IFC International Finance Corporation WORLD BANK GROUP

PPP PROJECT BRIEFS

Ukraine: Olvia & Kherson Port Concessions

Modernizing two Black Sea grain gateways through Ukraine's first internationally structured port PPPs.



$136M
PRIVATE INVESTMENT
committed across both ports

2 Mt
NEW GRAIN TERMINAL
per year at Olvia Port

35 + 30
YEAR CONCESSIONS
Olvia & Kherson

FIRST
PORT PPPs
internationally structured in Ukraine

Ukraine's economy depends heavily on agricultural and metal exports, most shipped through its 13 state-controlled ports. Yet these ports were operating at half their potential — held back by poor management, long turnaround times and outdated equipment — and many global shipping lines saw them as too slow and too expensive. Olvia and Kherson, key gateways for Ukraine's grain trade, had been steadily losing market share.

In November 2017 the Ministry of Infrastructure of Ukraine (MIU) asked IFC and EBRD to advise on two concurrent PPPs to bring in experienced operators to design, finance, equip, upgrade and operate the ports. Following competitive tenders, concessions were signed with Risoil Kherson for Kherson Port (June 2021) and QTerminals of Qatar for Olvia Port (August 2021) — a replicable model for Ukraine's wider transport sector.

DONORS | GLOBAL INFRASTRUCTURE FACILITY (GIF) funded pre-feasibility studies by EBRD and the World Bank

THE CHALLENGE

Half capacity
Ukraine's 13 state-controlled ports were operating at only half their potential.

Slow and costly
Long turnaround times led global shipping lines to view the ports as too slow and too expensive.

Lost market share
Olvia and Kherson had been losing significant share of the critical grain export trade.

Underinvestment
Since 2012, both ports lacked investment in infrastructure, equipment and management capacity.

Untested PPP law
No major PPP had yet been implemented to international best practice in Ukraine.

IFC'S ROLE

1. **Structure & Advise**
   With EBRD, ran full due diligence and prepared transaction structures and tender packages for both ports.
2. **Build Government Capacity**
   Built the capacity of MIU's Project Implementation Office (PIO) through hands-on work and PPP training.
3. **Reform the Concessions Law**
   Advised on revisions to attract private investors; adopted by Parliament in 2019.
4. **Secure Stakeholder Buy-in**
   Engaged port operators and unions on best-practice, climate-smart concessions.

TRANSACTION STRUCTURE

Two long-term PPPs: each concessionaire finances, equips, upgrades, operates and maintains its port under a performance and investment regime backed by penalties.

Finance & Equip → **Upgrade Infrastructure** → **Operate & Maintain** → **Meet Performance Targets**

- **Olvia — QTerminals, 35 years:** new 2 Mt/yr grain terminal; USD 125M committed vs. USD 60M minimum.
- **Kherson — Risoil Kherson, 30 years:** utilities, storage and roads; USD 11M committed vs. USD 8.2M minimum.
- **Wartime resilience:** after 2022 force majeure, IFC rebalanced both contracts to keep them viable.

Bidding: competitive international tenders; agreements signed by MIU, the Ukrainian Sea Ports Authority (USPA) and the winners.

KEY OUTCOMES

$136M
private investment committed across both ports

2 Mt / yr
new grain capacity at Olvia within three years

Modernized
equipment, infrastructure and best-practice management

First port PPPs
a template for Ukraine's 13 state-owned ports

PIO
a skilled PPP delivery unit within MIU

CONCESSIONS SIGNED | Kherson: Risoil Kherson (Jun 2021) · Olvia: QTerminals (Aug 2021) | **ifc.org/ppp**