

Project Summary

Project Overview	
Project Name	Ufa Eastern Exit Project
Country	The Russian Federation
Sector	Sustainable Infrastructure
Approval Date (by the Board)	20 November 2017
Closing Date	(Loan has not been signed.)
Total Project Cost	USD 700.8 million
Loan Amount	USD 68.8 million
Borrower	The Government of Russian Federation
Implementation Agency	Concessionaire Bashkir Concession Company LLC

I. Introduction

Russia has made efforts on many fronts to strengthen its economic growth and increase productivity. Improving infrastructure and connectivity with coordinated policy and private sector participation is one critical and effective way of increasing productivity. Tackling Russia's urban transport challenge is therefore an important component of the country's development agenda. The federal government of Russia is committed to investing in high quality infrastructure projects and has set a target of doubling the length of renovated and built roads from the previous decade. This target is part of the long term strategy of the government to increase capital spending in key sectors such as infrastructure, to improve the resilience of the economy. In this context, the Ufa Eastern Exit Project is designed to help the city of Ufa to connect better and to address the issue of widening gap of rising traffic volume and inadequate road infrastructure. The Project is in alignment with the New Development Bank's (NDB) objective to support sustainable infrastructure development in order to foster stronger economic growth in member countries.

II. Project Description

The objective of the Project is, through construction of a transport corridor at the east end of the Ufa city center, to promote the development of the city's industrial and

residential districts and to reduce traffic congestion on the existing roads. The transport corridor will link the industrial centers in the north and west of the city to the residential suburbs in the east of the city. The Project will be supported through public-private partnership (PPP) and will be a model for future PPP projects in Russia.

The detailed components of the transport corridor includes a 1.2-kilometer road tunnel connecting to the Prospekt Salavat Yulaev on the west, a 2.5-kilometer bridge crossing the Ufa River, a 10.2-kilometer road connecting to the M-5 federal highway in the east, toll collection points, road maintenance facility, and automated system for traffic control.

III. Environmental and Social Aspects

The Project contributes to balanced spatial development of the city of Ufa. Multiple residential and industrial districts are expected to develop in the gravity area of the transport corridor, and on the east of Ufa River. Traffic congestions will be reduced and transport connectivity will be improved.

The Project is assigned as Category “B”. The impacts on environmental and social are site-specific and few of them are irreversible. The impacts include minimal deforestation, land acquisition and noise and debris from construction. Mitigation measures have been made and will be implemented in accordance with Russia’s country system.

IV. Financials

The overall cost of the Project is estimated to be RUB 40.7 billion over a 4-year period. The proposed financing plan includes a loan of up to RUB 4.6 billion from NDB, capital grants of RUB 19.9 billion from the Government of Russian Federation, Concessionaire’s own funds of RUB 11.2 billion, and a VAT refund of RUB 5.0 billion.

Financier	Amount (RUB million)
New Development Bank	4.6
Government of Russian Federation	19.9
Concessionaire	11.2
VAT refund	5.0

V. Implementation

The Project is estimated to be implemented over 4 years. The Concessionaire has been selected on a basis of transparent, competitive, and fair bidding process in accordance with the national laws. The Concessionaire will procure goods and services using private sector procurement processes according to the NDB procurement policy. The loan will be repayable in 12 structured semi-annual installments over 6 years.

VI. Contact

New Development Bank: projects@ndb.int