“Is transport infrastructure fund the way forward? – the experience of the Czech Republic”

State Fund for Transport Infrastructure (SFDI)

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SFDI vision and reality

• Original idea (2000)
  – Independent Fund not limited by the constraints of a yearly approved state budget

• Reality
  – Own resources cover only half of the minimum needs, rest covered from state budget subsidies to the Fund – political reasons
Role of SFDI in the system of transport infrastructure financing

• Ministry of Transport – strategic decisions
• SFDI – "bank", provider of national resources, implementing agency of EU funds
• Managers of infrastructure – RMD, RIA, etc. – state organizations responsible for development and maintenance of infrastructure
Dedicated resources

- Revenues from the privatisation of state companies
- Revenues from road tax
- Revenues from fuel tax – partially (9.1%),
- Revenues from highway vignettes
- Revenues from toll
- EU and state subsidies
Financing of CZ infrastructure

- SFDI – the most important player in financing construction and reconstruction of railways, motorways and inland waterways
- Other programs – pedestrian safety measures, bicycle paths etc.
- Extensive know-how of EU policies
  - Programs and procedures
  - Co-financing of common projects
Financing of CZ infrastructure

• Ability to transfer resources
  – Among types of infrastructure based on long-term strategic needs (roads<>railways<>inland waterways)

• Flexibility to work with cash-flow
  – Accounting principles identical to a banking body
  – No books closing to state-budgeting principles

• Credit ranking corresponding to the state
  – Capability to enter a credit market if needed
SFDI Vision and Mission

• A single procedure in management, monitoring and processing of payments across all types of infrastructure projects
  • Roads, railways,… – Ministry of Transport
  • Bicycle paths – Ministry of Regional Development
  • Logistic parks – Ministry of Industry and Trade

• Strategic financing of modal split change
Lesson learned

• Dedicated resources must cover
  – 100% of maintenance fee
  – Basic development of the network

• Budgetary decisions must be independent from political influence

• Clear definition of the competences within the sector is needed
Czech indebtedness compared to the EU (% of GDP)

Source: Czech Statistical Office, web, January 2013
Civil Engineering Works Index

Source: Czech Statistical Office, web, 2013
Note: Pozemní stavitelství – Building Construction
Inženýrské stavitelství – Engineering Construction
ISP – combined index
Demands – model 2025 (price level 2009)
green – investment, black - reconstruction, maintenance
Demands – model 2025 (price level 2009) – what is expected to be covered by resources – present view

green – lack of resources, blue – EU and EIB funds, red – national budget
SFDI - Resources and expenditures 2000 – 2015 (est.), bill. CZK

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<th>Year</th>
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Thank you for your attention.

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