

## **Promotion of public-private partnerships in rail infrastructure**

**On 30 January 2009, financial experts from the European Commission and the rail sector discussed ways to promote the use of public-private partnerships (PPPs) in rail infrastructure projects.**

The European Commission and the European Investment Bank are undertaking a number of initiatives aimed at promoting successful PPPs. The Loan Guarantee Instrument for TEN-T projects (LGTT) aims at facilitating the setting up of TEN-T projects under PPP schemes. The European PPP Expertise Centre (EPEC), launched in September 2008, allows PPP taskforces in EU Member States and candidate countries to build PPP capacities, share experience, analysis and best practice. EPEC's representative, Andy Carty, chaired this meeting.

The leading European rail organisations CER and EIM confirmed that PPPs provide innovative financial engineering opportunities, which could mobilise financing for key rail infrastructure projects. In order to reach this goal, building transparent and adequate partnerships with private contractors is of the utmost importance for rail companies. Paul Guitink, CER Adviser for Central and Eastern Europe, noted: "To be successful, public-private partnerships require a rewiring between the State and the market, shifting the paradigm from public service to service to the public." The private sector, represented by the companies Eurailtest, Global Infrastructure Service and Alstom, emphasised the need for clear and simple commercial structures and contractual frameworks. Dan Wolff, EIM Head Political Advisor, noted: "The use of PPPs, with private sector co-financing, can bring about efficiency gains that cannot be achieved through public funding alone."

Confronted with limited availability of public resources, some rail infrastructure managers of CER, mainly from Central and Eastern European EU Member States, are currently preparing business cases for PPP's in rail infrastructure - for example in Poland, Romania, and the Czech Republic. Several EIM members in Western Europe are making active use of PPPs to finance innovative projects already: Infrabel's Liefkenshoek Rail Connection is for example aimed at improving the Port of Antwerp's connection to the main rail network. RFF, the French Infrastructure Manager, is also bringing in private investment to develop the South Europe Atlantic Link project, which will reduce journey times from Bordeaux to Paris, and open up access to the Iberian Peninsula.

Michael Robson, Secretary-General of EIM said: "Public-private partnerships should play a substantial role in the financing of trans-European transport networks, of innovation and of research and development. The railways are strongly committed to promote this tool and I believe that this meeting is an important step forward for reaching this goal".