

# International PPP Centre of Excellence

People First PPPs for the United Nations Sustainable Development Goals



**THE GLOBAL GOALS**  
For Sustainable Development

Project:	“Introduction of the system for fixation of violations in the field of road safety in the automatic mode in the city of Kyiv and in Ukraine”
Project Proponent:	LLC “Safe Roads of Ukraine”
Project Organization:	Academy of Public-Private Partnership, Ukraine



**Public Organization:** Kyiv City State Administration, Ukraine

**Private Organization:**



UKRAINE  
TRAFFIC  
SAFETY

[www.utraffic.com.ua](http://www.utraffic.com.ua)

**Developer**



[www.appp.com.ua](http://www.appp.com.ua)

**Capital Providers:**

## Why is this project

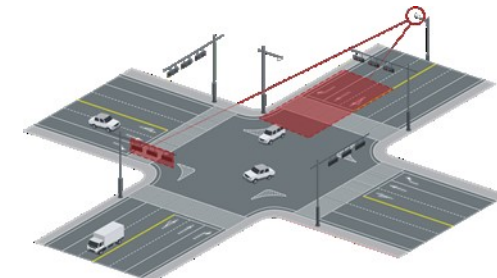
The mortality and injury rate as a result of road accidents in Ukraine is one of the highest in Europe. Road accidents in Ukraine are the first cause of death among young people aged 15 to 24 years and the second most common cause of death for children aged 5 to 14 years.

During 2011 - 2016, there were about 170.8 thousand road accidents registered in Ukraine, in which 26.7 thousand have people died, including 1.4 thousand children under the age of 18, and 210.4 thousand people have been injured. More than 42.6% of those who died in road accidents in 2016 were pedestrians and cyclists.

As of 2016, the number of accidents in Kyiv amounted to 27.7% of the total number of accidents in Ukraine; the number of deaths in accidents - 3.5%, injured - 8.7%.

According to the calculations of the World Bank experts, socio-economic losses of Ukraine from road traffic injuries are estimated at 4.5 billion USD per year, representing about 3.4% of gross domestic product.

A significant number of accidents with severe consequences in our country arise due to violation of speed by drivers (the main cause of death in 39% of accidents) and violation of the rules of driving through crossings (the main cause of death in 30% of accidents)



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- Where:** Kyiv - the capital and the largest city of Ukraine, located in the north central part of the country on the Dnieper River, population – more than 3 mln people
- Why:** The city of Kyiv belongs to the territories with the largest amount of accidents in Ukraine. In 2016, the city accounted for 27.7% of the total number of accidents in Ukraine. In 2017, the number of victims of accidents in the city has increased by 14.8%, the number of deaths - by 7.1%. The number of violations of the traffic speed in the city has been considerably growing - compared to 2016, by 190%. The number of injuries due to traffic accidents occurred in the city as a result of speed violation over the last year has increased by 264%, while in Ukraine - by 134%. Since 2018 the city has a speed limit of 50 km per hour. At the same time, due to lack of technical means of control, drivers do not observe the requirements of the legislation
- What:** As a result of the implementation of the project proposed by the private business, it is planned to reduce the number of accidents in the city by 25% until 2025, the number of injured and deaths - by 24%. Reducing of the driving speed will result in decreasing of the CO2 emissions and vehicle noise and as a consequence create more comfortable living conditions for people.
- Who:** Initiator of the Project is the Private Company “Save Roads of Ukraine”. Developer of the Project is Academy of Public-Private Partnership. The proposal on PPP implementation for this Project was developed in accordance with the Strategy of increasing the traffic security level in Ukraine until 2020 and Kyiv Smart City Concept 2020: leadership, innovations, collaboration.
- The Project was submitted to Kyiv City as unsolicited proposal on September 2017. Positive conclusion of the Kyiv City State Administration with recommendations to Kyiv City Council to support this project implementation was adopted by the Kyiv City Mayor V. Klichko on April \_\_\_\_ .
- When:** Final decision of Kyiv City Council regarding the Project implementation is planned to be taken in June 2018.  
Tender announcement – until October 2018.  
Commercial/financial close and project implementation start – until January 2019.  
Operation start date (the first stage) - 01.01.2019.  
Operation start date (the whole system) - 01.01.2020.  
Term of PPP (availability fee based model) – 17 years.



**Video Recording of Traffic Violations - Kyiv**

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## a) Increase access to essential services and promote equity

### Social impact of the Project

- ❑ improving the quality of life of the city residents as a result of enhancing the safety of road traffic, as well as reducing noise and CO2 emissions from vehicles
- ❑ reducing the expenditures of state and local budgets at the expense of the savings of funds, which today are spent for compensation of losses of the population as a result of deaths and injuries in accidents, and generation of additional revenues to the city budget, which could be used to increase the amount of budget expenditures of social nature and implementation of new social projects
- ❑ creation of up to 170 new jobs in Kyiv in the framework of the Project
- ❑ reduction of corruption in the field of road traffic control by eliminating the human factor in detecting traffic violations
- ❑ reduction of the country's overall economic losses from injuries and deaths as a result of road accidents, which will allow accelerating economic development in the country and the city
- ❑ increasing investment attractiveness of the city of Kyiv for private business, revitalization of investment activity aimed at creation of modern infrastructure in the sphere of life support and improving the quality of life of the city residents to the standards of the highly developed countries of the world

### Additional proposal of the Project initiator

- ❑ *to install 10% of technical means in places near schools, kindergartens, medical facilities to reduce the number of victims among children and the elderly*



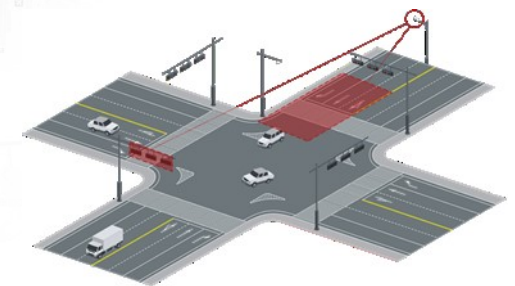
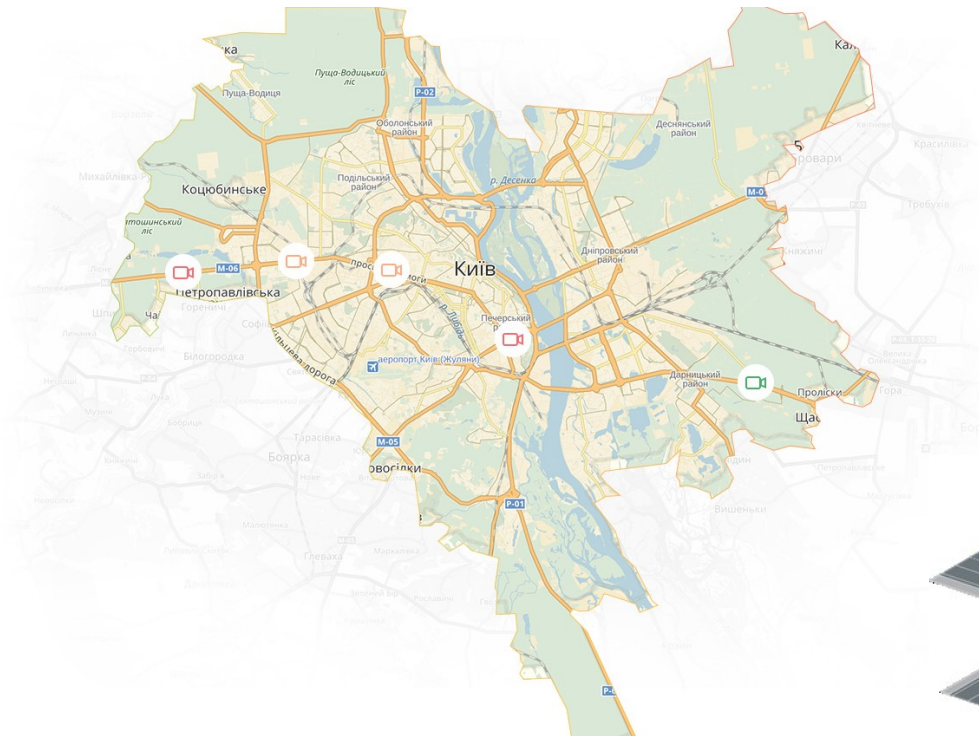


## b) Develop a resilient infrastructure and improve environmental sustainability

The information collected by the technical means to be installed in the framework of the Project will be used not only by the National Police of Ukraine, but also by the City Government to analyze obstacles and problems in the area of city security as a whole, as well as to plan activities related to the construction of new road junctions, pedestrian crossings, creation of bicycle paths, installation of traffic lights.

### Environmental impact

- ❑ Increasing the discipline and culture of driving behavior on city roads, a significant reduction in speed will significantly improve the environmental impact of road transport on the state of the environment, including air quality (cutting CO2 emissions).
- ❑ The noise effect of road transport will decrease, which will significantly improve the quality of living in the city, especially in buildings located near highways



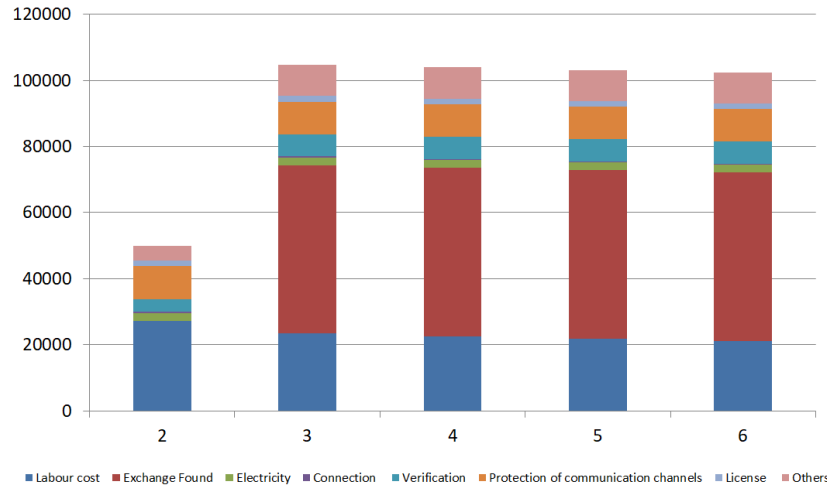
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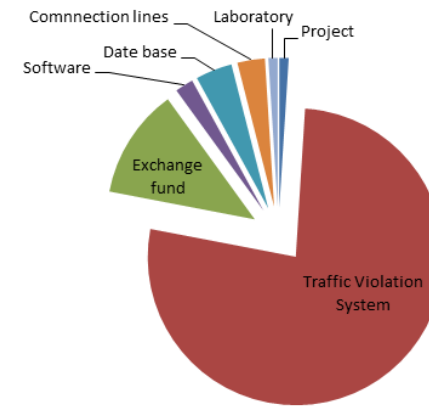
## c) Economic and financial effectiveness of the project



Total investments: USD 23.7 mln

Stage I – USD 13.9 mln

Stage II - USD 9.8 mln



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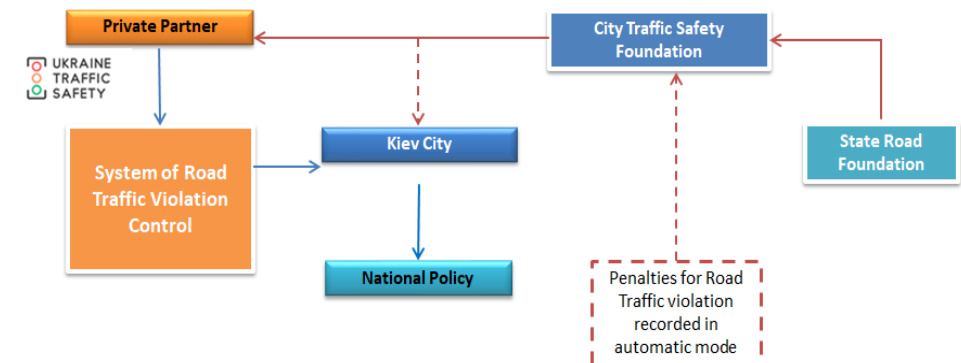


## Indicators of the project's marginal effectiveness for a private partner

Indicator	Value
Limit amount of availability payment, % from volume of penalties for road traffic violations registered in automatic mode	Public / Private partner (%) 1-4 years: 50 / 50 5 year: 59 / 41 6-8 years: 60 / 40 9-year and after : 63 / 37
NPV	USD 152000
Profitability index	1,008 > 1
IRR	12 = 12%
Discounted payback period	10,33 years

- Source of the Project Financing: Private Partner equity

- Business Model: Mixed PPP agreement based on availability payment





## d) Be replicable and scalable



### Proposals on PPP implementation for the similar projects have been submitted to:

- the National Policy of Ukraine (October 2017)
- Odessa City State Administration (April 2018)



### Regional impact

- The Project could be very useful for other developing economies that have the same problems with road safety.
- The PPP model & methodology to be applied in the framework of implementation of the Project could be replicated in the countries with low institutional capacity of public authorities, lack of trust to private business participation in infrastructure modernization among the population, especially poor people.

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## e) Engage all stakeholders

- ❑ **Parliament of Ukraine**
- ❑ **Government of Ukraine**
- ❑ **Central Government:** the Ministry of Economic Development and Trade of Ukraine, the Ministry of Internal Affairs of Ukraine, the National Policy of Ukraine
- ❑ **Local Governments:** Kyiv City Council & State Administration, other city councils & city administrations of Ukraine
- ❑ **Project Developers:** Academy of Public-Private Partnership, Ukraine
- ❑ **Private sector:** Company “Safe Roads of Ukraine”
- ❑ **Associations:** International Safe Roads Association
- ❑ **Universities / Academies:** National Academy of Science of Ukraine, Kyiv National Trade & Economy University
- ❑ **Professional Unions:** Chamber of Trade and Commerce of Ukraine
- ❑ **Civil Society:** Local NGOs

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International congress 2017  
**Safe roads for life**