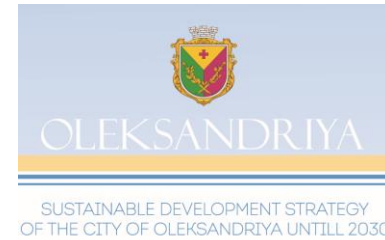


### The process of national localization SDG



Deputy Minister of Economic Development & Trade of Ukraine

- ❑ The first draft of the national report "SDG: Ukraine" (December 2016)
- ❑ Expert discussion of the draft national report (December 2016 - January 2017)
- ❑ Finalization and national report "SDG: Ukraine" (May 2017)
- ❑ Approval of the National Report "SDG: Ukraine" at the high-level group meeting (May 24, 2017)
- ❑ Launching of the national report "CSR Ukraine" (June-July 2017).  
There is the section "Sustainable Development Goals for Ukraine until 2030" in the annual message of the President of Ukraine to the Verkhovna Rada of Ukraine "On the internal and external situation of Ukraine in 2017".  
In the medium-term, the Government's priority actions by 2020 are reflected by the SDG/ Government decisions approved a number of strategic documents, the provisions of which are consistent with the goals of sustainable development, in particular, the Strategy for the development of small and medium enterprises in Ukraine until 2020, the Concept of implementation of the state policy in the field of climate change for the period up to 2030.

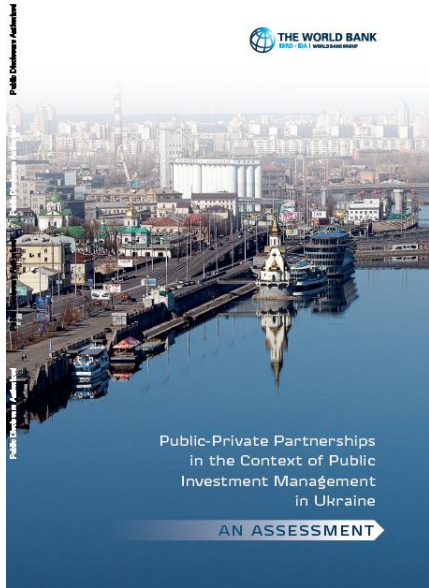
Analysis of state strategic documents in terms of their suitability to SDGs has been prepared by the Institute of Social & Economic Research under support of UNDP and presented to ministries, experts and Civil Society.

Olexandriya City Sustainable Development Strategy up to 2030 based on SDGs was prepared by PPP Academy, adopted by the City Council and presented on UNECE events in Barcelona & Hong Kong. Association "Sustainable and Smart Cities of Ukraine" has been established on the initiative of Olexandriya City

Monograph "Public-Private Partnership for Sustainable Development Goals" was published by prof. I. Zapatrina and presented on the International Conference "Modernization of Infrastructure in Ukraine: new opportunities for private business participation" organized under support of the Ministry of Economic Development & Trade in Kyiv, May 2017



**CURRENT PPP ACTIVITIES IN UKRAINE**



**PPP Law**

**PPP Analysis of Efficiency and Step-in-Right Procedures (Government Decrees adopted )**

Methodological Recommendations on PPP Efficiency Analysis is under preparation

**Draft of the Concession Law**



|  |  |  |  |
|--|--|--|--|
| <p>World Bank Assessment “Public-Private Partnership in the Context of Public Investment Management in Ukraine” was prepared under support of the Ministry of Economic Development &amp; Trade in 2016 and presented to the Government and Civil Society</p> | <p>New comprehensive version of the PPP Law was prepared by People’s Deputies with assistance of USAID Project “P3DP” and support of the Ministry of Economic Development &amp; Trade and adopted by Verkhovna Rada. The Law came into force in May 2016</p> | <p>Modern procedures of analysis of efficiency of PPP projects and Step-in-Rights were prepared by the Ministry of Economic Development &amp; Trade with assistance of the World bank and adopted by the Government in November 2016 and April 2017 respectively</p> | <p>The new draft of Concession Law replacing the current 4 special concession laws was developed by the Ministry of Economic Development &amp; Trade with assistance of EBRD. Amendments to Primary Legislation in the context of Concession Law are under preparation</p> |
|--|--|--|--|





**ATTRACTIVINESS OF THE CURRENT PPP LEGISLATION**

| Innovative approach   | Guaranties to Private Partners   | Stimulation of Private Initiatives  | Opportunities to implement projects based on SDGs  | Inclusivity  |
|---|--|---|--|--|
| <p>Opportunity to use different contract forms for PPP projects development (including mix agreements).</p> <p>Possibility for state and municipal enterprises to take part in the PPP agreement on a public partner's side</p> | <p>International Arbitrage</p> <p>Wide opportunities for a state support (should be further developed)</p> <p>Possibility to have in private ownership the objects to be created (build) in the framework of PPP agreement (during its term)</p> | <p>Clear and transparent Procedure for Unsolicited Proposals</p> <p>Opportunity to compensate expenses of private business for unsolicited proposals preparation (up to 2,5% of the Project Cost)</p> | <p>Opportunities for State Support of PPP projects:</p> <p>State Guarantees (procedure is under development);</p> <p>Availability Payments;</p> <p>Long Term Obligation of state and local authorities (to buy something in the context of PPP or to sell something in the context of PPP)</p> | <p>Transparency of PPP project initiation and implementation</p> <p>Obligations to publish information on results of PPP initiatives consideration</p> |



FIRST PPP PROJECTS

| Name  | Initiators  | Current state of consideration  | Consultants / sponsors  | Orientation on SDGs |
|---|---|---|---|---------------------|
| <b>“Energy Bridge: Ukraine- EU” – EURO 243.5 mln</b>  | Polenergia International S.à r.l.; EDF Trading; Westinghouse Electric Sweden AB | Decision on implementation of PPP was adopted by the Ministry of Fuel and Energy. Tender is in the process of preparation | Deloitte & Touch LLC, Baker McKenzie, Academy of PPP, Mott MacDonald Limited, Fortum Power and Heat |                     |
| <b>Concession of Chornomorsk Ferry Terminal</b>   | Ministry of Infrastructure  | Pre-Feasibility Study was prepared and presented  |   |                     |
| <b>Concession of SE “SC “Olvia”</b>   | Ministry of Infrastructure  | Pre-Feasibility Study was prepared and presented with assistance of EBRD  | Atkins, EY, MDS Transmodal, Tebodin   |                     |
| <b>Concession of SE “Kherson Sea Commercial Port” 3 variants (USD 30,85 mln; USD 24.85 mln; USD 44.15 mln)</b>  | Ministry of Infrastructure  | Pre-Feasibility Study was prepared and presented with assistance of WB  | Royal Haskoning, Informall, Jurimex, Rebel,   |                     |
| <b>Construction of a new Lviv detention center facility and a hospital institution as part of the investment project for the transfer of Lviv penal facility - USD 23.7 mln</b> | Pittaway Holdings Limited, UDG-TPF Group, Global Development                    | Unsolisited proposal was submitted to the Ministry of Justice of Ukraine and is under consideration                       | Initiator of the Project  |                     |
| <b>Creation of system of video recording of traffic violations in the automatic mode in Kyiv – USD 23.7 mln</b>   | Safe Roads of Ukraine   | Under consideration of Kyiv City Council  | Academy of PPP  |                     |

Some local PPPs are on the stage of preparation – need evaluation

### CANDIDATES TO PUBLIC FIRST PPPs

| Projects  | Increasing access to essential services and lessen social inequality & injustice | Enhance resilience and more care with the environment | Improve economic effectiveness | Promote replicability and the development of further projects | Fully involve all stakeholders in the projects |
|---|--|---|--------------------------------|---|--|
| “Energy Bridge: Ukraine- EU”  |  | X   | X                              |   |  |
| Concession of Chornomorsk Ferry Terminal                                      | X  | X   | X                              | X   | X  |
| Concession of SE “SC “Olvia”  | X  | X   | X                              | X   | X  |
| Concession of SE “Kherson Sea Commercial Port”                                | X  | X   | X                              | X   | X  |
| Lviv detention center facility and a hospital                                 | X  |   | X                              | X   | X  |
| System of video recording of traffic violations in the automatic mode in Kyiv | X  | X   | X                              | X   | X  |

### Pre Feasibility Studies

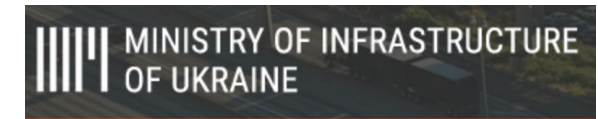
#### Concession of Chornomorsk Ferry Terminal



#### Concession of SE "SC "Olvia"



#### Concession of SE "Kherson Sea Commercial Port"



- The Terminal serves railway ferries and Ro-Ro vessels and handled 1.7 mln tons in 2016
- It is unspecialized terminal with diversified cargo flow mostly represented by perishable food products, wood, building materials and other cargo in small batches
- The analysis of Mediterranean and Baltic Seas ferry terminal operations showed that extra revenues are earned by additional services
- The Project aimed at improving the management with estimated CAPEX of \$5 mln needed to provide additional services

- Existing in 2016 the Port generated cargo turnover of 2.2 mln tons divided approximately by 1/3 for 3 main cargoes: metals, building materials and grain
- According to the market study, grain is the most promising cargo
- The Project assumes:
  1. Transfer of the land plot of 25.7 ha to the concessioner
  2. Construction of new grain terminal and oil extraction plant by the concessioner
  3. Construction of new berths financed jointly by concessioner and USPA
  4. Operating the assets by the concessioner for the agreed period and hand-back

- The Port handled 1.2 mln tons of cargo in 2016, which mainly represented by grain, construction materials and fertilizers
- It has 4 berths with 600 m total length, 15 ha area, port fleet and vehicles
- Grain is the most promising cargo according to Market study
- The Project assumes:
  1. Transfer of the land plot of 15 ha to the concessioner
  2. Construction of new storage terminal facilities and modernization of handling operations
  3. Operating the assets by the concessioner for the agreed period and hand-back

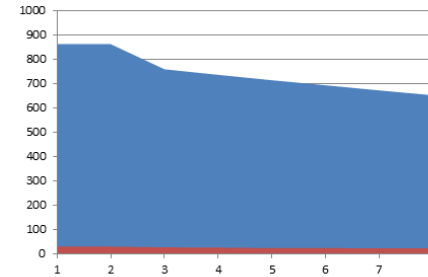
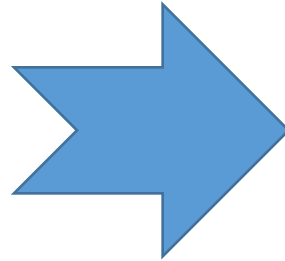
### System of video recording of traffic violations in the automatic mode in Kyiv



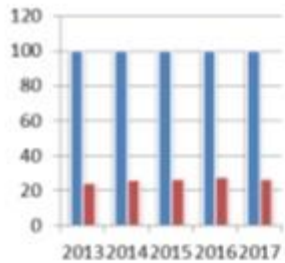
**134 193**  
Accidents for 2015

**For 2015**  
**25 365**  
Road accidents with affected persons  
**3 970**  
Dead from Road Accidents  
**31 467**  
Injured from accidents

**Per day**  
**368**  
**11**  
**86**

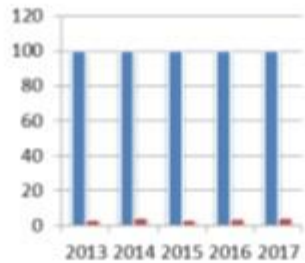


Road accidents and dead



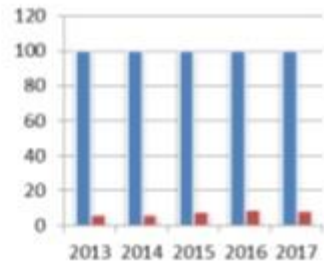
■ Ukraine ■ Kiev

Road accident



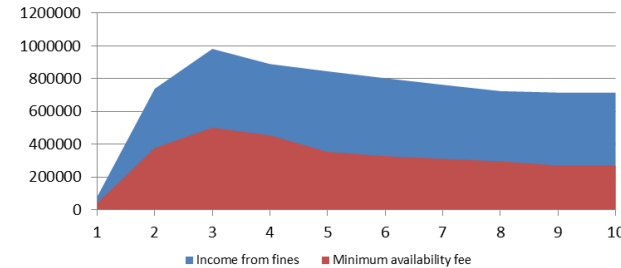
■ Ukraine ■ Kiev

Dead



■ Ukraine ■ Kiev

Traumatized



■ Income from fines ■ Minimum availability fee



UKRAINE  
TRAFFIC  
SAFETY



Ukraine: How can we improve PPP to make it a more “fit purpose” instrument in our country that gives ground for optimism?

### 1) Prioritizing infrastructure projects based on SDGs

- Implementing approach of Sustainable Development Strategies based on SDGs
- National Infrastructure Plan/ Transport Strategy of Ukraine
- Municipal Infrastructure Plans
- Infrastructure Prioritization Framework (WB)

### 2) Development of State Support Mechanisms:

- State (Municipal) Guaranties in the context of PPP Projects
- Availability Payments Mechanisms
- Long-term budget obligations

### 3) Capacity building

- Training programs for Line-Ministries, Municipalities, Business, Civil Society
- Communication Strategies
- Small, but replicable PPP projects support

### 4) Improving coordination in PPPs field

- Strengthening and Developing Central PPP Unit





Ukraine: Where and how we see changes in the way PPP is done in our country that gives ground for optimism?

- ❑ Modern and attractive for private business legislative environment that is being improved now
- ❑ Huge demand in modern infrastructure
- ❑ Active participation of International Financial Institutions in PPP development
- ❑ Interest of private business in PPPs – unsolicited proposals
- ❑ Inclusivity - Ukrainian delegation at the Working Party meeting in Geneva:

