

SOLID WASTE MANAGEMENT IN UKRAINE

MARKET INSIGHTS

August 2016
Kyiv



UKRAINE IN BRIEF

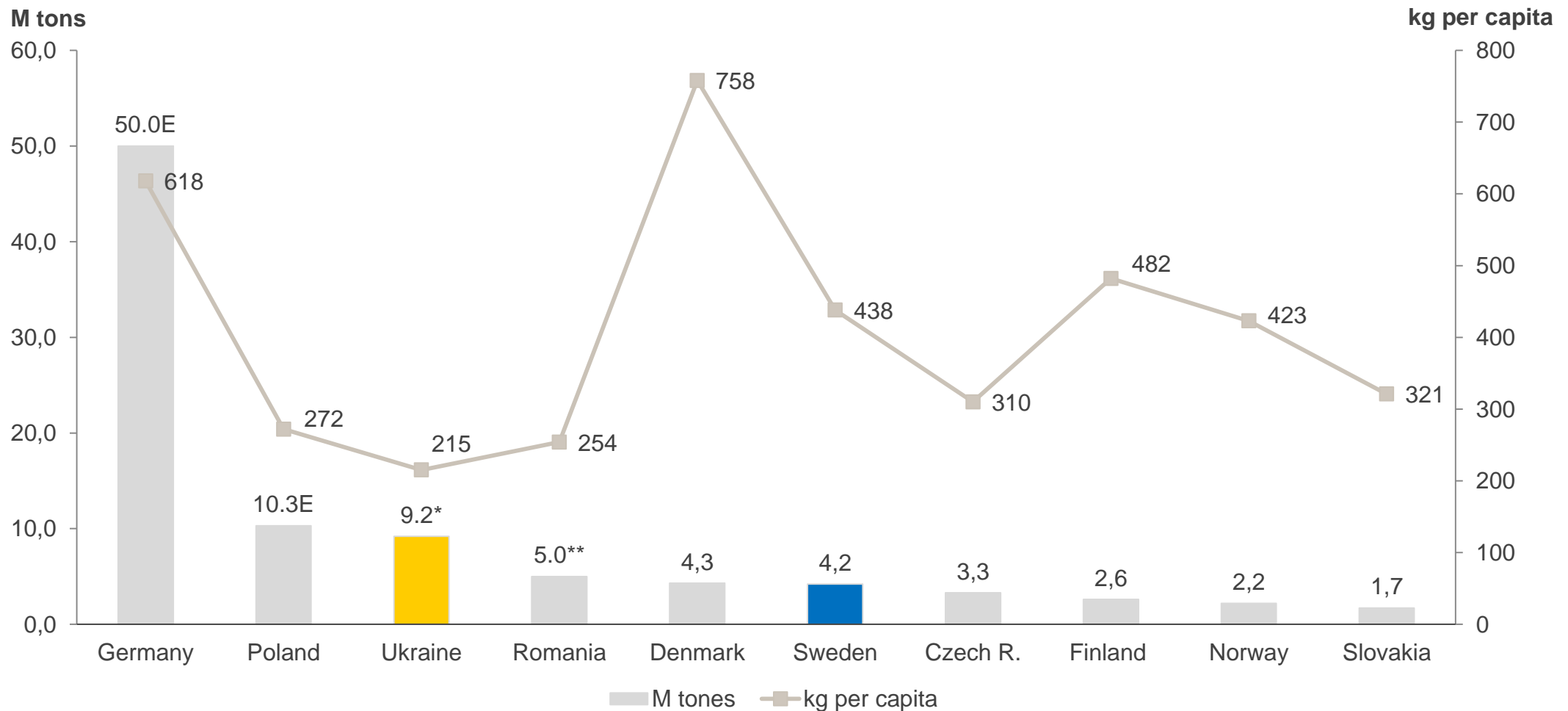
- ▶ Area: 603,500 km². Largest country within Europe
- ▶ Population: 45 mln, 70% urban
- ▶ Political system: Parliamentary-Presidential Republic
- ▶ Geographical center of Europe
- ▶ Currency: Ukrainian hryvnia
- ▶ GDP per capita (2015): USD 2,115
- ▶ Free Trade Agreement with the EU from January 1, 2016
- ▶ #1 software engineering force in CEE; #1 in sunflower oil exports globally; #2 world grain exporter after the US; #5 worldwide in rail cargo traffic
- ▶ Most cost-competitive manufacturing in Europe
- ▶ 2 truck-days away from most EU hubs
- ▶ Visa free travel for short stays up to 90 days per half-year for Sweden



SOURCE: MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE OF UKRAINE, WORLD BANK

MUNICIPAL WASTE GENERATED IN SELECTED EUROPEAN COUNTRIES, 2014

MILLION TONS OF WASTE GENERATED, KILOGRAMS OF WASTE PER CAPITA



SOURCE: EUROSTAT, MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION AND MUNICIPAL ECONOMY OF UKRAINE

E ESTIMATED, EUROSTAT

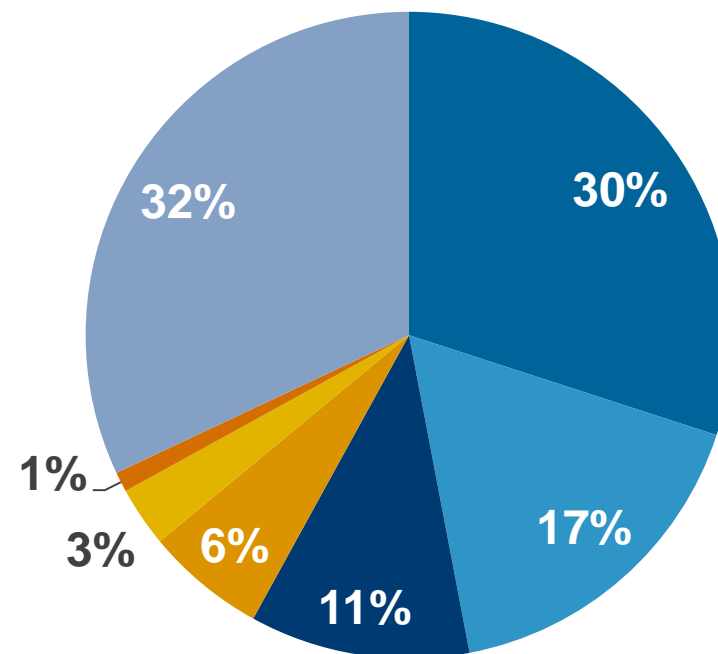
* DATA FOR 2015

** DATA FOR 2013

EACH YEAR UKRAINE PRODUCES A BIG AMOUNT OF WASTE

10 mln tones of solid waste in 2014

■ Organic ■ Paper ■ Polimers ■ Glass ■ Metal ■ Hazardous ■ Other





SOLID WASTE IS BEING DUMPED IN LANDFILLS

OTHER INFRASTRUCTURE IS UNDERDEVELOPED

2,73%

1
incineration
plant

3
separate
incinerators

20
sorting
lines

94,07%

6000 landfills

(31% not certified)

3,2%

1
recycling
plant

523
cities with collection
points for recyclable
materials

12
biogas
systems

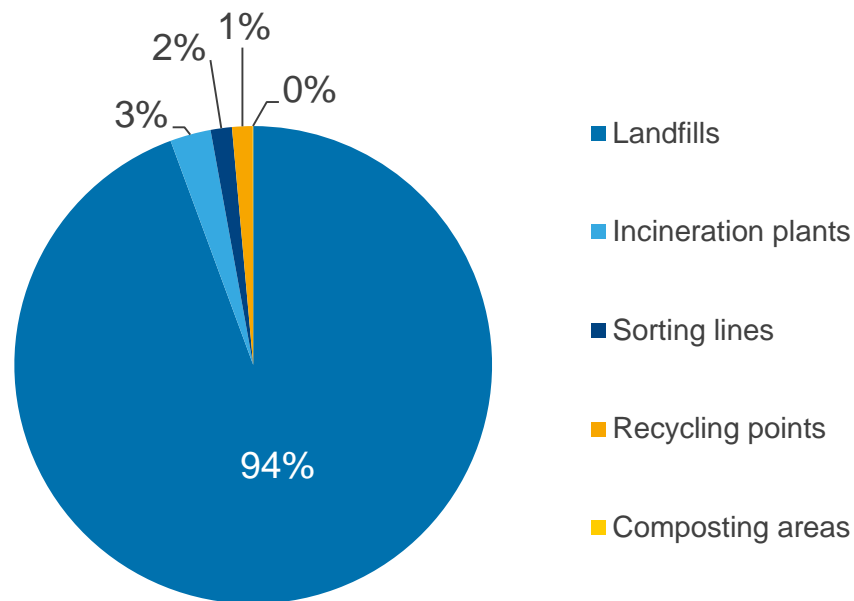
SORTING AND RECYCLING IS SELDOM APPLIED BY CURRENT FACILITIES IN UKRAINE

SOURCE: MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION AND MUNICIPAL ECONOMY OF UKRAINE

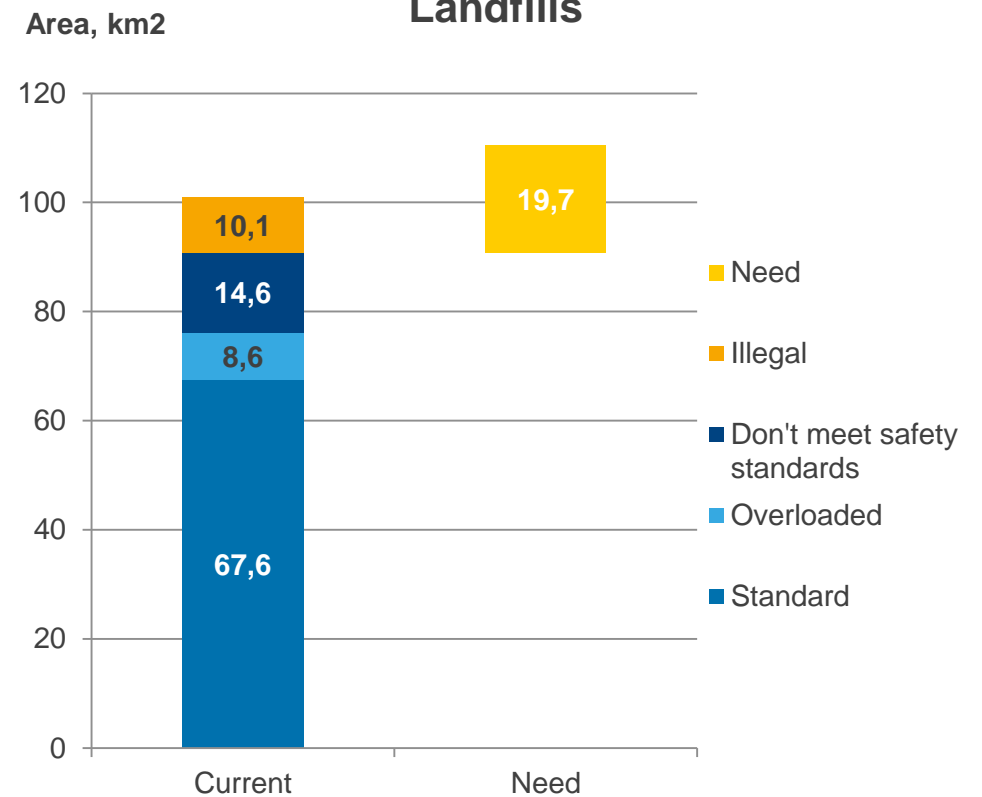
LANDFILLS SITUATION IS SEVERE

THE TOTAL AMOUNT OF WASTE ACCUMULATED ON LANDFILLS, 2015: 12,5 BILLION TONES

Solid waste transported to



Landfills

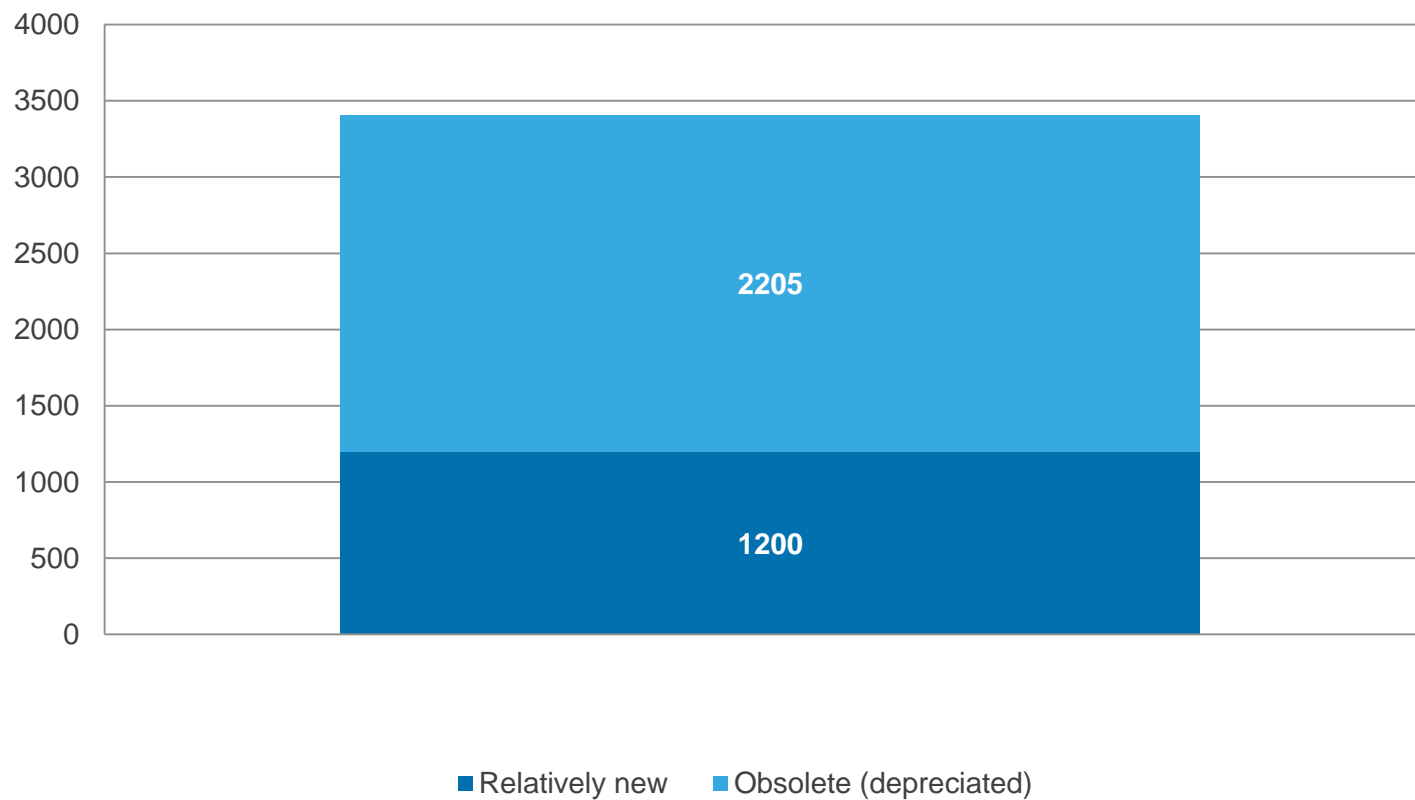


SOURCE: UKRSTAT, MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION AND MUNICIPAL ECONOMY OF UKRAINE



WASTE COLLECTION FLEET IS IN NEED OF RENEWAL

Waste collection vehicles, 2015



SOURCE: MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION AND MUNICIPAL ECONOMY OF UKRAINE

MARKET SITUATION POSITIVELY CHANGING DUE TO SEVERAL LEGISLATION INITIATIVES

- ▶ The bill “**About housing and communal services**” was adopted in the first reading by the Parliament of Ukraine which allows transferring the authority for waste processing and tariff setting to local communities resulting in de-monopolisation of waste management service market.
- ▶ The bill “**About packaging and packaging waste**” is under consideration of the Parliament and, in case of adoption, will introduce the extended producer responsibility in package waste management.
- ▶ The law “**About amendments to some laws of Ukraine about ensuring competitiveness in electricity production from alternative sources**” was adopted resulting in increasing of landfills with biogas and cogeneration plants

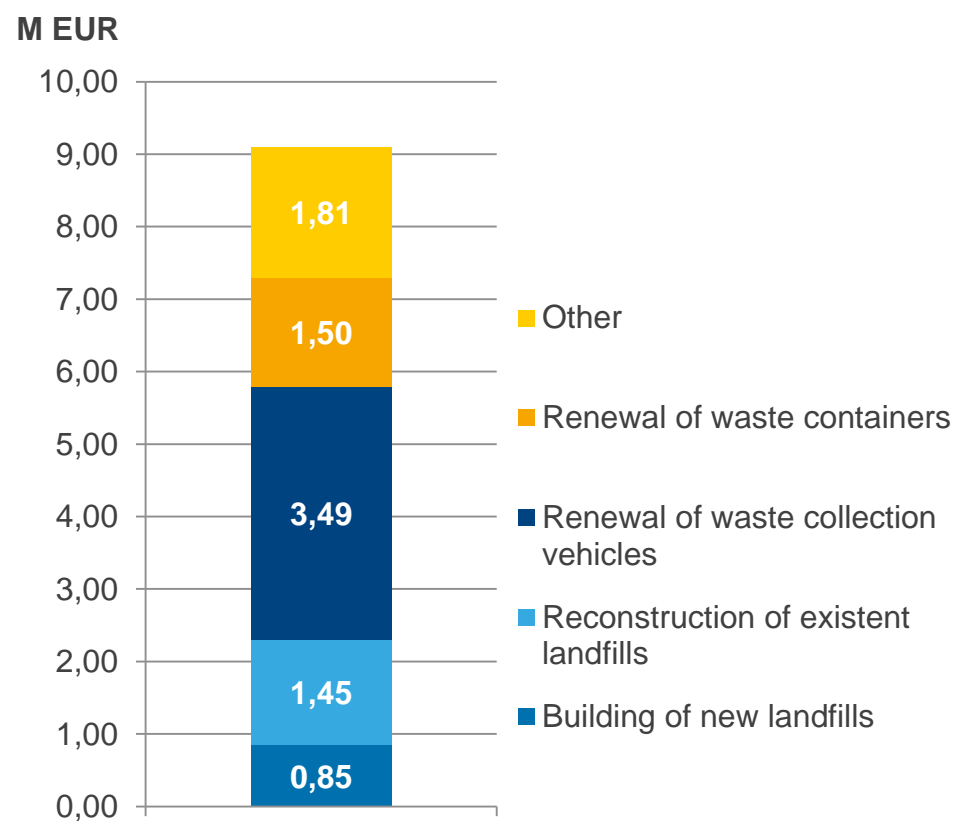
ADOPTING LEGISLATION BILLS WILL HELP CREATE HEALTHY ENVIRONMENT FOR INVESTMENTS AND COMPETITION

SOURCE: MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION AND MUNICIPAL ECONOMY OF UKRAINE

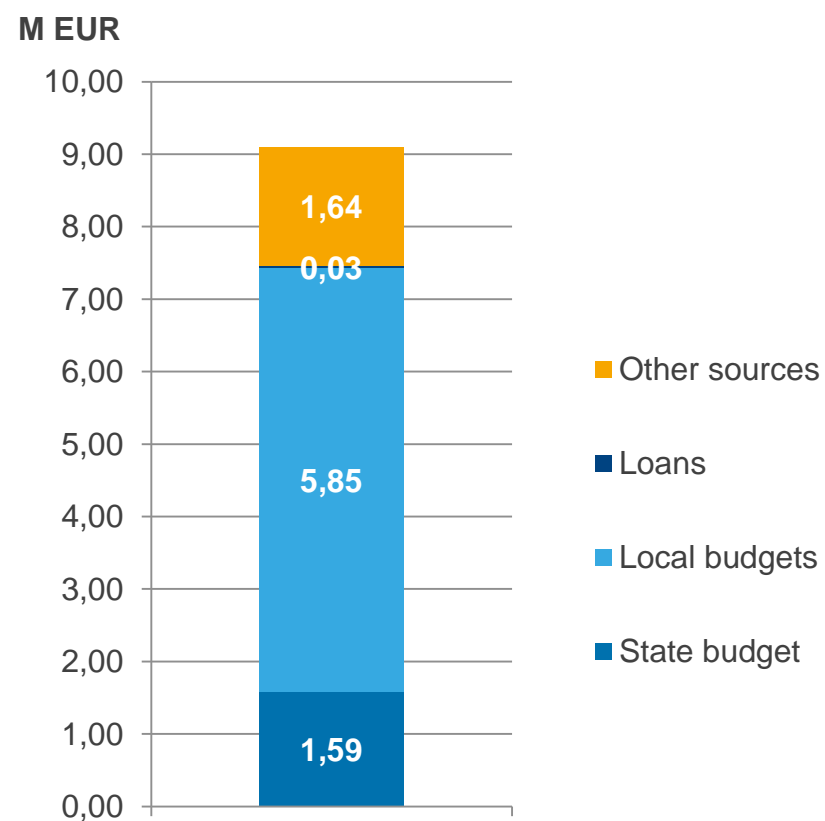
FINANCING FOR SOLID WASTE IN 2015

TOTAL FINANCING IN UKRAINE FOR SOLID WASTE

Areas of financing



Sources of financing



SOURCE: MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION AND MUNICIPAL ECONOMY OF UKRAINE

MODERNISATION OF UKRAINIAN WASTE MANAGEMENT SUPPORTED BY IFIS:

WORLD BANK

- ▶ Solid waste plant construction in Kharkiv is planned under the **Second Urban Infrastructure Project**.
- ▶ The total cost of the project is about **USD 44 mln**.
- ▶ The project includes construction of municipal solid waste treatment facility including system of landfill gas collection and power generation, among other works.

EIB

- ▶ Ukraine Municipal Infrastructure Project, amounting EUR 400 mln, includes solid waste sector.
- ▶ The framework loan was signed on **July 27, 2015**, and the first procurements are expected to be announced shortly.
- ▶ The preparations of solid waste management projects in **Lviv** and **Kremenchug** have been already announced.



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