



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 23-Apr-2021 | Report No: PIDISDSA31998

**BASIC INFORMATION****A. Basic Project Data**

Country Ukraine	Project ID P170290	Project Name Kyiv Urban Mobility Project	Parent Project ID (if any)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date 22-Apr-2020	Estimated Board Date 12-Jul-2021	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Kyiv City State Administration	

## Proposed Development Objective(s)

The Project Development Objective is to improve urban mobility and accessibility and to strengthen Kyiv City State Administration's capacity to plan and implement investments in public transport.

## Components

Component 1 - Borshchahivka Rapid Tram & enhancement of Vokzalna Square  
 Component 2 - Strengthening Kyiv's transport planning systems  
 Contingent Emergency Response  
 Front end fee

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	38.70
<b>Total Financing</b>	38.70
<b>of which IBRD/IDA</b>	37.70
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	37.70
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**Non-World Bank Group Financing**



Counterpart Funding	1.00
Local Govts. (Prov., District, City) of Borrowing Country	1.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

1. ***The global COVID-19 pandemic has generated considerable slowdown in Ukraine with an estimated GDP contraction of 4.4 percent in 2020.*** Between 2016 and 2019, the Ukrainian economy had shown signs of stabilization following the impact of armed conflict. According to national statistics, real GDP grew by 3.2% in 2019, slightly down from 2018 (3.4%), driven by a strong domestic demand and supported by continued strong remittances from labor migration to EU countries and a resumption of consumer lending. These factors partially compensated for weak growth in manufacturing and shortfalls in the level of investment needed to sustain long-term economic growth. However, COVID-19 has impacted economic activity in Ukraine through several channels, including: (i) by reducing disposable income and consumption; (ii) by reducing the level of remittances entering the Ukrainian economy; and (iii) by commodity price falls which have affected the value of Ukraine’s exports. The Bank has estimated that Ukraine’s GDP growth would rebound to 3.8% in 2021 but this may prove overly optimistic if subsequent waves of the COVID-19 pandemic impact upon potential drivers of growth.

2. ***The overall economic impact of COVID-19 in Ukraine has been smaller than in other countries; nevertheless, the pandemic has taken a heavy toll on people.*** In addition to the lock-down and travel restrictions and clear public messages on face masks and social distancing, the authorities established a COVID-19 stabilization fund, which has helped provide urgently needed resources for health and social protection activities. Despite these preventive measures, the incidence of COVID-19 infections increased dramatically by the winter of 2020 and on into the early spring of 2021. New cases across Ukraine reached 19,500 by mid-April 2021 with Ukraine confirming more than 2 million cumulative cases and more than 42,000 fatalities since the pandemic’s inception. Of these national totals, Kyiv Oblast has observed 186,000 cases and more than 4,200 COVID-19 related fatalities. The COVID-19 outbreak and its impact on Ukraine’s people has redirected government policy from structural reforms towards ad-hoc reactive measures. As a result, macro-fiscal risks have increased. Public sector financial needs are expected to grow



due to increases in minimum wages and social transfers, limiting space for public investment, and inflationary pressures. Additionally, large government domestic borrowing is crowding out much needed private investment. Holdings of government securities already represent close to 30 percent of total assets of the state-owned banks while corporate lending continues to stagnate.

3. ***Improving productivity and the quality of human capital is key to faster growth in Ukraine, as well as ensuring a recovery from the COVID-19 crisis.*** According to the latest update of the Human Capital Index for Ukraine, a child born in Ukraine today will be 63 percent as productive when she grows up as she would be if she' enjoyed complete education and full health. This is lower than the average for Europe and Central Asia, but higher than the average for lower middle-income countries. Between 2010 and 2020, the Human Capital Index value for Ukraine remained approximately the same at 0.63. Low productivity of labor and losses of health due to a high prevalence of risk factors for non-communicable diseases (NCD) are among the key factors that constrain improvement of human capital in Ukraine.

4. ***Ukraine's economy is increasingly vulnerable to the impacts of climate change.*** Resilience is a key concern for Ukraine's development. Wildfire, droughts, heat waves, extreme precipitation events, and floods increasingly add to the economic challenges that Ukraine faces. There is a likelihood that the impacts of climate change will make such events more frequent and more extreme. Contributing towards climate change mitigation is also an important goal for the Government of Ukraine. This was evidenced by the recent adoption of a Low Carbon Development Strategy 2030 and the Energy and Climate Change National Plan 2021-2030. In 2014, the Ukraine submitted its updated Sixth National Communication to the United Nations (UN) Framework Convention on Climate Change. The focus is on increasing capacity to monitor its greenhouse gas emissions, continuing implement key efficiency gains that reduce emissions, and developing a more resilient population and economy. In January 2020, Ukraine published a draft concept of its Green Energy Transition of Ukraine until 2050 which aims at increasing renewable energy share in the national energy balance up to 70 percent by 2050. At the Climate Ambition Summit in December 2020, Ukraine announced plans to increase its mitigation target for 2030 to 58 percent, up from its previous target of 40 percent.

5. ***Kyiv's competitiveness plays a critical role in the Ukrainian economy.*** Kyiv's Gross Regional Product accounts for approximately 23.4% percent of Ukraine's overall GDP which is more than any single Oblast. Roughly 25% of Ukraine's total exports by value and 1/3 of services related exports by value are attributable to firms or individual entrepreneurs registered in Kyiv. Enterprises within the city of Kyiv account for approximately UAH 4.02 trillion (EUR 121 billion) in annual turnover which is 42% of all firm turnover in Ukraine.<sup>1</sup> Ukraine's local self-government reforms of 2015 provided important enabling measures for Kyiv to increase capital investment which needed to further enhance competitiveness. However, the institutional capabilities required to develop investment pipelines and implement capital programs have been evolving more slowly.<sup>2</sup>

## Sectoral and Institutional Context

<sup>1</sup> State Statistics Service of Ukraine

<sup>2</sup> International Monetary Fund. Fiscal Affairs Dept. "Ukraine: Technical Assistance Report-Fiscal Decentralization and Legal Framework for Fiscal Risk Management and Medium-term Budgeting" November, 2019



6. ***Kyiv is the 8th largest city in Europe with a growing population and increasing demand for public transport.*** Kyiv covers an area of more than 835 km<sup>2</sup> and is developing its culture, policies, and strategies to reflect a European-looking Ukrainian market economy. Kyiv is growing both spatially and economically, which has increased pressure on legacy transport systems. Beyond Kyiv's population, an additional 500,000+ people regularly commute into the capital daily for work, education, or other purposes. As the city continues to grow, it is experiencing rising levels of private car ownership and use as well as increasing pressure on public transport, which is at or near full capacity. The public transport network has not changed much since independence beyond the continuous extension of metro lines, which in turn has exacerbated crowding. New trolleybus lines have been constructed recently, but in many cases these have replaced tram lines that suffered from dilapidated infrastructure and correspondingly deteriorating service quality.

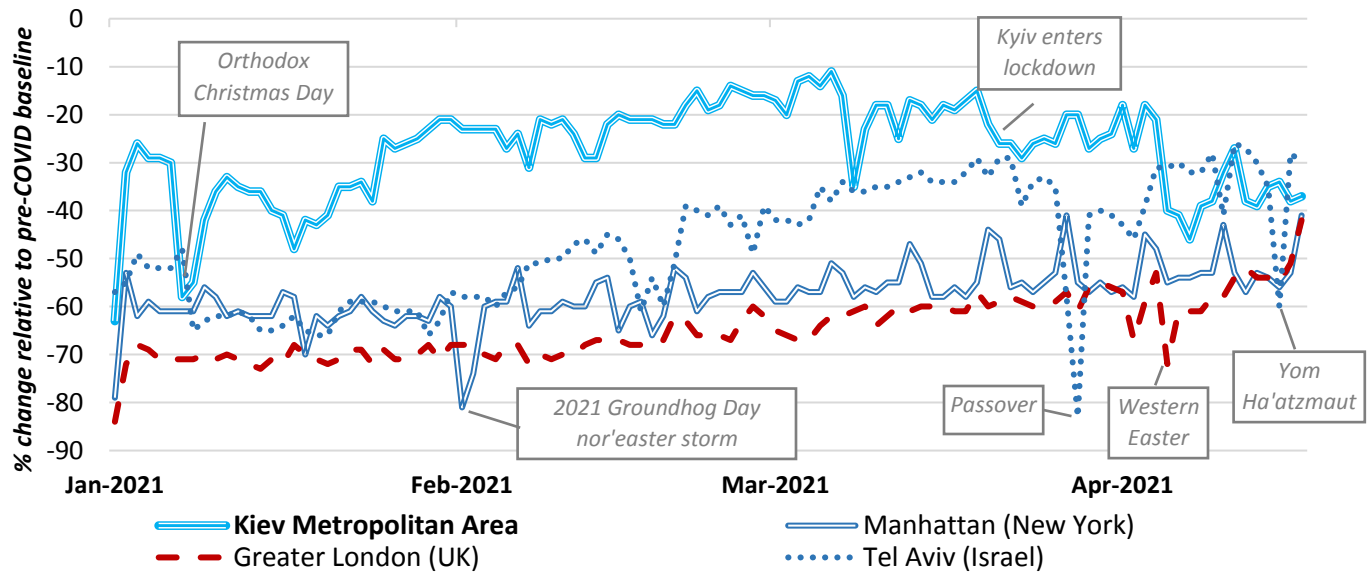
7. ***Kyiv's public transport network is dense, but quality and access to service must improve further.*** The public transport network in Kyiv includes: (i) three metro lines, carrying 1.5 million passengers daily; (ii) approximately 140 public bus and trolleybus lines carrying 1.5 million passengers daily; (iii) approximately 140 private marshrutka routes carrying 1 million passengers per day; and (iv) 21 tram lines carrying around 0.5 million passengers daily. There are also two 'Rapid' tram lines, one of which, the Borshchahivka Rapid Tram, carries 150,000 passengers daily. These services combine to form a dense public transport network. However, the quality of these services often suffers due to poor integration, low accessibility of some areas (including the city center), poor rolling stock condition, low service speeds due to insufficient priority in traffic, unreliable frequencies, unimproved shelters and interchange hubs, limited user information, and fragmented fares policies. Importantly, persons with disabilities enjoy only limited levels of access to the public transport network. For example, only 12 of 52 metro stations are equipped with elevators. Kyiv's marshrutka fleet lacks any form of disability access. While almost all public buses and approximately 80% of the trolleybus fleet offer low-floor options, most of the other buses and trams that serve the city do not offer low floor features. Broader forms of accessibility enhancements for persons with visual, cognitive, auditory, or other impairments are limited. This does not align with obligations under Article 9 of the United Nations Convention on the Rights of Persons with Disabilities, which Ukraine ratified in 2010.

8. ***COVID-19 and associated restrictions have affected mobility but the role of public transport in supporting Kyiv's recovery and enabling long term emissions reductions should not be underestimated.*** Public transport services underpin Kyiv's competitiveness as a city and have a critical role to play in the eventual recovery from COVID-19. In late March and into April 2021 Kyiv implemented restrictions on public transport operations and use to stem a growth in severe COVID 19 cases. Analysis of Google Community Mobility Report data suggests that traffic at Kyiv's transit stations was 30%-45% lower during this period relative to pre-COVID "baseline" levels in response to increased restrictions. It is unknown how long mobility disruptions from COVID-19 will persist in Kyiv or whether the changing nature of work and commuting could have lasting impacts. However, the experience of other cities suggests the likelihood that public transport services will remain critically important in the recovery from COVID-19. In countries such as the United Kingdom, Israel, and the United States, where vaccination rates have led OECD peers and caseloads are reducing through a combination of measures, cities have seen a corresponding recovery in traffic through transit stations. These emerging examples demonstrate the role of public transport in providing both mobility and access as caseloads recede, restrictions ease, business reopen, and



economies recover. The proposed Project’s interventions will play an important role in strengthening Kyiv’s public transport network during the eventual recovery from COVID 19. Beyond this, the Project’s direct interventions to strengthen public transport systems and transport planning systems demonstrate a way for Ukraine to decarbonize transport, achieve NDC commitments, and mitigate the localized emissions that affect health and reduce quality of life.

**Figure 1** Change in Transit Station Traffic Throughout 2021 vs. pre-COVID Baselines



Source: World Bank analysis of Google Community Mobility Report data (April 21, 2021)

9. **Public transport is the predominant mode of transport for Kyiv’s residents who can access it and provides benefits to broad segments of society.** Public transport accounts for about 64% of all motorized journeys in Kyiv. It represents the main mode of travel for work, education, social, medical, and shopping purposes. Private vehicles account for just 28% of total trips in Kyiv. However, motorization and use of private road transport is increasing rapidly. For example, in 2015 there were about 213 cars registered per 1,000 inhabitants in Kyiv. By 2018, this had increased to 257 cars per 1000 inhabitants (20% increase). This trend represents both rising incomes for some population segments and growing discontent with public transport. In recent IBRD-supported surveys conducted in 2015 and 2019, only 5% of public transport customers reported being fully satisfied with services.<sup>3</sup> The three main challenges identified by public transport users were (i) low speed of public transport vehicles in traffic jams; (ii) overcrowding; and (iii) concerns over comfort and safety of public transport vehicles. Addressing these constraints is important to ensuring that all of Kyiv’s residents have access to high-quality mobility services.

<sup>3</sup> Data from a 2015 transport user survey



**Figure 2** Surface public transport modes in Kyiv



**10. Mobility and access are key challenges that constrain economic development in sections of Kyiv and disproportionately affect lower income households, persons with disabilities, women, and youths.**

Mobility concerns the amount of time trips take while accessibility concerns the different origins and destinations that can be connected for trip making. Spatial disparity with respect to household income levels is clearly visible in Kyiv. Lower income levels – and lower car ownership levels - are predominantly found in Troieshchyna and Dniprovs'kyi to the east of the city center, on the Left Bank of the Dnipro river; to the south of the city in Khodosivka, Pidhirtsi and Romankiv; and on the western periphery of the city in Svyatoshyns'kyi. These areas also correspond to lower accessibility levels – a trip by public transport between Troieshchyna and the center of Kyiv takes on average from 90 to 120 minutes. Transport users from these areas need to make an average of one transfer per trip. This generates additional travel costs due to the lack of fare integration and poses a challenge to those with disabilities given the accessibility limitations at some interchange facilities. Private marshrutkas often do not accept passengers benefiting from concession fares<sup>4</sup>, meaning that elderly users and students have either to pay non-concessional fares or wait for extended periods of time. Elderly users and students are the predominant users of public transport in Kyiv and are therefore disproportionately likely to be affected by the issues around accessibility; around 72% of students and 68% percent of the elderly population reported using public transport regularly in Kyiv.

**11. Improved planning and institutional systems for implementation are needed to accelerate investment and improve urban mobility.**

Kyiv has a master plan that identifies future mass rapid transit routes as well as enhancements to infrastructure such as roads and bridges. However, the technical and institutional tools needed to update Kyiv's Master Plan and maintain its relevance remain under development. This includes the city's transport model as well as the decision-making processes that use transport model results or other sources of information effectively. Kyiv is fortunate to have capable government-owned transport operators such as Kyivpastrans (KPT), Kyivskiy metropolitan (i.e., the metro) and various investment companies that continue to deliver large volumes of service despite significant constraints. However, Kyiv's further development requires additional capabilities for delivering increasingly complex investment projects. Incrementally working through less complex projects offers a means for developing the necessary capacity. The future of Kyiv's transport network and the competitiveness that it supports will depend on strengthening planning systems, as well the capacity of Kyiv's government-owned transport operators to deliver increasingly complex projects that enhance services.

<sup>4</sup> An implicit rule is that a private marshrutkas will not take more than two concession passengers onboard at same time.



12. ***The Project will demonstrate how Kyiv and other cities in Ukraine can use stronger planning and enhanced public transport systems as tools for reducing Greenhouse Gas (GHG) and localized emissions.***

The International Council on Clean Transportation estimated in 2015 that Kyiv was the fourth worst urban area for transport-attributable air pollution deaths per 100,000 people out of 100 cities considered. The estimated annual mean concentration of fine (PM 2.5) and coarse particulates (PM 10) in Kyiv's air were estimated to be 22 µg/m<sup>3</sup> and 35 µg/m<sup>3</sup> respectively according to the World Health Organization's Global Ambient Air Quality database. These figures represent 1.75 times and 2.2 times the recommended WHO limit for annual particulate concentrations. The National Ecology Center of Ukraine estimates that 87% of local pollution emissions come from traffic, of which 92% is due to private cars. GHG emissions from transport have been growing 2-3 times faster than Ukraine's nominal GDP since 2015, which implies the need for interventions that target longer term structural change in the sector. Importantly, about 71% of transport sector GHG emissions in Ukraine come from road-based modes. Because of Ukraine's relatively high rate of urbanization, developing urban public transport systems is essential for both decarbonizing transport and reducing localized emission. The proposed Project would demonstrate this through its complementary components that target planning systems and a key public transport system in Kyiv.

13. ***Disaster Risk Screening: Kyiv has experienced rising temperatures and significant flooding in the recent past.***

Between 1901 and 2016, temperatures averaged a low of -4.83 Celsius in January and a high of 20.59 Celsius in July. Average temperatures are projected to increase by 2.5 Celsius by mid-century and nearly 4.7 Celsius by the end of the century. Coupled with overcrowding issues, this has a tremendous impact on public transport passengers as well as infrastructure. Kyiv has also experienced severe flooding in the recent past due to extreme precipitation events which may become increasingly frequent due to climate change. For example, in July and August 2018 floods paralyzed sections of the urban transport network. This created significant disruptions to traffic and affected several sections of the Borshchahivka tram alignment. While the flood's consequences continued to affect underpasses and tunnels for 2-3 days, surface disruptions lasted for 12 hours with the tram network affected for 2-3 hours. Works supported under the proposed Project will demonstrate resilient design features that can be replicated in other areas of Kyiv's tram network.

14. ***People with disabilities and lower income groups are particularly affected by infrastructure in poor condition, physical barriers that create inaccessibility, and overcrowding.***

Constraints that exist on Kyiv's public transport networks disproportionately impact customers with reduced mobility and lower income groups. Stairs, high floor rolling stock, gaps in service integration at stops / stations, and difficult access to stations / stops are particularly relevant to passengers with disabilities and the elderly. These constraints also impact the mobility of other customer groups with special accessibility needs such as parents with small children and passengers carrying baggage. Lower income groups enjoy less choice in their mobility services and often live in poorly connected districts of the city where rents are lower and there is less choice of public transport routes. Gaps and deficiencies in Kyiv's public transport network impose high costs on these customer groups and impede activities such as daily commuting which in turn affects equitable access to economic opportunities and / or social services.

15. ***Women and men experience Kyiv's public transport system differently and consultations have identified gender gaps that the Project will help to address.***

These exist with respect to accessibility, affordability, availability, and safety. Women who participated in focus group discussions held in preparation for the proposed project commonly reported feeling unsafe or uncomfortable taking public





transport (particularly when vehicles are overcrowded). Half of women reported experiencing or knowing of other women who experienced sexual harassment in public transport. Fear of physical violence or harassment was also identified as a significant impediment to using public transport. A key area of concern within the proposed project’s area of influence includes the transfer point between Vokzalna Square and the current terminus of the Borshchahivka Rapid Tram which would be a target for the proposed Project’s envisaged interventions. The current transfer point is not accessible to persons with disabilities who cannot climb stairs. The Project would improve this specific point on the network by extending the Borshchahivka Rapid Tram into Vokzalna Square itself to allow a direct transfer to the adjoining train station.

**C. Proposed Development Objective(s)**

Development Objective(s) (From PAD)

The Project Development Objective is to improve urban mobility and accessibility and to strengthen Kyiv City State Administration’s capacity to plan and implement investments in public transport.

Key Results

#	Objective	Indicator name	Description
1.	Improved accessibility and mobility	Shorter time for critical transfers	Reduction in time required for passenger transfer from Borshchahivka Rapid Tram to or from the Vokzalna Metro Station entrance.
2.	Stronger planning capacity	Commissioning of a second generation Kyiv Urban Mobility Model for transport planning	Preparation and commissioning of the second generation Kyiv Urban Mobility Model which provides the technical basis for KCSA's long term public transport investment and service planning functions.
3.	Stronger implementation capacity	New services provided at newly developed stations	Number of new stations along the Borshchahivka Rapid Tram's extended alignment (including the loop in Vokzalna Square) that are fully opened and provided with regular tram services according to KPT's published timetables or service intervals.

**D. Project Description**



16. ***The Kyiv Urban Mobility Project will deploy an Investment Project Finance (IPF) loan from IBRD to the Kyiv City State Administration (KCSA) that will finance two complementary components.*** Component 1 “Borshchahivka Rapid Tram extension & Vokzalna Square enhancement” aims at an achievable and highly important improvement in urban mobility that would build KCSA’s implementation capacity so that larger, more ambitious projects become increasingly within reach. Component 2 “Strengthening Kyiv’s transport planning systems” will finance improvements to KCSA’s capabilities for transport planning. Together these interventions are meant to prepare KCSA for further initiatives aimed at transforming urban mobility in Kyiv. Detailed descriptions of each component follow below.

***Component 1: Borshchahivka Rapid Tram extension & Vokzalna Square enhancement (US\$ 35.9 million)***

17. ***The project will extend the Borshchahivka Rapid Tram and upgrade Vokzalna square.*** Under Component 1, the project would finance extension of the Borshchahivka Rapid Tram from its current terminus outside of Vokzalna Square with a new station and turning loop within Vokzalna Square and on to a point near Palats Sportu metro station (approximately 3.5 route-km). In parallel, the project will finance an overall masterplan for Vokzalna Square and a first phase of infrastructure upgrades with a focus on segregating pedestrians from vehicular traffic, improving passenger amenity, and eliminating barriers that affect persons with disabilities. Specific expenditures that would be financed under Component 1 include:

As part of the Borshchahivka Rapid Tram extension:

- i. Field-based utilities validation and a flood risk assessment for Borshchahivka Rapid Tram’s extended alignment;
- ii. Detailed design and tender documentation for Borshchahivka Rapid Tram extension; and
- iii. Civil works for the extension of the Borshchahivka Rapid Tram tracks totaling approximately 8 track-km (3.5 km route-km in addition to a turning loop in Vokzalna Square).

As part of the Vokzalna Square upgrade:

- i. Development of the Vokzalna square master plan and a phasing program for upgrades;
- ii. Vokzalna Square phase 1 engineering design;
- iii. Accessible pavers and vehicle waiting / drop-off areas;
- iv. Passenger coverings at interchange points;
- v. Accessibility upgrades along passenger interchanges; and
- vi. Creation of a passenger amenity area.

Elements common to both the Borshchahivka Rapid Tram extension and Vokzalna Square upgrade:

- i. Accessibility audits to inform planning, design and post-completion assessment activities;
- ii. Supervision of civil works (via a consultancy contract); and
- iii. Civil works contingency, to be deployed as needed for project delivery.



**Component 2 - Strengthening Kyiv’s transport planning systems (US\$ 1.70 million)**

18. **This component will finance technical assistance activities to support incremental expenses for project delivery and to strengthen KCSA’s transport planning systems.** Areas of focus include upgrades to the Kyiv Urban Mobility Model (i.e. the city’s travel demand model), analytics to inform city-wide public transport fares policy, accessibility standards for common public transport works. Specific items that Component 2 will finance include:

- i. IT upgrades for KPT, the Urban Development and Architecture Department, and Master Plan Institute;
- ii. Surveys, gender disaggregated data collection, and updates to Kyiv’s transport model and master plan;
- iii. Training and skills development for KPT, the Urban Development and Architecture Dept., and Master Plan Institute;
- iv. The development of a revised fares policy for Kyiv Public Transport;
- v. The development of accessibility design guidelines for public transport works that meet "Design for All" principles;
- vi. Consultancy support for KPT and other entities with responsibility for project implementation;
- vii. Mobilization of additional public reporting for transport systems in Kyiv; and
- viii. Procurement and financial management support for KPT.

**Contingent Emergency Response (IBRD US\$ 0 million)**

19. This zero-dollar component is designed to provide swift response in the event of an eligible crisis or emergency, by enabling the Government of Ukraine to request the World Bank to reallocate project funds to support emergency response and reconstruction. An Emergency Response Manual (“ERM”) shall be prepared by KCSA, which will specify implementation arrangements for the component, including its activation process, roles and responsibilities of implementing agencies, a positive list of activities that may be financed, environmental and social aspects, and fiduciary arrangements.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

20. **Overall, the environmental risk is rated as moderate.** The potential adverse risks and impacts of civil works supported by the project are predictable and site-specific, limited in duration (construction phase) and can be easily mitigated with the application of modern construction practices. The physical works to be undertaken are of medium scale and they take place in an urban setting on and around



existing roads; therefore, the expected environmental risks can be mitigated with proper assessment and planning. These risks may include exposure to historical pollution at industrial sites within the project's footprint; increased pollution due to improper care, handling and storage of construction material and waste; generation of excessive noise and dust levels from trucks and other construction machinery; soil disturbance during earth works; tree-cutting and loss of vegetation along roadsides; health and safety impacts caused by construction impediments on traffic safety situation (both for vehicles and pedestrians) due to narrowing of the roads and pavements; temporary impact on cross drainage; and, possibly, water/soils quality impacts in case of construction pollution. Based on the previous experience, hazardous waste like asbestos lagging for utility pipes is not a likely issue in the affected municipal infrastructure (sewage pipes, heating pipes etc.). Although the Client has some experience with the previous international projects, there is no experience and limited capacity in applying the ESF; therefore, significant efforts will be required to build the capacity of in the application of the new ESF.

21. **Overall social risk rating is 'moderate.'** Civil works supported under the project may cause economic displacement, temporary impacts on private assets and businesses, and disruptions to residents and local businesses. Also, there might be damages to urban utility service lines, temporary access restrictions to residences and parking lots during constructions. Although land in The World Bank Kyiv Urban Mobility Project (P170290) Apr 20, 2021 Page 7 of 12 For Official Use Only Public Disclosure urban areas is managed by KCST, a large extent of land in the Vokzalna Square and main transit area are still under influence of a few power holders who may have political stake and opposition for some of the proposed interventions. Private marshrutka operators who are having major stakes and profit-making business in providing public transport may also oppose certain interventions. In addition, there are a range of stakeholders who may have different level of interest and stake in the project and therefore stakeholder engagement will be a challenging task. Social risks with respect to road safety, public transport of Kyiv could be greatly reduced through the improved through inner-city connections and infrastructures. Road accidents in Kyiv center and suburban road networks reported to have three times more fatality prone than some of its European peers, of road accident deaths rates compared with peer cities. The main issues of the project would be during construction period. Kyiv City residents make frequent trips to destinations within the city proper, for their jobs and to access services. The implementation of the project requires a comprehensive communications and public information campaign with messages to inform Kyiv residents of the project objectives and how it will change the way they travel, including route restructuring and Communication with affected passengers on specific routes as how their commute will change and the new options they will have for travel during the implementation of route changes. The social risk not having well-planned public outreach may cause complains from commuters, residents, and possible reputational risks as well. Considering the above contextual, institutional and construction related impacts and risks, overall social risk rating is 'moderate'.

## E. Implementation

### Institutional and Implementation Arrangements

22. **The Project will be implemented by KyivPasTrans (KPT) which has extensive experience of operating and maintaining tramways, trolleybus, and bus networks.** KyivPasTrans is wholly owned by KCSA and is the municipal enterprise mandated to own and operate Kyiv's public bus, trolleybus, and tram network. KPT staff assigned to the Project Implementation Unit will execute the following core functions under the Project: (i) procurement and contract management; (ii) financial management of IBRD funds;



(iii) compliance with IBRD’s Environmental and Social Framework. KPT will be the primary day-to-day point of contact for regular communications with IBRD during project implementation. Under Component 2, the Project will finance external experts to support KPT in its key functions. These include: (i) financial management experts; (ii) procurement specialists with knowledge of World Bank procurement; (iii) experts on social and environmental impact management; (iv) technical specialists in tramway works, transport modeling, and utilities as needed; and (v) supervision engineers for civil works.

23. ***Kyiv’s key planning bodies will have a technical role under the project through their work with Kyiv’s Urban Mobility Model.*** Under Component 2 (strengthening Kyiv’s transport planning systems) KCSA’s Department of Urban Development and Architecture and Master Plan Institute will have technical roles in the project’s implementation as the managers of the Kyiv Urban Mobility Model and Kyiv Master Plan. With respect to their need for goods or services under the project, KPT will execute all procurement and financial management functions for this component.

24. ***Implementation of the annual budgeting processes and management of disbursements under the Project will follow the Ukrainian legal structure for the sovereign financing of local government projects (known as “Procedure 70”).*** This structure defines the roles of the Ministry of Finance (MOF) and the Ministry of Infrastructure (MOI) in accordance with Ukraine’s Budget Code. The IBRD-financed Second Urban Infrastructure Project (P132386) which includes financing to Kievvodokanal (Kyiv’s water supply and sewerage utility) follows this approach. Under this structure, IBRD executes the Project’s Financing Agreement with the Ministry of Finance directly as the sovereign borrower. Subsidiary agreements between the MOF, KCSA, and KPT govern the on-lending of resources for project purposes as well as the municipal guarantee that backs repayment to the Ministry of Finance. During implementation, the Ministry of Infrastructure manages the Project’s budget program within the annual national budget and disbursement requests are made via the Ministry of Finance to IBRD.

## CONTACT POINT

### World Bank

Dominic Pasquale Patella  
Senior Transport Specialist

Antonio Benigno Nunez  
Senior Transport Specialist

### Borrower/Client/Recipient

Ministry of Finance

### Implementing Agencies



Kyiv City State Administration  
Mykola Povoroznyk  
First Deputy Mayor, KCSA  
kmda@kma.gov.ua

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Dominic Pasquale Patella Antonio Benigno Nunez
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**Approved By**

Practice Manager/Manager:		
Country Director:	Arup Banerji	23-Apr-2021