

UNECE Team of Specialists on PPP Making Rail PPPs Work

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Learning Outcomes

- Why invest in rail?
- Why use PPPs?
- Recent market trends
- Key challenges
- Do v Don't

Why Invest in Rail?

Example - Gautrain Rapid Rail Link, South Africa

“Green” Agenda



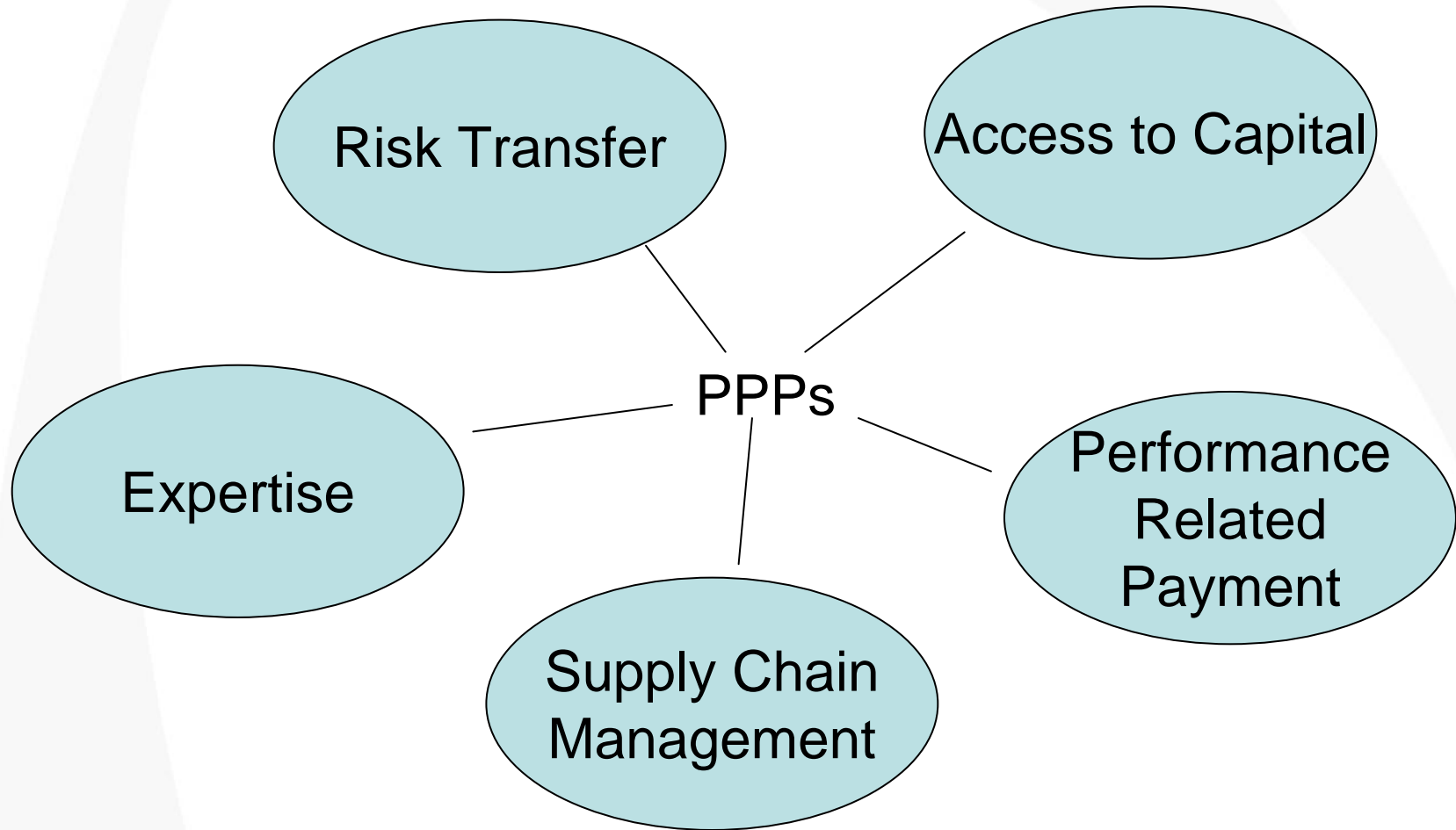
- reduce road congestion
- reduce carbon dioxide emissions
- “lost” economic time

Socio-economic Benefits

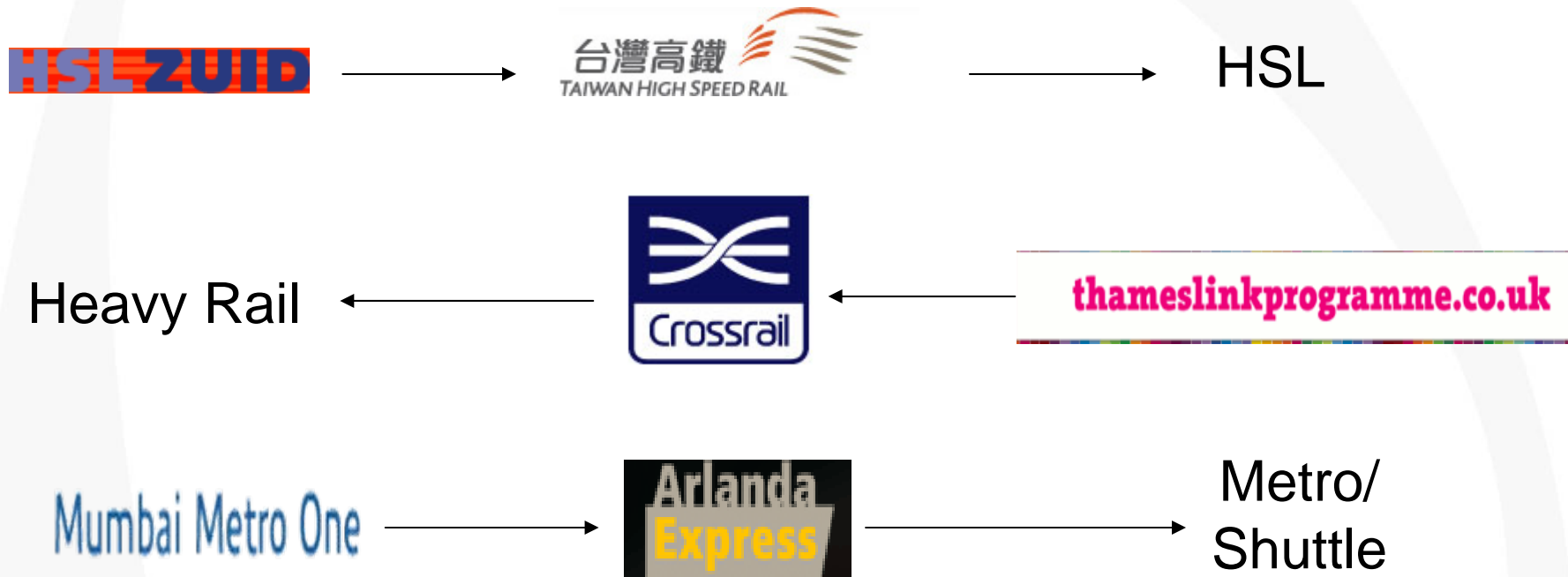


- economic hubs around stations
- promote local black empowerment companies
- boost local investment

Why Use PPPs?



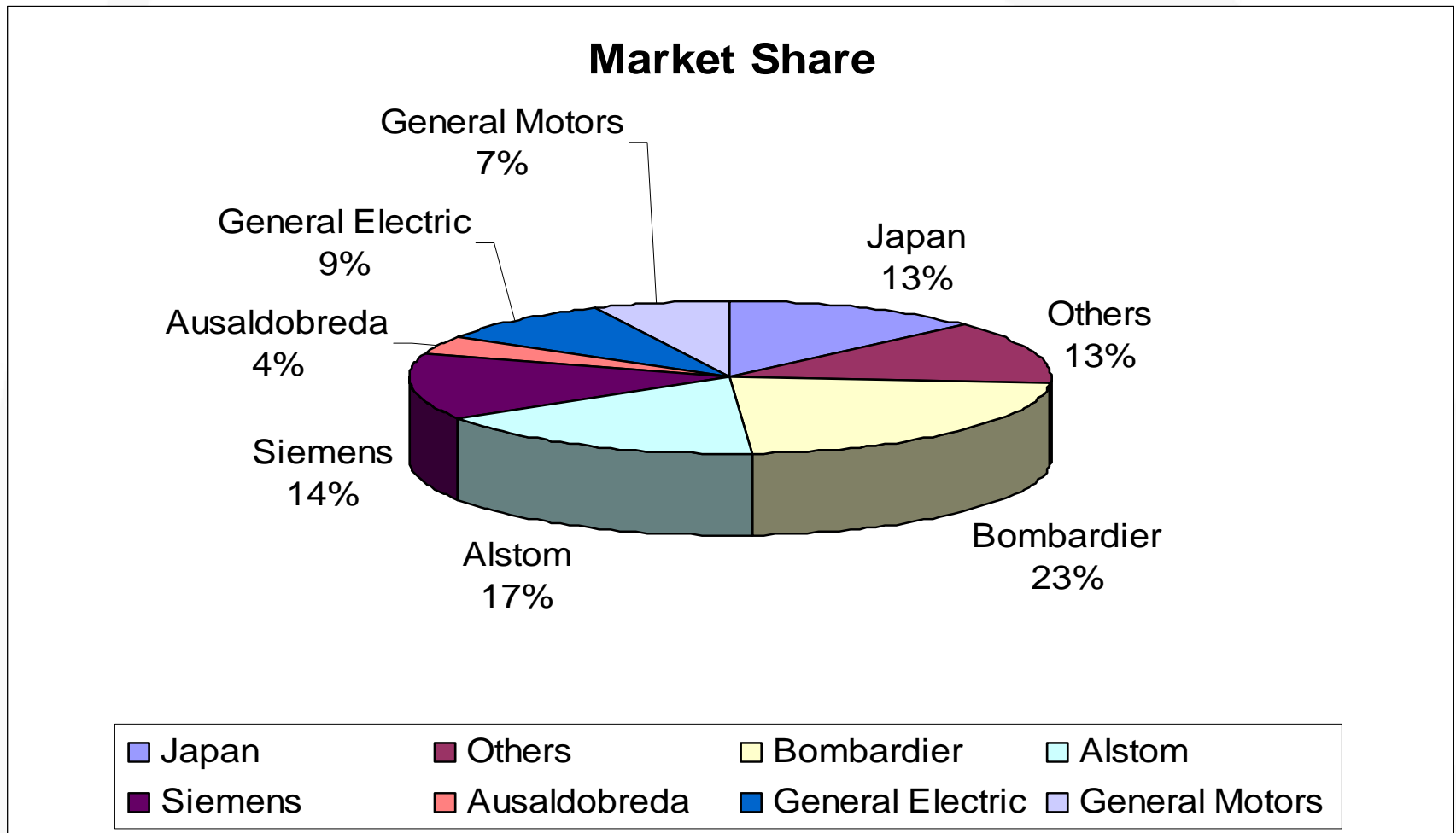
Market Trends (1) – Modes of Rail



Market Trends (2) – Financing

Financing Structures	Precedents
Securitisation of track access charges	LCR/High Speed 1
Government guaranteed bonds	LCR Network Rail
PFI/PPP with comfort letters (95% guarantee)	Metronet, Tube Lines
Securitisation of track access charges with top-up facility	TAV/ISPA
Government ownership/grants	Deutsche Bahn
EPC structure	SNCF/RFF
PPP with partial guarantees	LGV SEA
Project segregation (including PPP)	Infraspeed

Market Trends (3) – Competition



Key Challenges (1)

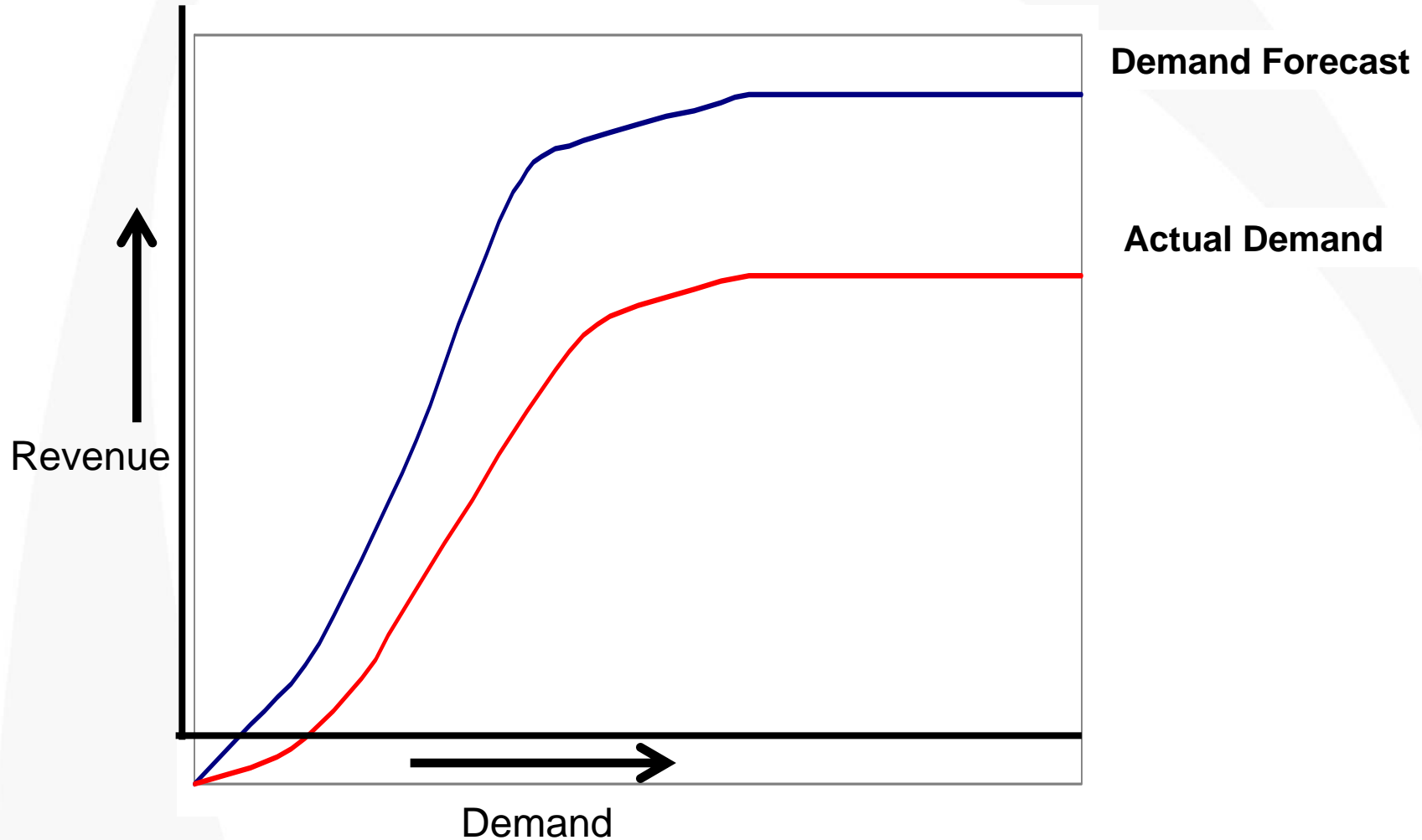
- Political
- Regulatory
- Legal



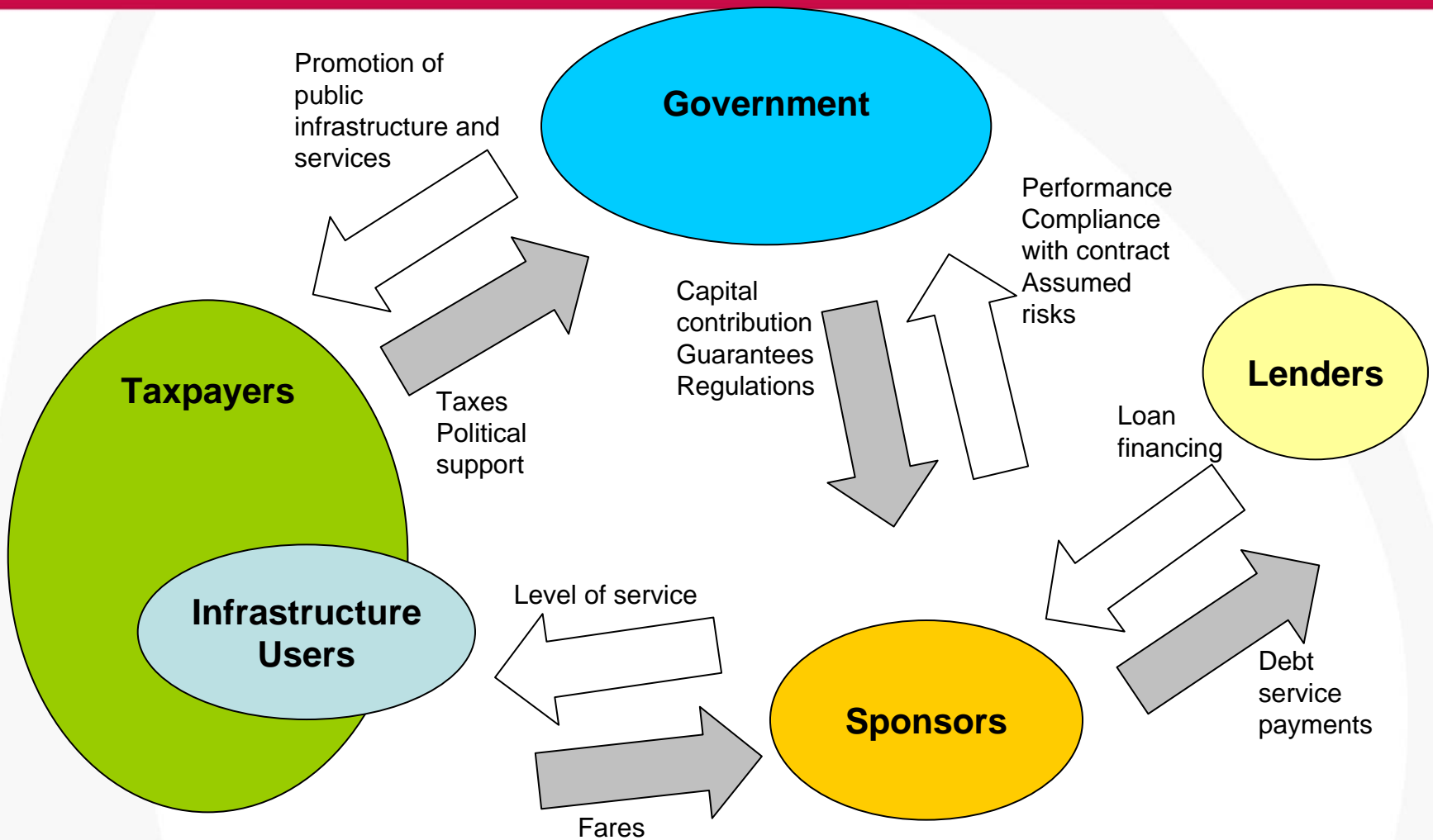
Key Challenges (2) – Complexity and Scope



Key Challenges (3)



Key Challenges (4)



Key Challenges (5)

ERTMS

A UNIFE website

Do v Don't

Do

- review legal and regulatory framework
- engage with stakeholders early
- be realistic about risk transfer

Don't

- treat rail PPPs as construction projects
- adopt inflexible standard PPP contract
- rush into procurement process

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