

Substitute plan of motorway construction instead of PPP

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The Ministry of Transport has prepared an alternative plan of motorway construction funded directly from the national budget in case the three public-private partnership (PPP) projects on D1 motorway and R1 expressway do not go through. However, there is still the problem of their funding and the delay of 5 to 8 months vs. the PPP projects because of the public procurement and the change of the Operational Programme Transport. The Ministry therefore recommends to the Ministry of Finance to prepare funding directly from the national budget as a non-binding substitute solution. This money should come outside the framework of the current budget category and should amount to about EUR 232.36 million in 2009 and about EUR 829.85 million in 2010.

According to the Ministry of Transport it will be necessary to implement the alternative motorway construction plan based on national budget funding when the PPP projects fail due to insufficient financing from banks. "The situation remains unchanged. The financial crisis has narrowed the options for banks that apply for the concession down to a minimum," said the Ministry. Funding of construction of R1 sections between Nitra and Tekovské Nemce can be provided without multilateral banking institutions, such as the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB).

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