

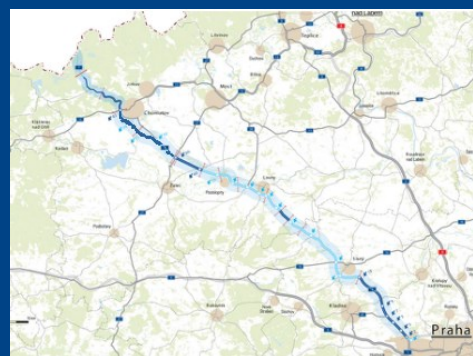
THE CZECH PPP KICK-OFF IN TRANSPORT INFRASTRUCTURE

16th of April 2015 – Prague

## Possible PPP project „Expressway R7“ – brief info

R7 is partially built expressway connecting Prague and north-west Bohemia region, continue to Saxony as 1<sup>st</sup> class road #7. Based on the Czech Transport Sector Strategies and based on finished feasibility study, it is goal to finish it at least until 2022. **From planned 85,5 km is 46,5 km in operation and 39 km remains to be built.**

Section	Length	Status
Prague – Tuchoměřice	5 km	S 22,5/100 in operation, 4-lane, non-expressway parameters, built between 1961 – 1967, needs to be rebuilt later (no permit granted)
Tuchoměřice – Slaný	17 km	S 24,5/100 in operation as expressway, built between 1961 – 1984, possibility for upgrades of capacity and safety parameters of first 10 km in future (no permit granted)
Slaný – Sulec	20 km	In operation as ½ profile of expressway planned to be upgraded to R 25,5/100 (120), zoning permit not issued yet for 70% of length – planned to be granted in 2016. <b>CAPEX = 195 mil. EUR</b> excluding taxes.
Sulec, bypass	2,5 km	R 25,5/100 in operation, built between 2008 – 2009
Sulec - Bitovzeves	19 km	Planned R 25,5/100 (120), partially upgrade of operated ½ profile of expressway (50% of length), new construction on 50% of length. Zoning permits issued for 70% of length, rest planned to be granted in 2016. <b>CAPEX = 170 mil. EUR</b> excluding taxes.
Bitovzeves – Nové Společice	22 km	R 25,5/100 (120), in operation as expressway, built between 2008 – 2013
Nové Společice – CZ/DE	18 km	S 11,5/70 with climbing lanes on 50% of length. Built 2001 – 2007. No upgrade planned, operated as 1 <sup>st</sup> class road.



The R7 is not a part of TEN-T network. Due to this reason, it is not possible to use the Cohesion funds from EU program period 2014 – 2020 for its construction (one of the main reasons why all the modifications of the “PPP D3 project” has been cancelled before). Also sources from European regional development fund cannot be preferred. There remains possibility to use the national budget **or the PPP model.**

The **Outline Business Case with Public Sector Comparator is planned to be tendered.** It will address the above possibilities and compare them. Based on the outputs from the OBC (PSC) the **government should decide** if the PPP procurement will be started or not. There will be market soundings done during preparing the OBC (PSC).

The PPP model will be based on availability payment mechanism (some modifications based on traffic flows will be discussed during market soundings).

The **core of the project** will be implementation of DBFOM model for unfinished parts Slaný – Sulec- Bitovzeves (see the table above), concession period estimated to be 25-30 years. During the market soundings there will be discussion about possibility to implement the O&M model for already operated parts of the R7 with option to upgrade them. Structuring of financing of the project will be based on the recommendation from OBC.

The state road asset manager (Ředitelství silnic a dálnic) is working on the zoning permits, land acquisition and technical preparation phase continuously.

Design possibilities: The zoning permits will be transferred to concessionaire, as also the Documentation for building permit with the opinions of authorities. Any change done by the concessionaire should respect the national law which implements the EIA directive.