Event	Press Conference
Subject	Highways development in Ukraine
Date	11 March 2010
Location	Ukravtodor (Ukraine State Road Administration)

Introduction:

On March 11, 2010 *Mr. Vadim Gurzhos*, Head of the *Ukravotodor* (Ukraine State Road Administration) gave a press conference, during which he covered the following subjects of UA highways development:

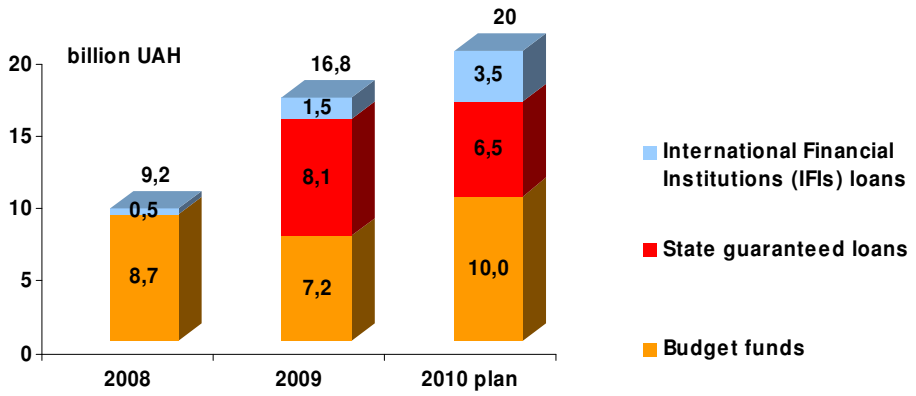
- Financing 2008-2010
- Development projects planned for 2010
- Cooperation with International Financial Institutions (IFIs)

Minutes:

In 2009 total budget for UA highways development has accounted for 16.8 billion UAH, including 7.2 billion UAH of national and local budget funds as well as 9.6 billion UAH of attracted loans.

Ukravotodor has proposed certain amendments to the current legislation of Ukraine in order to increase additional inflows into budget funds targeted for highways development. Therefore it drafted a new legal norm stipulating an increase of fuel excise-duty rates. If Parliament of Ukraine will pass this norm, then Ukravtodor expects to receive 10 billion UAH budget funds for highways development in 2010 (compared to 7.2 in 2009).

UA highways development budget



6.6 billion UAH out of total 20 billion UAH budgeted for 2010 will go for paying off past debts.

Ukravtodor plans the following highways construction and reconstruction projects for 2010:

	Financing, million UAH	Facilities to be put into operation, km
Construction of 47 access roads to villages	250.7	145.6
Construction of facilities destroyed during a flood in 2008	133.6	1
Construction and reconstruction of EURO 2012 highways	1 714.9	74
Construction of detour roads around villages and towns	580.9	51
Reconstruction of unsafe road sections	547.1	61.6
Construction of detour roads around the Republic of Moldova	130.3	25.2
Other construction and reconstruction projects (upon the request of local and national government bodies)	391.8	15.8
Total	*3 749.3*	*374.2*

And the following capital repair projects:

	Financing, million UAH	Facilities to be put into operation, km
Capital repair of facilities destroyed during a flood in 2008	552.7	13
Capital repair of EURO 2012 highways	2 106.2	327.2
Capital repair of highways facilities	2 392.8	340.3
Total	*5 051.7*	*680.5*

Ukraine has over 9 years (since 2000) of successful experience of cooperation with IFIs and Mr. Vadim Gurzhos has outlined the following advantages of it:

- Maximum effectiveness of projects development (international consultants, independent engineers, open international tenders, monitoring and control);
- Very low interest rate and long payment period (20-30 years);
- Positive signal for investors.

Current portfolio of UA highways development projects carried out jointly with IFIs includes the following:

	IFI	Status
Kyiv – Chop highway development	European Bank for Reconstruction and Development, European Investment Bank	Ongoing
Kyiv access roads development	European Bank for Reconstruction and Development, European Investment Bank	Preoperational phase
Highways development and safety improvement	World Bank	Works to be launched in spring 2010
Kiev-Kharkiv-Dovzhanskiy (Lubny-Polatava)	World Bank	Preoperational phase
Pivdennyi Buh river bridge, Mykolaiv city	Japan International Cooperation Agency	Preoperational phase