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The importance of
“Infrastructure for Good”
for rebuilding Ukraine



Connecting “Rebuild Ukraine” to the best international practices for infrastructure development and financing, and reshaping the way the government can evaluate infrastructure projects will be critical to ensuring invested funds reach maximum impact and achieve social good.



A transformational opportunity

To recover from the war in Ukraine and rebuild the country smarter and more resilient than before, the Ukrainian government will need to procure, prioritize, and spend an estimated US\$411 billion - US\$1 trillion+ over the next decade¹. This provides a transformational opportunity and responsibility that will impact the country's civic life for generations to come.

As part of the Ukraine Recovery Plan materials of the "Construction, urban planning, modernization of cities and regions" working group², the restoration and development of settlements will be based on best international practices, using modern solutions and "green" technologies, which will enable a significant transformational leap for communities and regions of Ukraine. The working group's key principles needed for recovery and development are based on several aspects: the openness and transparency to the planning and

reconstructing development, the embedding of European Union (EU) and United Nations (UN) Sustainable Development Goals and standards, energy independence and decarbonization, inclusive and equitable assets and access for citizens, and resilient and economically supportive systems.

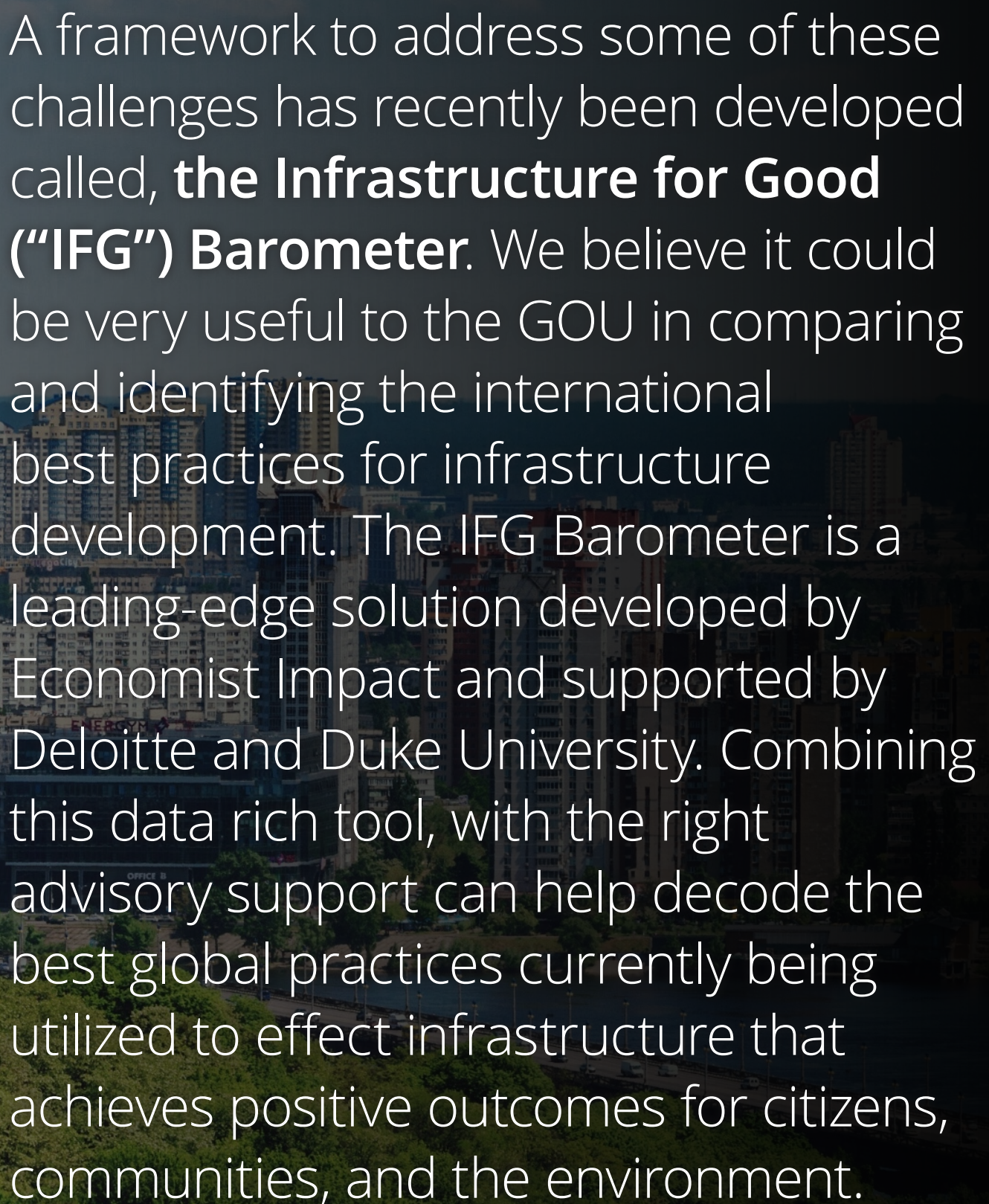
Several challenges presented in executing this ambition are: how can the Government of Ukraine ("GOU") assess which countries are leading the way in terms of best international practices for infrastructure development and financing, identify gaps in their current plans, inform decision making, and reshape the way the government can evaluate infrastructure projects, ensuring invested funds reach maximum impact and achieve social good?

1. World Bank Rapid Damage and Needs Assessment, 2023

2. The National Council for the Recovery of Ukraine, 2022





An aerial photograph of a city, likely Singapore, showing a dense urban landscape with numerous high-rise buildings and a significant area of greenery in the foreground. The image is slightly darkened to serve as a background for the text.

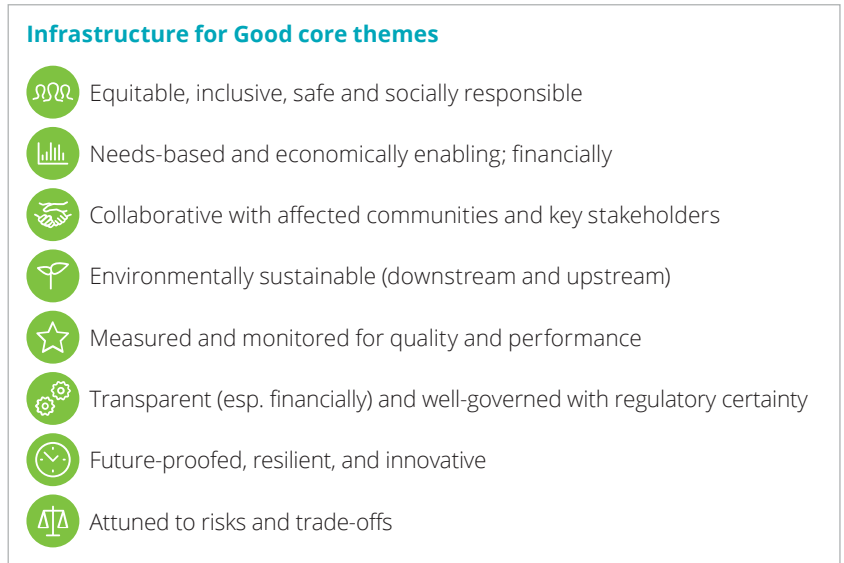
A framework to address some of these challenges has recently been developed called, **the Infrastructure for Good (“IFG”) Barometer**. We believe it could be very useful to the GOU in comparing and identifying the international best practices for infrastructure development. The IFG Barometer is a leading-edge solution developed by Economist Impact and supported by Deloitte and Duke University. Combining this data rich tool, with the right advisory support can help decode the best global practices currently being utilized to effect infrastructure that achieves positive outcomes for citizens, communities, and the environment.

The Ukrainian National Recovery Plan is built on objectives of economic, social, and environmental resilience, efficient solutions for the rapid recovery of crucial economic and social processes, as well as a modernization plan to ensure sustainable economic growth and well-being of the people. These objectives are directly in line with major themes that indicate a country is delivering “Infrastructure for Good” (Figure 1.1). IFG is grounded in five pillars across infrastructure regulation, planning, and financing. The IFG barometer provides a road-map to ensure the development and upholding of globally recognized infrastructure standards. It can be used as a means of identifying common patterns in infrastructure development, learning from high performing geographies, and illuminating areas where improvement or avoidance is needed.

Due to the scale of destruction in Ukraine and the loss of entire communities, the success of the rebuilding of Ukraine will not only depend on learning and adopting the best-in-class techniques in infrastructure development, but in treating infrastructure as an ecosystem. All the elements and interrelated systems that provide goods and services essential to enabling, sustaining, or enhancing societal

living conditions, are best cultivated as one. With over a third of the Ukrainian population displaced and entire cities leveled, the rebuilding of schools, places of work, grocery stores, healthcare facilities, transportation and other community elements must be coordinated and based on the input of the returning and new community stakeholders.

Figure 1.1



“ We must be as attractive as possible for investments. Therefore, we are planning the development of logistics, transit, financial, scientific, and educational infrastructure. Just as we want to expel the occupiers from our land, we are committed to systemic internal changes

Andriy Yermak
 Head of the Office of the President of Ukraine
 21 June 2023, Ukraine Recovery Conference in London

Infrastructure projects within an ecosystem are not only reliant on their country's enabling environment for delivery (IFG Pillar 1. Governance & planning, and IFG Pillar 2. Sustainable Finance) but also on the outcomes of other assets within that system. The more integration, communication, and collaboration with all stakeholders in an infrastructure ecosystem (citizens, government officials, private sector participators, investors, developers) the better the outcomes on the system and community in terms of social and community impact (IFG Pillar 3), economic benefits and empowerment (IFG Pillar 4), and environmental sustainability and resilience (IFG Pillar 5). This will be a key task of the Rebuild approach and is not only a task for Ukraine to prioritize as part of their plan, but for countries around the world.

When looking at the IFG data, Social and community impact indicators accounted for the weakest scores across the 30 countries, with 60% of countries only engaging in consultation with local communities on an ad-hoc basis. The barometer indicates that countries that performed poorly could deliver better outcomes by prioritizing community engagement, providing protection for workers and communities, and enhancing general access to public services – critical planning gaps, that Ukraine can learn from and implement systemically. Once achieved, this could result in the desired “triple boom” as laid out in Ukraine's national recovery plan, which results in clean energy, new jobs, economic stimulus, and most importantly, a move away from reliance on Russian fuel.

Infrastructure for Good Case Study: Deloitte Advises Infrastructure Victoria on 30-year Infrastructure Strategy

Efficiencies can be improved across the board, when viewing Infrastructure as an ecosystem

Deloitte Asia Pacific's Australian Infrastructure team delivered infrastructure capability assessments over nine different sectors (transport, justice, education, health etc.) to support the development of Infrastructure Victoria's 30-year infrastructure strategy. The assessments covered aspects including asset condition, service performance, operational criticality and resilience, and future demand and capability. Analysis compared the whole of life cost of over 200 proposed infrastructure options against a set of metrics, including assessing the option's ability to demonstrate a contribution to improve the relevant metric(s). The strategy considered investment across both regional and metropolitan

contexts and investigated the impacts of future technology (e.g. driverless vehicles) to understand how infrastructure needs may change over time. Treating the Infrastructure in Victoria as a network rather than as assets in silos, illustrated improved efficiency to the network. This efficiency translates in many ways, including operations and the costs involved in implementing sustainable improvements and technology. In addition, the coordination of existing assets can result in creative utilization solutions to enhance sustainability (as opposed to building additional assets for each need) and increasing community access and engagement.



How Deloitte can help connect Ukraine to Infrastructure for Good

Deloitte's extensive global network of Infrastructure and Capital Project experts and practitioners carry deep insights and experience in the leading IFG infrastructure ecosystems around the world. Their advice combined with an in depth understanding of the

Infrastructure for Good data has the potential to unite the global infrastructure community, public, and private sectors around around the common goal of rebuilding a prosperous Ukraine, and subsequently a prosperous Europe and beyond.



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