



Ukrainian  
Geological  
Survey

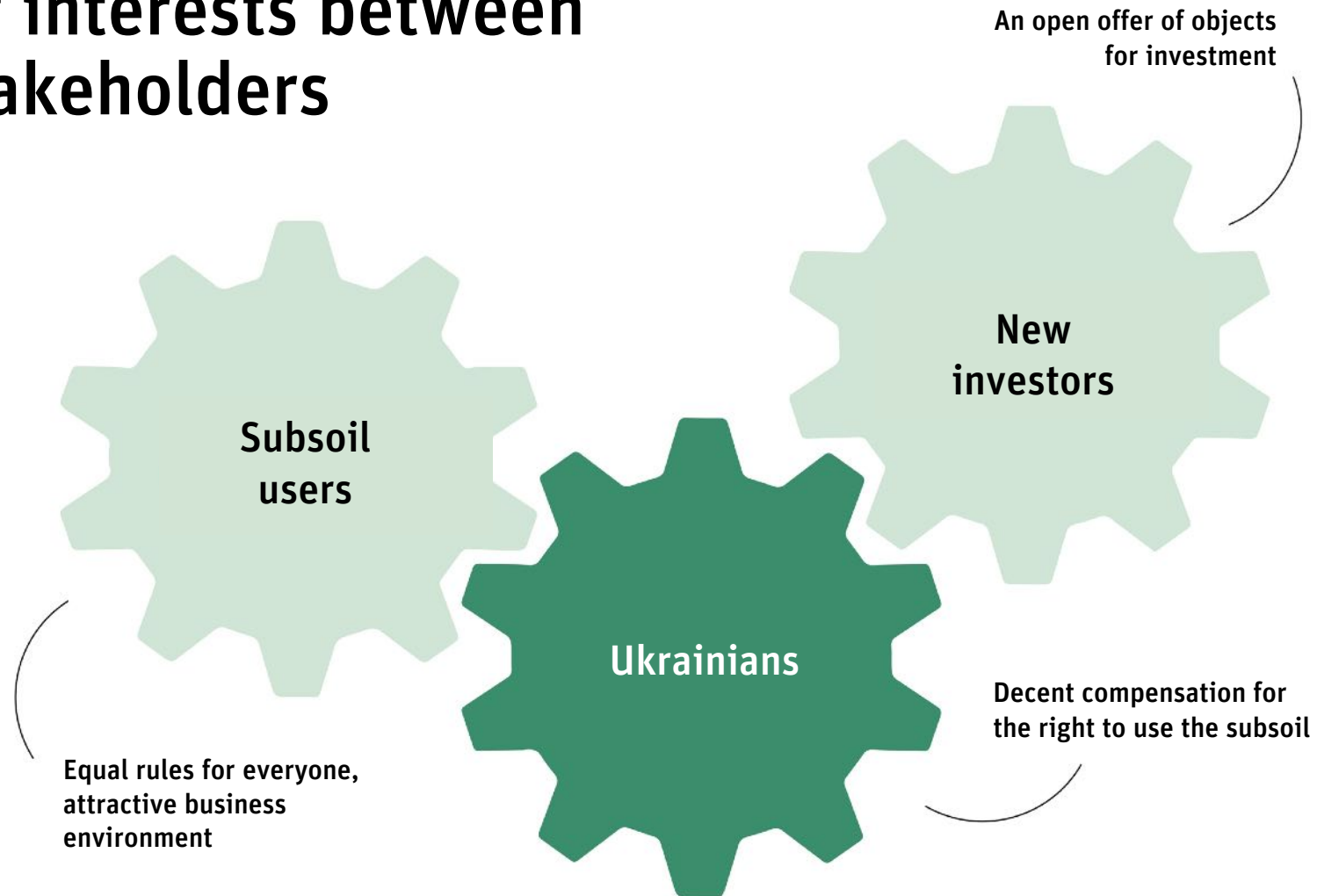


Ministry of Environmental  
Protection and Natural  
Resources of Ukraine

# Reform of the Ukrainian Raw Materials Sector



# It is important to ensure a balance of interests between the key stakeholders



■ Establishing the service-oriented regulator

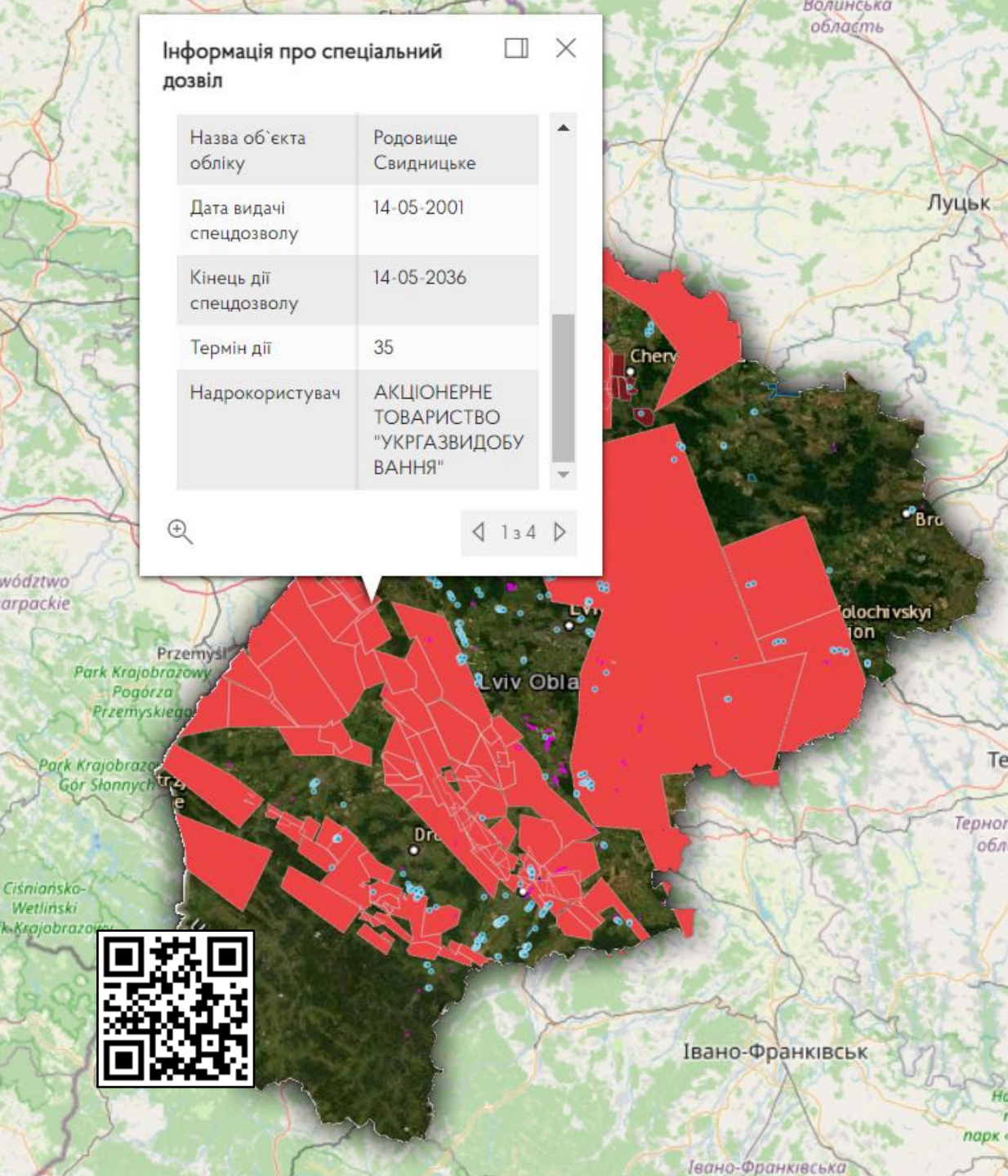
- Attracting investment
- Introducing efficient mineral resource regulation

# UGS is a modern service-oriented institution

- National Geological Portal  
all data on one resource
- Electronic auctions  
offering licenses for e-bidding
- E-cabinet for subsoil user  
online application and reporting



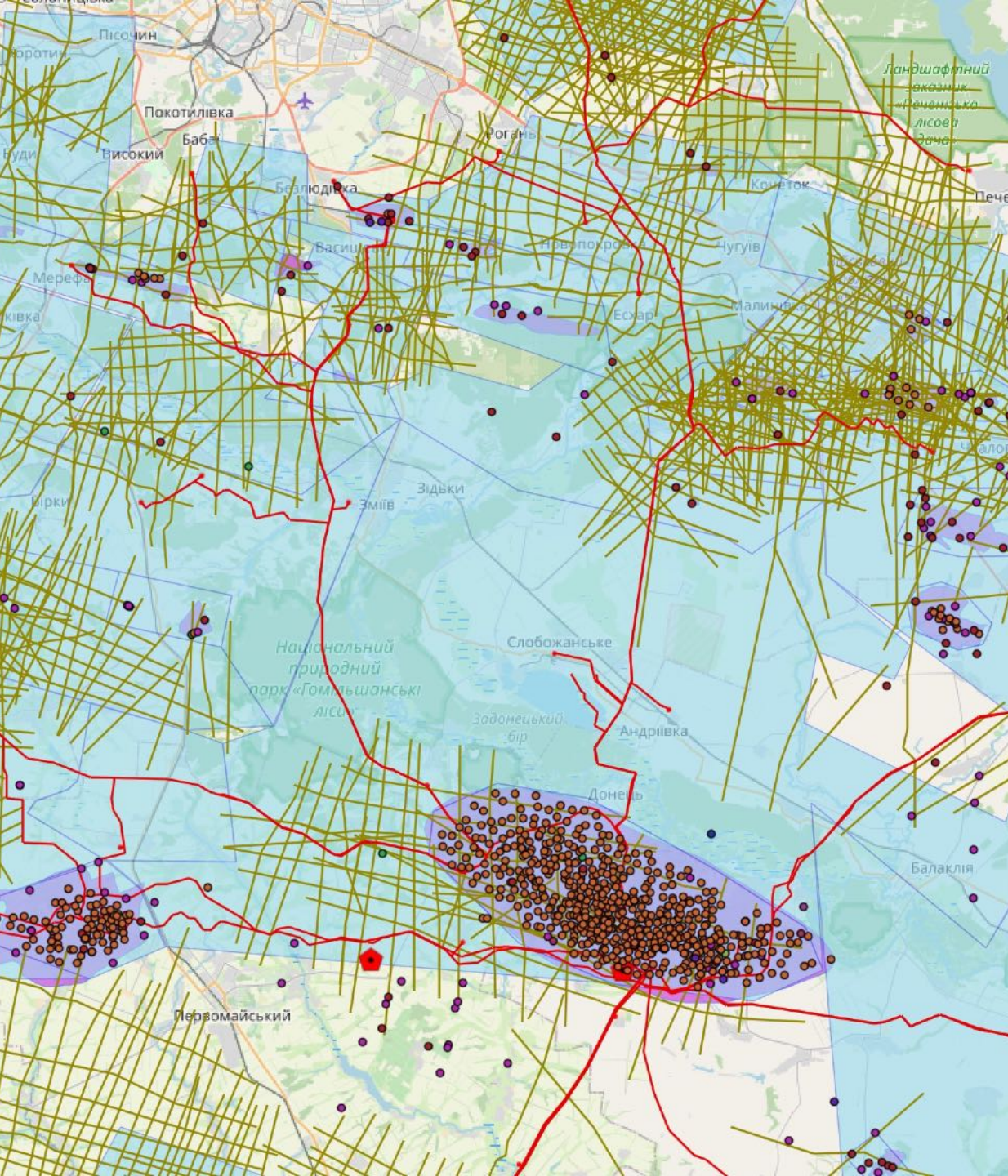




# The National Geological Portal has been launched

15 databases	2021 units	P. 2022/23 units	filling for 2022
Licenses for subsoil use	3108	/-/-	■■■
Fields and ore occurrences	2,7 ths	9 ths	■■■
A register of oil and gas wells	12,5 ths	14 ths	■■■
A register of artesian wells	3,5 ths	8,5 ths	■■■
Reserves approval protocols	6 ths	/-/-	■■■
Geological reports	15 ths	40 ths	■□□
Catalog of geological information	3,5 ths	>500 ths	■□□
Seismic profiles	16 ths	24 ths	■■□
Cadastral division layer	2 reg.	27 reg.	■■■
Administrative and territorial division	1469	/-/-	■■■
Nature reserve parks			■■□
Environmental impact assessment	250	600	■□□
Groundwater intakes	8555	/-/-/	■■■
Exogenic processes			■■□
Construction and strategic minerals	1100	7300	■■■



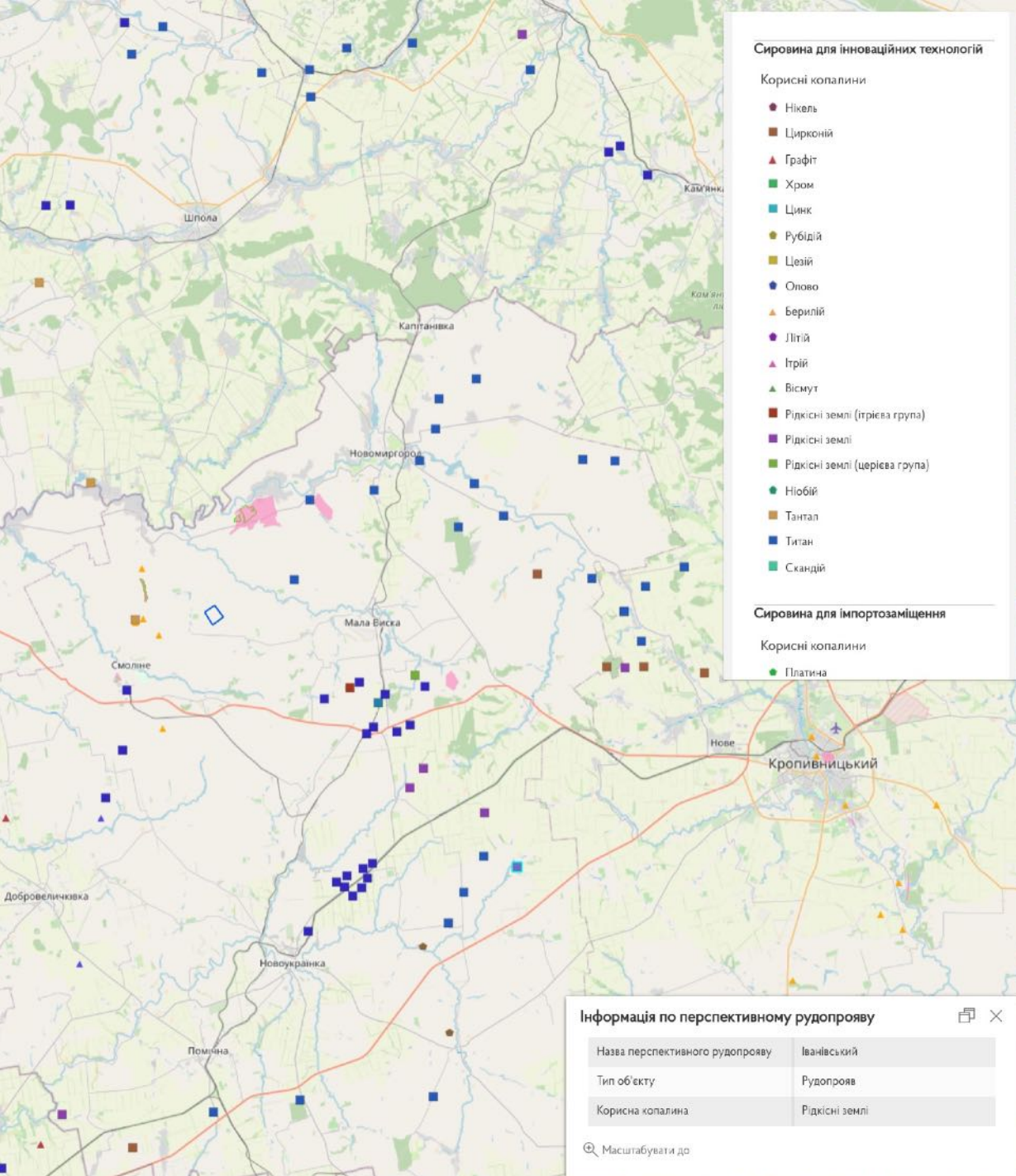


# Interactive map of hydrocarbons

- licenses, 569
- fields, 384
- wells, 12 thousand
- seismic profiles, 18 thousand
- production
- gas transmission system



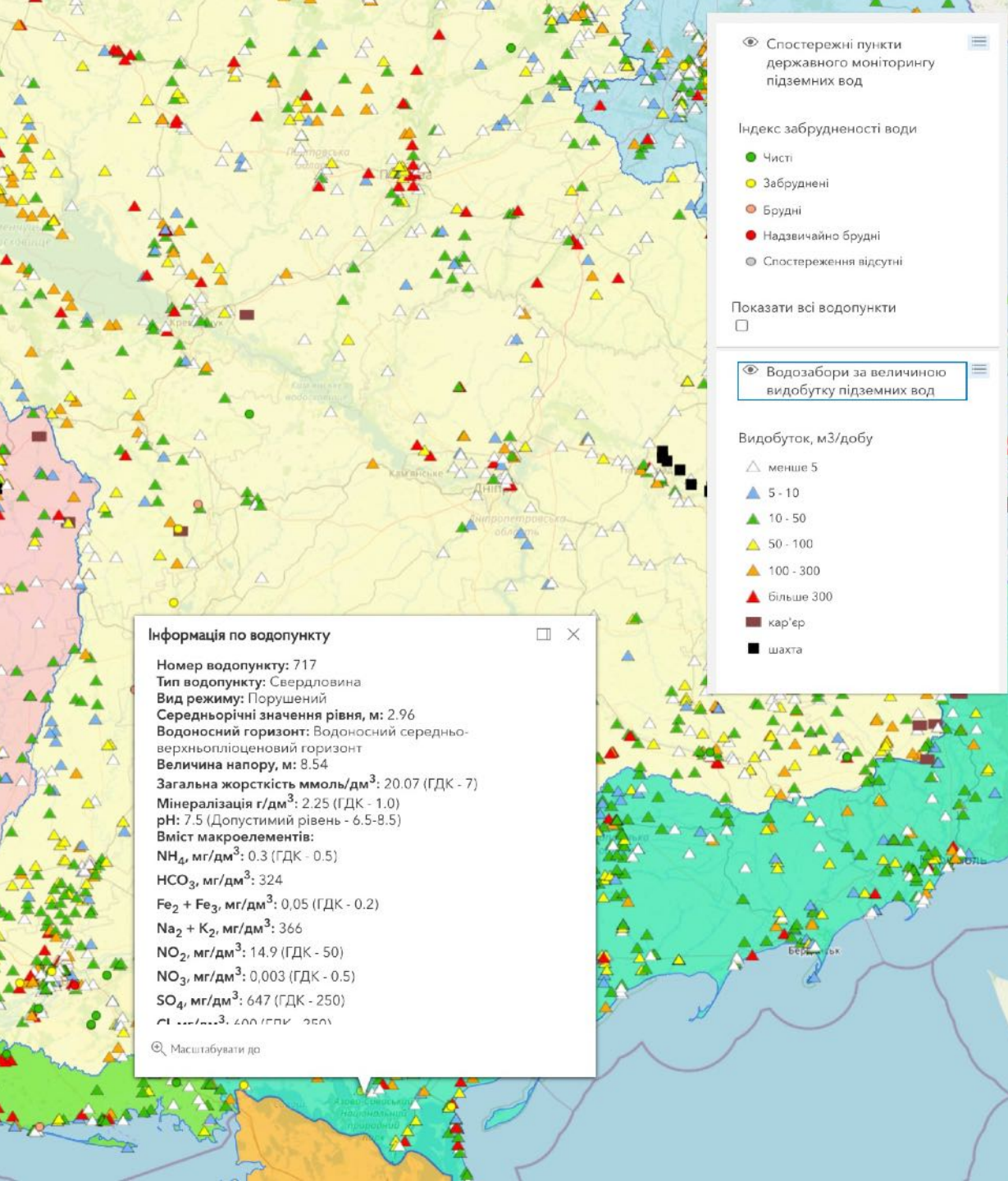




# Interactive map of strategic minerals

- licenses, 68
- fields, 123
- promising ore occurrences, 1004
- applications for granting a license



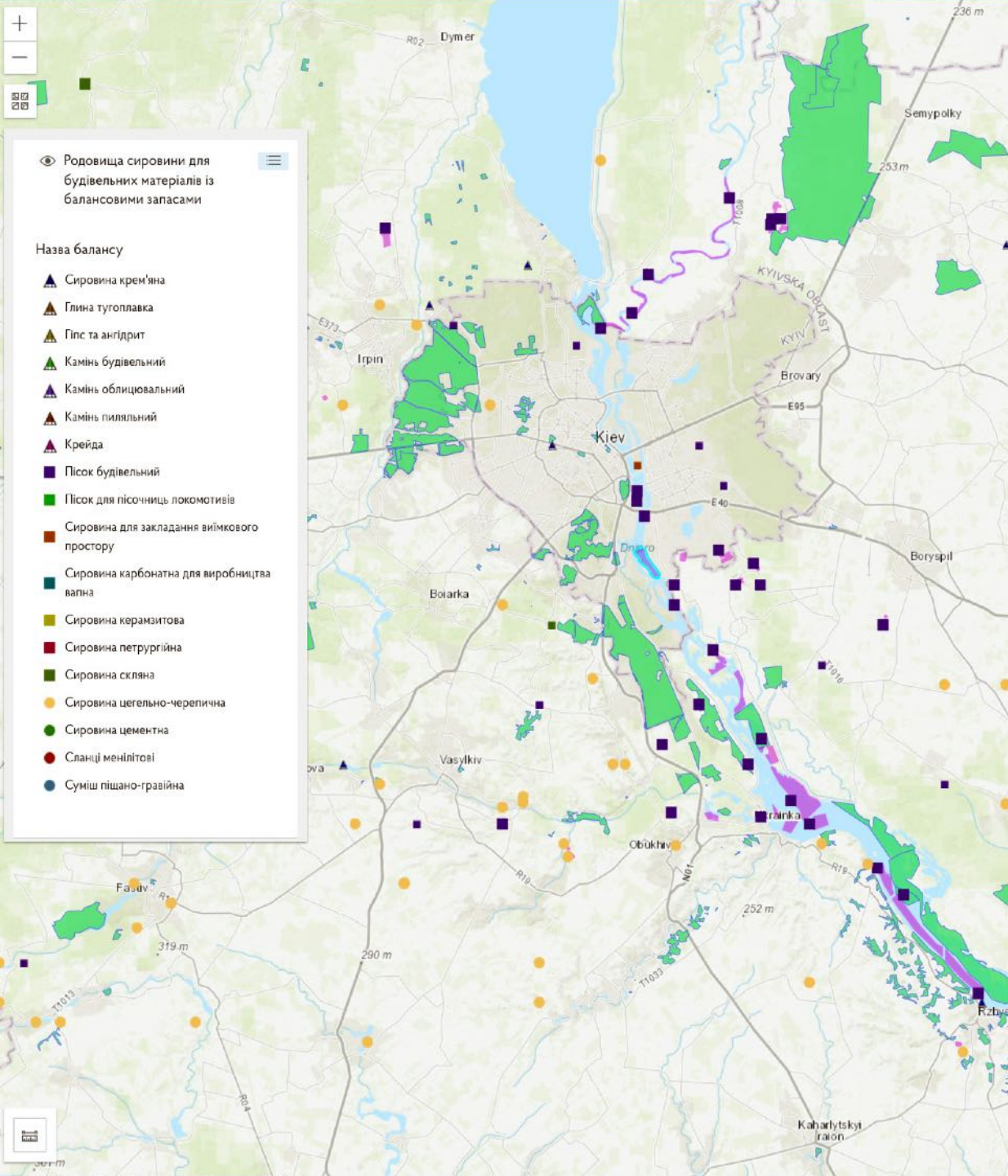


# Interactive map of water intakes

- 8555 water intakes with the volume of production
- there exist 691 observation points of the state groundwater monitoring, 141 of them are operating
- areas of river basins, sub-basins and water management areas
- 1050 licenses for the use of groundwater
- information about water use permits
- water intakes wells



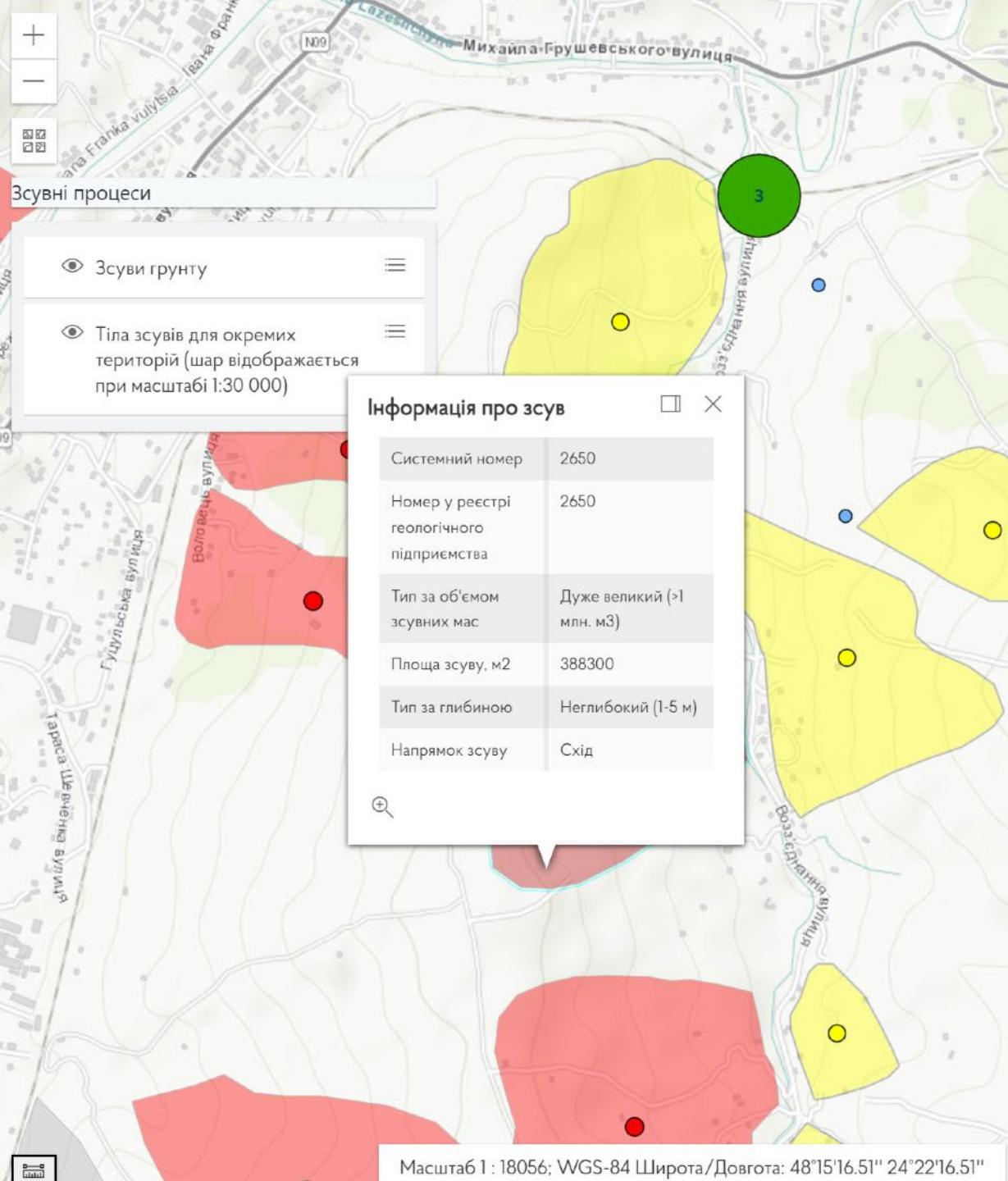




# Interactive map of construction minerals

- 70% of the territory of Ukraine is favorable for the exploration of minerals used by the construction industry (sand, clay, gravel, granite, building stone, raw materials used in manufacturing of cement, etc.)
- The map contains information on 1180 licenses, unlicensed 3300 deposits and 1800 occurrences with corresponding geological reports
- The cadastral numbers of land plots, nature reserve fund zones, territorial and administrative divisions are also displayed on the map





# Interactive map of exogenous processes

- 18 025 landslides throughout the territory of Ukraine with information about each object
- 4754 moving masses of landslides for certain territories of Ukraine with the greatest risk of development of landslides
- Filter by administrative territorial units to the level of territorial communities





# A memorandum on technical assistance for the digitization of secondary geological information, development of IT architecture and functionality of the National Geological Portal was signed with EBRD

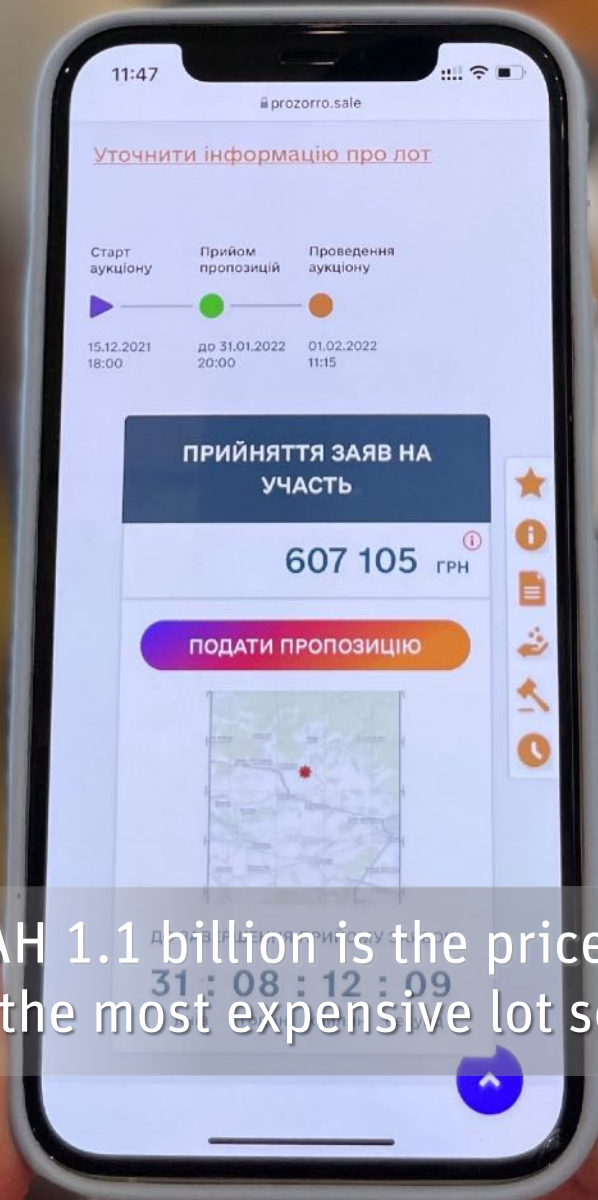
Tasks of the project for 2023-2025:

- Digitization of >60,000 geological reports, that are 53% of hardcopy archive
- Development of IT infrastructure. Acquisition of scanning devices, hardware and software, development and modernization of management databases will allow to scan, process, upload geological reports to databases, set search engines and make digitized geological reports accessible through the Portal
- Creation of English-language services of geological information management databases, translation of abstracts from geological reports and portal interface
- Furnishing of the server room, implement the information protection and cyber security system

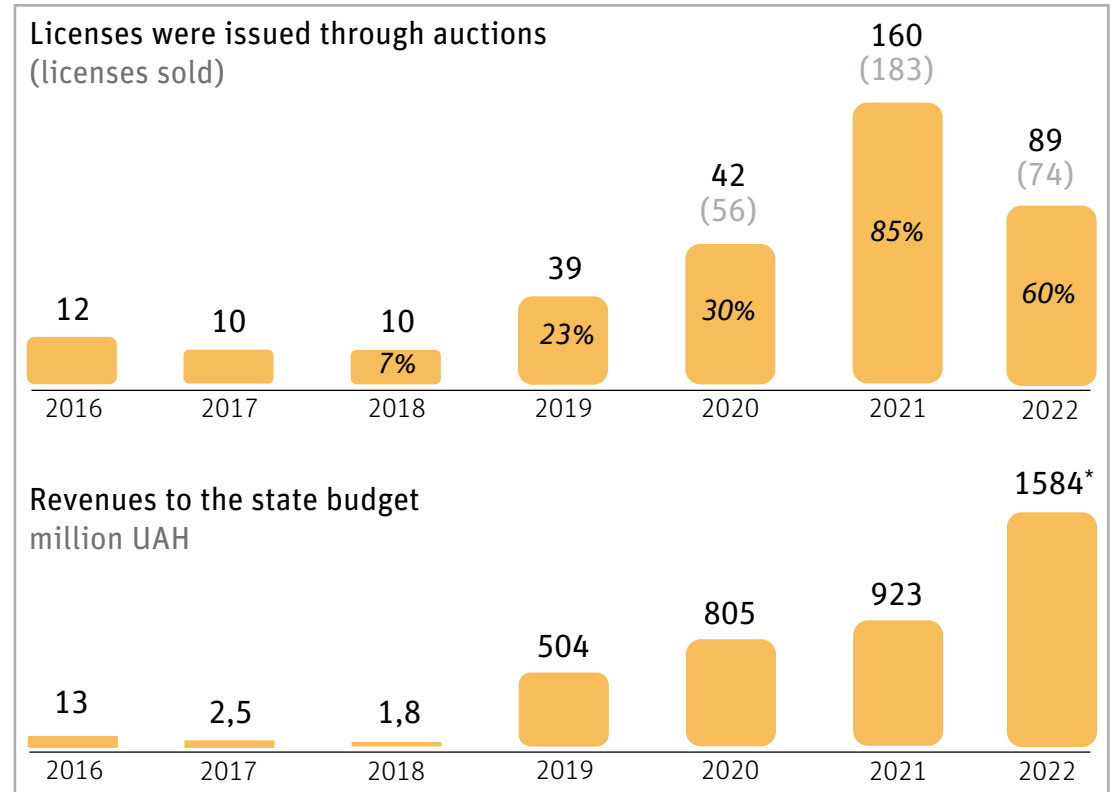


From left to right: Minister of Minecology Ruslan Strilets, **Chairman** of UGS Roman Opimakh, First Vice President of the EBRD Jürgen Rigterink, Vice President of the European Commission Maroš Šefčovič

## 352 licenses have been sold on e-auctions, bringing UAH 3.8 billion in the national budget



UAH 1.1 billion is the price of the most expensive lot sold



% – share of sales (licenses for new fields) per year, excluding permits granted as a result of extension and converting exploration to production

\* State Budget of Ukraine will get Funds from lots sold in November-December in the beginning of 2023





## Every third object is initiated for auctions from the Investment Atlas

- Created at the end of 2019, Atlas of Raw Materials is an online store with teasers of prepared vacant fields, which already has more than 500 objects
- Separately, regional investment atlases were developed and presented to local communities in 11 regions of Ukraine





# E-cabinet

- Online application for a license using a GIS
- Online reporting, registration of works and researches
- E-license integrated into national digital platform DIIA





# The e-cabinet of subsoil user allows to reduce the number of refusals and receive approvals faster



- Application for a license
- Reporting
- Registration of geological works and researches
- Registration of wells

- Processing of applications and documents
- Automated control of processing time
- Gis-checks of coordinates for the intersection with raw materials fields and prohibited zones
- Control of work programs and reporting

- Gis-checks of coordinates for the intersection with the objects of the nature reserve fund and water bodies (Minecology)

- Extract from the State Register of Raw Materials Licenses

- done
- in progress



- Establishing the service-oriented regulator

■ **Attracting investment**

- Introducing efficient mineral resource regulation





# New rules for subsoil use should become progressive, attractive and predictable for the investor

The Ukrainian Parliament passed Bill № 2805-IX, which provides deregulation and modernization to the rules for subsoil use. In particular:

- The cancellation of redundant licensing approvals, removal of excessive responsibilities from local authorities, leaving them the right to effectively influence raw materials users though
- Liberalizing distribution of the licenses – free transfer/assignment of the rights for subsoil use
- Simplify the development of local raw materials – non-auction granting of the licenses for the development of minerals of the local importance\* for landowners up to 25 ha, which should enhance the accessibility to construction group minerals

Target result – license for subsoil use can be issued within 60 days, with the start of production in 5 months\*\*

\* sand, limestone, gravel, gypsum, sapropel, chalk, loam, sandy loam

\*\* without taking into account the time for the preparation of the necessary project documents by the subsoil user and conducting EIA







# Over 50 thousand sq. km were provided to explore hydrocarbons in 2020-22

- Prepared 50+ proposals in the Investment Atlas
- Sold 9 licenses at e-auctions
- 11 Production Sharing Agreements have been concluded
- The operation of the Yuzivska PSA has been unlocked
- Launch of the offshore project on the Black Sea shelf
- The register of oil and gas wells has been updated (12 ths passports)
- 18 thousand seismic profiles are allocated





# Critical raw materials in Ukraine were identified

- Memorandum on Strategic Partnership was signed with the European Union
- List of strategic raw materials consisting of 37 minerals was approved, aimed at Ukraine's sustainable development
- Atlas of Strategic Minerals was presented and a list of 200+ prospective fields was formed
- Interactive maps of licenses, fields and ore occurrences were compiled





## Raw Materials Week

European Innovation  
Partnership on Raw Materials



# The EU-Ukrainian Strategic Partnership on Raw Materials

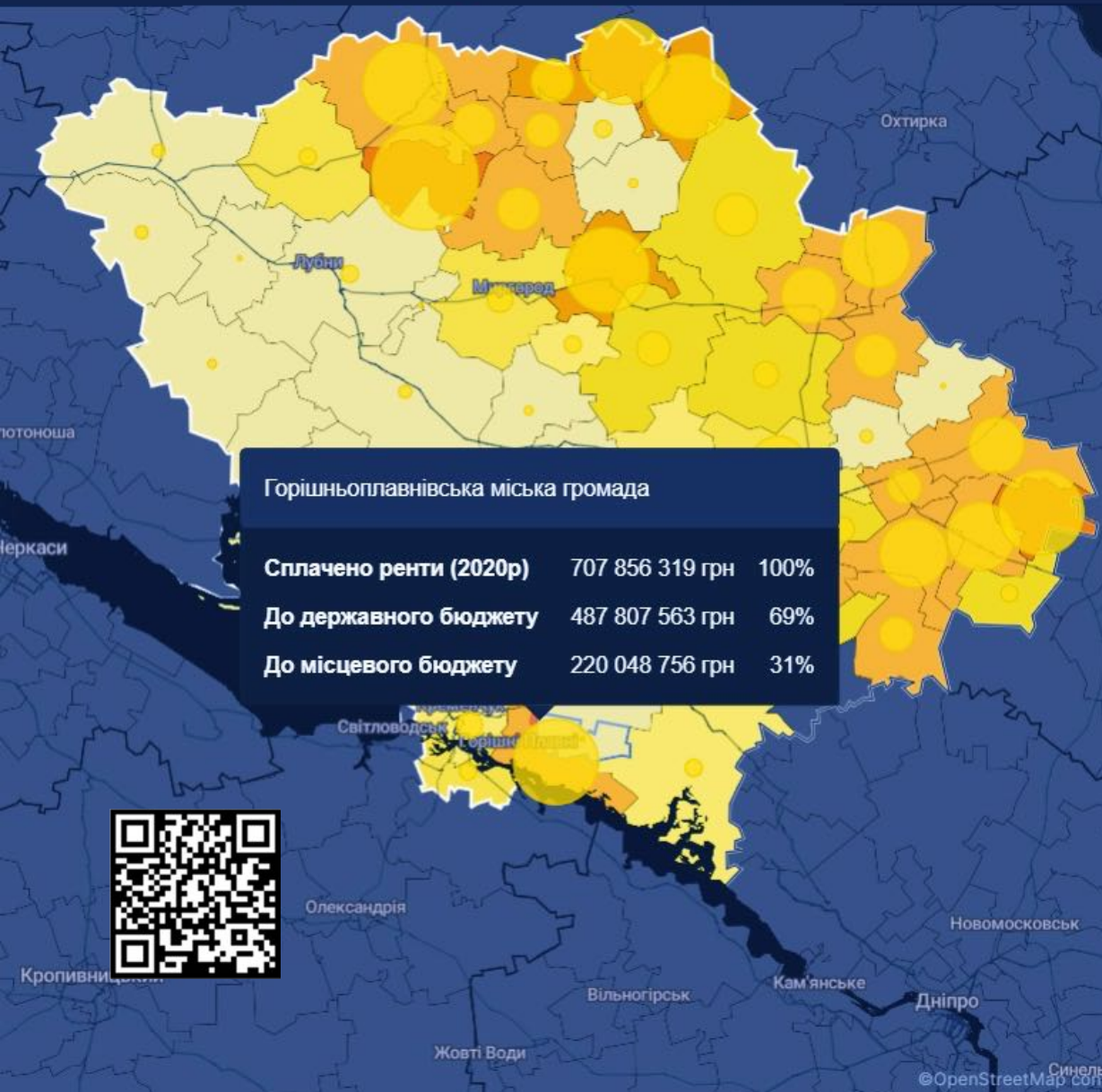
- The first joint forum was held in Brussel where the Government and Ukrainian companies presented opportunities of their countries in the extractive industry
- Partnership Roadmap 2023-24 was updated with environmentally friendly production and green mining as key priorities
- Ukraine was engaged in the European Critical Raw Materials Act by 2030 as a country of strategic partnership





- Establishing the service-oriented regulator
- Attracting investment
- **Introducing efficient mineral resource regulation**

## Моніторинг користування надрами України



# Improving the efficiency of subsoil use

*An unbiased audit was implemented by ensuring the publicity of information and establishing clear requirements for market participants*

- Online subsoil monitoring is functioning on the SOTA platform of the National Security and Defense Council
- Vital legislative changes were implemented, which made it possible to calculate damages for unauthorized extractions of all types of minerals (Laws №N№ 1685-IX, 2805-IX)
- Methodology for determining the amount of damages caused to the state as a result of unauthorized subsoil use was approved, including damages caused by military aggression against Ukraine
- To check the legality of production, a layer of land plots with cadastral numbers was placed on the State Geoportal, including with the use of Google Earth
- As a prevention of the emergence of «dormant licenses», it became forbidden to extend the validity of licenses in the absence of production, and the terms and grounds for making changes to work programs were defined



# Update of the National Mineral Strategy by 2030

This updated program is based on the best international experience and takes into account recent developments in Ukraine:

- Concentration of efforts on the search for strategic and critical minerals, and the conduction of work to increase resources
- Geological mapping of Ukraine, monitoring underground water as well as exogenous processes and the state of the recourse base, maintaining state balances, carrying out inspections of subsoil use
- Implementation of digital technologies of data storage and use, establishment of the information bases of amalgamated territorial communities
- Guaranteeing a stable source of financing (Bill № 6228) from the special fund: 0,5% of rent from the extraction of minerals of national significance, 1% – hydrocarbons, and 25% from the sale of licenses and geological information





# The reform is designed to increase the efficiency of the use of Ukrainian raw materials resources

Priorities	Activities	Results	Status
<b>1 Establishing the service-oriented regulator</b> ensuring convenient and equal rules for access to the subsoil through deregulation and digitization of the licensing process	Online auctions for the sale of licenses  Interactive map of mineral resources  E-cabinet for subsoil user	Digital-approach «in a single click» – 85% of licenses for new fields were sold through e-action, 15 databases are functioning, online applications and reports are accepted in E-cabinet	<ul style="list-style-type: none"> <li>■ Resolutions and orders have been adopted</li> <li>■ 3 online services are functioning (nadra.gov.ua)</li> <li>■ Development of IT-infrastructure, National GeoPortal, e-license</li> </ul>
<b>2 Attracting investment</b> increasing investment attractiveness by updating industry regulation using international best practices	Cancellation of the duplicating license procedures  Liberalizing distribution of the licenses  Simplify the development of local raw materials	Granting a license within 60 days and the start of production in 5 months promote fast development of the regional resource potential, help to reduce import dependence and contribute to the exploitation of strategic minerals	<ul style="list-style-type: none"> <li>■ The Investment Atlas of Raw Materials is functioning</li> <li>■ Amendments to resolutions and Law No. 2805-IX were adopted</li> <li>■ Simplify the access to «classified» geological data</li> </ul>
<b>3 Introducing efficient mineral resource regulation</b> implementation of unbiased audit by ensuring the publicity of information and establishing clear requirements for market participants, as well as ensuring stable financing of state functions	Strengthening the fight against unauthorized extraction and preventing the "dormant" licenses  Optimization of the structure of state geological enterprises  Decent financial support of the industry with a focus on its eco-friendly development	The state has full information about subsoil users and punishes unauthorized extraction. State-owned enterprises perform non-business functions, in particular, supervise subsoil use and implement National Mineral Strategy	<ul style="list-style-type: none"> <li>■ Online subsoil monitoring is functioning on the platform of the National Security and Defense Council</li> <li>■ Law No. 1685-IX and the Methodology for compensation of damages were adopted</li> <li>■ Unprofitable assets of state geological enterprises were transferred to the SPFU management</li> <li>■ Adopt the draft laws No. 6227, 6228</li> </ul>

■ done    ■ in progress

# International partners

