Conference On Implementing Sustainable Urban Travel Policies in Russia
And Other CIS Countries
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FINANCING PUBLIC TRANSPORT PROJECTS IN RUSSIA/CIS

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Financing Public Transport Projects in Russia/CIS

Guido Bruggeman – Moscow 30 September 2004
What is the EBRD?

- International Financial Institution
- EBRD promotes transition to market economies in 27 countries from central Europe to central Asia
- Russia is shareholder of EBRD
- Commitments of €5.2 billion in Russia

Total commitments of €22.7 bln
Countries of operation (2003)

- Russia & Central Asia: 30%
- SE Europe & Caucasus: 29%
- Central Europe: 41%
EBRD and Urban Transport

- EBRD is focusing on municipal/company level
- Project financing
- Public transport, parking, traffic management, road infrastructure
- Public and private
- EBRD is supporting project implementation
- EBRD is assisting with restructuring
Is money available for projects in Russia/CIS?

• Yes, provided that the right conditions are created!

  therefore

• Steps need to be taken to create creditworthy borrowers

• Reforms needed and sometimes inevitable

• Sound project and business plans need to be developed
Challenges

- Improvement of regulatory and institutional framework (national level)
- Development of sustainable and integrated transport strategies
- Coherent multi-year investment programmes
- Develop realistic and affordable investment plans
Challenges

• Improve financial performance of transport operators
• Clarity on financial relationships between municipalities and transport operators
• Professional project management and transparent procurement
• Operators need to be focused on customers (including review of PT transport network)
EBRD financing structures (2 examples)

• **Municipal lending**
  Non-sovereign lending to municipalities

• **Corporate lending**
  Project financing to transport companies
  (public or private)
  With or without a municipal guarantee
Financing under Public Service Contract

EBRD

Transport Company

Loan

Public Service Contract and Payments

Municipality

Direct Support Agreement

Revenue from fares

Passengers
Krakow Fast Tram Project

- upgrading and extension of north–south corridor
- traffic management system
- development interchange tram–train
- introduction Public Service Contract
- outsourcing bus services
Sofia Public Transport Project

- refurbishment of trams
- bus fleet renewal
- new ticketing system (grant financing)
- tender for bus services (20% network)
- development parking strategy
Gdansk Public Transport

- tram track renewal
- tram refurbishment
- new buses

Additional
- restructuring transport company
- creating transport authority
Belgrade Public Transport

- tram track renewal (follow up by EIB)
- upgrading power supply
- rolling stock

Additional

- advise on regulatory framework
Togliatti – Russia (under preparation)

- financing of 100 new buses
- improvement of workshop
- restructuring of companies
- business and marketing plan
EBRD is ready to cooperate

• Public transport becomes key sector for EBRD

• EBRD is working on urban transport programme for Russia and CIS

• Assisting with creating the right conditions

• Technical co-operation funds and grants
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