



AGENCY FOR SUPPORT OF  
PUBLIC-PRIVATE PARTNERSHIPS



MINISTRY FOR DEVELOPMENT OF ECONOMY,  
TRADE AND AGRICULTURE OF UKRAINE

# PUBLIC-PRIVATE PARTNERSHIP IN UKRAINE

# PPP – GOVERNMENTAL PRIORITY

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*The Cabinet of Ministers of Ukraine has made investment attraction in infrastructure development via PPP mechanism one of its main priorities*

The Ministry of Economy – main central executive body in the matters of PPP formation and implementation in Ukraine



MINISTRY FOR DEVELOPMENT OF ECONOMY,  
TRADE AND AGRICULTURE OF UKRAINE



- ✓ PPP implementation by the public sector approval and quality control
- ✓ Legal and regulatory responsibility for PPP
- ✓ PPP projects implementation institutional capacity development
- ✓ PPP market in Ukraine monitoring and reporting
- ✓ Best international practices in the field of PPP implementation

**2015-2016**

AMENDMENTS TO PPP LAW

New procedures for project appraisal

Improved PPP tender and evaluation procedures

**2017**

NEW PPP METHODOLOGY

Procedure for the replacement of a private partner under PPP Contract is introduced

**2018**

COMPREHENSIVE  
CONCESSION REFORM

Draft Laws regarding Concession reform have been developed and on 20.10.2020 came into force

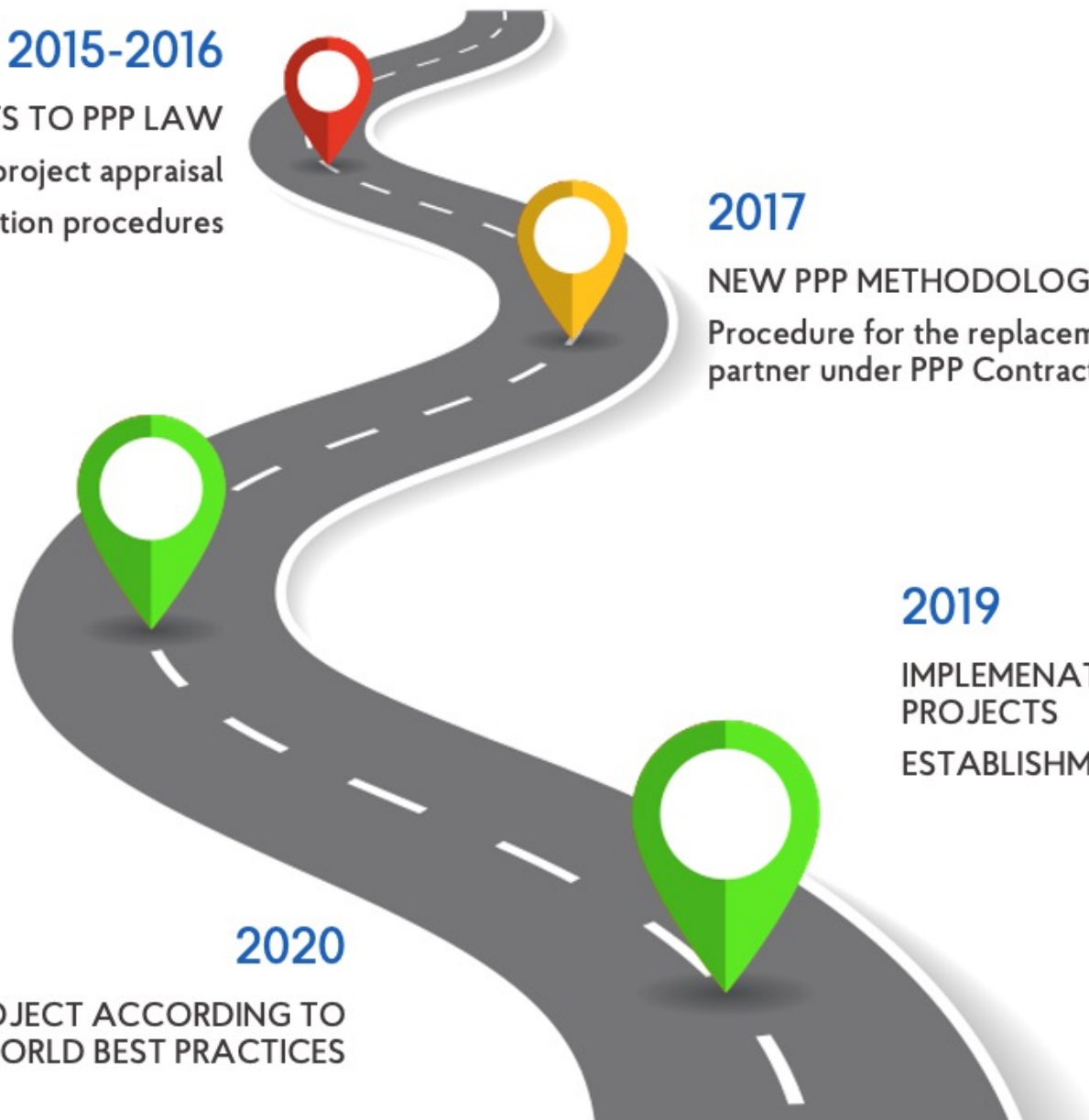
**2019**

IMPLEMENTATION PILOT CONCESSION PROJECTS

ESTABLISHMENT OF PPP AGENCY

**2020**

START OF THE NEW PPP PROJECT ACCORDING TO NEW LEGISLATION AND WORLD BEST PRACTICES



The PPP Agency's main function is to implement efficient and investment-attractive projects in public-private partnership in various economic spheres in Ukraine

The principal purposes of the PPP Agency are the following:

- ▶ to successfully implement the PPP projects in Ukraine
- ▶ to use the best international experience in terms of development and implementation of the PPP projects in its activities
- ▶ to distribute the experience and knowledge in the PPP sphere in the public sector
- ▶ to provide distribution of risks between PPP partners
- ▶ to assist the public sector in development and assessment the PPP projects
- ▶ to promote the highest standards of implementation the PPP projects

# PPP PUBLIC INSTITUTIONS



# PPP PROJECTS: TRANSPORT INFRASTRUCTURE



- **6** PPP pilot projects in the road sector ~\$1,9 billion

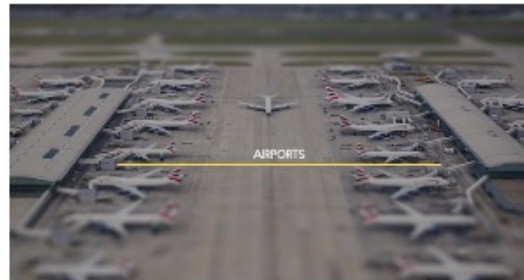
✓ 41 road segments were identified, 12 projects were selected

✓ Prepared Concept Notes on projects for 6 sections of highways

🕒 Planned work on the feasibility study, tender documentation and draft PPP agreement

Planned work on the Concept Notes of the 2nd stage of the program (6 more sections of highways)

Announcement of the first tenders - 4q of 2021

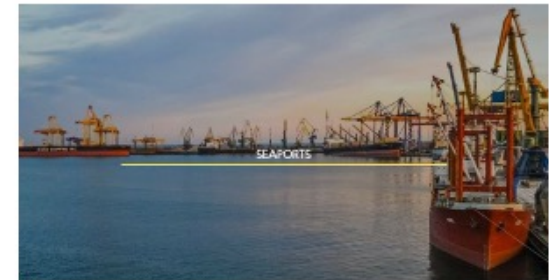


- **3** projects for restoration and expansion of airport infrastructure: "Chernivtsi", "Rivne" and "L'viv" ~ \$ 455 million

✓ Prepared Concept Notes on projects

- **2** concession projects of terminals of the airports "Vinnytsia" ~ \$ 40 million, "Kherson" ~ \$ 40 million

🕒 Planned work on the Concept Notes



- «Chernomorsk» Commercial Sea Port Container Terminal» Concession Project ~ \$ 100 million

🕒 Work has begun on the Concept Note

- Concession project of the railway and ferry complex of SE «Commercial Sea Port «Chernomorsk» ~ \$ 10 million

🕒 Work on the feasibility study has been started (legal feasibility assessment has been carried out, information on the PPP object has been formalized)

# PPP PROJECTS: MUNICIPAL INFRASTRUCTURE

Based on the results of the assessment of the interest of potential investors and the conducted consultations with the market, other options for pilot concessions for stations are considered:



- Pilot concession program of **7** railway stations of Kharkiv, Dnipro, Vinnytsia, Khmelnytsky, Mykolayiv, Chop and Kyiv  
~ \$152 million

✓ Prepared Concept Note



- Potential Concession Project:  
Kyiv + Vinnytsia

🕒 Work has begun on the Concept Note



- Potential Concession Project:  
L'viv + 1 options

🕒 Initiated consultations with IFC

With the support of IFC, preparations are being made for the involvement of advisors

# PPP PROJECTS: MUNICIPAL INFRASTRUCTURE

✓ **11** projects of the L'viv City Council were identified



- The project of construction of an underground multilevel parking lot on Sq. E. Petrushevych in L'viv ~ \$ 10 million

✓ Prepared Concept Note

✓ Conducted market sounding, estimated potential interest of investors

🕒 Work on the feasibility study has begun

The PPP Agency provides advisory support to the city council on the involvement of councilors

**The project has significant potential for upscaling in larger cities**



- Project to improve the quality of medical services on the basis of the Clinical Ambulance Hospital in L'viv

🕒 Initiated consultations with IFC

- Possibilities of realization of the **pilot project in the field of public health care services** are investigated:
  1. Hospital consolidation PPP
  2. Laboratory PPP
  3. Imaging PPP



- Modernization of the municipal infrastructure of L'viv, namely water supply and sewerage

🕒 Initiated consultations with IFC

With the support of IFC, preparations are being made for the involvement of advisors



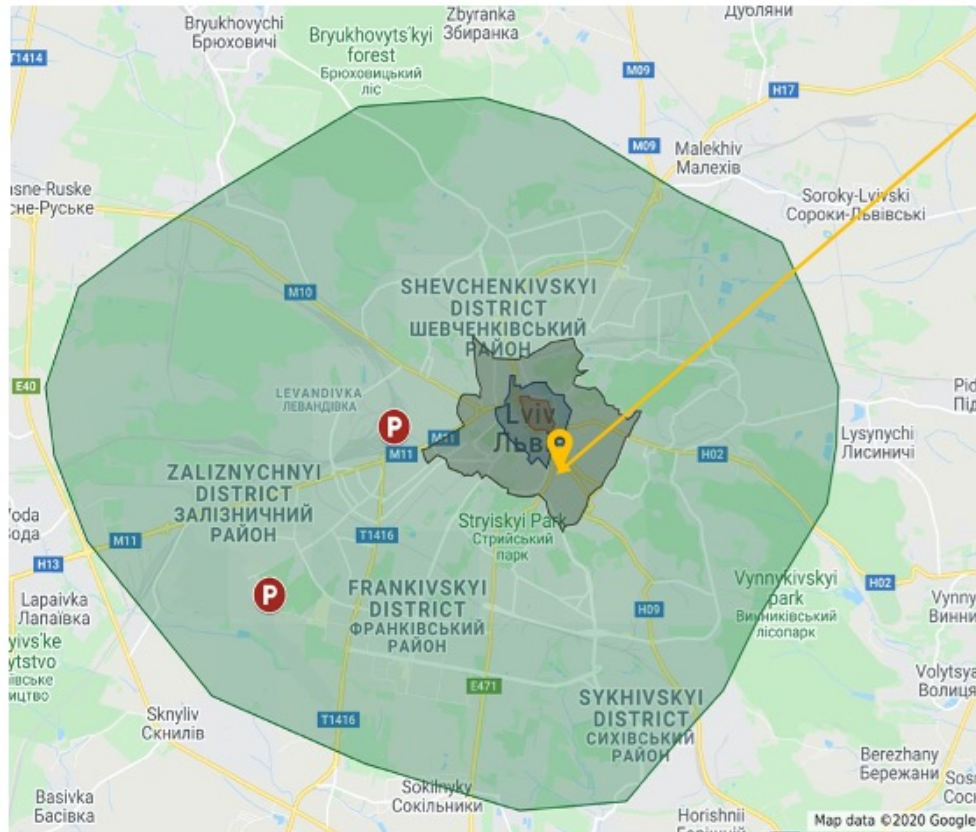


# UNDERGROUND MULTILEVEL PARKING CONSTRUCTION

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# L'viv territory parking zones

-  5<sup>th</sup> parking zone
-  5<sup>th</sup> parking zone
-  4<sup>th</sup> parking zone
-  3<sup>d</sup> parking zone
-  2<sup>nd</sup> parking zone
-  1<sup>st</sup> parking zone



The need for parking spaces in the area bounded by Shota Rustaveli Street, Zelena Street, Sq. E. Petrushevych in L'viv



 - minimum number  - maximum number

District N°3075: minimum number of parking spaces - 42, maximum - 279

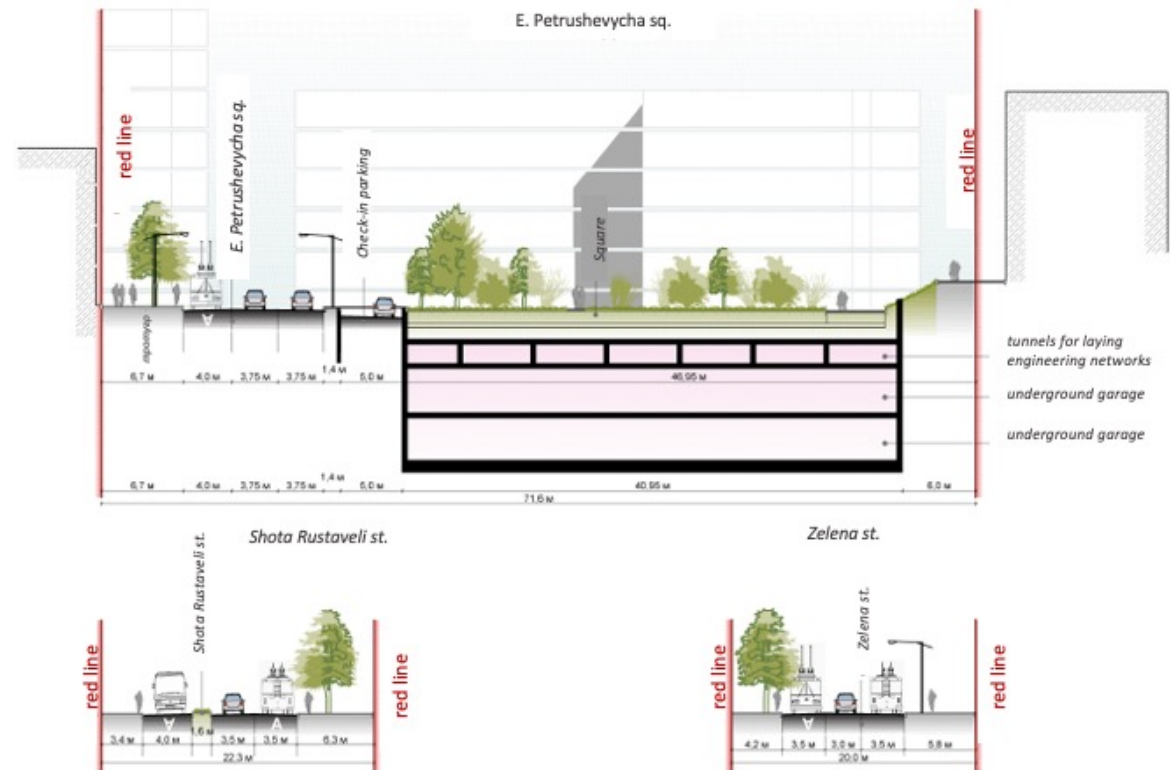
District N°3076: minimum number of parking spaces - 390, maximum - 544

# Underground Multilevel Parking Construction in L'viv

TOTAL CAPEX

USD 10 MM

- ✓ **Underground multilevel parking construction** under E. Petrushevycha sq. (construction area 7015 sq. m) for **350 car parking spaces**:
  - 332 car parking spaces;
  - 18 parking spaces equipped by electric vehicles charger.
- ✓ **Engineering facilities relocation**
- ✓ **City square renovation** (total sq. 0,5381 ha) (possible to install a temporary construction – commercial facility) with the subsequent regulation of traffic.



Sq. E. Petrushevych is located **near the historic city center** with architectural monuments nearby ⇒ the option of **underground parking** was chosen

# Underground Multilevel Parking Construction in L'viv

## Indicative Terms of Concession

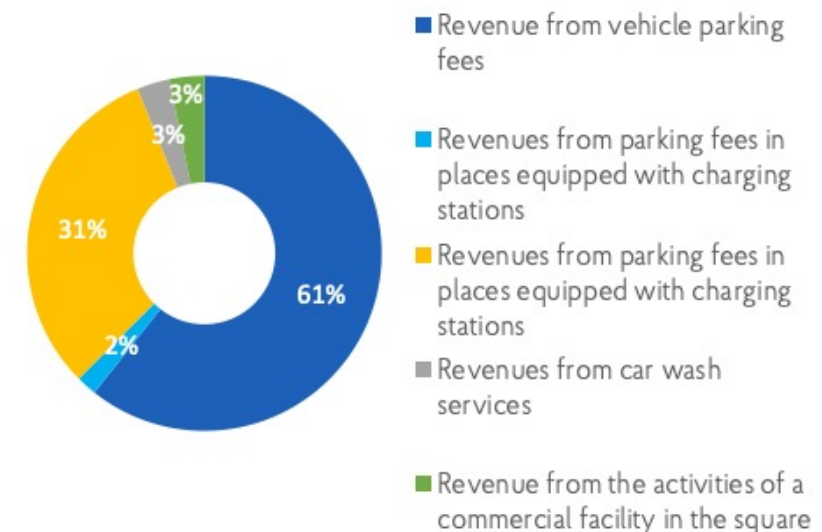
### Financing and provision by a Private Partner:

- ➔ design new construction and conduct construction and relocation of existing facilities:
  - underground parking construction,
  - engineering facilities relocation,
  - square reconstruction on E. Petrushevycha sq.,
  - commercial facility installation on the square territory
- ➔ all objects and facilities management during the term of the PPP contract:
  - utilization/operation,
  - maintenance.

The private partner can choose from two commercial facility management options:

- (a) leasing a commercial facility to other business entities,
- (b) personal entrepreneurial activity in a commercial facility.

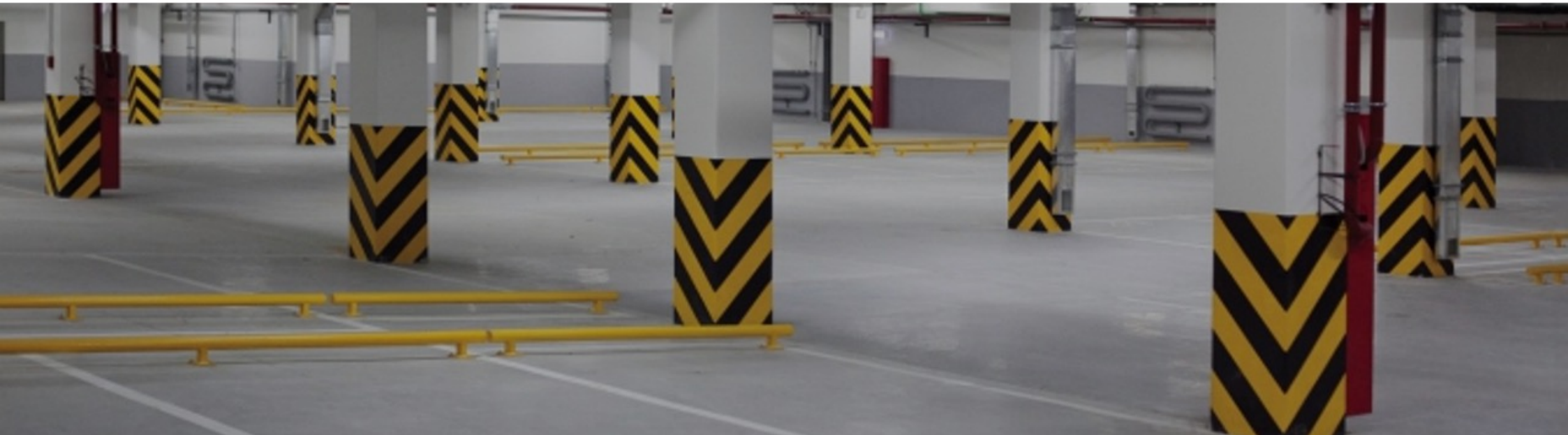
### Revenue structure (indicative)



**Term of the Concession – over 20 years.**

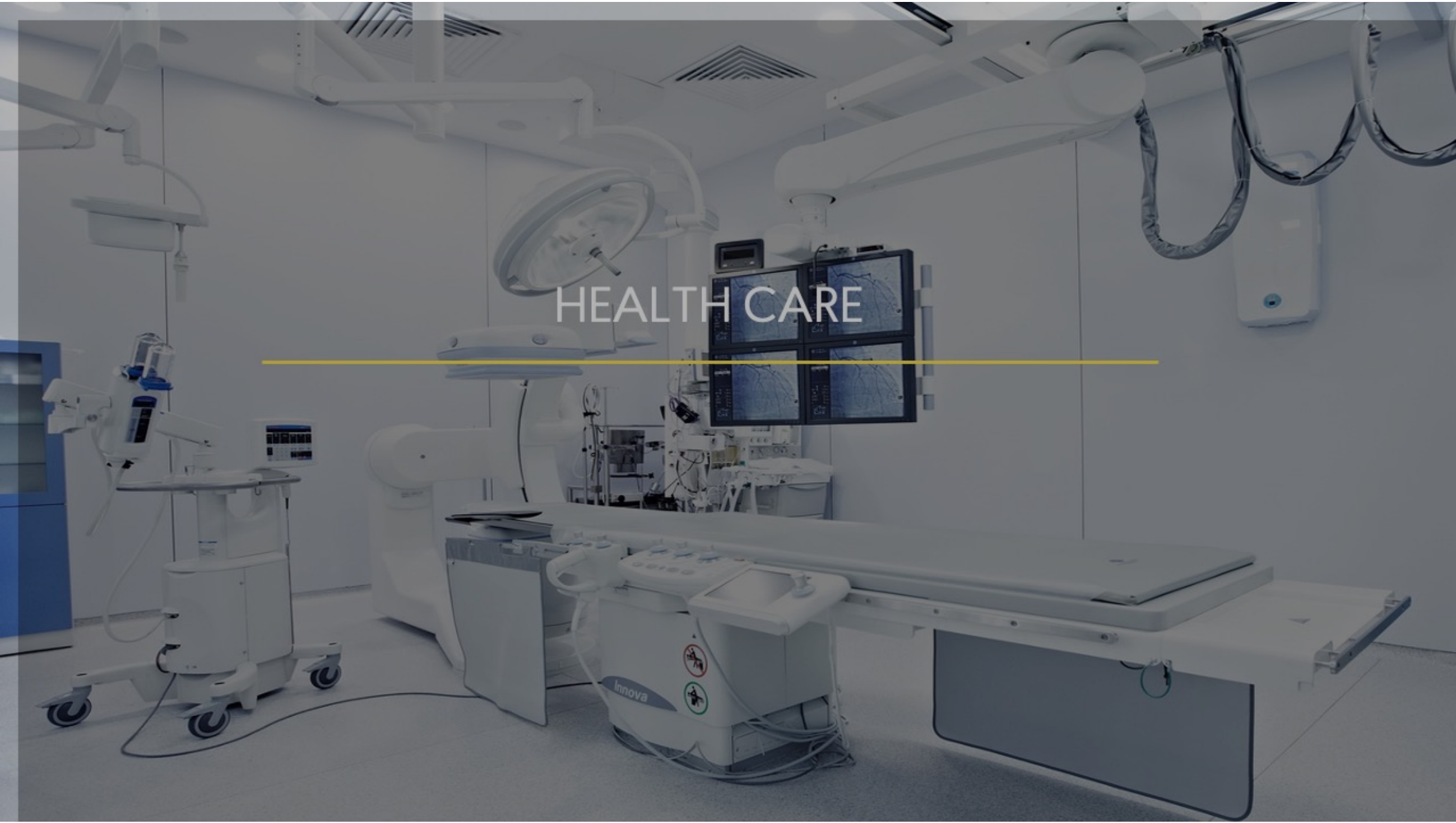
**Concession fee** amount will be determined during the competitive tender process.

# Indicative Timeline



# HEALTH CARE

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# Improving the quality of medical services on the basis of the L'viv Emergency Hospital

Potential  
Investment  
Opportunity

- **Public partner** – L'viv City Council
- **Potential pilot:**
  1. Hospital consolidation PPP
  2. Laboratory PPP
  3. Imaging PPP
- **Demand potential:**
  - 0.8 MM population in L'viv
  - 1 MM population in the L'viv agglomeration
  - 2.5 million population in L'viv region
  - medical tourism
- **Integrated PPP model:** Private partner is contracted to **design, build, finance, operate** facilities and deliver nonclinical and clinical services



Potential services provided by  
the private partners

# Hospital consolidation PPP

Construction of a new multi-profile hospital at the site of the Lviv Emergency Hospital (LEH)

## The concept

- ➔ The model envisions attracting a **private investor to finance, design, build, equip and maintain a new multidisciplinary hospital (PFI model)** via consolidation of existing outdated public hospitals.
- ➔ Under the model, the **staff and other resources** of the old public hospitals **will be consolidated** and will continue delivering clinical services in the newly constructed hospital.
- ➔ **The new hospital should have around 1,000 beds**, and should be developed as multi-profile acute care facilities with additional bed capacity for psychiatry and TB
- ➔ **Indicative total CAPEX** - over EUR 50–60 MM





# Laboratory PPP

## Construction of a network of laboratories using hub-and-spoke model

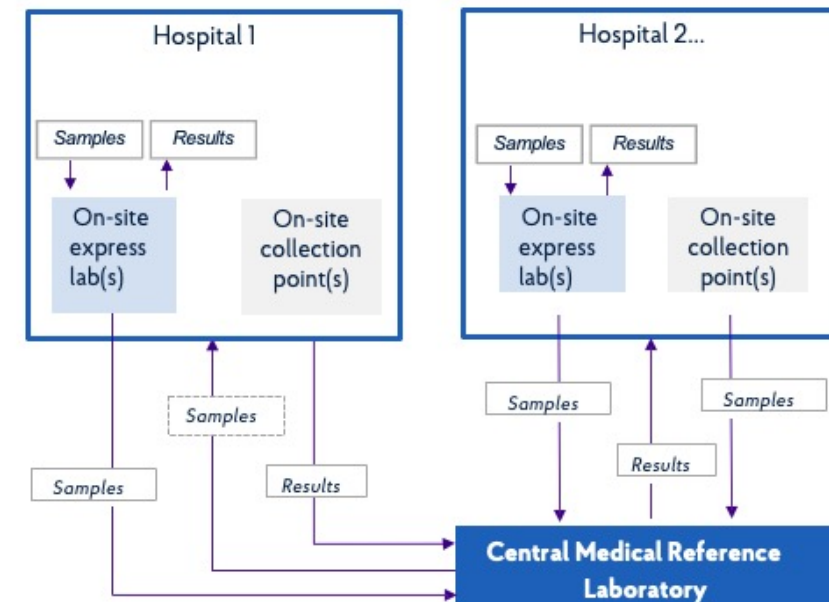
### The objective

Develop modern laboratory services including Biochemistry, Pathology, Histopathology, Haematology, Cytology, Immunology, Microbiology and Modern molecular-biology services across the L'viv oblast.

The the Project **envisions a private investor**

- ➔ to **build, equip and operate** a network of laboratories using **hub-and-spoke model**
- ➔ and **delivering** a wide range of quality **medical tests** to participating public healthcare facilities in L'viv
  - to patients referred and reimbursed for by public facilities (the **"Public patients"**) and
  - patients paying out-of-pocket and/or referred by private clinics or self-referred (the **"Private patients"**)

### The concept



# Imaging PPP

Construction of a central imaging center or a network of imaging departments which will serve LEH and other hospitals

## The objective

Develop a central diagnostic imaging center or a network for LEH and other selected hospitals through a **hub-and-spoke model**. This would provide the required range of diagnostic imaging services, partially interpreted through a telemedicine-based IT solution, efficiently and under a quality assurance framework.

The the Project **envisions a private investor**

- ➔ to **finance, equip, maintain, operate a network of imaging centers**
- ➔ and to **deliver imaging diagnostics services** to public and private patients and hospitals, part of which could be interpreted through telemedicine-based IT solutions

## The concept





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