

5 September 2024

## **First PPP project of Czech railway network attracts investors' attention**

Správa železnic and the European Bank for Reconstruction and Development (EBRD) in the presence of the Minister of Transport and a consortium of consulting companies presented the key parameters of the first PPP project on the Czech railway network. The presentation in Prague's Fanta Building attracted more than 200 representatives of investors, construction companies and financing institutions, with another 80 joining online.

*"The Investor Day was a clear message to domestic and foreign investors that the start of the tender for the concessionaire for this important project is close. The basic parameters of the project will be based on the successful implementation of the D4 motorway in the form of a PPP, considering railway specifics. Investors can therefore expect to receive a well-prepared project according to international standards,"* explained Minister of Transport Martin Kupka.

The first railway PPP project concerns the modernisation of the section from Praha-Veleslavín to Václav Havel Airport, including the construction of the multimodal terminal Dlouhá Míle and the new stop Praha-Liboc.

*"Our goal is that by 2030 it will be possible to travel by train from the centre of Prague to Václav Havel Airport. We want to improve transport services, reduce noise and CO<sub>2</sub> emissions and we are making all our actions, including the search for alternative sources of funding, subject to this."* said Mojmír Nejezchleb, Deputy Director General of Správa železnic for Infrastructure Modernisation.

The Ministry of Transport and Správa železnic plan to announce a tender for concessionaires before Christmas this year. The tender will start with a qualification phase, where bidders will have to prove their experience with similar projects. The contracting authority will then evaluate the submitted qualifications and select the candidates to proceed to the next round.

*"Our participation in the consultancy for Správa železnic is aimed at a professionally set and transparent competition that will attract a wide portfolio of sufficiently qualified candidates who will demonstrate not only their ability to implement the project in a sustainable manner from a technical point of view, but also their ability to secure financing for it,"* Marcos Martinez, Director of EBRD PPP Advisory Unit, explained the role of the EBRD.

The successful implementation of the pilot PPP project should open the door for the use of this model in other railway projects, including high-speed lines.

*"The railway project to Václav Havel Airport represents the first ever railway project in the Czech Republic based on a public-private partnership. The construction of the missing railway*

*connection between the Velešlavín railway station and the main Prague airport will have a positive impact on the citizens of Prague, the economy of the capital city and the whole country. At the same time, it will help tourism, enable significant capacity development of the Ruzyně airport and have a positive impact on the environment and decarbonisation. The whole project is unique for many reasons, for example, the involvement of several banks, including the European Investment Bank and the European Bank for Reconstruction and Development. I am very proud that Deloitte experts are there and that we will help bring this important project to a successful implementation in the shortest possible time, but not at the expense of quality,”* added Miroslav Linhart, managing partner of Deloitte Advisory.

The recording of the Investor Day will be publicly available on Správa železnic YouTube channel after processing.