



Polish Road Projects Financing

August, 2014

The framework for roads projects

National Transport Policy for 2006 – 2025, approved by the Council of Ministers in June 2005

Programme for National Roads Construction in 2011 – 2015, approved by the Council of Ministers January 2011

Attachment No. 5 to the Programme for National Roads Construction in 2011-2015 (as amended) approved by the Council of Ministers 4 June 2013.

Attachment No. 6 to the Programme for National Roads Construction in 2011-2015 (as amended) approved by the Council of Ministers 1 October 2013.

Programme for National Roads Construction

Main goals:

- **To integrate Polish road system with European**
- **To improve Polish economic and social competitiveness**

Budget – 20,7 bilion EURO (82,8 bilion zł)

Source of Financing – National Road Fund

Budget in the new financial perspective 2014-2020 – ca 72,27 bilion zł

Source of Financing – National Road Fund

National Roads Fund financially supports the Programme for National Roads Construction

Covers expenditures for preparing, construction, reconstruction and renovating national roads

The Fund uses the financial resources according to the yearly plan

The incomes of NRF are:

- **Fuel fee**
- **European Union funds**
- **European Investment Bank loans**
- **Bonds**
- **Revenues from Electronic Toll Collection**

1. PPP projects (public-private partnerships) – the main assumption for the construction of motorways in ppp is to classify the project outside the scope of government spending.

Eurostat's approach to classification of the assets involved in ppp is published in Manual on Government Deficit and Debt:

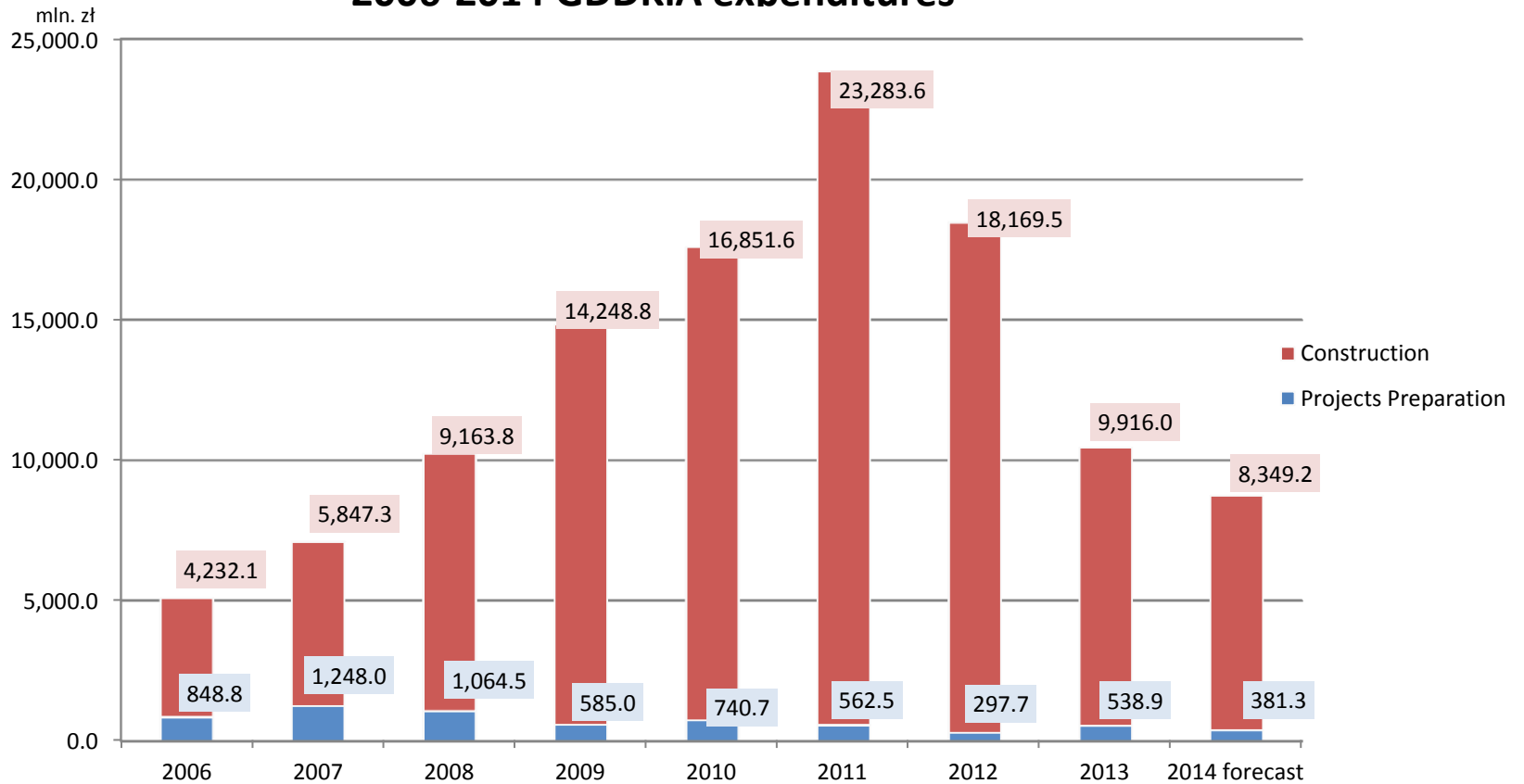
- The PPP assets are classified in the private partner's balance sheet if both of the following conditions are met: the private partner bears the construction risks and at least one of either availability or demand risk.
- One of ppp model – availability payment – the new Eurostat approach would lead to a recognition of the project on the public sector balance sheet, as income from user tolls exceed the share of 50 % in costs (income of private partner).

2. SPV (Special Purpose Vehicles) – the implementation of the construction of motorway sections can be done by a special purpose vehicles. The solution is under consideration and requires some changes in legislation. The project accomplished by spv can be classified according to classification and criteria provided in Manual.

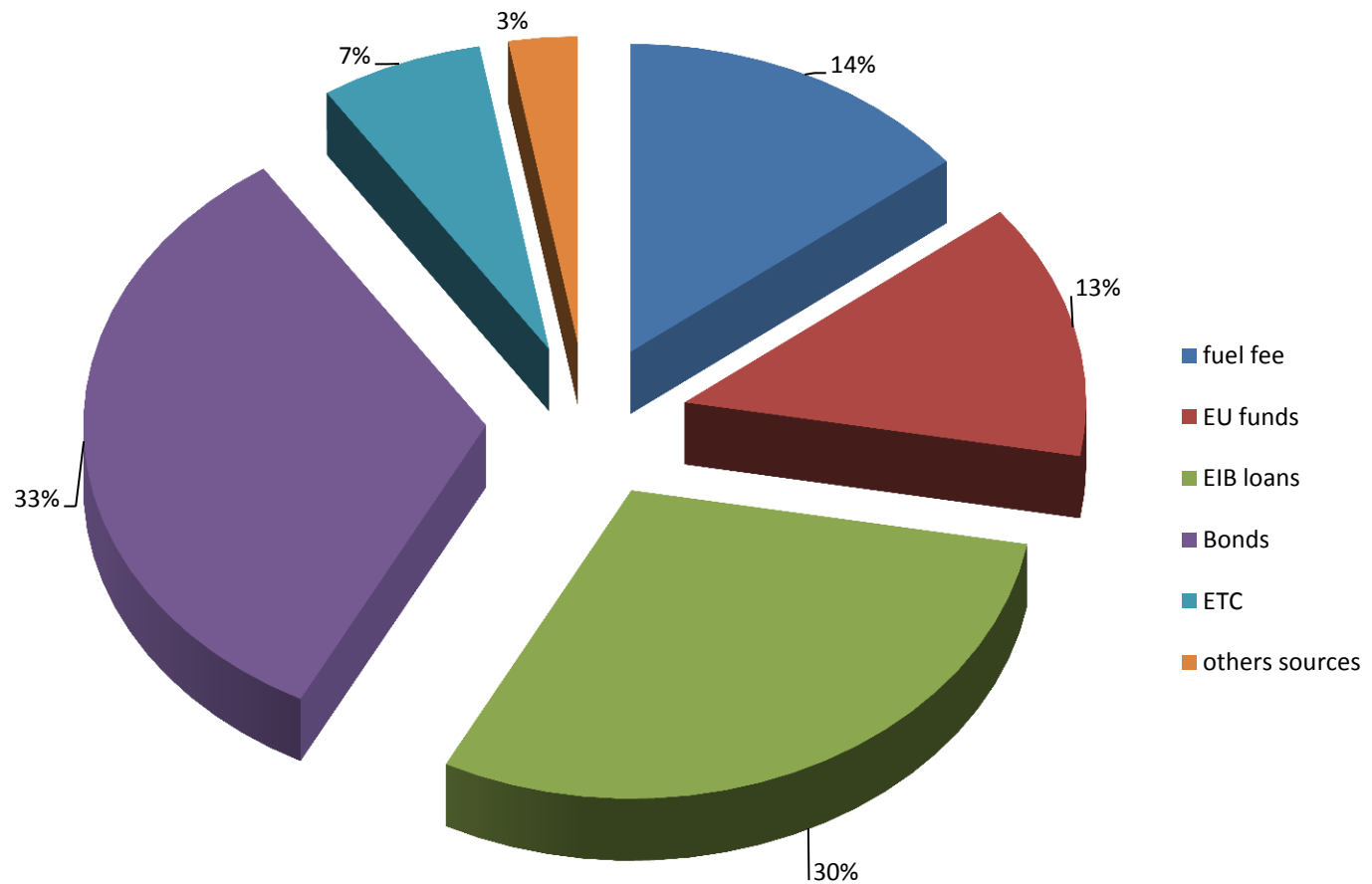
3. Traditional system of financing road construction (the National Road Fund, EIB, EU funds).

Programme for National Roads Construction

2006-2014 GDDKiA expenditures



National Road Fund incomes in 2014



GDDKiA is the biggest individual beneficiary of European Funds

2000-2006

Cohesion Fund – 1,652 bilion euro EU contribution

Sectoral Operational Programme Transport – 0,34 bilion euro EU contribution

2007-2013

Operational Programme Infrastructure and Environment – 10,0 bilion euro EU contribution

Operational Programme for Eastern Poland Development – 0,21 bilion euro EU contribution

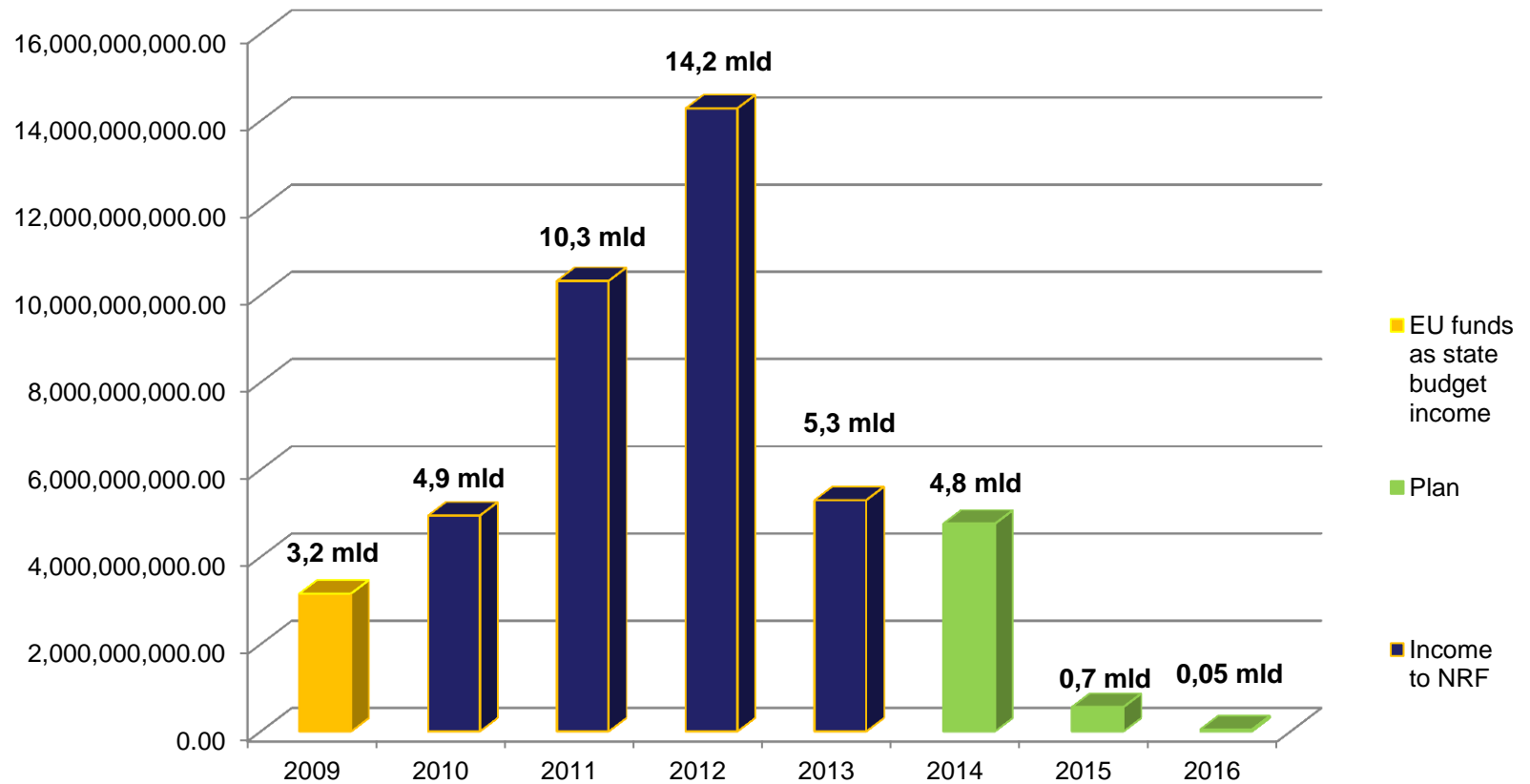
2014-2020

Operational Programme Infrastructure and Environment – 10,0 bilion euro EU contribution (estimated / still under negotiation)

European Union Funds



European Union funds as income for National Roads Fund [PLN]



With EU contribution from 2002 to 2013

GDDKiA delivered

- **680 km of motorways**
- **835 km of expressways**
- **674 km of city ring roads and other roads upgrades**

With new EU funds for 2014 – 2020

GDDKiA plans to deliver

- **57 km of motorways**
- **1350 km of expressways**
- **123 km of city ring roads**

Bank Gospodarstwa Krajowego handles the underwriting of government guaranteed National Road Fund (NRF) bonds.

The Capital obtained by issuing bonds is used to fund KFD operations.

These bonds may have various maturities - 5, 10 years or more. The volume and schedule of issuance in different years are based on cash flow needs of NRF, and analysis of market conditions, supply and demand for government securities in a given time period.

In 2012 PLN 3.7 million worth of 10 year bonds were sold in auctions conducted in June. In 2012 cash inflows from sale of obligations amount to 16% of the NRF budget.

26 EIB finance contracts signed between 2001 and 2014

Total value – approx. 8,7 bilion euro

Including:

Finance contracts running: 17

Finance contracts completed: 9

Contracts to be signed soon: 2

Under appraisal till the end of 2014: 2

A1 Motorway, section Gdańsk – Toruń

Concessionaire: Gdańsk Transport Company S.A.

End of concession: VIII 2039

Stage I Gdańsk – Grudziądz

Length: 89 km

Construction period: XI 2005 – X 2008

Total Cost: 0,66 billion euro (cost of construction 0,5 billion euro)

Stage II Grudziądz – Toruń

Length: 62 km

Construction period: VIII 2008 – X 2011

Total Cost: 1,1 billion euro (cost of construction 0,7 billion euro)

Toll revenues (National Road Fund): 236,5 million zł (2010 – VI 2014)

A2 Motorway

- **Section I Nowy Tomyśl – Konin (149 km)**

Concessionaire: Autostrada Wielkopolska S.A.

End of concession: III 2037

Construction period: 2001 – 2004

Total Cost: 875 million euro (cost of construction: 622 million euro)

- **section II Świecko - Nowy Tomyśl (106 km)**

Concessionaire: Autostrada Wielkopolska II S.A.

End of concession: III 2037

Construction period: 2009 – 2012

Total Cost: 1,6 billion euro (cost of construction: 1,3 billion euro)

Toll revenues (National Roads Fund): 7,3 million zł (V 2012 – VIII 2014)

A4 Motorway

- section Katowice – Kraków (61 km)

End of concession: III 2027

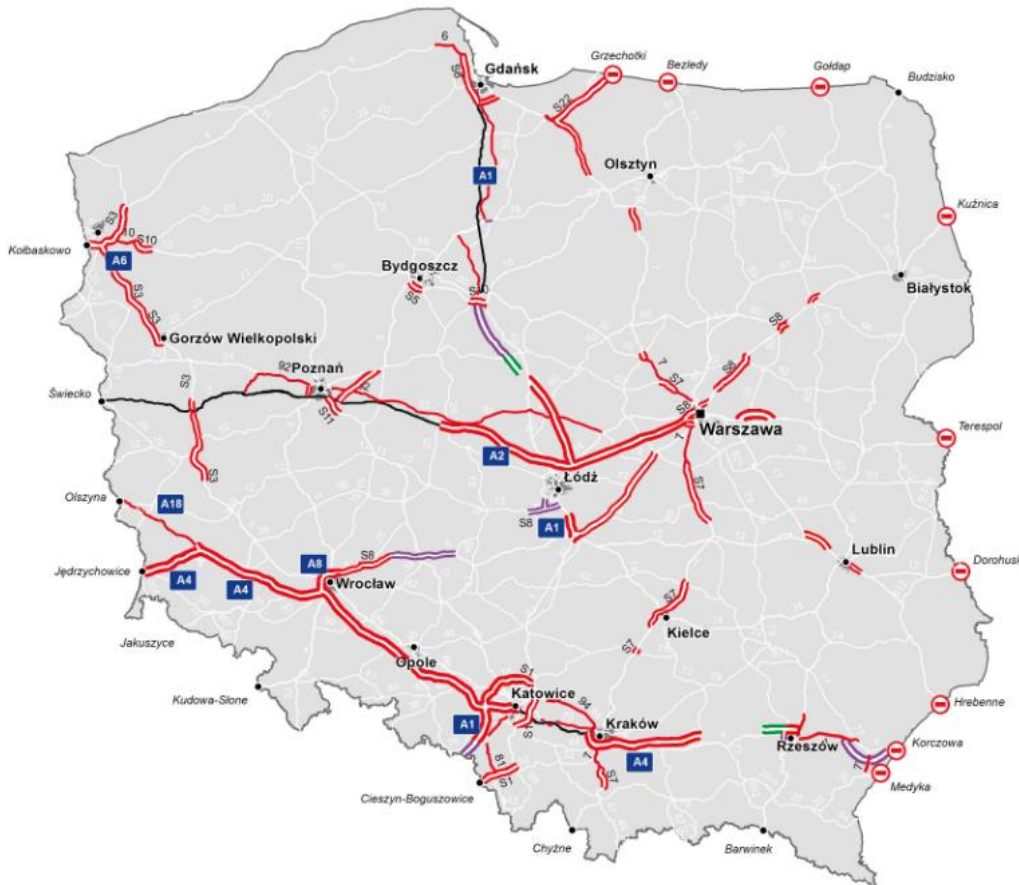
Concessionaire is obligated to adapt and maintenance existing motorway

The viaTOLL system is obligatory for all motor vehicles and combination of vehicles with a maximum permissible weight of over 3.5 tonnes and for buses regardless of their maximum permissible weight.

According to the Act of 21 March 1985 on public roads, electronic toll collection applies in Poland on toll motorways, expressways and selected national roads.

All viaTOLL system incomes will be forwarded to the National Road Fund. They will be spent on further investments in the development of the road network in Poland and the modernization of the existing road infrastructure.

Electronic Toll Collection



Incomes from Toll Collection

	2011	2012	2013	2014*	2015*	2016*	2017*	2018*	Σ
Income from ETC [000 PLN]	343 642	813 742	1 007 737	1 406 603	1 503 700	1 628 342	1 720 078	1 577 473	10 001 317
Income from MTC [000 PLN]	33 758	131 567	184 534	165 106	169 716	176 029	376 350	338 652	1 575 712
SUMA	377 400	945 309	1 192 271	1 571 709	1 673 416	1 804 371	2 096 428	1 916 125	11 577 029

*Forecast

The viaTOLL system is based on a short-range, wireless communication technology. This system consists of several basic elements and its operation can be best summarized as follows: Toll gantries fitted with antennas are located above the toll roads. The antennas enable communication between the transceivers and the viaBOX device mounted in the vehicle. Each time the vehicle equipped with viaBOX device passes beneath the gantry the driver is charged for travelling on a particular section of toll road. The driver is also notified about it by a single beep of the viaBOX device. The toll collection is entirely automatic, and there is no need to slow down or stop.

The viaTOLL system operates on state toll motorways and vehicles equipped with the viaBOX device are able to use the designated electronic toll collection lanes. When such a vehicle approaches the barrier at the toll booth, the barrier will open automatically.



Thank you for your attention

www.gddkia.gov.pl