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Preparation of first PPP project on railway has progressed to next phase

Companies Deloitte; Česká spořitelna; law firm Císař, Češka, Smutný; AFRY and their nominated experts in economic, financial, legal, and technical consulting from the Czech Republic and abroad will help with the selection of the concessionaire for the construction of the new railway connection from Prague to Václav Havel Airport in the form of a PPP.

The selection of the consortium to provide the external consultancy services required for a project of this size and significance was based on a competitive tender process. This was announced at the end of last year by the European Bank for Reconstruction and Development (EBRD), with which Správa železnic is cooperating on this key project of the Ministry of Transport.

The Government decided to use PPP for the construction of a part of the railway connection from Prague to Václav Havel Airport in August last year based on a feasibility study, which proved the advantageousness of this solution. This will be the first PPP railway project in the Czech Republic to reach the concessionaire selection stage. *"We need PPP projects to ensure an adequate and long-term sustainable mix of financial resources necessary for the implementation of all projects, including the high-speed lines we are preparing,"* says Minister of Transport Martin Kupka.

The subject of the PPP project will be the construction of sections from Prague Veleslavín to Ruzyně and from Ruzyně to the airport, including the construction of the railway station Praha-Letiště Václava Havla (Prague Václav Havel Airport). Traffic control will be provided by Správa železnic's staff from the Traffic Control Centre Prague in Balabenka, and not under the direction of the selected concessionaire.

"I believe that the international background of the selected consulting team will lead to the successful implementation of the first railway PPP project in the Czech Republic," says Jiří Svoboda, Director General of Správa železnic. *"According to the approved schedule, financial close, which allows for the actual commencement of construction, should occur within 30 months of contract signing, i.e. by September 2026,"* adds.

The work of the selected consultant includes ensuring a responsible approach to the assessment of the actual environmental and social issues of the project so that it is implemented in accordance with international best practice in the field of sustainability. This should lead to the possible involvement of a wider portfolio of financing institutions, such as the European Investment Bank or the EBRD itself and reduce the overall financing costs of the project. On the entire line from Prague to the airport and to Kladno, it is planned to operate trains exclusively in ETCS mode. At the same time, it is being prepared as a double-track electrified by AC power system.