Guarantee mechanism will primarily serve as a de-risking instrument, incentivizing local banks to offer loans to project promoters on more beneficial terms. This will make access to affordable financing available for local hospitals. Moreover, it also aspires to offer local currency financing (if needed) and to offer financing in vulnerable territories under distress, particularly in the Dnipropetrovsk and Kharkiv Oblasts. From the long-term perspective, it is fundamental to differentiate between projects that are economically viable and shall be financed using financial instruments, and projects that are not economically viable and shall be financed using grant support. There are borderline cases particularly in social infrastructure, where projects are only partly economically viable, such as the presented pipeline of projects for renovation and modernization of hospitals. The proposed PIP is important to show how to effectively combine commercial loans with EU grants and particularly how to use the leverage of commercial financing to ensure sound management of the grant element, thus fostering long-term sustainability of the projects.</p> <p><i>Leave no one behind: underserved and vulnerable groups, war-affected &amp; de-occupied territories</i></p> <p>By addressing the heightened costs and demands on healthcare resulting from the ongoing conflict, this project seeks to establish a resilient healthcare system capable of managing both the current and future influx of patients requiring acute and long-term care. In light of the anticipated increase in veterans needing specialized care, the project is designed to prepare the healthcare system to effectively meet these rehabilitation needs, ensuring that veterans receive essential support for their successful reintegration into society. During wartime, healthcare needs are escalating, with chronically ill patients, mothers, and children particularly vulnerable. By enhancing services such as prenatal care, safe delivery, and postnatal support, the project aims to significantly reduce maternal and infant mortality rates, ensuring that mothers and their newborns receive the highest standard of care during this critical period.</p> <p><i>Alignment with EU standards</i></p> <p>Harmonization with EU standards and hospital care requirements is recognized as a critical aspect of the project. By integrating EU standards, the implementation of best practices in hospital care will be facilitated, including enhanced protocols for patient safety, infection control and clinical governance. Adopting Western common practices in hospital care, safety, and technical regulations will significantly improve the quality of health care and medical services. Additionally, regulatory frameworks governing hospital operations will be strengthened to ensure compliance with technical regulations that enhance the safety and efficacy of medical equipment and procedures. Comprehensive training programs for healthcare professionals will be included to equip staff with knowledge of EU regulations, cultivating a skilled workforce capable of delivering high-quality healthcare services.</p> <p><i>Sustainable regional development and decentralisation</i></p> <p>According to the Ukraine Plan, decentralization and local governance is crucial to ensure the recovery and reconstruction process. Empowerment at the local level has played an important role in ensuring Ukraine's resilience in the face of the Russian invasion. All the hospitals included in the project are public hospitals, established and overseen by regional governments or municipalities. They are providing a wide range of specialized medical services to the local population and serve as medical centres of their respective regions.</p> <p><i>Focus on capital expenditure</i></p> <p>The NRB aspires to fulfil 80% threshold of CAPEX investments at the level of each individual project, while OPEX expenses will be allowed only if linked to the supported investment.</p>
<p>16</p>	<p>Alignment with UKR policies and priorities and prior consultations</p>	<p>Comprehensive reconstruction of hospital aligns with the public investment program "Great Construction" for renovation and construction of critical healthcare infrastructure. In 2017, Ukraine launched healthcare reform for the transition from Soviet-style system to a modern, patient-centred approach. As part of the reform, National Health Service of Ukraine focuses on implementing a new financing model. The proposed PIP follows the prioritization of maternal and child health to reduce maternal and infant mortality rates. Since the onset of war, mental health and rehabilitation services have been identified as key area. As part of the Ukraine's doctrine for post-war transition, one of the priorities of the Ukrainian healthcare policy is to develop and strengthen the rehabilitation system. Government strategy is to integrate mental health into primary care and expand rehabilitation services, particularly for those affected by conflict and trauma. To handle at least 126,000 patients per year, a functional network of rehabilitation facilities is currently being established across Ukraine. According to the strategic plan of the Ministry of Health of</p>

		<p>Ukraine, 250+ institutions, equivalent to almost every hospital in Ukraine, will be equipped with a rehabilitation centre with a capacity of at least 30-50 beds.</p> <p>The project is fully coherent with The Ukraine Plan (The Plan) of 2024, which is a comprehensive recovery strategy focused on rebuilding and revitalizing Ukraine in the aftermath of the ongoing conflict. It emphasizes restoring critical infrastructure, particularly in healthcare, and enhancing economic stability and growth. The plan prioritizes the rehabilitation of medical facilities, improvement of public services, and support for displaced populations. Immediate priorities for 2024 include restoring damaged facilities, strengthening primary healthcare, expanding mental health services, and addressing missed preventive care which complies with the objectives of the proposed PIP. The proposed PIP and the indicative pipeline of projects has been presented to the representatives of Ukrainian authorities on local level as well as on national level (Ministry of Economy, Ministry of Health) and has been generally welcomed as tackling with urgent needs of country's healthcare sector.</p>			
	<b>Risk Assessment categories in regard to the PIP and underlying projects or Project</b>	<b>Description</b>	<b>Risk Likelihood</b>	<b>Risk Impact</b>	<b>Mitigation</b>
17	<b>Political</b>	In case the frontline moves further to the Ukraine territory, projects located in Eastern regions may not materialize. Banks may be more hesitant to finance projects in Ukraine following the worsening of the situation on the ground. Change of situation may also compromise the political will to execute reforms in the health sector, which may cause delays in the implementation.	M	H	Generally, political risks are beyond control of development banks or financial institutions. To ensure that allocation of the EU guarantee is fully utilized, these risks can be mitigated by having a robust pipeline of potential projects, cooperating with more financial intermediaries and being in continuous consultations with hospitals, founders of hospitals and the Ministry of Health. This risk is less pertinent for hospitals located in the Western part of the country, while it may be highly relevant for projects located in the Eastern part of Ukraine.
	<b>Economic</b>	Investments may be compromised by structural issues such as poor governance and corruption. State finances are under pressure due to impacts of the war on country's economy. In case the situation on the front significantly worsens, this may worsen the overall macroeconomic situation in Ukraine, create adverse economic conditions to any investments and challenge the development of the state budgetary components in some sectors. Similarly, inflation may be rising under such circumstances. These negative events may cause projects costs to rise and may influence the repayment period of the underlying loans.	M	H	Generally, economic risks are beyond control of development banks or financial institutions. Most of these risks shall be mitigated by the economic adjustments made in response to the war and by The Ukraine Facility itself; Pillar I and Pillar III are providing significant amount of money to finance key reforms as well as to support everyday functioning of the state. Economic factors will be monitored carefully throughout the implementation period to raise and address pertinent issues and developments. To some extent, this risk is also mitigated by flexibility allowing to adjust the grant and loan components appropriately. If needed, terms of the underlying loans may be renegotiated.
	<b>Financial</b>	Credit and currency risk of the beneficiaries, risks linked to intermediaries, risks linked to risk sharing, risks linked to cost-recovery over the life cycle of projects.	M	H	Credit quality of the beneficiary will be assessed by financing banks as well as by the NRB (double check)  Public procurements of design and works shall be international, and payments are expected to be made in EUR to international contractors. Therefore, the

					<p>financial risks connected with volatile exchange rate between UAH and EUR may be very significant. It will be necessary to regularly review and adjust the financial plan to account for potential exchange rate changes.</p> <p>The NRB will carefully select cooperating banks and will do thorough assessment of their ability to be part of the program.</p> <p>Risk-sharing is set in advance. Financing banks will keep 10% of the losses, the NRB will keep 20% of the losses and the UIF will keep 70% of the losses. Risks related to the guaranteed part of underlying loans will be shared by the NRB and EC pari passu and pro rata. This share applies both to expected and unexpected losses. In practical terms, due to high uncertainty and low number of individual projects in this PIP, any losses are considered to be expected losses.</p> <p>The NRB expects to select, in cooperation with banks, only those projects that are mature and economically viable, confirmed by thorough analyses. This shall limit the risk of commercial default in case of standard business environment. Guarantees shall serve primarily as a security instrument against non-commercial risks stemming from the not-so-standard business environment in Ukraine. In such cases, recovery processes may be difficult, if possible at all.</p>
	Social	Risk of temporary restrained medical capacities due to reconstruction and renovation works in hospitals. Inefficient use of medical equipment may hamper rather than improve the quality of medical care delivered.	L	M	<p>Risks related to temporarily suspended capacities of hospitals can be mitigated by the phased reconstruction, usage of temporary facilities, scheduling, optimized resource allocation and advanced communication to the public. Risks related to inefficient use of equipment can be mitigated by allocating medical equipment to hospitals according to real needs and value for money and by providing technical assistance in terms of upskilling staff.</p>
	Climate change	Climate vulnerability, increased greenhouse gas emissions, or other impacts negatively affecting climate change	L	L	<p>The proposed PIP may have a slight impact on climate change due to the potential emission of greenhouse gasses. These effects will be minimized with sustainable building practices and material handling.</p>

					To mitigate risks such as storms, floods, heatwaves or droughts, the projects will incorporate climate-adaptive designs and technologies, incl. flood-resistant building designs (elevated structures, improved drainage systems), heat-resilient features (advanced insulation and cooling systems), or water conservation measures (rainwater harvesting systems, drought-tolerant landscaping). Green roofs and urban greening initiatives further support climate adaptation by improving air quality, reducing the urban heat island effect, and promoting biodiversity.
Environmental	Potential impacts of the investments on environment of the surrounding area, including the risk of contamination of local groundwater and surface water sources due to improper disposal of medical waste.	L	L	L	Generally, environmental risks shall be mitigated by ensuring compliance with environmental regulations at local, national and international level. This includes also the development of clear guidelines for medical waste disposal and adherence to these guidelines by staff.  To ensure this, Environmental Impact Assessments (EIAs) will be conducted for all subprojects to identify and address potential environmental risks, with particular attention to waste management, including medical and hazardous waste. Projects with significant potential impacts will undergo full-scale EIAs to ensure comprehensive risk mitigation.
Implementation	Risks related to implementation of the PIP and its outputs, outcomes and impact, such as capacities of hospitals to manage such big investment projects, delays in the passportization of project documents, delays in procurement, logistical challenges and others.	M	H	H	Implementation risks can be mitigated by advance planning, regular monitoring, continuous communication with all stakeholders involved (project promoters, founders of hospitals, Ministry of Health, suppliers etc.), flexible project timelines that account for potential delays and other measures. A risk management plan shall be implemented for each project. This shall ensure that all unexpected events are identified, analyzed and quickly addressed. Due to purpose-based drawing of underlying loans and investment grants, projects shall lead to expected outputs, thus achieving expected outcomes and impact.
Reputational	Reputational risks related to the program and individual projects	L	L	L	To avoid ex ante reputational risks, pipeline of projects will be discussed with the EC and UA government to ensure that there are no controversies related to the selected projects. During the operational phase, main reputational risks lie in negative public perception of delays, inefficiencies or mismanagement



				<p>of funds or equipment. These risks will be mitigated by regular monitoring, continuous communication with all stakeholders and maximum transparency towards the public.</p>
	Other	No other risks have been identified		
18	<p><b>Sustainability of operations</b></p> <p><i>Brief explanation of ways how the sustainability of operations will be safeguarded.</i></p>	<p><b>A. Economic sustainability:</b></p> <p>Renovation and modernization projects align with ongoing healthcare reforms in Ukraine. Economic sustainability will be ensured by enhancing efficiency, reducing costs, and increasing revenue. This will be done by different measures such as investments in energy-efficient systems (lighting, HVAC systems, insulation materials) to reduce long-term operational costs and resource consumption, or installation of renewable energy sources with lower energy expenses and reduced dependency on non-renewable resources. Furthermore, the implementation of efficient waste segregation and recycling systems and the installation of sustainable waste treatment technologies (autoclaving) could help lower down waste management expenditures and the promotion of resource reuse. Finally, regular monitoring of energy consumption and waste management practices could be implemented to identify cost-saving opportunities and ensure efficient resource utilization.</p> <p>Supported hospitals will benefit from increased funding through the new national healthcare system, creating a sustainable financial model that secures their long-term viability and reduces reliance on budgeting from government resources. Modernization projects shall lead to greater efficiency (treating more patients in less time), reduced costs (operational savings) and increased revenues. This will foster long-term economic sustainability.</p> <p>Economic sustainability is further fostered by the combination of a guaranteed loan with an investment grant, compared to solely grant financing. Loan component ensures the alignment of interests between the NRB/European Commission and the project promoters and increases involvement of the project promoters in their projects, thereby effectively ensuring that the ownership lies on the Ukrainian side.. Therefore, there is an assumption that the delivered equipment will be in line with their needs and requirements. This increases motivation of the recipients not only during the implementation phase and first years of the operational phase, but also in longer term perspective. This should increase the probability of appropriate maintenance and needed repairs (if any) during the whole life cycle.</p> <p>Economic sustainability will be further strengthened using technical assistance, which forms an integral part of the intervention. Due to the TA, processes needed for the effective operation of newly delivered medical equipment, as well as general processes leading to improvement of the efficiency and effectiveness of healthcare services will be introduced to the project promoters. The involvement of the training scheme will also help the sustainability of the outcomes in relation to the transfer of soft skills. By educating technical staff on the operation and maintenance of medical equipment, product life cycles are extended, making the project of hospital modernization more sustainable. Support for adoption and use of TA will be ensured by the Czech Development Agency. One of TA's key aspects will be that newly delivered medical supplies are used to the maximum extent and their economic return is thus ensured. At the same time, a process will be set up that will guarantee that at the end of the life of the devices, a sufficient amount of funds will be available for their restoration. TA will also support project implementation, particularly with respect to procurement, environmental / social monitoring and support to reporting.</p> <p>Also, approximation to the European standards, which is planned in the frame of TA as one of the relevant aspects of intervention, will improve the overall position of supported hospitals and their readiness to accept further support from national financial sources as well as from international donors.</p>	<p><b>B. Climate, environmental and social sustainability:</b></p> <p>All investments realized under the proposed PIP will have to comply with the Environmental and Social Safeguards Framework developed by the World Health Organisation (<a href="https://cdn.who.int/media/docs/default-source/climate-change/who-environmental-framework-report.pdf?sfvrsn=324b818a_3&amp;download=true">https://cdn.who.int/media/docs/default-source/climate-change/who-environmental-framework-report.pdf?sfvrsn=324b818a_3&amp;download=true</a>), due to the fact that neither the NRB nor the CRA have introduced own E&amp;S rules yet.</p> <p>All individual projects will be compliant with the "Do No Significant Harm" principle by ensuring that all interventions prioritize patient safety, environmental sustainability and social equality. This includes adhering to strict medical and construction standards to avoid any negative impacts on patient health or worker safety during and after the modernization process. The project will also consider environmental impacts, such as proper waste management and energy-efficient designs, to prevent harm to the surrounding communities and ecosystems. All guidelines, prepared for the introduction and adoption of new (or update of existing) processes in the frame of technical assistance support, will be also checked from the environmental aspects perspective and to also cover "green policy" principles in maximal extent.</p> <p>To ensure this, Environmental Impact Assessments (EIAs) will be conducted for all subprojects to identify and address potential environmental risks, with particular attention to waste management, including medical and hazardous waste. Projects with significant potential impacts will undergo full-scale EIAs to ensure comprehensive risk mitigation.</p>	

		<p>As mentioned in Section 18A, to enhance sustainability, hospitals will integrate energy-efficient and renewable energy systems, along with urban greening and biodiversity projects, to reduce their carbon footprints and improve climate change resilience. Improved insulation of walls, roofs, and windows will minimize heating and cooling demands and will contribute to the reduction of carbon emissions. Upgrading to energy-efficient lighting (LED) and optimizing HVAC systems will further cut energy use and costs. Water-saving technologies, such as low-flow faucets and rainwater harvesting, will reduce water consumption and associated energy costs. Advanced systems for the safe treatment and disposal of medical waste will be implemented in line with the EU environmental standards, reducing both ecological and public health risks. Recycling initiatives will further minimize the environmental footprint of hospital operations, promoting sustainable waste management practices.</p> <p>Hospitals could also adopt sustainable procurement policies, favouring environmentally friendly products and materials for construction, medical equipment and general supplies. This would extend sustainability efforts beyond the physical structure also into hospital operations.</p> <p>All individual projects will be also compliant with the “Leave no one behind”. Introduction of new processes (Build back better) together with newly delivered medical equipment directly supports the quantity and quality level of the medical services. All interventions shall be inclusive and improvements in healthcare services shall be accessible to all, particularly to vulnerable populations, without exacerbating existing inequalities. This principle will be also stressed with relation to accessibility, thereby taking into account the needs of disabled people.</p> <p>Social and Environmental Safeguards Assessments (SESAs) will address community concerns, ensuring projects benefit local populations without causing adverse impacts. Stakeholder engagement will foster transparency and build trust with affected communities. Finally, a robust monitoring plan will track the environmental and social impacts of these modernization efforts, ensuring compliance with both national and EU environmental regulations.</p> <p>By carefully planning and monitoring the application of DNSH and LNOB principles, the modernization effort can significantly improve healthcare without causing unintended harm to anyone.</p> <p><b>C. Other aspects of sustainability:</b></p> <p>Assessment of institutional and technical capacities of the project promoters is a standard part of due diligence processes in project finance, as well as an assessment of asset life cycle. This is highly relevant for long-term sustainability of the projects and as such is a necessary step in the approval process.</p>
<p>19</p>	<p>Track-record of the LFI in terms of implementation of similar investments in Ukraine or in similar contexts</p>	<p>The NRB is a national promotional bank in the Czech Republic established in 1992. It has more than thirty years of experience operating on the Czech market in the segments of SME financing, municipal financing and infrastructure financing. Core activities are guarantee schemes. Thus, the NRB has a profound experience with individual guarantees similar to the proposed PIP. The NRB has been granted a mandate in development financing in 2018 and started a pilot guarantee scheme supporting Czech private investments in developing countries. The guarantee part of the proposed PIP is modelled based on this pilot guarantee scheme, with important modifications stemming from the specific context of Ukraine as a war-torn country. The NRB has not been active in Ukraine yet.</p> <p>The Czech Development Agency (ČRA) has been established by the Ministry of Foreign Affairs in 2008 as an implementing agency for the Czech development cooperation. It has been present in Ukraine since 2015, using different tools of implementation, specifically grants and public contracts. The ČRA works in different Ukraine regions – before aggression, it was mainly Donetsk and Luhansk regions, currently, it is primarily Dnipropetrovsk region, Kyiv, and western Ukraine (Lviv, Ivano-Frankivsk), but also Mykolaiv. Different sectors, based on the identified needs of local partners, are covered (education, support of civil society, agriculture, environmental problems, and health sector).</p> <p>The ČRA has covered the health sector since 2023, with interventions “Delivery of technical medical equipment in support of the medical universities” (2022-23), “Strengthening capacities in Lviv Territorial Medical Union and Rehabilitation Centre Unbroken” (2023-2024) and “Building capacities in healthcare and improving access to healthcare for communities affected by conflict in Ukraine” (2024-25). The intervention in Lviv aims to strengthen the professional and material capacity of the two facilities at the level of primary and specialized health care. The targeted outputs are the implementation of guidelines for antibiotic therapy management, guidelines for burn treatment and strengthening the professional capacity of rehabilitation workers for veteran care. The intervention in the Dnipropetrovsk region aims to strengthen the capacities of six healthcare institutions and provide minor repairs to increase accessibility of their facilities, as well as material supplies to selected outpatient rehabilitation centres. This will improve the availability of inclusive and gender-sensitive healthcare in this war-affected region.</p>

**III. ADDITIONALITY AND EXPECTED RESULTS**

<p>20</p>	<p>Additionality of the PIP/Project</p>
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Financial additionality	<p>Banking sector in Ukraine is adequately liquid and has sufficient appetite to finance investment projects in strategic sectors, including the health care sector. However, banks cannot avoid perceived heightened risk in the market as well as general market uncertainty. This may lead to sub-optimal investment situations in terms of tenor of loans, loan amounts, interest rate and/or required collateral. Thus, the NRB does not bring liquidity, but offers guarantees as a risk-sharing mechanism, which also reduces the risk of market distortion. Guarantee provided by the NRB eases the risks connected with market uncertainty and heightened risks, allowing banks to offer financing on standard market terms or even on more beneficial terms. As a result, local hospitals will be able to secure financing at the terms and/or scale that would otherwise not be available to them.</p> <p>The proposed PIP will provide significant development additionality by enhancing human capital, boosting economic growth and setting the stage for future initiatives. The upgraded equipment and trained staff will help hospitals to meet international standards and increase the quality and accessibility of healthcare services. The infusion of EU funds fosters long-term partnerships between Ukrainian and European institutions, facilitating knowledge transfer and innovation and enabling to attract additional foreign investment. Finally, the proposed PIP will be realized in close coordination with Ukrainian authorities at the national and local level, contributing to continuous policy dialogue between all partners and ensuring that synergies between local needs/priorities and Czech know-how and expertise are exploited to the maximum possible extent.</p> <p>Economic additionality of the proposed PIP is based on leveraging Czech resources with the EU counter-guarantee, EU investment grant and EU technical assistance. Thanks to the contribution from the Ukraine Investment Framework, the NRB will be allowed to support more projects and achieve higher impact on the ground. Moreover, the proposed risk-sharing mechanism enables the NRB to increase its risk appetite towards the individual projects. Without the EU support, the NRB would have to assess risks of the underlying loans more rigorously, which could have negative impact on social investments with longer period of return compared to private investments. Projects in the Dnipropetrovsk and Kharkiv Oblasts would be particularly affected by this lower risk appetite.</p> <p>From the macroeconomic perspective, the EU support will increase greater efficiency and optimize the budgetary expenditures in the supported hospitals. This will in turn reduce the financial burden on Ukraine's government, allowing limited funds to be allocated to other critical areas, which are not economically viable. By improving healthcare infrastructure, the proposed PIP also indirectly supports economic growth, as healthier workforce is more productive, leading to increased tax revenues.</p> <p>The proposed PIP will have significant technical additionality as it will enhance the healthcare system's capacity for innovation. By integrating advanced medical technologies, modernizing healthcare infrastructure and educating biomedical engineers, the EU's support will enable the supported Ukrainian hospitals to offer higher-quality care, adopt cutting-edge treatment methods and improve patient outcomes. This investment not only strengthens the healthcare system but also fosters a culture of innovation within Ukraine's medical community, positioning the country to better meet future healthcare challenges.</p> <p>The proposed PIP will have positive effects also on climate (switch to modern technologies and medical equipment with lower energy, lightning, heating and water demand), environment (adoption of energy-efficient technologies and eco-friendly medical equipment, improvements in waste management systems) and sustainability (education and training of bioengineers as part of TA activities enhancing the maintenance and future innovation of medical technologies).</p> <p>Implementation of this PIP will create incentives for the private sector to be involved in further investments in the health sector. Increasing private sector involvement is not only a key reform goal but also a critical element for recovery, making it a priority for investment. Developing viable business models in traditionally public sectors will enhance the efficiency and speed of Ukraine's recovery.</p> <p>EU contribution will support approximation of Ukraine's health sector to the European standards. Investing in Ukraine's healthcare system strengthens the EU's strategic partnership with Ukraine, fostering long-term cooperation and collaboration on health, economic and security issues.</p>				
Development additionality					
Economic additionality					
Technical / Innovation additionality and expected replicability					
Sustainability					
Climate Change					
Environment					
Private Sector Involvement					
Alignment with EU standards					
<b>Results framework</b>					
<p>Please note that the UIF Results Measurement Framework (ReMF) will form the overarching basis of reference for design, monitoring, reporting and evaluation.</p>					
<p>General note: it is practically difficult to obtain data about number of patients in hospitals as such data are very sensitive and shall not be published. Therefore, indicators work rather with population covered by modernized health care services as potential patients.</p>					
Objectives & outputs	Results chain	Indicator	Baseline (value & year)	Target (value & year)	Source of data
Impact (Overall objective)	<p><i>Impact 1</i> Good health and well-being: Upgraded,</p>	<p><i>Impact indicator 1:</i></p>	<p><i>Baseline for impact indicator 1</i></p>	<p><i>Target for impact indicator 1</i> <i>NOT for impact</i></p>	<p><i>1. – Source of data for indicator 1</i></p>

21	(The intermediate to long-term desired change) the intervention is expected to contribute to in the political, social, economic and/or environmental context)	resilient and sustainable healthcare system in Ukraine	SDG 3.8 Achieve universal health coverage and access to quality essential health-care services and essential medicines	NOT for impact		Data from project promoters
			Impact indicator 2: SDG 3.4 Promote mental health and well-being	Baseline for impact indicator 2 NOT for impact	Target for impact indicator 2 NOT for impact	2 – Source of data for indicator 2 Data from project promoters
	Outcome(s) (Specific objectives) <i>(The short to medium term effects) the intervention aims to contribute to. Specific objectives will contribute to the achievement of the chosen Overall Objective(s)/Impact(s))</i>	Outcome 1 Improved access to healthcare services	1.1 – Indicator 1 to Outcome 1 Number of patients benefitting from the introduction of modern medical equipment for diagnostic analysis and treatment provided for medical facilities	1.1 – Baseline for indicator 1.1 (same unit of measure) 0	1.1 – Target for Indicator 1.1 400.000 (number of inhabitants covered by the improved health care services)	1.1 – Source of data for indicator 1.1 NRB/ČRA, based on data from project promoters
		Outcome 2 Improved efficiency and effectiveness of healthcare services	2.1 – Indicator to outcome 2 Number of people with disabilities benefitting from newly introduced or improved rehabilitation services	2.1 – Baseline for indicator 2.1 (same unit of measure) Current hospital capacity for rehabilitation services	2.1 – Target for Indicator 2.1 Capacity increase by 20%	2.1 – Source of data for indicator 2.1 NRB/ČRA, based on data from project promoters
		Outcome 3 Increased access to healthcare services	3.1 – Indicator to outcome 3 Number of people belonging to underserved or vulnerable groups (specifically war veterans) whose needs are addressed by the investment project	3.1 – Baseline for indicator 3.1 (same unit of measure) 5.000 per year	3.1 – Target for Indicator 3.1 8.000 per year	3.1 – Source of data for indicator 3.1 NRB/ČRA, based on data from project promoters
	Outputs <i>(Delivered by the intervention. They will influence the achievement of the stated Specific Objective(s)/Outcome(s))</i>	1.1 Output 1 related to Outcomes 1, 2 and 3 Improved efficiency and effectiveness of healthcare services	1.1.1 Indicator 1 to Output 1 Number of healthcare facilities restored and/or upgraded/improved	1.1.1 Baseline for indicator 1.1.1 (same unit of measure) 0	1.1.1 Target for Indicator 1.1.1 6	NRB/ČRA
			1.1.2 Indicator 2 to Output 1 Number of healthcare service	1.1.2 Baseline for indicator 1.1.2 (same unit of measure) 0	1.1.2 Target for Indicator 1.1.2 6	NRB/ČRA

			providers, per type and type of functional territory that benefitted from trainings to upskill their professional competencies			
			<b>1.1.3 Indicator 3 to Output 1</b>	<b>1.1.3 Baseline for indicator 1.1.3 (same unit of measure)</b>	<b>1.1.3 Target for Indicator 1.1.3</b>	
			Number of healthcare service providers benefiting from improved management and work-flow processes	0	6	NRB/ČRA
			<b>1.1.4 Indicator 4 to Output 1</b>	<b>1.1.4 Baseline for indicator 1.1.4 (same unit of measure)</b>	<b>1.1.4 Target for Indicator 1.1.4</b>	
			Number of medical facilities that benefitted from tailored treatment and care protocols, including for people with disabilities and mental traumas, disaggregated by type of functional territory	0	6	NRB/ČRA
		<b>1.2 Output 2</b> Employment directly supported	<b>1.2.1. Indicator 1 to Output 2</b> Number of direct FTE jobs supported and/or sustained	<b>1.2.1. Baseline for indicator 1.2.1 (same unit of measure)</b> 0	<b>1.2.1. Target for Indicator 1.2.1</b> 50 per year	NRB/ČRA, based on data from project promoters
		<b>1.3 Output 3</b> Leverage effect	<b>1.3.1. Indicator 1 to Output 3</b> Ratio between the amount of reimbursable finance (by IFIs and/or other financiers) against EU contribution	<b>1.3.1. Baseline for indicator 1.3.1 (same unit of measure)</b> 0	<b>1.3.1. Target for Indicator 1.3.1</b> 0.43	NRB
		<b>1.4 Output 4</b> Multiplier effect	<b>1.4.1. Indicator 1 to Output 4</b> Ratio between the total investment (from IFI or/and public and private investors) against the EU contribution	<b>1.4.1. Baseline for indicator 1.4.1 (same unit of measure)</b> 0	<b>1.4.1. Target for Indicator 1.4.1</b> 0.93	NRB
		<b>1.5 Output 5</b> Development of war-affected and underserved territories supported	<b>1.5.1. Indicator 1 to Output 5</b> Volume of investments into projects in	<b>1.5.1. Baseline for indicator 1.5.1 (same unit of measure)</b>	<b>1.5.1. Target for Indicator 1.5.1</b> EUR 31.5 million	NRB

			territories that are underserved or most suffering from the effects of the war, including de-occupied areas or areas close to the frontline	0		
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22	<b>Contribution to OECD DAC Markers</b>			
	<i>Please indicate whether the intended activities contribute to any result according to the OECD DAC policy marker system:</i>			
	<ul style="list-style-type: none"> <li>▪ For each marker category, please indicate those that are either a “Significant objective” or a “Main objective” of the proposed intervention</li> <li>▪ For each marker category, please add as many rows as needed.</li> <li>▪ Those that are not selected will be considered as being ‘Not targeted’.</li> </ul>			
	Markers		Significant objective	Principal objective
	OECD-DAC Policy markers		Inclusions of persons with disabilities	Reproductive, Maternal, New born and Child Health
	OECD-DAC Rio markers		Choose an item.	Choose an item.
OECD-DAC Gender marker		Gender equality	Choose an item.	
Other (internal) markers		Migration	Reduction of Inequalities	

**IV. FINANCIAL DETAILS**

Indicative budget of the PIP/Project

Explanation accompanying the table below: total expected size of the Action is EUR 141.76 million. Commercial or public banks will offer loans to project promoters/hospitals or municipalities in total amount of EUR 42.8 million (mobilized financing from other private sector resources in the form of debt financial instrument). The NRB will offer 90% guarantee on these loans – EUR 38.5 million (LFI financing). This 90% will be allocated 70% to the EU and 20% to NRB, therefore the EU guarantee will represent EUR 30 million, while NRB will contribute with SITG of EUR 8.5 million (or in other words EU and NRB will cover respectively 77.8% and 22.2% of the residual 90% risk). Project promoters will participate with own resources of EUR 40 million (mobilized financing from beneficiaries). In addition, the Action comprises EUR 4.2m of TA, EUR 53.7m of investment grant and EUR 1.065m of Lead fees, all from the EU budget.

Regarding the mobilized financing from beneficiaries: co-financing directly for the projects under this PIP is not envisaged. However, most of hospitals will finance other related investments from other resources, primarily from state resources or donor resources. These investments are preceding the projects for medical equipment, but they are closely interlinked. Without reconstruction and modernization of buildings, it would make only little sense to buy new medical equipment. We discussed this issue with hospitals and mobilized resources can be tentatively estimated at app. EUR 40 million.

23	<b>Source of funding /Type of instrument (all in €M)</b>	<b>EU</b>	<b>LFI</b>	<b>Expected mobilised financing from Co-financiers (funding and risk share)</b>	<b>Expected mobilised financing from beneficiary)</b>	<b>Expected mobilised financing from (other) private sector sources</b>	<b>Expected mobilised financing from (other) public sector sources</b>	<b>Total by type of instrument</b>
	Guarantee	30	38,5	0	0	0	0	38,5 <sup>4</sup>

<sup>4</sup> As NRB is providing a guarantee of 90% and the EU is counter guaranteeing at 70% of the total value of loans, the two figures in the row should not be added. The risk borne by NRB will be equal to EUR 8.5m i.e. 20% of the total volume of loans provided by commercial banks to hospitals or public owners of hospitals.

Grant: TA	4,2	0	0	0	0	0	4,2
Grant: IG	53,7	0	0	0	0	0	53,7
Grant: Financial Instrument							
Grant: Other							
FI: Debt	0	0	0	0	42,8	0	42,8
FI: Equity	0	0	0	40	0	0	40
FI: Mezzanine							
Lead fees	1,065	0	0	0	0	0	1,065
Others							
<b>Grand total (e.g. investment budget in EUR m)</b>	<b>88,965</b>	<b>38,5</b>	<b>0</b>	<b>40</b>	<b>42,8</b>	<b>0</b>	<b>141,765<sup>5</sup></b>

Target financial leverage of the UIF contribution

A. EU leverage effect	
Total (reimbursable) financing to eligible final recipients / UIF contribution	$38,5/88,965 = 0.43$
B. Lead Financial Institution leverage ratio	
Total LFI financing / UIF contribution	$38,5/88,965 = 0.43$
C. Finance Institutions leverage ratio	
Total financing from IFIs / UIF contribution	$38,5/88,965 = 0.43$
D. Private Sector finance leverage ratio	
Private sector financing / UIF contribution	$82,8/88,965 = 0.93$
E. Multiplier effect:	
Total financing to eligible final recipients beyond EU contribution / UIF contribution	$82,8/88,965 = 0.93$

<b>25</b>	<p>Justification and calibration of EU contribution amount(s) requested</p>	<p>Regulation on The Ukraine Facility in Art. 32 sets the provisioning rate for the Ukraine Guarantee at 70%. This level applies to the guarantee facility as a whole, while guarantee coverage of the respective projects and PIPs will be set individually based on the proposals. As the Commission defined in the call investments into social sectors as one of three thematic priorities, the NRB proposes 80/20 risk-sharing for projects under this PIP for the guarantee part.</p> <p>The proposed PIP follows the Ukraine Reconstruction Plan with a great emphasis on the transformation aspect of the Ukrainian healthcare system (Build Back Better), which has faced significant challenges due to the Russian invasion. Almost every hospital facility is affected by the severe shortages of essential medical supplies, overwhelmed medical services, displacement of medical staff and strained resources. Due to its complexity, the proposed PIP has the potential to positively impact the medical facilities involved. Incorporating investment grants</p>
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<sup>5</sup> When calculating the total value of the Action, the values in the vertical column should be taken and the value of the guarantee and the loans shall only be taken once.

		<p>into the financial schema is essential due to several critical factors. The blending effect of grants alongside repayable lines of credit, supported by guarantee schemes, enables the project to address areas that are naturally less suited for traditional financing. Given the current uncertainties and complexities surrounding the redesign of the health insurance scheme in Ukraine, hospitals face significant challenges in securing the necessary credit. The uncertainty in the new health insurance system makes it difficult for hospitals to guarantee repayment, particularly when they are already struggling to reach the required funding levels.</p> <p>Since the onset of the war, there has been increased reliance on grants from donors to maintain healthcare services. However, projections indicate that from next year, 60-70% of donor funding will no longer be available through grant schemes, creating a significant funding gap. For this reason, the proposed PIP is based on a combination of a guaranteed loan with an investment grant. On one side, this setup lowers the pressure on public or donor resources to finance renovation and modernization of hospitals via non-repayable support. On the other side, investments in the health sector are hardly fully repayable in a time horizon acceptable for banks. Without the inclusion of investment grants, there would be no viable way to achieve the necessary improvements and capacity expansion in the healthcare sector. Grants are crucial for ensuring that hospitals can continue to operate and modernize and expand their services, particularly during this critical period of reconstruction and transition. Therefore, investments related to hospital departments with high return rates within the healthcare system are included in the loan financial component, while departments that are crucial for wartime healthcare, such as veteran care or mental health, but have lower return rates within the healthcare system, are included in the grant financial component. At the same time, it is important to consider whether the hospitals are located in the Western part of Ukraine or in the Eastern part of the country. The closer the hospital is to the war front, the higher the risks and the greater the challenges in securing funding.</p> <p>As a default setup, the proposal asks for an investment grant covering 50% of project expenses in case of hospitals located in the Western part and 70% of project expenses in case of hospitals located in the Eastern part. This share will be negotiated on a case-by-case basis with the Commission, based also on the situation in all hospitals. Higher grant proportion for projects in the Eastern part is needed to ensure that all projects in the pipeline can be realized. This setup is needed to ensure that all projects in the pipeline can be realized. Possibilities to reduce the grant intensity will be explored, but based on discussions with the hospitals, they seem to be reluctant to be part of the PIP if the grant intensity significantly falls below the indicated thresholds.</p> <p>Investment project costs will be complemented with technical assistance to ensure necessary upskilling of local staff for the operation of new medical equipment, to help transfer best practices and design model projects. Volume of technical assistance equals to 5% of total volume of EU guarantee and investment grants combined.</p>
26	LFI / Co-financiers financing conditions	<p>LFI will provide individual guarantees to partner banks. The guarantee will cover 90% of the underlying loans (for justification see question 20 on additionality), including interest obligations, and will be unconditional, irrevocable and on first demand. This setup is mobilizing banks to offer loans to Ukrainian entities, while minimizing risks associated with financing in war-torn country. Pricing of the guarantee will be based on pricing of the EU counter-guarantee, the NRB will not add any risk premium.</p> <p>Partner banks will offer loans to hospitals or municipalities/oblasts respectively. Neither minimum nor maximum volume of underlying loans is set. Parameters of the underlying loans (repayment profile, payments per year, fees, interest rate, maturity, grace period) will be set by partner banks and the project promoters.</p>
27 <sup>6</sup>	OECD DAC grant equivalent amounts	This section is mandatory only for individual project submissions, not for PIPs.
28 <sup>5</sup>	Type of financial exposure and risk for which the EU coverage is requested including indicative tenor/holding period for the guaranteed exposure (see also Part II)	The NRB guarantee as well as the EU counter-guarantee will cover all types of risks, including political and commercial risks. Tenor for the guaranteed exposure will be the same as tenor of the NRB guarantee to partner banks (see also Section 34).
29	Envisaged key financial conditions and features of the IFI financial instrument, including key financial covenants	The NRB will apply financial covenants standard for individual guarantees. Concrete setup will be discussed with the partner banks.
30	Envisaged collateral conditions attached to the IFI financial instrument	Underlying loan will be covered by collateral in the form of pledge on assets financed from the guaranteed loan.

<sup>6</sup> For Projects' applications only



31 <sup>7</sup>	Risk and revenue sharing (if applicable e.g. funds) mechanism and structure of the requested EU guarantee <sup>8</sup>	<p>Implementation structure will involve four entities: final recipients (project promoters), financing banks, the NRB as a guarantor and the EU as a counter-guarantor.</p> <p>Project promoters will be Ukrainian hospitals. Investment loans will be taken either by hospitals themselves, or by their founding authorities (municipalities or oblasts) for those to pass on the funding to the hospitals themselves..</p> <p>Financial intermediaries will be Ukrainian banks, even though involvement of Czech banks is generally not excluded on condition they will accept the minimum SITG of 10%. The NRB will invite several pre-selected banks to participate in the program. Criteria for selection will be, inter alia, position on the Ukrainian market, different segments of the market served, territorial coverage of banking services, existing history with final beneficiaries from the indicative pipeline, conditions of financing for final beneficiaries and reliability of internal processes to ensure sound management of business cases during the whole life cycle of loans. Banks will be offered 90% guarantee on each transaction, thus retaining a 10% minimum SITG.</p> <p>The NRB will take 20% of risk of the underlying loans. Risk participation of the NRB is funded from the national budget resources (sovereign funding).</p> <p>The EU will cover 70% portion of the risk of the underlying loans to the hospitals (i.e.77.8% of the remaining 90% not covered by the banks). Risk sharing between the NRB and the EU on the 90% not covered by the banks is on a pari passu and pro rata basis.</p>
32 <sup>5</sup>	Payment obligations and guaranteed obligations per eligible instrument/ obligors of the guaranteed obligations	<p>The NRB will guarantee to the banks the principal of the loan and interests.. This guarantee will cover up to 90% of the underlying loans. The risk sharing between the NRB and the EU on this 90% will be 22.2% (of 90%) for the EU and 77.8% (of 90%) for NRB i.e. in the end NRB will cover 20% of the risk on the underlying loans and EU 70%.</p>
33	Summary of events of default, trigger events and termination events (per instrument, per risk)	<p>Financial intermediary may call on the guarantee for incurred defaulted amounts in case of transaction default.</p> <p>Transaction default means that the final recipient has failed to meet any payment obligation set by the repayment schedule and/or the financial intermediary considers (acting reasonably in accordance with its internal procedures) that the final recipient is unlikely to meet its payment obligations, for example due to unexpected war-related events.</p> <p>In case of transaction default, the financial intermediary urges the final recipient to pay and notifies the NRB within two weeks from the due date. In case the transaction default prevails for 60 calendar days from the due date, the financial intermediary accelerates the loan and has the right to claim the unpaid loan amount by sending a payment demand to the NRB. NRB shall pay any amounts claimed by the financial intermediary within 60 calendar days of the relevant payment demand date.</p> <p>Precise mechanism of claims from the NRB to the European Commission will be specified in the Guarantee Agreement. Based on the similar agreement signed with DG ECFIN under InvestEU program, the following mechanism may be applied: the NRB may request the payment from the Commission on a quarterly basis, by submitting the claims form in fifty calendar days following the end of each relevant quarter, with the payment by the Commission made no later than thirty calendar days of the date of the receipt of the claims form.</p>
34	Investment exit strategy /duration term for the guarantee cover	<p>The proposed PIP is targeting middle-sized investment projects with investment period significantly shorter than the maximum period envisaged in the Risk Management Framework. Based on discussions with hospitals, we expect maturity of loans to be approximately 8 to 10 years. However, as financing conditions are still rather indicative, this estimate needs to be verified later. For this reason, the NRB proposes maximum maturity of underlying loans up to 15 years.</p> <p>Guarantee period towards the banks corresponds to the loan maturity period, extended for two months.</p> <p>Duration term of the EU Guarantee cover corresponds to the guarantee period of the NRB towards the banks, extended for the period described in Section 33. Total maximum duration term of the guarantee cover will be: ramp-up period (3 years) + maximum maturity of underlying loans (15 years) + guarantee period for the banks exceeding maturity of loans (2 months) + limit for the NRB to submit the claims form (3 months and 50 days) + limit for the payment from the EC (60 days) = app. 18 years and 9 months.</p>
35	Public debt sustainability	<p>The NRB and the Czech Development Agency are aware of the importance of the issue of public debt. Before the war with Russia intensified, in 2021, Ukraine's public debt was approximately \$125 billion, accounting for around 65% of its GDP. The country had been making progress in reducing its debt through economic reforms, fiscal consolidation and substantial support from international financial institutions. However, the outbreak of full-scale war in February 2022 dramatically altered Ukraine's debt situation. By mid-2024, Ukraine's external debt had surged to \$170 billion, pushing the debt-to-GDP ratio to 90%. Despite this rise, Ukraine has continued to receive significant financial aid from Western allies and international organizations, including large-scale loans and grants designed to support the nation's resilience and economic stability amid the conflict. This external assistance has been crucial in managing the heightened debt levels and mitigating some of the economic impacts of the war. Looking forward, Ukraine's debt trajectory will largely depend on the duration and resolution of the conflict, as well as the effectiveness of reconstruction efforts and ongoing economic reforms.</p>

<sup>7</sup> This section is mandatory only if EU Guarantee coverage or a grant for a financial instrument is requested

<sup>8</sup> A visual representation of the PIP's financial structure and envisaged risk sharing should be included as part of Annex II

	<p>Renovation and modernization of hospitals will be realized as public investments, where project promoters will be the hospitals themselves and loans will be taken either directly by hospitals, or by their founding authorities (municipalities or oblasts). All public investments must be included in the Single Project Pipeline and approved by the National Investment Council of Ukraine. Therefore, all public investment projects will be <i>ex ante</i> discussed with relevant Ukrainian authorities and the issue of public debt sustainability will be assessed on a case-by-case basis, taking into account also the type of public entity, which is proposing the project. Individual projects of hospitals are relatively small investments, partly financed from EU investment grants, with loan component representing between EUR 2 million and EUR 17 million. The pipeline consists of six projects. Thus, impact of these projects on public debt is rather marginal.</p> <p>Neither the NRB nor financing banks will require a sovereign guarantee of Ukraine.</p>	
36 <sup>9</sup>	TA for PIP/Project preparation and/or implementation	Yes/No If yes, plus amount
	<p>The provision of technical assistance (TA) forms an integral part of the proposed PIP. Intervention (provided by loans and grant for investment) is primarily focused on the delivery and installation of necessary medical equipment, identified as the crucial need from the side of the final recipients. Medical equipment planned for delivery shall represent a significant change in the quantitative and qualitative level of services, which the supported hospitals will be able to offer to their patients. Also planned duration of implementation (delivery of the equipment in 12 months as per the UIF guidelines) represents significant challenges to hospitals related to the need for proper usage of delivered equipment, including the necessity to set up the corresponding processes on the management level. In combination with potential risks caused by the ongoing full-scale aggression of the Russian Federation - lack of qualified workers in general and heavy overload of the healthcare system in Ukraine, external support in the form of TA forms a crucial component of the intervention and strongly increases sustainability and further development of anticipated results.</p> <p>TA will focus on fundamental system changes that are necessary for the future effective use of health technology and on the processes for necessary development of tailored treatment and care protocols leading to improvement of the efficiency and effectiveness of healthcare services. As part of TA, the ČRA will also introduce methodologies for safe treatment of dangerous medical waste based on EU standards. The overall aim of TA is to contribute to the sustainable functioning of Ukraine's healthcare system as a critical sector and support the continuation of healthcare reforms and their adaptation to European standards (as is specified in the Ukraine plan, Chapter VII – Human resources, Investment in Health care). Within the TA provided, monitoring will also be carried out to ensure that new processes are put into practice. TA will cover also support to implementation of projects, particularly with respect to procurement, environmental/social monitoring and support to reporting.</p> <p>TA assistance is divided into two phases: a) identification of processes that need to be established in the hospitals – from the perspective of newly delivered equipment as well as from the perspective of needed adaptation to European standards, b) preparation of the guidelines for incorporation of the processes into the hospital structure and provision of assistance and relevant consultations during the acceptance and use of such processes.</p> <p>A portfolio of needed processes (phase a) will be identified based on a tailored hospital audit, planned as the preparatory phase of TA. Such audit will be provided by the ČRA Ukraine health team (medical expert/experts and project manager, under the supervision of the ČRA head of project implementation department), with relevant support of other ČRA departments. The results of the audit will be closely discussed with hospital management to obtain their perspective and acceptance of the proposed processes for adoption. The preparatory phase will take approx. 6 months.</p> <p>Once phase a) is accomplished, phase b) will be launched. Based on Call for grants (managed by the ČRA Ukraine health team, with support from other ČRA departments), qualified implementing partner / partners will be selected. Furthermore, the ČRA Ukraine health team will ensure close monitoring of the implementation. The preliminary duration of this stage is 2,5 years. Inception period is six months needed for the preparation of Call for grants and selection of the implementer/s. Then, 12 months will serve for the preparation of relevant guidelines and adoption from the side of the final recipients, and another 12 months for possible consultations and supervision of adoption to positively influence sustainability and further development of newly adopted processes.</p>	YES  4,2 mil.

**V. PREPARATION AND IMPLEMENTATION DETAILS**

37	<p><b>Expected timeline to develop the PIP/Project</b></p>	<p>The NRB and the ČRA propose to approve the guarantee and grant parts by the UIF Steering Board in March 2025. Guarantee Agreement (NRB) and Contribution Agreement (ČRA) shall be signed with the Commission by July 2025. Signature of framework agreements with partner banks can happen only when detailed conditions of the EU guarantee are known, indicatively in 2Q/2025. NRB Board will approve this program before its formal launch in 3Q/2025. Banks can sign loan agreements (as well as the NRB can sign guarantee agreements) with hospitals immediately after the formal launch of the program (expectedly in September or October 2025), if submitted project proposals are ready to be financed. Based on this timeline, tender processes can be launched early in 2026, with medical equipment being delivered to all hospitals within 12 months. Technical assistance shall be completed within 3 years (see Section 36). Loans with the EU Guarantee shall be repaid in 15 years at latest and core activities of this PIP will be finalized in 18 years at latest, for details see Section 34.</p>
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<sup>9</sup> This field is specifically conceived for applications covering both guarantees as well as TA. It provides an ad hoc space for including more information specifically on the TA. In the case of applications focussing on TA only the same information can be spread throughout the form.

<p>38</p>	<p><b>Type and quantities of activities<sup>10</sup></b></p>	<p>This section is mandatory only for individual project submissions, not for PIPs. However, projects under this PIP will be very similar and will follow the same project implementation logic, consisting of nine phases: project preparation, passportisation, market modelling, feasibility study, implementation plan, project implementation, educational plans – technical and clinical, handover and trainings, reporting and evaluation.</p> <p>Core part of all projects (loan and investment grant) is based on the supply of medical equipment, particularly for units of central sterilization and infection control, operating theatres, intensive care, rehabilitation, mental health care and maternal and newborn health care. Based on the needs of the respective hospital, it will contain medical devices such as pulse oximeters, anaesthesia workstations, syringe pumps, infusion pumps, suction units, oxygen humidifiers and oxygen concentrators, electrocardiograms, electroencephalograms, ultrasound RTGs, vital monitors, tonometers, UVC irradiations, photochemotherapy devices, resuscitation kits, defibrillators, electrosurgical units, endoscopy towers, microscopes, autorefractometers, automatic ophthalmic perimeters, electric water distillation devices, laryngoscopes, portable RTGs, ultrasound devices, audiometers...), complemented with the supply of medical furniture (acute care beds, mobile trolleys and carts, medical chairs...) and necessary non-medical equipment (PCs with printers, refrigerators, microwave ovens...). Detailed list of requested medical equipment will be prepared for each project.</p>
<p>39</p>	<p><b>Implementation arrangements and organisational set-up</b></p>	<p>Despite the fact that the loan (guarantee) part and the grant part will be formally managed by two different institutions, all projects will be treated as one project with two financial components. The NRB and the ČRA will proceed with all sub-projects in accordance and in a fully coordinated manner, with conditions for the disbursement of loans and investment grants being aligned. Drawing of loans and investment grants will be only upon the delivery of medical equipment, upon the approval of the respective hospital and upon the check (by the financing bank and the NRB for the loan part and by the ČRA for the grant part) that the delivery is in line with the approved project documentation. Moreover, the NRB and the ČRA will ensure adequate coordination with the Ministry of Health and its national health strategy as well as with other relevant stakeholders, including with other donors and financial institutions active in the field of healthcare.</p> <p><b>Part “Guaranteed Loan”</b></p> <p>The NRB is in the process of setting a separate Global Finance Department, which will have overall responsibilities for operations outside of the Czech Republic. This unit will be crucial for coordination of this program with all other stakeholders in the Czech Republic (ministries, agencies, business associations, banks...), in the EU (DG NEAR) and in Ukraine (Czech embassy and local offices of CzechTrade, Delegation of the European Union, government of Ukraine, local authorities, project promoters, banks). This unit will also be responsible for coordinating the program within the NRB in order to ensure all obligations stemming from the Guarantee Agreement are fulfilled.</p> <p>The proposed scheme is standard mechanism for individual guarantees. The NRB will select financial intermediaries and sign framework cooperation agreements with them. In the second step, financing banks will sign loan agreements with project promoters and the NRB will sign guarantee agreements with project promoters and issue a letter of guarantee to financing banks.</p> <p><b>Part “Investment Grant”</b></p> <p>IGs will be managed by the Czech Development Agency and its Ukraine health team, namely by a project manager and an administrative assistant under the supervision of the ČRA head of project implementation department. One member of the team will be resident in Ukraine to manage this PIP, ensure sound day to day management of the projects and continuous communication with stakeholders at all levels. Other relevant ČRA departments will cooperate based on their organizational duties. Separate Investment Grant agreements will be agreed upon with each selected hospital, with the specification of the medical equipment for purchase, schedule of implementation, specification of relevant procurement conditions, milestones for release of financial amounts (payment schedule), etc. Grant agreement will be in line with conditions specified in the loan agreement/guarantee agreement for the repayable part of the project.</p> <p><b>Part “Technical Assistance”</b></p> <p>TA will be managed by the Czech Development Agency and its Ukraine health team, namely by a medical expert or experts, a project manager and an administrative assistant under the supervision of the ČRA head of project implementation department. Other relevant ČRA departments will cooperate based on their organizational duties. The ČRA will procure a qualified implementing partner or partners, who will carry the tasks related to TA. Grant agreement for delivery of requested services will be agreed with selected qualified implementer/implementers, with detailed specification of intervention and connected results, relevant schedule, payment schedule etc.</p> <p>The NRB and the ČRA will apply a flexible mode of day-to-day operational communication at all levels (Czech authorities, European Commission, Ukraine authorities). For more strategic discussions, a formal Steering board will be set up, composed of all stakeholders on the Czech, EU and Ukrainian side.</p>

<sup>10</sup> For Projects’ applications only

<p>40</p>	<p><b>Description of procurement procedure (as applicable)</b></p>	<p>Part "Equipment financed with a guaranteed loan and an investment grant"</p> <p>The LFI is committed to ensuring that procurement under the operation is carried out according to rules acceptable to the European Commission. Tenders must comply with the "technical description", which will be agreed by DG NEAR during the discussions on each individual project. Payment schedule will be based on hand-over protocols or its equivalent.</p> <p>Both the NRB and the ČRA are aware of rules for procurement of material, equipment, works and services specified in Article 11 of the Regulation 2024/792 establishing the Ukraine Facility. Tender documentation will have to be approved by the ČRA, and the tender process will be closely monitored by the ČRA as an entity pillar assessed for procurement. NRB will provide support to the ČRA. Moreover, for the loan part, the partner banks will be contractually obliged to monitor financial flows in the project. These provisions shall help ensure compliance with Art. 11.</p> <p>Part "Technical Assistance"</p> <p>Call(s) for grant proposals will be managed by the ČRA for the identification of proper and experienced implementers. Best proposal will be selected based on the clearly defined selection and evaluation criteria (relevancy, project quality, effectiveness, applicant competence). For the allocation of grants to projects, the ČRA operation rules, guidelines, and procedures will be used. Each grant allocation to projects will need to be approved by NEAR/EUD (details of this approval process will be discussed at contracting stage)</p>
<p>41</p>	<p><b>Monitoring, reporting and evaluation</b></p>	<p>As the proposed PIP is a pilot program, expecting to finance six projects, monitoring of individual projects will be based on a case-by-case basis based on the timeline and milestones of each project. The NRB and the ČRA will be in close contact with all project promoters to ensure (1) the definition of expected results based on the UIF Results Measurement Framework, (2) monitoring of the realization phase of the project, (3) verification of achievement of the expected results when the operational phase starts; (4) verification and updates of achieved results during the operational phase. All final recipients will be contractually obliged to allow physical controls of projects on site, which can be realized by the financing bank, by the NRB/the ČRA or by Czech authorities. Physical controls will be realized on an ad-hoc basis, particularly to verify milestones of the projects. While continuous discussion with project promoters will ensure accurate and reliable data about the substance of all projects, similar continuous discussions will be conducted with financial intermediaries to ensure accurate and reliable financial data. All data available will be on a regular basis reported to the Commission. This will be further elaborated in the Guarantee Agreement and Contribution Agreement respectively (types of reporting and/or progress reports, timeline for reporting, reporting templates, audits etc.).</p> <p>The NRB and the ČRA are ready to discuss and clarify with the Commission the extent of involvement of the EU and Ukrainian partners in monitoring the implementation of the proposed PIP and in establishing any kind of formalized coordination – one-off (PIP Kick-off Meeting) or regular (PIP Review Group).</p> <p>Both the NRB and the ČRA have internal processes in place, both for monitoring of business cases and for reporting to program sponsors and other stakeholders, including the EU ones. These processes are described in respective internal documentation, operation rules and guidelines. For both institutions, these internal processes have been audited during the pillar assessment with no objection from the auditor.</p> <p>Part "Equipment financed with a guaranteed loan and an investment grant"</p> <p>Monitoring will be ensured by the NRB and the ČRA health team in the form of ongoing check of the reports prepared by each final recipient (interim and/or final report as a supporting document for the payment release) and ad-hoc monitoring visits in Ukraine to check delivered medical equipment in place. Final evaluation will be ensured after deliveries are accomplished – with the main aim to identify the level of usage effectiveness of delivered medical equipment, and problematic processes, which shall be accepted by final recipients in the frame of TA implementation (effect of synergy), will be also considered.</p> <p>Part "Technical Assistance"</p> <p>Monitoring will be ensured by the ČRA health team in the form of ongoing check of the reports prepared by each final recipient (interim and/or final report as a supporting document for the payment release), and ad-hoc monitoring visits with the aim to check the situation in the place of implementation. Regular communication with the final recipients will be ensured as well. Final evaluation will be ensured after medical equipment deliveries as well as after TA will be accomplished with the main aim to identify the level of usage effectiveness of delivered medical equipment, and problematic processes, which shall be accepted by final recipients in the frame of TA implementation (effect of synergy), will be also considered.</p>
<p>42</p>	<p><b>Visibility</b></p>	<p>With regard to visibility of the proposed PIP, the NRB and the ČRA will follow the requirements set out in the "Communicating and Raising EU Visibility: Guidance for External Actions rules".</p> <p>Effective visibility strategies involve identifying and utilizing key communication channels, such as social media, press releases and partnerships with local media outlets, to reach the target audience, which includes healthcare professionals, policymakers, and the general public. The visibility plan contributes of raising awareness, highlighting the EU support, promoting transparency, engaging the stakeholders and demonstrating impacts. Concretely, by showcasing success stories, technological advancements, and the project's role in improving healthcare services, the EU can enhance public awareness and appreciation of its</p>

	<p>contributions. Additionally, engaging with stakeholders through public forums, workshops and community events can further strengthen the project's visibility and ensure its benefits are widely recognized.</p> <p>Both the NRB and the ČRA will continuously review and adapt the communication and visibility plan to assure that, given the circumstances, the plans have the desired impact.</p> <p>For an overview of possible communication activities see Annex V. Communication activities will be coordinated with the Commission and Ukrainian authorities.</p>
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43	<p><b>Consultations before submission:</b></p> <p>a) <b>Beneficiary organisation</b></p> <p>b) <b>EU Delegation</b></p> <p>c) <b>NEAR Ukraine Service</b></p> <p>d) <b>Local and regional authorities</b></p> <p>e) <b>Social partners and civil society organisations</b></p> <p>f) <b>Other local partners</b></p> <p>g) <b>Other stakeholders</b></p>	<p>Works on the proposed PIP have started in April 2024 and the concept has been prepared in close cooperation with relevant Czech authorities, namely with the Office of the Government Envoy of the Czech Republic for the reconstruction of Ukraine, the Ministry of Foreign Affairs, the Embassy of the Czech Republic in Kyiv, and the Czech Development Agency, as well as with partners in Ukraine.</p> <p>Idea of this blending proposal has been consulted with representatives of the Ministry of Economy (Deputy Minister Oleksii Sobolev during URC conference in Berlin, Deputy Minister Volodymyr Kuzyo during his visit to Prague in August, meeting of the Government Envoy of the Czech Republic for the Reconstruction of Ukraine in Kyiv in September) and of the Ministry of Health (director of External Relations Department Lesja Ukrajinec, director of Medical Services Department Tetiana Orabina, director of Hi-tech Medical Help and Innovations Department Vasyl Strilka, Head of Financial and Economic Unit Hennadiy Nersesyan, Deputy Minister of Health of Ukraine Edem Adamanov, Head of the Health System Recovery Office Vitaliy Karanda).</p> <p>Individual projects have been consulted with representatives of regional administrations (inter alia, Maxym Kozytskyy for Lvov, Oleksandr Koval for Rivne, Hrihoriy Nedopad for Volyn, Volodymyr Kashitskyy and Natalia Zarytska for Ternopil, Lesia Karnauch for Kyiv, Olena Logvinova and Tetjana Demenko for Kharkiv) and with the management of all selected hospitals.</p> <p>The proposed PIP was personally presented to DG NEAR Ukraine Service in April 2024 and to the Delegation of the EU in Kyiv in September 2024.</p> <p>All projects will be included in the Single Project Pipeline. Currently, projects in Lvov and Rivne are included in SPP as part of bigger regional investment projects in the healthcare sector. Projects in Lutsk and Kyiv have been already uploaded to the DREAM system but are not included in any of SPP projects. Projects in Dnipropetrovsk and Krivyi Rih have not been uploaded to DREAM and have not been included into SPP yet. Based on consultations with the Ministry of Health, the best way forward is to include all six projects for Phase I to SPP, ideally as one projects consisting of six sub-projects. Discussions with the Ministry of Health are ongoing and shall be finished in Spring 2025.</p>
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	Contacts	Contact person	Function	Phone	Email	
44	Lead Finance Institution – NRB	Vilem Rehak	Development Financing Senior Expert	+420 733 68 1 687	vilem.rehak@nrb.cz	
	Lead Finance Institution - ČRA	Zbynek Wojkowski	Head of Project Implementation Department	+ 420 251 108 140	wojkowski@czechaid.cz	
	Other Eligible FI member(s) of the consortium	NR				
	EU DEL:	Stefan Schleuning	Head of Economic Unit, Delegation of the EU, Kyiv	+324607605 18	stefan.schleuning@eeas.europa.eu	
	EU Brussels: - Ukraine Service - thematic unit	Orest Tokač Elisabetta Cucchi	Ukraine Service		orest.tokac@ec.europa.eu elisabetta.cucchi@ext.ec.europa.eu	
	Partner Country Authority	For the list of contacts, see Section 43				
	Private sector partner	NR				

45	<b>Date of submission</b>	3 February 2025	<b>Name of submitting person</b>	<p>Mr. Tomáš Nidetzký (Director of the Board of Directors)</p> <p>Mr. Michal Nebeský (Member of the Board of Directors)</p>
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## Annex I: Alignment with Ukraine Facility Regulation checklist

**Table I: Alignment with Ukraine Facility objectives**

By presenting this PIP/Project for the support under UIF, the LFI is of the opinion that it aims to contribute to one or more of the following Ukraine Facility objectives (in line with article 3 of the UF Regulation):			
	Not targeted	Significant objective	Main / principal objective
<p><b>General objectives:</b></p> <p><i>(please tick all the objectives that apply and provide a justification if “significant” or “main” has been selected. At least one general objective must be selected as “significant” or “main”)</i></p>			
<p>address the social, economic and environmental consequences of Russia’s war of aggression, thereby contributing to the peaceful recovery, reconstruction, restoration and modernisation of the country and to the post-war recovery of Ukrainian society, including by creating the social and economic conditions for internally displaced persons and persons under temporary protection to return;</p> <p><i>Justification: The proposed PIP aims to improve the healthcare provided by Ukrainian medical facilities currently facing both personnel and equipment shortages due to the Russian aggression. Especially harmed group are war veterans, whose numbers are constantly rising and the healthcare provided is insufficient, as well as mothers with children who are in constant danger.</i></p>			X
<p>foster social and territorial cohesion, democratic, economic, environmental resilience, progressive integration into the Union and global economy and markets and upward economic, social and environmental convergence towards Union standards;</p> <p><i>Justification: Ukraine is working on implementing several initiatives and frameworks leading to its efficient and transparent functioning, which leads to its approximation to EU standards. By modernizing the healthcare system and provided medical services, Ukraine aims to meet the EU regulations.</i></p>		X	
<p>adopt and implement the political, institutional, legal, administrative, social and economic reforms required to align to Union values and to progressively align to Union rules, standards, policies and practices (‘acquis’) with a view to future Union membership, thereby contributing to mutual stability, security, peace, prosperity and sustainability.</p> <p><i>Justification:</i></p>	X		
<p><b>Specific objectives:</b></p> <p><i>(please tick all the objectives that apply and provide a justification if “significant” or “main” has been selected. At least one specific objective must be selected as “significant” or “main”)</i></p>			
<p>helping to maintain the macro-financial stability of the country and easing Ukraine’s external and internal financing constraints to ensure the continued functioning of the Ukrainian state;</p>	X		

<p><i>Justification:</i></p> <p><i>By implementing the projects framework, which includes the modernization of medical facilities, a growth in Ukraine's economy is expected, due to the projects impact on the speed in which can the people treated return to work force and help restore the countries economy. - medium</i></p>			
<p>rebuilding and modernising infrastructure damaged by the war, such as energy infrastructure, water systems, internal and cross-border transport networks including rail, roads and bridges and border crossing points, and educational and cultural infrastructure, and fostering modern, improved and resilient infrastructures;</p> <p><i>Justification: The proposed PIP concentrates on healthcare infrastructure, specifically on upgrading Ukraine's medical facilities and healthcare providers.</i></p>			X
<p>contributing to demining and other mine action efforts; restoring food production capacities; helping to address social and health challenges, including mental health, and improving and strengthening the social care systems and their accessibility, in particular for specific groups, such as veterans, internally displaced persons, single parents, war widows and widowers, children, especially those without parental care, persons with disabilities, minorities, young and elderly people, and other persons in vulnerable situations;</p> <p><i>Justification: The proposed PIP aims to improve the healthcare provided for groups such as the war veterans, mothers and children, war widows and others by modernizing medical facilities and broadening the access to quality healthcare.</i></p>			X
<p>strengthening security against hybrid threats, such as cyber threats, as well as strengthening resilience against disinformation, foreign information manipulation and interference;</p> <p><i>Justification:</i></p>	X		
<p>fostering the transition to a sustainable, climate neutral and inclusive economy and a stable investment environment;</p> <p><i>Justification:</i></p>	X		
<p>supporting the integration of Ukraine into the internal market; repairing, rebuilding, safeguarding and improving social infrastructure, such as housing, social, sports, youth and healthcare facilities, schools and higher education institutions; strengthening economic and social development and inclusion, with particular attention to women, as well as youth, including through quality education, training, reskilling and upskilling, and employment policies, including for researchers;</p> <p><i>Justification: The proposed PIP concentrates on rebuilding and modernizing medical facilities providing much needed healthcare, including for vulnerable groups such as war veterans or mothers with children.</i></p>			X

<p>promoting science and research; support the creative sector and independent media; supporting culture and cultural heritage including cultural infrastructure; strengthening strategic economic sectors; fostering an institutional framework for investment and competition to enable individuals, and businesses, with a focus on SMEs and innovation, inter alia, by promoting equal opportunities for access to funding, regardless of the size of companies, to develop modern, competitive and sustainable products and services; supporting sustainable agriculture and rural development, aquaculture and fisheries, including alignment with Union standards and control systems concerning food safety, animal and plant health, as well as animal welfare; reforming Ukraine's financial and banking sector, improving access to loans and insurance coverage;</p> <p><i>Justification:</i></p>	<p>x</p>		
<p>further strengthening the rule of law, democracy, respect for human rights and fundamental freedoms, including through strengthening democratic institutions, in particular the Verkhovna Rada, as well as regional and municipal representative bodies, and their powers of oversight and inquiry over the distribution of and access to public funds; promoting an independent judiciary to support deoligarchisation efforts, strengthen the fight against fraud, all forms of corruption, including high level corruption, organised crime, tax evasion and tax fraud, tax avoidance and the illicit trafficking of firearms and cultural property; strengthening compliance with international law;</p> <p><i>Justification:</i></p>	<p>x</p>		
<p>strengthening the freedom and independence of the media and artistic and academic freedom as well as an enabling environment for civil society; fostering social dialogue and civil society involvement; promoting non-discrimination to ensure and strengthen respect for the rights of persons belonging to all minorities, and the promotion of gender equality, the overall empowerment of women and girls, as well as, the rights of children and persons with disabilities; reinforcing the effectiveness of public administration; encouraging access to information and the participation of civil society in decision making processes and public scrutiny, and supporting transparency, structural reforms and good governance at all levels, including in the areas of public financial management and public procurement, competition and state aid; supporting initiatives and bodies and organisations involved in supporting and enforcing democracy, international justice and anti-corruption efforts in Ukraine;</p> <p><i>Justification: The proposed PIP improves gender equality by ensuring that women have access to high-quality maternal healthcare and by reducing maternal and infant mortality. It also empowers women by supporting their reproductive rights and enabling them to make informed health decisions, contributing to their socioeconomic participation.</i></p>		<p>x</p>	
<p>developing and strengthening environmental protection, a sustainable and just green transition in all economic sectors, including Ukraine's transition towards climate neutrality, in accordance with the Paris Agreement; improve the awareness of and fight against environmental crime; promoting digital transformation as an enabler for sustainable development and inclusive</p>	<p>x</p>		



<p>growth; supporting ecological rehabilitation following the environmental damage inflicted by military operations and contributing to decontamination, the demining effort and clearance of other explosive remnants of war as well as pollution caused by military activity;</p> <p><i>Justification:</i></p>			
<p>supporting political and administrative decentralisation and local development, especially by supporting meaningful consultation and a level playing field for all levels of government when accessing funds via open, fair, neutral and transparent procedures;</p> <p><i>Justification: Wide range of stakeholders will have the opportunity to engage in a transparent and non-discriminatory way in the development of a more efficient health care system in Ukraine. Interests of different groups will be represented by local health authorities, community organisations or patient advocacy groups.</i></p>		X	
<p>supporting cross-border cooperation with the Member States bordering Ukraine in areas such as trade, environmental protection and the fight against international crime, provided that Ukraine remains the sole beneficiary of the funding;</p> <p><i>Justification:</i></p>	X		

**Table II: Alignment with Ukraine Facility general principles**

<p>By presenting this PIP/Project for the support under UIF, the LFI is of the opinion that it complies with one or more of the following Ukraine Facility general principles (in line with article 4 of the UF Regulation):</p>		
	Yes	No
<p>Activities under this PIP/Project shall comply, to the extent possible in a war-torn country, with the climate and environmental standards of the Union. Those activities shall mainstream climate change mitigation and adaptation, environmental protection and biodiversity conservation, human rights, democracy, gender equality and non-discrimination, where relevant, disaster risk reduction and energy infrastructure safety, and shall support progress towards the United Nations Sustainable Development Goals, promoting integrated activities that can create co-benefits and meet multiple objectives in a coherent way, contributing to the reduction of poverty and promoting peaceful and inclusive societies. Those activities shall, to the extent possible, avoid stranded assets, be compatible with the principle of 'do no harm', as well as with the sustainability mainstreaming approach underpinning the European Green Deal and shall be also guided by the 'leaving no one behind' principle.</p> <p><i>Justification: the proposed PIP will contribute to the principle of 'leaving no one behind' by focusing on improving healthcare outcomes for vulnerable groups, including access to healthcare for war veterans. Alignment with the SDGs is vital part of the project's objectives, as well as the support to gender equality by empowering rights of women and mothers towards better healthcare.</i></p>	X	

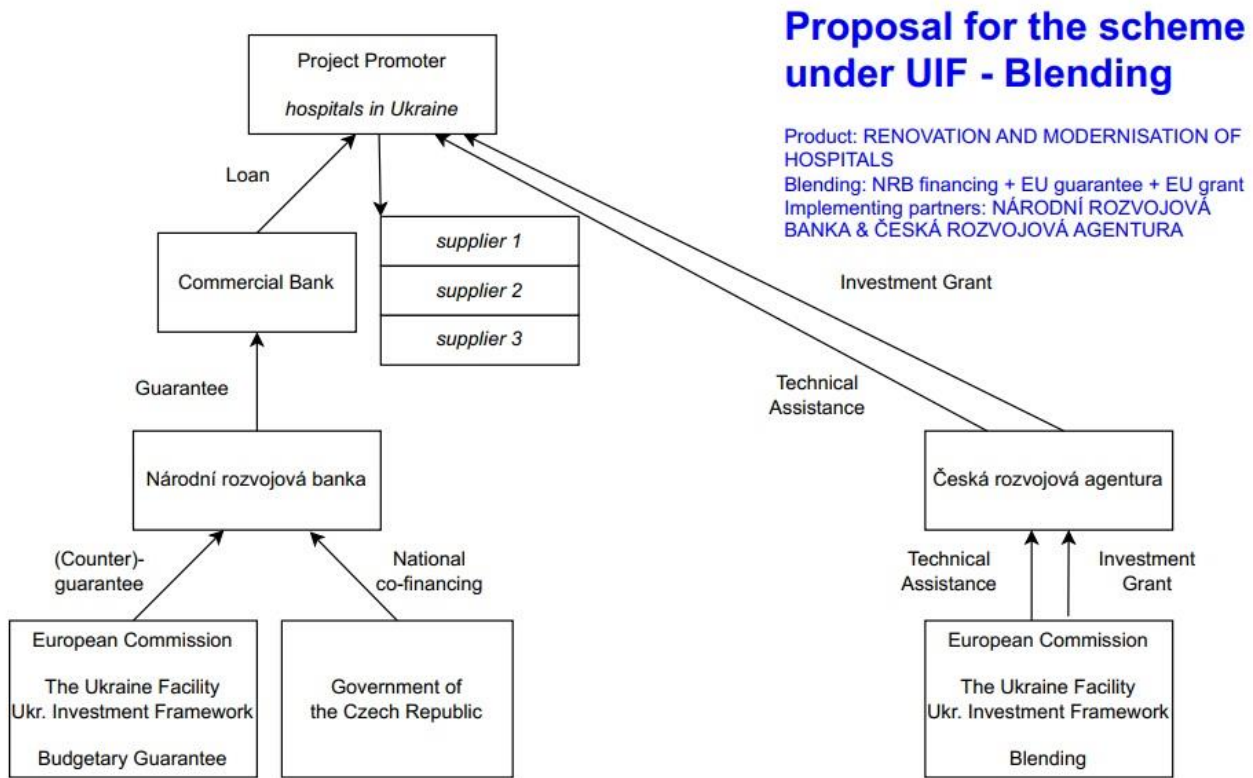
<p>Activities under this PIP/Project shall not support activities or measures which are incompatible with Ukraine's National Energy and Climate Plan, if available, or with Ukraine's nationally determined contribution under the Paris Agreement, which promote investments in fossil fuels or cause significant adverse effects on the environment or the climate or biodiversity, unless such activities or measures are strictly necessary to achieve the objectives of the Facility, taking into account the need to rebuild and modernise infrastructure and rehabilitate natural environment damaged by the war in a resilient way, and are accompanied, where relevant, by appropriate measures to avoid, prevent or reduce and, if possible, offset those adverse effects.</p> <p><i>Justification: the proposed PIP is not related to activities in the energy sector or in environmental protection, therefore there is not any risk of incompatibility with Ukraine's National Energy and Climate Plan.</i></p>	x	
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**Table III: Contribution to Ukraine Facility Regulation targets**

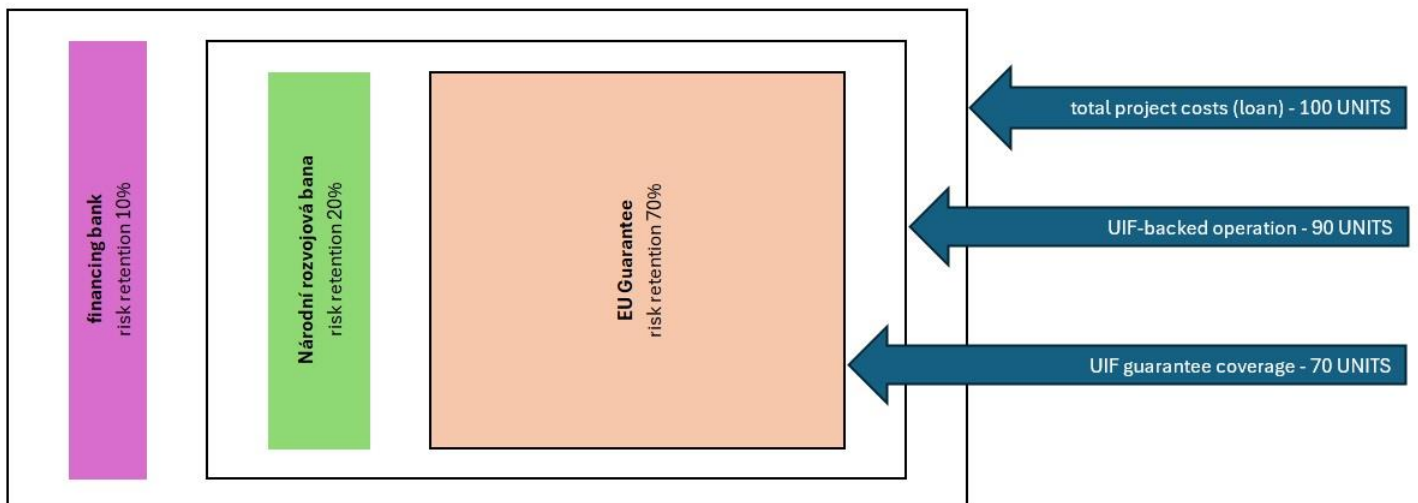
In line with articles 28 (6) and 28 (9) of the UF Regulation, the LFI confirms that:		
	Yes	No
<p>The EU guarantee requested under this PIP/Project shall be used to support micro, small and medium-sized enterprises, as defined in Article 2 of the Annex to Recommendation 2003/361/EC, including start-ups, including through financial tools which have as an objective to reduce the risk involved in the lending operations of Ukrainian banks.</p> <p><i>Justification and quantification: [in case of positive reply, the LFI is asked to quantify here what share (both in % and EUR million) of the EU contribution to the PIP/Project contributes to the achievement of the above objective(s)]</i></p> <p>The proposed PIP targets primarily the supply of medical equipment. However, some projects will also include construction works, which may have positive impact in terms of climate change mitigation and adaptation. Definite answer to this question will depend on the final scope of each subproject based on feasibility studies and project documentation. This section will be updated during the contractual phase, when identification forms on the needs will be available from all hospitals.</p>		x
<p>Activities under this PIP/Project contribute to climate change mitigation and adaptation, environmental protection, including biodiversity conservation and to the green transition</p> <p><i>Justification and quantification: [in case of positive reply, the LFI is asked to quantify here what share (both in % and EUR million) of the EU contribution to the PIP/Project contributes to the achievement of the above objective(s)]</i></p>		x

## Annex II: Visual representation of PIP/Project

### A. Visual representation of project implementation set-up



### B. Visual representation of risk-sharing



### Annex III: PIP/Project map



### Annex IV: Project budget breakdown<sup>11</sup>

Indicative project budget with estimated breakdown by use of the funds – detailed description		
	Description	Amount (€M)
Investment Costs, of which:	<i>Description of how the funds are used, under the headings of each component if applicable</i>	
- ...		
Technical assistance	<i>Description of how the funds are used, under the headings of each component if applicable</i>	
Evaluation, audit		
...		
<b>Total Uses</b>		

Note: not relevant for PIPs

<sup>11</sup> To be filled out for Projects' submissions only

## Annex V: Communicating on the PIP/Project

### A. Public description of the PIP/Project

Národní rozvojová banka (NRB) and Czech Development Agency (ČRA) proposed a program of individual guarantees, which aims to incentivize commercial or public financing institutions to offer loans to investment projects realized by hospitals in Ukraine. These loans will be combined with EU grant support in the form of investment grants and technical assistance. Loans and investment grants will be used to modernize medical equipment of hospitals to increase quantity and quality of medical care provided to citizens, with particular focus on vulnerable groups such as war veterans and mother and newborn babies. Technical assistance will focus on the processes for necessary development of tailored treatment and care protocols leading to improvement of the efficiency and effectiveness of healthcare services. This combined support shall significantly improve conditions in hospitals across Ukraine and thus it will represent an important piece in the puzzle of recovery and modernization of Ukraine in the health sector. Phase I of this program will focus on three hospitals in Western regions (Lviv, Rivne and Volyn Oblasts), one hospital in Kyiv and two hospitals in Dnipropetrovsk Oblast. Phase II shall be launched at a later stage and cover a number of additional hospitals..

As local banking sector is relatively liquid, the main potential for the NRB lies in providing risk-sharing mechanisms. Loans will be provided by Ukrainian commercial or public banks either directly to hospitals or to their founding entities (municipalities and oblasts). The NRB will offer individual guarantees to cover political and commercial risks and losses from potential defaults, while Ukraine Investment Framework will provide a counter-guarantee to part of the risks/losses. UIF guarantee contribution to Phase I will be EUR 30 million, creating total volume of guaranteed loans of EUR 42,8 million, which will be complemented with EUR 53,7 million of investment grants and EUR 4,2 million of technical assistance, also from UIF.

This program will fulfil objectives of The Ukraine Facility, namely it will contribute to the recovery, reconstruction, restoration and modernisation of the country and its economy through improved health infrastructure and medical services and convergence towards Union standards in the health sector. More specifically, the program will help to rebuild and modernise country's social infrastructure, it will address social and health challenges in the health sector, and it will improve access to services, particularly for vulnerable groups.

### B. PIP/Project Communication and Visibility Plan

A detailed communication plan will be developed in close cooperation with the parties involved (local medical facilities, local authorities, Ministry of Health, Ministry of Economy, Delegation of the EU in Kyiv, DG NEAR...). This communication plan will focus on delivering key messages such as "EU-Ukraine Partnership for Health" and "Modernized Healthcare for a Better Future", while also stressing transparency, accountability and responsible use of EU funds. Primary audience for targeted communication will be the Ukrainian general public, medical professionals and healthcare workers and Ukrainian public authorities on national and local levels. Secondary, communication will target international organizations and NGOs, media (local, national and international), potential future donors and partners.

Communication activities will use different tools most appropriate (in terms of relevance and cost-effectiveness) for delivering the given message to the given target audience, including websites, social media, press releases, interviews, media tours, public events and outreach (launch events, workshops and seminars, community outreach), printed and digital materials (brochures and flyers, infographics, reports and case studies) and visibility at medical facilities (signage, plaques and banners).

Through the duration of the project, three communication phases will be implemented. During the first phase, an online presence will be established, media engagement will be initiated, and the launch events will take place. During the second phase, communication activities will go on, including social media campaigns, media tours and community outreach. During the last, third phase, the visibility efforts will be continued, with an emphasis on showcasing completed projects and final evaluations and the wrap-up of communication activities.

Monitoring and evaluation of the communication tools used will also be a key part of the visibility plan. Monitoring media coverage and social media engagement for assessment, gathering feedback from stakeholders or several report visibility activities will be some of the activities used to do so.

## PART II

### **Ukraine Guarantee PROPOSED INVESTMENT PROGRAMME (PIP) / Project**

**(Risk-related and pipeline information)**

*to be provided separately in Excel form*