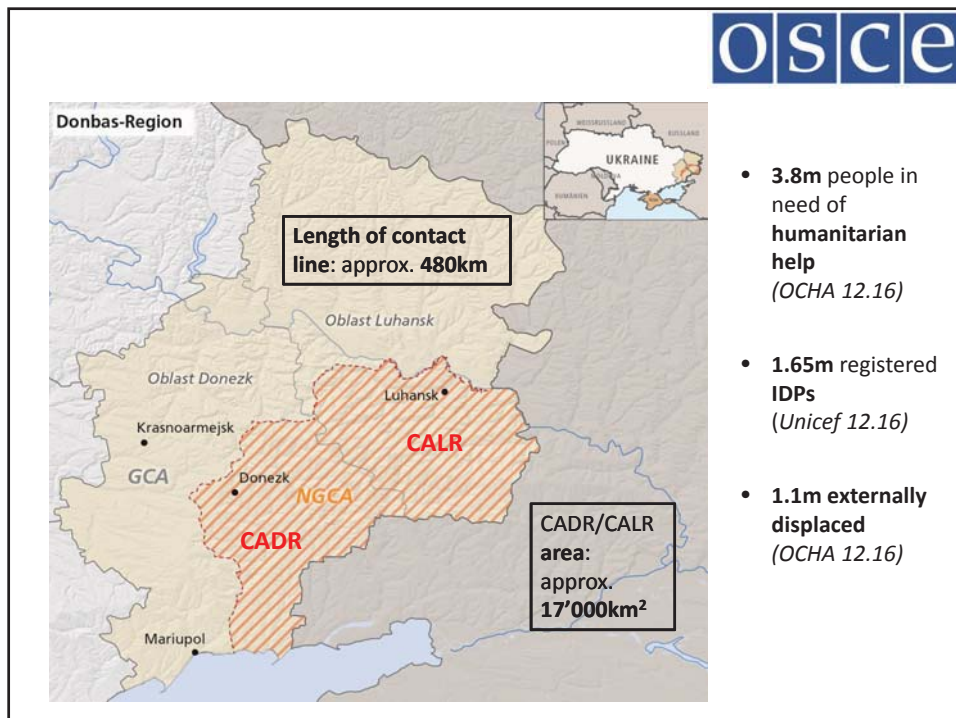


**Rebuilding economic partnerships in conflict regions**  
*(from the perspective of the Minsk negotiations on Donbas)*

Ambassador Martin Sajdik  
Special Representative of the OSCE Chairperson-in-Office

25th OSCE Economic and Environmental Forum  
First Preparatory Meeting

Vienna, 23 January, 2017



**Package of measures for the implementation of the Minsk Agreements, signed 12 February 2015**



**Paragraph 8**

„Definition of modalities of **full resumption of socio-economic ties**, including **social transfers** such as pension payments and other payments (incomes and revenues, timely payments of all utility bills, reinstating taxation within the legal framework of Ukraine).

To this end, Ukraine shall reinstate control of the segment of its **banking system** in the conflict-affected areas and possibly an international mechanism to facilitate such transfers shall be established.“

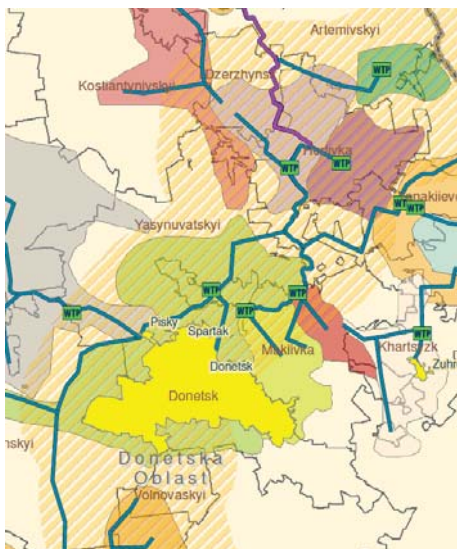


*Per Fischer (Germany)*

**Working Group on Economic Affairs and Rehabilitation**

- Water supply and distribution networks
- Restoration of electricity grids and gas pipelines
- Rehabilitation of the railway system / Coal deliveries
- Banking infrastructure
- Social payments

**Infrastructure: Water, gas, electricity, railway**



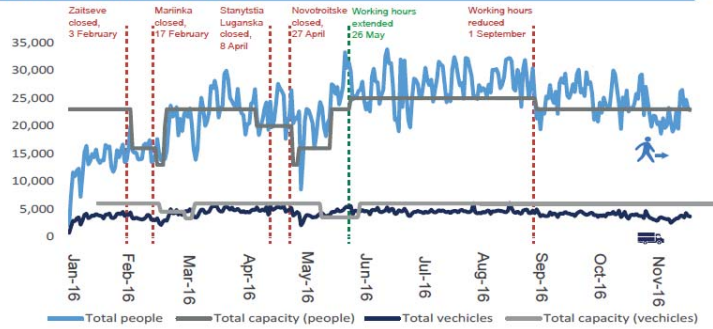
- Infrastructure on both sides of contact line **interconnected**
- **Local ceasefires for repair works** at gas, water pipes, railway lines and electricity grids in proximity of contact line
- **Payment** for deliveries of water, electricity, coal
- **Contract for water deliveries** from government controlled territory to CALR (signed August 2016)

*Water System Donetsk region (detail, WASH Cluster Ukraine, 9.15)*

## Banking system and social transfers

- Banks and non-bank payment organizations are **prohibited to conduct financial transactions in non-government controlled area** (*National Bank Decree No. 466, 8.14*)
- Persons living in CADR/CALR have to **cross the contact line** to access their Ukrainian bank accounts or receive social payments (i.e. pensions).
- **Social payments** only source of income for many pensioners in conflict-affected area

### CROSSING DYNAMICS (2016)



Number of contact line crossings (people / vehicles), 2016 (OCHA, 21 November 2016)