



National Project “Clean City”

The construction and ongoing management of a network of ten large scale, “state of the art” industrial waste disposal systems specifically designed to process urban waste and to sell the recycled bi-products and energy to recoup investment and operating costs.

Project summary

This project is designed to attract investment, expertise and technology into an initial scheme for the construction and operation of ten industrial scale waste disposal plants in Ukraine working in public-private partnership with the State and city administrations. The State will finance the development of a feasibility study for the project in all ten cities, assist in the provision of land for the construction of processing plants and infrastructure and in negotiations between City Halls and investors on public-private partnership agreements.

Project Background

Domestic waste utilization is a major environmental issue all over the world but none more so than in Ukraine where human pressure on the environment is several times higher than in developed countries. This is largely due to the pollution of the environment through the lack of effective waste management systems going back decades. This problem is now approaching a critical watershed where affirmative action needs to be taken.

Statistics demonstrate that Ukrainians produce a per person average of 220 to 250 kilograms of household waste per year. In the larger conurbations this rises to between 330 and 380 kilograms per person per year. This amounts to 54 million cubic meters per year which if laid end to end would encircle the equator 1.5 times. The volume is increasing by 4 million cubic meters every year.

Solid waste is currently disposed of in 4,157 landfill sites most of which are heavily overloaded and fail to meet even the most basic of environmental safety standards. There is now serious concern that seepage from landfill sites may be polluting the water table in many areas.

Waste processing and recycling is an industry of national significance as the failure to deal with the waste issue can only result in a significantly degraded environment which may soon impact society in general. According to experts there is an urgent need for the construction of 100 -120 waste processing plants, 200-250 recycling sorting lines and specialized plants for the disposal of medical and industrial waste.

Major opportunities for market entry

In Ukraine the sheer volume of waste is creating severe pressure on the current household waste disposal systems. The volume of household waste is increasing at a rate of 7.4% annually.

In Ukraine there are 459 cities, including 5 cities with populations over 1 million, 11 with a population of over 500,000, 31 with a population of over 200,000 and 45 with populations over 100,000. Despite this Ukraine has no waste processing plants, only two aging incineration plants and only ten modern waste sorting lines. Thus there are huge opportunities for the industrial development of waste disposal in Ukraine.



Investment parameters

State support

- The feasibility study for the “Clean City” project will be financed by the Ukrainian government.
- The government will provide assistance in obtaining land and all necessary permits and will play a role in negotiations with city authorities.
- Access to land near existing disposal areas.
- A guaranteed volume of household waste up to 2 million tons per year over 10 centres.
- A guaranteed supply of household waste for the next 10 years under a public-private partnership agreement.
- The introduction of a special tariff for processing of household waste.
- The introduction of national legislation to facilitate the development of the waste management industry.

Investment level

Subject to the project feasibility study and the technologies selected it is initially estimated that the whole project will need investment of up to US\$ 100 million.

Sources of return on investment

- Fees for the processing of city household waste.
- Proceeds from the sale of raw materials derived from modern waste processing including gas, compost fertilizers and building materials and the sale of recycled products including metals, glass, plastics pellets and alternative fuels.
- The production and sale of heat and electricity under ‘green’ tariff schemes.

Payback period

Up to 7 years.

Investment mechanism

Public-private partnerships.

Location

10 cities which have been pre-selected including: Kyiv, Lviv, Sumy, Khmelnytsky, Ternopil, Chernivtsi, Dnipropetrovsk, Donetsk, Kharkiv and Lugansk.

Project Timing

Within 2 years.

Investments in these “Clean City” projects is a long-term and secured investment into a stable and viable high growth industry. Once this project has proven to be successful it will become the blueprint for the expansion of a much needed and environmentally beneficial industry.

The Project is managed by:

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