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Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 17-Jun-2019 | Report No: PIDC26483

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

| | | | |
|--|--|---|---|
| Country Ukraine | Project ID P170290 | Parent Project ID (if any) | Project Name Kyiv Urban Mobility Project (P170290) |
| Region EUROPE AND CENTRAL ASIA | Estimated Appraisal Date Nov 15, 2019 | Estimated Board Date Jan 31, 2020 | Practice Area (Lead) Transport |
| Financing Instrument Investment Project Financing | Borrower(s) Ukraine | Implementing Agency Kyiv City State Administration | |

Proposed Development Objective(s)

The Project Development Objective is to strengthen the Kyiv City State Administration's ability to plan and execute major investments in urban public transport that improve urban mobility, accessibility, and amenity in support of inclusive development and enhanced competitiveness for Kyiv's residents.

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

| | |
|---------------------------|-------|
| Total Project Cost | 30.08 |
| Total Financing | 30.08 |
| of which IBRD/IDA | 30.08 |
| Financing Gap | 0.00 |

DETAILS**World Bank Group Financing**

| | |
|--|-------|
| International Bank for Reconstruction and Development (IBRD) | 30.08 |
|--|-------|

Environmental and Social Risk Classification
Substantial

Concept Review Decision
Track II-The review did authorize the preparation to continue



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Other Decision (as needed)

B. Introduction and Context

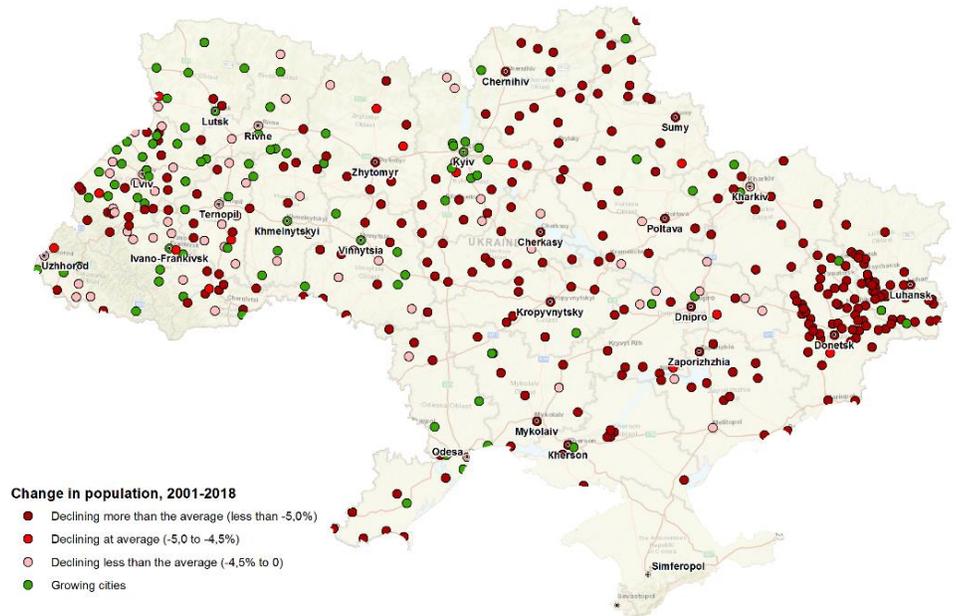
Country Context

- 1. Ukrainian economy is emerging from the 2014 crisis.** GDP growth has been positive since 2015, reaching 3.3% real increase in 2018, mainly driven by early agriculture harvest, strong investment activity (+17% in the first half of 2018) and private consumption (+6%) from higher wages, pensions, and remittances. The increase in investment was stimulated by the need to modernize production facilities, especially in export-oriented companies. Similarly, Ukraine has made significant progress in the consolidation of its public finances by reducing overall fiscal deficit (from 10% of GDP in 2014 to 1.4% in 2017) and public debt (from 81% of GDP in 2016 to 64% in August 2018). Net FDI decreased in the first three quarters of 2018 to USD 1.5 billion, although significant reforms are still needed to attract more FDI in Ukraine.
- 2. Ukraine's foreign trade balance saw a significant adjustment after the crisis in 2014-15, but is now widening again.** In the first three quarters of 2018, imports increased by 16% on an annual basis, mainly driven by strong investment needs for modernization of the economy and by consumer demand in light of rising incomes and remittances. Exports, conversely, increased only by 10% in the same period. The resulting trade deficit exceeded USD 9 billion (against USD 6.4 billion in the same period of 2017). This was partly offset by increasing remittances from Ukrainians working abroad, estimated at USD 8.5 billion in this period, but represents a potential source of risk to the economy.
- 3. The economic outlook depends critically on whether reforms will continue and an agreement with the IMF is reached.** Ukraine faces macroeconomic vulnerabilities from large public debt repayments obligations in 2019-2021 and pressures on current expenditures. The main current short-term challenge to the Ukrainian economy is repayment of public debt, especially of the part denominated in foreign currency. At the same time, sustaining reform momentum through 2019 is critical to meet major financing needs and to strengthen investor confidence. This will include reforms on fiscal consolidation as well as reforms to strengthen tax administration, the financial sector and the energy sector. If reforms continue and IMF reviews are completed, economic growth is projected to rise to 3.4 percent in 2020 and 3.8 percent in 2021.
- 4. The situation in the labor market has recently improved.** The survey-based unemployment rate fell to 8.3% in the second quarter of 2018 from 9.1% a year before. Lower unemployment was driven by the growing demand for labor from domestic companies and by a contraction of labor supply related to labor migration to EU countries, to Poland. Higher demand for labor and hikes of the minimum wage led to an increase in average nominal wages by 13% in real terms in August 2018 compared to the previous year.
- 5. Ukraine's Human Capital Index is lower than the ECA average.** A child born in Ukraine today spends less than 12 years in school as compared to the ECA average (13). This reflects, in part, low access to healthcare and economic opportunities and income inequality across regions. The overall trend in Ukraine is toward continued human development progress, but significant improvements still need to be done: for instance, Ukraine ranks only 88th out of 189 countries according to the HDI index.



6. **Despite overall population decline in Ukraine, key economic centers continue to grow.** Decline in fertility rate, aging and out-migration led to a decrease of more than 20% of the Ukrainian population in the last 20 years. Despite this trend, Kyiv and most of the large cities¹ continue to sustain population growth. This growth derives mainly from internal migration driven by better education and job opportunities and other benefits of agglomeration economies. However, the perceived value of these benefits can decrease where there are high transport costs and pollution related to poorly performing urban transport systems.

Figure 1: Population change from 2001 to 2018



Sectoral and Institutional Context

7. **Ukraine has one of the highest urbanization rates in Europe.** Around 69% of the total population lives in urban areas. The major cities are Kyiv (2.9 million people²), Kharkiv (about 1.5 million), Odesa (about 1 million) and Dnipro (about 1 million). These cities are surrounded by satellite cities that form agglomerations with additional population that commutes on a daily basis, producing additional pressure on transport infrastructure. High urbanization consequently leads to high demand for urban transport systems including trams, trolleybuses, buses and metros.

8. **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 km² and is developing its culture, policies, and strategies to reflect a European-looking Ukrainian market economy. Kyiv is growing both spatially (see Annex 1) and economically which has increased pressure on legacy transport systems. Approximately 500,000 per day either commute to the capital regularly for work, education, or other purposes. As the city continues to grow, it is experiencing rising levels of private car ownership and use and increasing pressure on the public transport, which is at or near capacity. The public transport network has not much changed since independence beyond continuous extension of metro lines which has exacerbated crowding. New trolleybus lines have been constructed but in many cases these have replaced tram lines that suffered from dilapidated infrastructure and correspondingly deteriorating competitiveness.

9. **The post-independence transition to market economy has impacted public transport in Ukrainian cities.** When Ukraine gained independence in 1991, Kyiv and Kharkiv had dense networks of public transport, comprising buses, trolleybuses, trams and metros with large fleets of rolling stock available. Transformation towards market economy, breakdown of economic ties and consequent economic decline had strong influence on the transport systems throughout

¹ With exception of Dnipro.

² Source: ukrstat.org



the Ukraine. Funding shortages as well as changes to travel patterns as large industrial concentrations disintegrated impacted on the attractiveness of public transport.

10. **Private unregulated services appeared in the 1990's to fill the gap in public provision.** Private operators entered the market using a variety of buses, from vans to medium-sized buses, new or used. They followed a soviet format called “route taxi”, consisting of small buses with higher fares and no fare concessions. They operated on, and continue to operate on an alternative route network, with multiple duplications of the public operator owned routes that have cannibalized public transport demand. These private minibuses, called “marshrutkas”, are currently operating in most Ukrainian cities, including Kyiv. While marshrutkas provide higher accessibility compared to public operators, with more routes, shorter headways and higher speeds, they operate under weakly regulated conditions, often provide poor conditions, unsafe, and highly polluting vehicles, unsafe driving and no concessional fares.

11. **Road fatality rates remain high compared to EU countries, despite a slightly decreasing trend between 2008 and 2015.** Both the number of road accidents and road deaths in Ukraine decreased in the past 10 years. However, the number of fatalities remains high compared to the EU average; over 4,500 fatalities were recorded in 2017. Similarly, data from 2017 show that there were over 160,000 road accidents and 34,000 road injuries. Over-speeding is identified as of the main causes of accidents, while seat belt usage remains low. A recent survey shows that only about 30% of drivers in Kyiv use seatbelts. Data from 2018 found that 38,073 accidents, 139 fatalities and 2,524 injuries were recorded in Kyiv alone.

12. **Gaps in planning and impediments to implementing investments in new mass transit systems are degrading urban mobility in Kyiv.** Kyiv has a master plan that identifies proposed mass rapid transit routes as well as enhancements to major transport infrastructure such as roads and bridges. However, the configuration of these elements substantially dates from the late 1980s. Updates to the master plan have not kept pace with Kyiv's transformation since transition such that the relevance of historic plans is questionable. Importantly, gaps in the planning process are not entirely technical and reflect a complex political economy related to land development, institutional bottlenecks, and the influence of powerful stakeholders. Kyiv's track record of investment since transition is similarly mixed. Extension of existing metro lines has continued at steady pace – even during periods of crisis and severe fiscal constraint. However, the incremental benefit of longer metro lines is limited due to crowding constraints and the need for enhanced connectivity in Kyiv's urban core. The development of additional capacity for mass rapid transit is particularly critical to addressing burgeoning traffic congestion, deteriorating air quality, increase in travel time and costs, increase in road traffic crashes and casualties, and loss of productivity.

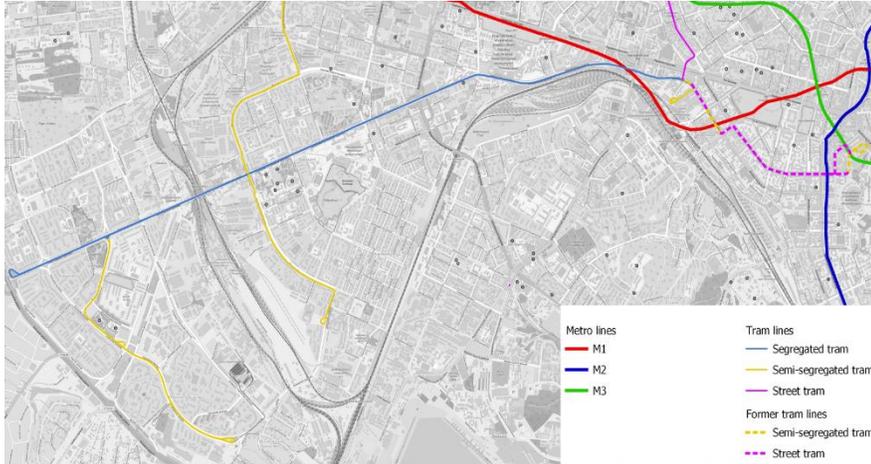
13. **Kyiv's Transport Master Plan is not fiscally constrained and requires a credible funding and financing strategy.** The current master plan amounts to roughly 150 billion UAH (US\$ 5.6 billion) of investment in transport for 15 years, which is approximately six times the average annual budget of the city. This results in a credibility gap given that historically only about five percent of annual budget has been allocated for development of transport infrastructure. The current master plan also does not envisage broader forms of funding and financing holistically as needed to address investment needs and structure payments over time. Specifically, there is a need for integrated planning to optimize different sources of funding (e.g. fares, public budget, parking fees, land use charges, vehicle related charges, etc.). Similarly, there is a need to analyze the size, timing, and volatility of funding streams with a view to securing different forms of financing, whether public, commercial, or from International Financial Institutions. The scale of Kyiv's transport investment needs and the requirement for sustained multi-year programmatic investment approaches imply that integrating funding and financing dimensions into Kyiv's transport planning process are critically important.

14.



15. **While the public transport network is dense, quality of service is below expectations.** The public transport network in Kyiv comprises three metro lines, carrying about 1.53 million passengers daily, around 140 public bus, trolleybus and marshrutka lines carrying around 1.5 million passengers daily, a very large number of private marshrutkas (about 140 lines carrying about 1 million passengers per day) and 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. This dense network contrasts with the poor quality of services reflected by the low accessibility of some areas – including the city center – the condition of rolling stock, aggressive driver and driving behavior, low and unreliable frequencies, poor infrastructure for shelters and interchange hubs, poor user information and lack of integrated fare. Importantly, the level of access to public transport for persons

Figure 2: Public Transport in Kyiv



with impaired mobility in Kyiv is weak. For example, only 12 of 52 metro stations are equipped with elevators. Kyiv’s marshrutka fleet lacks any form of disability access. Few buses and trams have low floor features – although some tram stations have boarding and alighting configurations that provide better accessibility. Broader forms of accessibility enhancements for persons with visual, cognitive, auditory, or other impairments are limited. These facts misalign with obligations under Article 9 of the United Nations Convention on the Rights of Persons with Disabilities, which Ukraine ratified in 2009.

16. **Despite low quality of services, public transport is still the main transport mode for people who can access it - but this won’t last without intervention.** Public transport accounts for 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. Motorization in Kyiv increased from 213 to 257 cars per 1000 inhabitants between 2015 and 2018 which represents both increasing incomes and growing discontent with public transport. In a recent survey (2015) only 5% of public transport customers reported being fully satisfied with services supplied. Surveys show that the main barriers to using public transport are poor interchanges, low comfort and safety, as well as schedule failures. A study on the demand and key barriers of public transport in Kyiv is currently ongoing under activities to prepare the proposed project.

³ All ridership data in this paragraph dates from 2014.



19. **Improving connectivity across the Dnipro river is a key requirement for enhanced mobility in Kyiv.**

Kyiv (central population of 2.9 million) has only 6 bridges that provide road and rail connectivity over the Dnipro River. By comparison, Warsaw (population of 1.8 million) has 9 bridges with a 10th expressway bridge under construction. Minsk (population of 2 million) has 11 bridges. Budapest (population of 1.8 million) has 10 bridges.

Figure 3: Surface public transport modes in Kyiv

Marshrutka



Trolleybus



Tram



Bus



All of Kyiv's road bridges, in particular the Pivnichnyi bridge that serves Kyiv's Troieshchyna District, are over capacity and in need for urgent maintenance works. Kyiv has struggled to develop additional bridge capacity to address these constraints. Most notably, the Podilsky bridge, which was expected to help alleviate congestion, was commenced in 1993 and not yet completed⁴. Augmenting the capacity of existing bridges or reallocating their use to public transport is technically and politically challenging on account of limited redundancy (bridges cannot be taken out of service) and physical limits of legacy structures. The most plausible solutions appear to be development of additional bridge infrastructure with a focus on supporting enhanced mass rapid transport connectivity across the Dnipro River. This is particularly important for providing public access to residential developments on the East bank of the Dnipro (including Troieshchyna) that have characterized Kyiv's growth since transition. Satellite imagery from the European Space Agency (see figures 7 and 8 in Annex 1) illustrate the extent to which the East and West banks have expanded rapidly since 1985.

20. **The localized emissions of transport in Kyiv needs to improve.** 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 course particulates (PM 10) in Kyiv's air were estimated to be 22 µg/m³ and 35 µg/m³ 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. They are also near the legally binding limits that the European Union has adopted for its member states from 2011. The National Ecology Center of Ukraine estimates that 87% of local pollution emissions come from traffic of which 92% are due to private cars.

21. **Ukraine's 2016 Nationally Determined Contribution (NDC) submission to UNFCCC has committed to not exceeding 60% of 1990 GHG emissions level in 2030 and sound planning is critical to achieving that.** Ukraine's NDC commitment implies a 527.6 million ton upper limit on GHG emissions by 2030. At present, Ukraine emits an estimated

⁴ KCSA indicates that works resumed and are expected to be completed in 2020.



310.7 million tonnes of GHG of which about 34.9 million tons (11%) comes from the transport sector. The current headroom between Ukraine's NDC target and present level of emissions should not be construed with the potential impact that growth and development may have on emissions by 2030. Analysis performed by the European Bank for Reconstruction and Development in 2012, albeit before the effects of conflict, suggested that moderate growth assumptions would put Ukraine above its NDC target by 2030 under a "status quo" scenario even when assuming the benefits of technological advancement. While transport is currently not the primary source for overall GHG emissions in Ukraine, 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. Integrating avoid-shift-improve methodology across planning in Ukraine's transport sector, including both freight and passenger modes, is likely to become increasingly important for ensuring that Ukraine will meet its NDC targets. In the case of Kyiv, further development of the public transport network and planning around the introduction of low emissions transport technologies (e.g. electric mobility) are critical interventions that the proposed project would support in order to make progress on this agenda. For these reasons, and the need for enhancing the resilience of Kyiv's transport infrastructure discussed below, the proposed operation intends to target at least 50% climate co-benefits ratio under proposed IBRD financing.

22. **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 (Annex 2). Coupled with overcrowding issues, this has a tremendous impact on passengers, who suffer from extremely high temperatures on the tram (up to 43 degrees) and bus (over 50 degrees). 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 a number of sections along 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. Component 3 will support KCSA's capacity to respond to these risks when planning resilience into the current and future network (Annex 2). Similarly, works supported under Component 2 will seek to demonstrate resilient design features that can be replicated in other areas of Kyiv's tram network.

23. **Mobility and access are key challenges that constrain economic development in sections of Kyiv and disproportionately affect lower income households, persons with impaired physical mobility, women, and youths. 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 Dniprov's'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 Svyatoshyn's'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. In addition, most of the transport users from these areas make in average at least one transfer, which leads to additional travel costs due to the lack of fare integration and further challenges persons with impaired mobility given the absence of improved interchange facilities. Similarly, private marshrutkas often do not accept passengers benefiting from concession fares⁵, implying that elderly and students have either to pay or to wait for extended periods of time. However, elderly and students are the two categories with the largest share of public transport users, and therefore more likely to be affected by the lack of accessibility: around 72% of students and 68% percent of elderly reported to regularly use public transport in Kyiv.

⁵ An implicit rule is that a private marshrutkas will not take more than two concession passengers onboard at same time.



24. **Women and men in Kyiv often do not have equal access to mobility.** More women than men regularly use public transport in Kyiv (respectively 72% and 53%), while only 18% of women use private car (against 40% of trips made by men). Recent focus groups discussions undertaken to support preparation of the proposed project revealed that many women do not feel safe or comfortable taking public transport, and that this problem becomes even more critical when the vehicles are overcrowded. Effective consideration of gender dimensions when assessing needs of transport users can maximize benefits and opportunities and reduce potential risks to women. The proposed operation will examine social effects of project activities on the safety and needs of vulnerable groups, particularly women, and assess opportunities to include a gender dimension throughout investment and planning activities.

25. **Specific groups are particularly affected by the poor state of infrastructure and overcrowding, which jointly reduce the number of trips and indirectly limit access to economic opportunities and services.** Multiple factors are behind poor mobility of users, with a disproportionate impact on users with reduced mobility, the elderly and women when waiting and accessing the vehicles. The condition of infrastructure, including the interchange areas, bus stops/shelters, street lighting, is generally poor, and, coupled with parked and moving vehicles, it leads to uncomfortable, poorly-accessible service. These jointly lead to a reduction of the number of trips that users make and indirectly reduce access to economic opportunities and services. According to a recent survey (2015), over 40 percent of women reported travelling without having dedicated seating and using overcrowded transportation. In addition, about 17% women suffer from unsafe interchanges and waiting areas and long trips in overcrowded vehicles. The phenomenon of overcrowding becomes particularly acute during winter, where passengers have to wait outside under harsh weather conditions (up to -10 degrees). While for young women situations of inappropriate touching and verbal comments are not usual, mothers have difficulties to access vehicles with small children and strollers, and the elderly often face difficulties with accessibility and to transport groceries and goods. A survey is currently ongoing under project preparation activities to collect detailed information on users' preferences and needs, including more vulnerable categories such as persons with reduced mobility.

Relationship to CPF

26. **The proposed project is designed to improve quality of life and competitiveness in the city of Kyiv within the framework of the Ukraine Country Partnership Framework (CPF) for the period FY17 – 21.** The project is aligned with Focus Area 1 of the CPF "Making markets work", tackling the issue of inadequate and ineffective infrastructure, lack of effective public investment management, and slow pace of reforms in the infrastructure sectors. The competitiveness of the Ukrainian economy also depends on the performance of the transport sector in its capital to support jobs creation and human capital increase through better accessibility to education and health.

27. In collaboration with IFC, work is being undertaken under a separate ASA to identify the commercial characteristics of the project to explore opportunities for private sector involvement, in-line with Objective 3 of the CPF of maximizing the number of transport projects in Ukraine with private sector participation through higher-quality and competitively priced transport services.

C. Proposed Development Objective(s)

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The Project Development Objective is to strengthen the Kyiv City State Administration’s ability to plan and execute major investments in urban public transport that improve urban mobility, accessibility, and amenity in support of inclusive development and enhanced competitiveness for Kyiv’s residents.

Key Results (From PCN)

28. The Project results will be measured as follows:

- Enabling conditions met for the implementation of a potential Rapid Transit system in Troieshchyna, including the preparation of detailed design that includes universal access, bidding documents, and finance / funding strategy;
- Access enhancements to the city center at Vokzalna from Kyiv’s Borshchahivka district, measured in travel time, travel cost, and accessibility of transport infrastructure for its users, including key elements of the square;
- Stronger planning capacity of KCSA measured by the approval of an updated transport master plan and the creation of an institutional mechanism under the Mayor’s office to coordinate and implement projects involving multiple stakeholders.
- Successful demonstration of pedestrianization and universal access concepts at Vokzalna square

29. Project Beneficiaries: The primary group of project beneficiaries will include public transport users (passengers) who will benefit from higher service quality and reduced travel times. Particular attention will be given to underserved categories of customers, including people with reduced mobility, women, elderly and students. Direct beneficiaries will also include the users of the central railway station (Vokzalna) who will benefit from better accessibility to the station for pedestrians, disabled travelers, and general public transport users and car users and will enjoy a safer and cleaner environment for their interchange to long distance rail.

30. Finally, given Kyiv’s role in the Ukrainian economy and the role of transport as an enabling factor of agglomeration benefits achieved, Ukrainian citizens will benefit from a more dynamic and competitive capital through modernization and overhaul of the current structure as well as mitigated emissions from the project.

D. Concept Description

31. The Proposed project will be an investment project financing (IPF) consisting of a loan in the amount of US\$30 million to the Kyiv City State Administration (KCSA). The project includes investment and reform priorities identified by KCSA. The proposed project would consist of three components:

Component 1: Troieshchyna Rapid Transit (TRT) enabling preparations (US\$ ≈ 12 million, IBRD financing of 100 percent)

Figure 3: Troieshchyna district. Source: Wikipedia



Troieshchyna district, located at the north left bank of Kyiv, with a population of about 300,000 inhabitants, is underserved by public transport. Residents of Troieshchyna have no access to mass rapid transit at present – despite legacy promises from the 1980s to develop an additional metro line. Their linkages to Kyiv’s city center and metro network are currently limited to low quality options including infrequent and poorly connected tramway / city train services, trolley bus, and marshrutkas lines that operate in mixed use right of way. All these services provide poor travel conditions, low level of accessibility and no fare integration. There is currently a technical and economic study of options underway using a World Bank Group (IFC+IBRD) supported grants for a new mass rapid



transit system that will connect Troieshchyna (see map in Annex 5). This includes analysis of alternatives, financial and economic assessment, and preliminary social and environmental baseline assessments. IFC has also launched a parallel study, in collaboration with IBRD, aimed at providing a deeper analysis of financing alternatives. Component 1 will build upon this work and support:

1. Detailed engineering assessment and design of a preferred mass rapid transit option that includes principles of universal access;
2. Full social and environmental impact assessment and development of social and environmental instruments to manage impacts of the proposed TRT project;
3. Development of tender documentation that reflects both commercial strategy for the TRT project's delivery and provisions for managing social and environmental impacts;
4. Development and execution of public communications plans for the proposed TRT project including public consultations, proactive use of social media, and press releases via traditional channels;

Component 2: Extension of Borshchahivka Rapid Tram and Reconstruction of Vokzalna square (US\$ ≈16 million, IBRD financing of 100 percent)

The extension of Borshchahivka Rapid Tram and the reconstruction of Vokzalna square are key priorities for investments in Kyiv and represent “quick wins” for impacting on commuters in Kyiv’s city center. The Borshchahivka Rapid Tram connects the districts of Borshchahivka and Vidradny with the Vokzalna train and metro stations. From there, most passengers change mode to metro, bus and marshrutkas to reach their final destination. This change generates additional cost and inconvenience for customers and exacerbates crowding at the Teatralna and Khreshchyatyk metro stations. It is estimated that the extension of this line would carry about 300,000 passengers per day, which is amongst Kyiv’s most densely used tram lines. The proposed extension is expected to directly impact existing and new users, through better connectivity, lower cost, better accessibility for mobility challenged users, more secure stations impacting directly women, elderly and children. Kyiv City State Administration has completed a feasibility study for the Borshchahivka Rapid Tram’s extension and is preparing to contract detailed design and social and environmental assessment activities. The World Bank Group’s team is supporting KCSA to develop the scope of work for these activities with a view to achieving technical quality and alignment with the Environmental and Social Framework that applies to IBRD financing.

The Borshchahivka Rapid Tram currently terminates near Vokzalna square which is a main interchange hub for long distance passenger rail, metro, buses, taxis, and private cars. As can be partially seen in **Error! Reference source not found.**, poor organization and regulation of traffic movements around the square lead to inconvenient and unsafe experience particularly for pedestrians. KCSA is seeking to transform the Vokzalna square into a demonstration project for customer-centric design and enhanced accessibility. The project has also potential for revenue generation through parking and concession of business facilities which the combined World Bank Group team (IBRD and IFC) are investigating as options for Maximizing Finance for Development approaches that can support Vokzalna’s renovation. Currently, KCSA has a contractual/concession arrangement with a private company to implement improvements in the square. However, such obligations have not been fulfilled to date, which potentially represents a breach of contract terms. The possible WBG involvement in this activity will be conditional on resolving the present impasse – either amicably through agreed settlement or other work-around arrangement or through contract termination.

Component 2 of the project will accordingly support:

1. Civil works for the 3.5 km Borshchahivka Rapid Tram connection (Annex 3);



2. A first phase of civil works for the redevelopment of Vokzalna square focusing on universal access principles, pedestrianization enhancements, reallocation of parking space, and intermodal interchange facilities (Annex 4);
3. Engineering designs or plans as required to enable complementary MFD approaches – likely focused on rolling stock leasing / maintenance solutions, completion of existing parking structure facilities and / or land use redevelopment for commercial purposes. The scope of this work will depend on the resolution of existing contractual obligations.

Component 3: Strengthening Kyiv’s transport planning systems (US\$ ≈2 million, IBRD financing of 100 percent)

This component will consist of technical assistance activities to support KCSA in updating and improving its planning practices and promoting better integration and collaboration across different stakeholders and organizations involved in transport and infrastructure. Key activities will include: (i) the update of the transport master plan to include stronger Transit Oriented Development approaches, green transport planning, planning towards universal access, and development of a comprehensive funding and financing strategy for urban transport to accompany it; (ii) the creation of a Strategic Projects Unit under the Mayor’s office to support the implementation of the transport master plan and ensure strong coordination amongst KCSA entities and departments, transport operators, engage with the civil society and ensure continuous dialogue with all stakeholders; (iii) capacity development within the Directorate for the Construction of Road and Transport Structures (DCRTS) and KCSA more broadly to meet financial management, procurement, and environmental / social standards required for IFI financed projects.

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

Summary of Screening of Environmental and Social Risks and Impacts

The Bank team has met with the client to review potential plans; conducted two detailed site visits that include detailed inspections of potential routes and options for each of the lines termini; and reviewed the project concept note prepared by the team.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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APPROVAL

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Approved By

| | | |
|---------------------------|--|--|
| Practice Manager/Manager: | | |
| Country Director: | | |

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