

19 OCTOBER 2016

UKRAINE TRANSPORT STRATEGY UPDATE

**DEVELOPMENT AND CONSTRUCTION OF AN
INTEGRATED TRANSPORT SYSTEM IN UKRAINE:
APPROACHES PROPOSED IN THE NEW NATIONAL TRANSPORT STRATEGY**

Support to the Implementation of the Association Agreement
and of the National Strategy in the Transport Sector in Ukraine
National Transport Strategy

THIS PROJECT IS FUNDED
BY THE
EUROPEAN UNION



Strategy Priorities & Financing



TRANSPORT SECTOR PRIORITIES UNTIL 2030

PRIORITY AXIS1: Efficiency in Public Governance in the Transport Sector

Improvement of governance and transparency
in the transport sector as integral part of **fighting corruption**.

Deregulation and liberalization **attracting private operators**
alongside corporate governance for **SOEs**.

Enhancing the **policy making** of the Ministry and non-biased
regulatory role of the state agencies in line with the public
administration reform.



TRANSPORT SECTOR PRIORITIES UNTIL 2030

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PRIORITY AXIS 2: Provide Quality and Efficient Transport Services

Apply approach for **integrated transport systems** serving the **users' needs** maximizing the economic benefits of current assets.

Deploy **new technologies** to improve efficiency of transport operation and services, where **maintenance** will be prioritized over new investment.

Enhance **energy efficiency** and respect **environmentally policies**.

Eliminate existing barriers to logistics and **multi-modal solutions** within the framework of national corridors, **integration to TEN-T and improving terms of transit corridors**.

A background image of a port with several large cranes and ships docked at a quay. The image is overlaid with a semi-transparent blue filter.

TRANSPORT SECTOR PRIORITIES UNTIL 2030

PRIORITY AXIS 3: Achieve Sustainable Financing for Transport

Adequate and reliable financing of transport investment is the corner stone for **sustainable provision of transport** services.

Consider “**user pays**” principles and introduce mechanism for **Ear marked** funding for transport. The **involvement of private capital** with evident Value for Money shall be promoted. A continued dialogue with IFIs is crucial within the context of **supporting transport sector development**.

Allocation of public funds will follow transparent prioritization mechanism and its administration shall safeguard **cost efficiency and transparent** public procurement rules. Establish open communication and **Information disclosure** on budget planning and spending.



TRANSPORT SECTOR PRIORITIES UNTIL 2030

PRIORITY AXIS 4: Improving Transport Safety and Security

Reducing risk of transport to human lives **particularly in urban areas** and improve the security of transport users and transported goods as a basic right.

An aerial photograph of a busy city street with multiple lanes of traffic, including cars and a bus. Buildings and greenery are visible in the background.

TRANSPORT SECTOR PRIORITIES UNTIL 2030

PRIORITY AXIS 5: Improved Urban Mobility and Regional Integration in Ukraine

Provide affordable, responsive and reliable **public transport** services with focus on **regional connectivity** to support the development of regional clusters and **labour mobility**.



State and local budgets, revenues of state own companies

- limited financing/lack of financing

EU Aid

- limited financing, mainly soft projects

IFIs –

- concerns mature and big enough projects to be financed by IFIs (EIB or EBRD) which could get small grants from EU, lack of projects prepared

PPP –

- lack of expertise

NATIONAL
TRANSPORT
STRATEGY
FINANCING



ROTTERDAM MEETING DECLARATION FEEDBACK

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by the European Union



- the combination of EU Neighbourhood funding tools and Transport Policy funding tools is worth to be addressed
- new financial mechanisms for EU support to transport is required to accelerate cooperation



NEIGHBOURHOOD INNOVATIVE INSTRUMENTS TO SUPPORT

- **Pre-feasibility/feasibility studies of the projects realised in the future** (UKR: examining the state of seaports infrastructure as explained in the Ports “Strategy”);
- **Comprehensive studies aiming at developing multimodal transport** (UKR: ports-hinterland connectivity);
- **Specific studies aiming at identifying how to reinforce networks efficiency** (UKR: Intelligent Transport Systems);
- **Financing of small-scale transport infrastructure projects** (UKR: connecting local communities to main road network, improving cross-roads safety, improving rural areas access for tourism development)



CONNECTING EUROPE FACILITY

- to get a total financing of 100% for studies under the cross-border projects scheme
 - the project “feasibility of automatic change of railway gauge” submitted by Ukraine to CEF failed due to the impossibility to mobilise the other 50% financing to 50% of CEF