Eastern Partnership
ROAD SAFETY OBSERVATORY

Funded by
the European Union

OCTOBER 2026

EASTERN PARTNERSHIP ROAD SAFETY IN DATA 2026

VALUE OF A STATISTICAL LIFE ESTIMATES FOR EASTERN PARTNERSHIP COUNTRIES, 2025

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INTRODUCTION



Road traffic injuries and fatalities remain a major public health and economic challenge across the Eastern Partnership (EaP) countries, placing a significant burden on families, communities, and national economies. In 2025, the average road traffic fatality across the EaP countries was 8.82 deaths per 100,000 population, compared with 4.34 in the European Union (EU), indicating that the fatality rate in the EaP region was twice the EU level. This disparity highlights the need for implementing effective road safety policies and targeting investments to reduce road traffic fatalities. To design effective policies and allocate resources efficiently, it is essential to understand not only the human toll but also the economic cost of road traffic fatalities. One widely used approach for this purpose is the Value of a Statistical Life (VSL) – an estimate of the monetary value that society places on reducing the risk of death.

This note presents Value of a Statistical Life (VSL) estimates for four Eastern Partnership (EaP) countries – Armenia, Azerbaijan, Moldova, and Ukraine – derived using a value transfer methodology. This approach adapts existing VSL estimates from low and middle-income countries to national contexts by adjusting for differences in income levels. Although value transfer is not a substitute for country-specific primary research, it provides a practical and policy-relevant starting point for assessing the economic costs of road traffic fatalities, particularly in countries where locally derived VSL estimates are unavailable.

POLICY APPLICATIONS OF THE VALUE OF A STATISTICAL LIFE

The Value of a Statistical Life is an important tool for supporting evidence-based road safety policymaking and investment decisions. By assigning a monetary value to reductions in mortality risk, VSL helps policymakers better understand the socio-economic burden of road traffic fatalities and incorporate the benefits of improved road safety into economic assessments. The estimated VSL values for EaP countries can be applied in several areas, including the monetary valuation of road safety benefits, cost-benefit analysis, prioritization of interventions, and investment planning.

Monetizing road safety benefits – VSL provides a monetary measure of the benefits associated with reducing the risk of road traffic fatalities. By translating expected reductions in fatalities into economic terms, it makes the socio-economic burden of road traffic deaths more visible and highlights the economic costs of inaction. This allows policymakers to demonstrate the broader societal benefits of improving road safety, beyond the direct financial costs associated with road traffic crashes.

Cost-benefit analysis (CBA) – VSL serves as a key input in cost-benefit analyses of road safety policies and projects. CBA compares the expected benefits of an intervention, including reductions in fatalities and injuries, with the costs of its implementation. By applying VSL to the expected number of lives saved, policymakers can estimate the monetary benefits associated with reduced mortality risk and assess whether the anticipated benefits of a proposed intervention outweigh its costs. This supports transparent, evidence-based investment decisions and helps demonstrate economic justification for road safety measures.

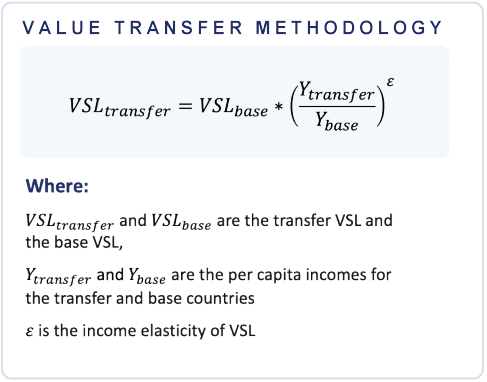
Prioritizing road safety interventions – Given limited financial resources, governments must identify interventions that deliver the greatest benefits relative to their costs. Incorporating VSL into economic assessments allows policymakers to compare alternative road safety measures on a consistent monetary basis and identify those expected to generate the highest net social benefits. This can support more efficient resource allocation and help prioritize interventions with the greatest potential to reduce road traffic fatalities.

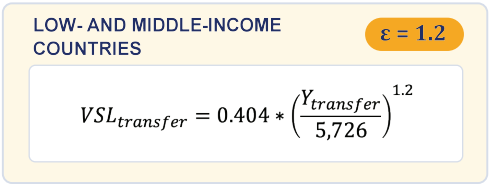
Supporting investment decisions – VSL estimates can inform investment planning across a wide range of road safety measures, including road infrastructure improvements, traffic law enforcement, speed management, and road safety education and prevention programs. By quantifying the economic benefits of reducing fatalities, VSL helps policymakers and other stakeholders justify investments aimed at improving road safety and strengthen the evidence base for allocating public resources.

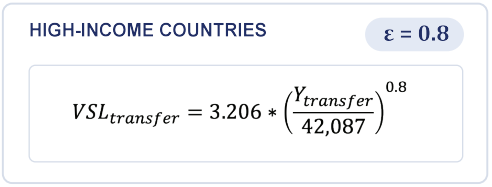
Overall, incorporating VSL estimates into road safety policy assessments provides EaP countries with a practical framework for evaluating the economic benefits of preventing road traffic fatalities. By making these benefits more visible and comparable with implementation costs, VSL can contribute to evidence-based policymaking, more efficient allocation of resources, and improved road safety outcomes across the region.

METHODOLOGY: VALUE TRANSFER APPROACH

The Value of a Statistical Life for the Eastern Partnership countries was estimated using a value transfer methodology[1], which allows existing VSL estimates to be adapted to individual countries by accounting for differences in income levels. The estimation of VSL for EaP countries is based on a reference VSL derived from existing estimates for low and middle-income countries (LMICs). Country-specific VSL values are then calculated by adjusting the reference estimate to account for differences in Gross National Income (GNI) per capita between each country and the reference group.



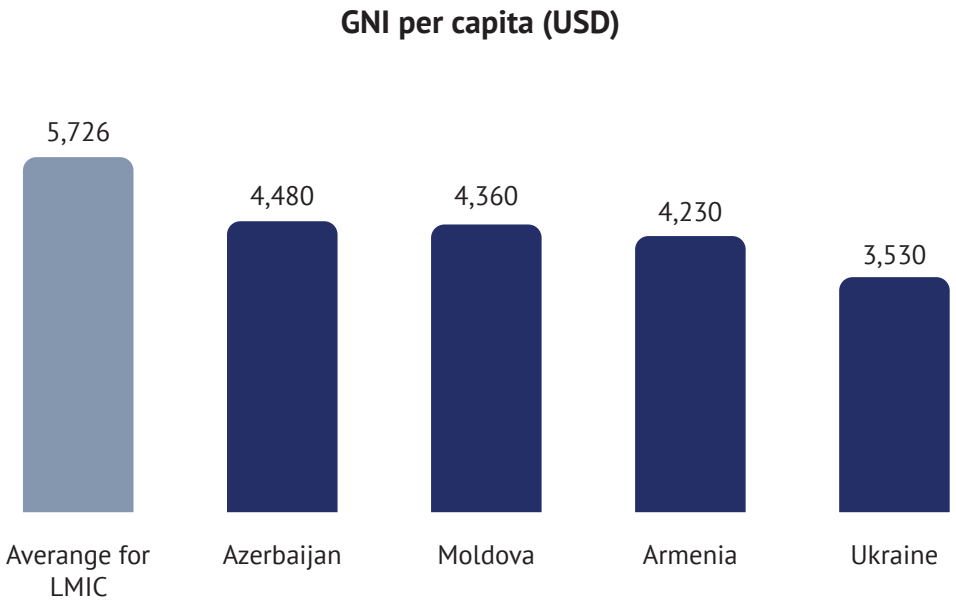




For the four EaP countries – Armenia, Azerbaijan, Moldova, and Ukraine – the estimates are calculated using the LMIC reference values and an income elasticity of 1.2. The calculations are based on 2020 Gross National Income per capita. As illustrated in Figure 1 the average GNI per capita of USD 5,726 for low and middle-income countries was USD 5,726. Among the four EaP countries, Azerbaijan had the highest GNI per capita at USD 4,480, followed by Moldova (USD 4,360), Armenia (USD 4,230), and Ukraine (USD 3,530). All four countries had income levels below the LMIC reference average, with Ukraine recording the lowest level. These figures are used to derive country-specific VSL estimates for 2020, which are subsequently adjusted using annual inflation rates for each country to obtain the 2025 VSL estimates.

[1] Source: Wim Wijnen, Said Dahdah & Nino Pkhikidze (22 Apr 2025): The value of a statistical life in the context of road safety: a new value transfer approach, Traffic Injury Prevention.

Figure 1. GNI per capita for Eastern Partnership countries



Source: World Bank, 2020.

By combining income-based value transfer with annual inflation adjustments, this methodology provides country-specific VSL estimates expressed in 2025 monetary values. These estimates can be used to assess the economic costs of road traffic fatalities and support cost-benefit analyses of road safety policies and interventions.

VALUE OF A STATISTICAL LIFE ESTIMATES FOR EAP COUNTRIES, 2020-2025

Table 1 presents the estimated Value of a Statistical Life for Armenia, Azerbaijan, Moldova, and Ukraine over the period 2020-2025, alongside the reference average for low and middle-income countries. In 2025, Moldova recorded the highest estimated VSL at USD 481,736, followed by Azerbaijan (USD 419,877), Ukraine (USD 378,046), and Armenia (USD 344,621). All four countries remained below the LMIC reference average of USD 504,111, with Moldova coming closest to this benchmark.

The results indicate an upward trend in VSL estimates across all four countries, although the magnitude of the increase varies considerably. Differences in the initial VSL estimates for 2020 reflect variations in Gross National Income (GNI) per capita across countries, while subsequent increases result from annual inflation adjustments. Consequently, differences in VSL growth rates across the four countries reflect variations in their respective inflation rates rather than changes in the underlying valuation of mortality risk.

Table 1. VSL for Eastern Partnership countries

VSL	2020	2021	2022	2023	2024	2025
Average for LMIC	404,260	421,479	458,616	486,849	505,522	504,111
Moldova	291,302	306,177	394,164	486,849	467,961	481,736
Azerbaijan	300,949	320,963	365,424	397,528	406,322	419,877
Ukraine	226,094	247,264	297,171	335,354	357,159	378,046
Armenia	280,911	301,094	327,111	333,589	334,488	344,621

Source: Author's calculations

ABOUT THE EASTERN PARTNERSHIP ROAD SAFETY OBSERVATORY

The Eastern Partnership Road Safety Observatory (EaP RSO) is a joint initiative of the five Eastern Partnership countries – Armenia, Azerbaijan, Georgia, Moldova, Ukraine – with the common goal of reducing road casualties by 50% by 2030. Our mission is to contribute to reducing road casualties through improving the quality of systematic and consolidated data collection, management and analysis on road traffic deaths and serious injuries in line with best EU and international practices and capacity building of national counterparts in improved data practices and application to policy development. At its core, the EaP RSO operates as more than just a data repository – it functions as a comprehensive platform that fosters the sharing of good practices, facilitates evidence-based policy development, and promotes regional coordination in road safety management.

The observatory focuses on five key components: Road Safety Data, Knowledge, Resources, Tools, and Network development, working to standardise data collection based on CADaS and MiniCADaS protocols while building capacity across all partner countries. Through targeted training programmes, technical assistance, and stakeholder engagement involving government agencies, civil society organisations, and vulnerable road user groups, the EaP RSO creates a solid foundation for evidence-based road safety interventions that will ultimately save lives and reduce the devastating economic and social costs of road traffic crashes across the Eastern Partnership region.

The Technical Secretariat of the observatory is hosted by Georgia and is led by ISET Policy Institute (ISET-PI) and Eastern Alliance for Safe and Sustainable Transport (EASST) consortium. Our work is funded by the EU through the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR).

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