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PPP PROJECT D3/R3 – CONSTRUCTION AND FINANCING OF D3/R3 ROAD SECTIONS

I. General project information

Project	Construction, maintenance and operation of selected sections of the D3 motorway and the R3 speedway.
Public authority	Ministry of Transport
Strategy	The project strategy is to improve the traffic serviceability of the South Bohemian region – link the city of Prague to the Tábor and České Budějovice area to the national network of motorways in the Czech Republic and Austria by means of the new D3 motorway.
Project aim	Provide for the construction, financing, maintenance and operation of a section of the D3 motorway and the R3 speedway using the PPP method. To ensure the optimal form of financing providing the maximal savings on public resources.
Project description	This project comprises: (i) operation and maintenance of sections 0305/II to 0308/B (approx. 42.11km) and (ii) construction, maintenance and operation of sections 0308/C to 0312/II (approx. 71.4km). The length of the whole sections in the project is approx. 113.5km. The proposed D3 route is a part of the main international road E55, which connects Scandinavia with Germany, the Czech Republic, Austria, Italy and Greece. The D3 motorway is also incorporated in the supplementary TINA network of key European traffic routes. The planned length of the D3 motorway is 171.4km in total, of which 8.3km are already in full use, 17.7km are in limited use and 145.5km are being prepared for construction.
Status	The Outline Business Case was approved by Government Decree No. 1304 on 20 October 2008. This resolution also assigned the Minister of Transport to launch selective procedure and to inform the Government about its results.
Team of advisors	Legal advisors: Weil, Gotshal and Manges Financial advisors: ING. Bank N.V., Facility s.r.o.
Capital value	The investment costs are estimated at about CZK 28.4 billion.

II. Envisaged characteristics of the PPP project

Note

The information contained below (*) is just a preliminary projection made by the Authority and shall not be in any case deemed as binding. The final information will be specified when the concession dialog on the Project Agreement is over.

PPP form*

DBOT (Design, Build, Operate, Transfer)

Contract duration*

The term of operation of the motorway by the concessionaire shall be 30 years from its setting into operation or from the assignment of each functional section.

Risk transfer*

The private partner will bear the key risks – construction, availability and service risks.

Payment mechanism*

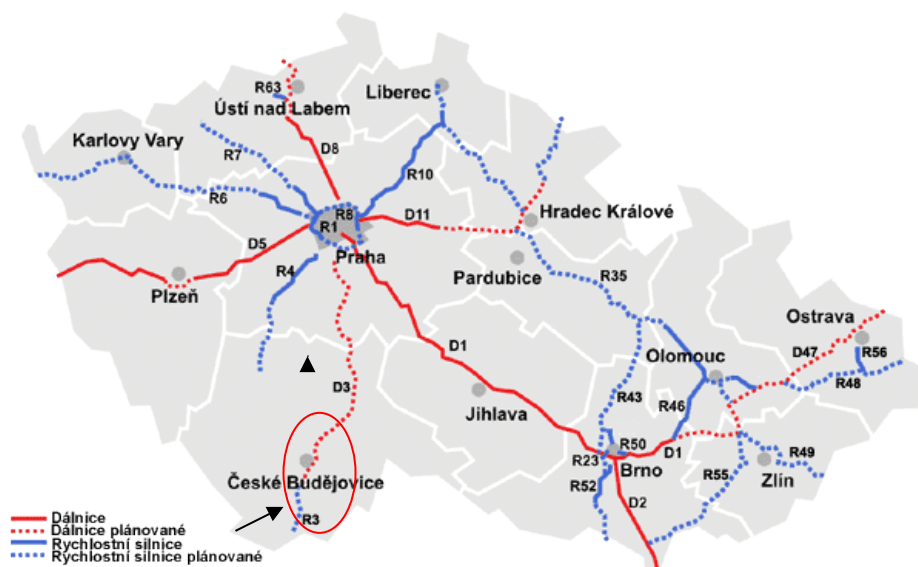
Availability fee payment.

Project schedule*

Year	2007				2008				2009				2010				2011			
Activities/quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Preparation of Outline Business Case (OBC)																				
OBC approval																				
Selection of concessionaire																				
Execution of project Agreement																				
Construction commencement																				
Operation commencement																				

** A valid schedule containing the subsequent steps has not been approved yet.

Map



PPP Centrum
Czech Republic

PPP Centrum is a center for PPP implementation in the Czech Republic; it is fully owned by the Czech Republic and reports to the Ministry of Finance.

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