

WATER AND WASTEWATER 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

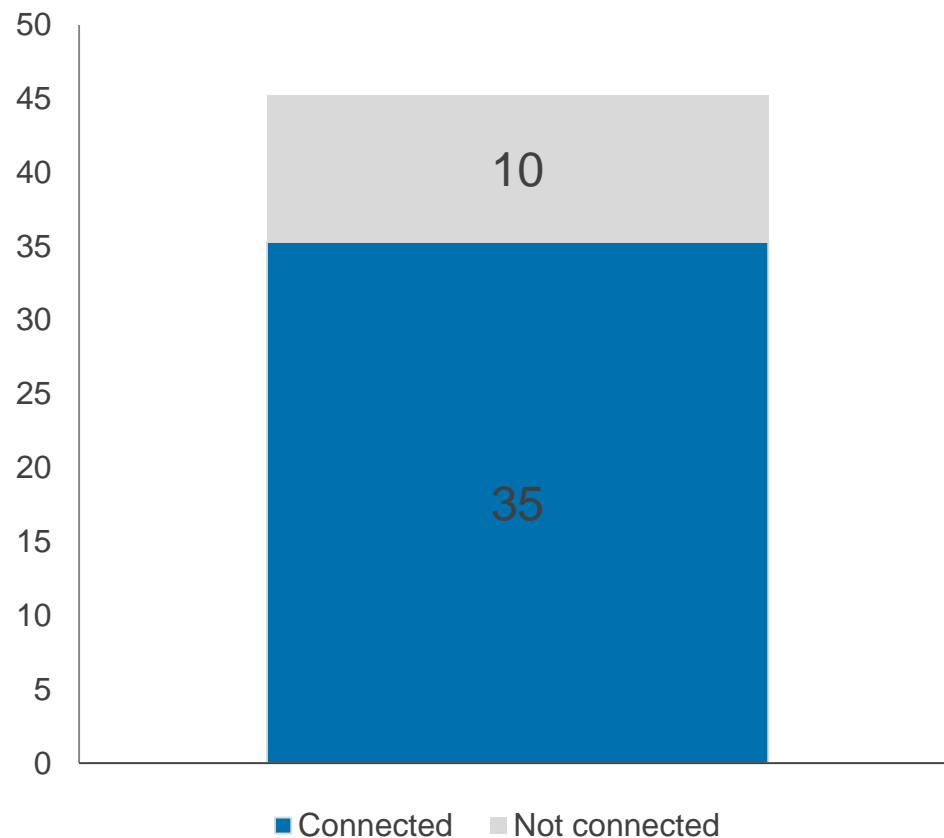


SOURCE: MINISTRY OF ECONOMIC DEVELOPMENT AND TRADE OF UKRAINE, WORLD BANK

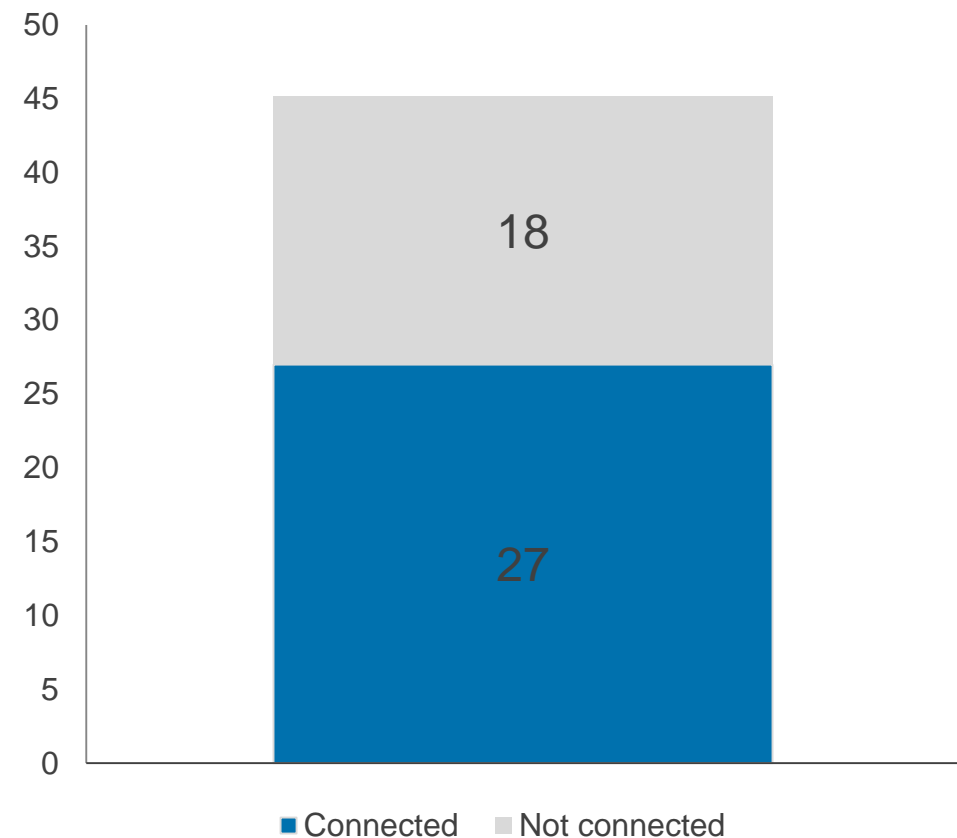


AROUND 2/3 OF POPULATION CONNECTED TO WATER AND WASTEWATER SYSTEMS IN UKRAINE

CONNECTED TO PUBLIC WATER SUPPLY, IN MLN, 2016



CONNECTED TO SEWAGE SYSTEM, IN MLN, 2016



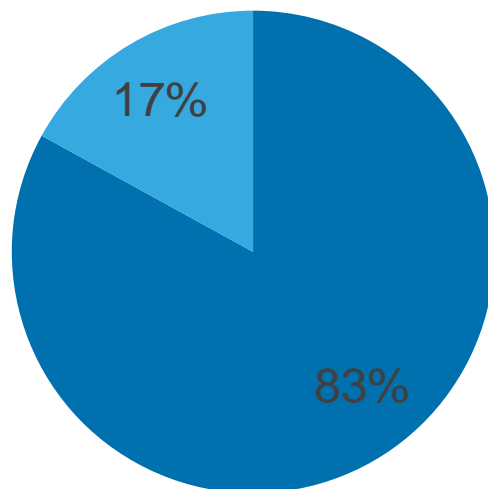
SOURCE: MINISTRY OF REGIONAL DEVELOPMENT, CONSTRUCTION, AND COMMUNAL HOUSING OF UKRAINE



83% OF WATER UTILITIES OWNED BY MUNICIPALITIES

1857 water utilities provide services to urban population

■ Owned by municipalities ■ Other



- ▶ Communal water utilities (owned by municipalities) provide services of water supply and water treatment to urban areas
- ▶ Municipal water utility in Ukraine are called “Vodokanal”
- ▶ Most cities have their separate vodokanals
- ▶ Due to decentralization, municipalities now have more authority to distribute local budgets according to local needs
- ▶ However, the performance of water utilities is inefficient due to deteriorated infrastructure and lack of adequate commercial management
- ▶ In line of approved reforms, to which Ukrainian government committed itself, several financial institutions provided loans to Ukraine
- ▶ Loans are allocated for modernising the sector’s infrastructure, improving service quality, and reducing energy consumption

HIGH RATE OF WATER SUPPLY IS LEVELED BY LOW PERFORMANCE OF UTILITIES WHICH REQUIRE MODERNISATION



THE WORLD BANK CONTRIBUTES 350 MLN USD

SECOND URBAN INFRASTRUCTURE PROJECT IS ACTIVE IN 9 CITIES

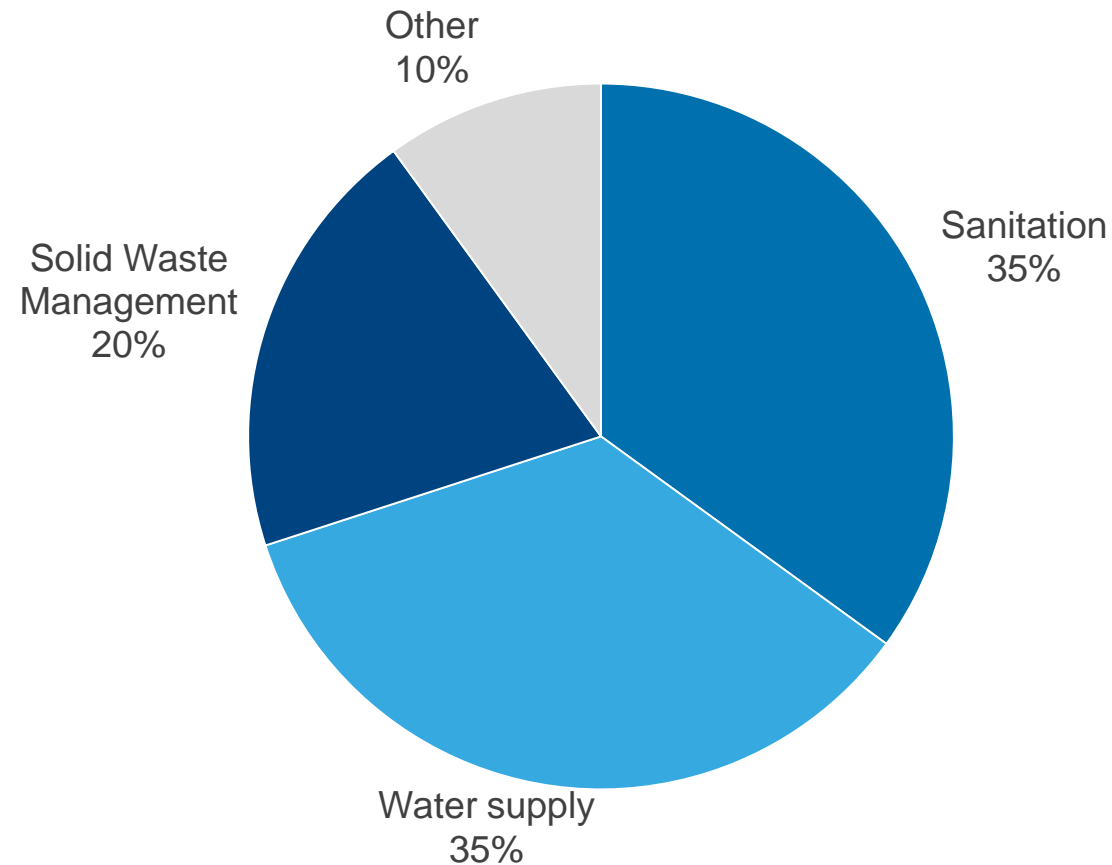


SOURCE: WORLD BANK



70% OF THE PROJECT FUNDS GO TO WATER SECTOR

350 MLN USD ARE DISBURSED FOR THE FOLLOWING:



SWEDISH COMPANIES CAN PARTICIPATE IN TENDERS ON EARLY STAGES WITH DESIGN AND CONSULTANCY SERVICES

SOURCE: WORLD BANK

ANOTHER PROJECT IS FINANCED BY EUROPEAN INVESTMENT BANK

UKRAINE MUNICIPAL INFRASTRUCTURE PROJECT AMOUNT IS 400 MLN EUR

- ▶ The project is aimed at the rehabilitation and upgrading of municipal infrastructure in Ukraine in the sectors of:
 - ▶ Urban development: EUR 40,000,000
 - ▶ **Water, sewerage: EUR 160,000,000**
 - ▶ Energy: EUR 160,000,000
 - ▶ Solid waste: EUR 40,000,000
- ▶ The framework loan was signed on **July 27, 2015**

BUSINESS SWEDEN CAN INFORM SWEDISH COMPANIES ABOUT NEW TENDERS ON EARLY STAGES

SOURCE: EUROPEAN INVESTMENT BANK



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