

# Poland: EIB supports modernisation of railways with EUR 650 million

From Gdańsk to Katowice, over 1,000 kilometres of Polish railways will be modernized and upgraded with the help of a EUR 650-million loan from the European Investment Bank (EIB) announced today. EIB funds will help finance 15 different segments of railway infrastructure across the country, improving train speeds and passenger comfort, and saving nearly 50,000 tonnes of CO<sub>2</sub> per year by shifting traffic from road to rail.

The segments are part of the Polish Master Plan for Railway Transport to 2030. The works will be implemented by the state owned Polish rail infrastructure manager PKP Polskie Linie Kolejowe over the period 2016-2023 and will be mostly located on the Trans-European Transport Network ("TEN-T"), including the core Baltic-Adriatic Corridor.

They include the modernisation of the railway accesses to the major Polish ports like Gdańsk, Gdynia, Świnoujście and Szczecin, and works on the 'Centralna Magistrala Kolejowa' ('CMK'), the only high speed line in Poland, between Warsaw and Katowice.

Other project components are spread throughout the Polish territory, notably in the industrial areas in the south east, and are expected to support economic growth coherently with the EU's and Poland's wider convergence and cohesion objectives.

"The improvements on Polish railways over the past decade have been enormous. I'm glad that the EIB has been able to spearhead change by providing long-term affordable finance for the network including the current loan," said EIB Vice President Vazil Hudak, overseeing the bank's operations in Poland. "This latest transaction is particularly important in the light of Poland's growing international role in climate action efforts and its presidency of COP24 in Katowice next year".

The EIB has financed Polish railways with investments worth 2.8bn over the past 13 years. This latest loan represents a variant of the railway financing model used so far, as it does not simply follow the usual pattern of co-financing of EU grants, but it also includes a number of smaller projects which do not otherwise benefit from the EU support.

"Modernization of the railway infrastructure is an example of exemplary cooperation between the Polish Government and the EIB in the area of supporting projects in our country. Thanks to this contract and the very favourable financial conditions, I am confident that the implementation of the project will contribute relevantly to the sustainable development of infrastructure in Poland, which is very important to the economy and life quality of Poles", said Deputy Prime Minister Mateusz Morawiecki.

"Funds provided by European Investment Bank will enable the improvement of

travel comfort on long distance routes and in regions and agglomerations. Railway will become more competitive mean of transport. Transport of goods will be facilitated, among others on the connections to ports. Modernization of important routes on the Trans-European Transport Network (“TEN-T”), including the core Baltic-Adriatic Corridor will positively influence the development of international trade exchange” said Mr. Ireneusz Merchel, President of PKP Polskie Linie Kolejowe SA.

#### **Notes for editors:**

On November 9th, 2017, the EIB has signed with the Polish Ministry of Finance an agreement for a EUR 650m loan aimed at financing 15 schemes of railway infrastructure upgrading, modernisation and selective renewal covering an overall length of around 1,150 km. The schemes are part of the Polish Master Plan for Railway Transport to 2030 approved by the Polish government.

The project will help achieve climate action goals thanks to the modal shift of freight and passenger traffic from road to rail. The schemes will allow for greenhouse gas emissions savings estimated by EIB at 47,000 tonnes of CO2 equivalent in an average year of operation over a 30-year assessment period.

#### **About the European Investment Bank (EIB):**

The European Investment Bank, the European Union’s long-term lending institution, is committed to supporting implementation of the Paris Climate Agreement and backing climate-related investment around the world.

The EIB, active in more than 130 countries, is the world’s largest financier of climate-related investment and largest single issuer of green bonds. A quarter of all EIB financing supports climate action and the EIB is committed to providing USD 100 billion for climate related investment in the five years up to 2020.

At COP23 in Bonn, EIB climate experts and senior management will highlight the EIB’s broad support for climate investment in diverse sectors, announcing a number of new policy initiatives and project investments. A regularly updated agenda of EIB events and contacts can be found [here](#).