

Czech Republic: EIB signs a CZK 2.57 billion loan with the South-Moravia region to modernise passenger trains and increase the efficiency of railway services



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- **Financing for 37 new electric trainsets**
- **Current comfort, accessibility and environmental standards applied**
- **Improving major suburban and regional connections**

The European Investment Bank signed a CZK 2.57 billion loan (equivalent to EUR 97 million) with Jihomoravsky kraj, the South Moravian Region of the Czech Republic, to support the replacement of obsolete rolling stock and improve the availability and reliability of the fleet, in order to increase the attractiveness of the railway services in the region.

The project consists of the acquisition of 37 electric trainsets to be used in the South Moravia region mainly on lines S2 Letovice – Brno – Kfenovice and S3 Khzanov – Tisnov – Brno – Vranovice – Bfeclav. The rolling stock will be used for suburban and regional passenger connections.

EIB Vice-President Lilyana Pavlova said: *“Our partnership with Jihomoravsky kraj will strengthen the connection of the two major train lines in the region and make daily trips more efficient for many Czech citizens. By applying current environmental standards and promoting sustainable public transport, this project will contribute to supporting the transition of the*

Czech Republic to a low-carbon economy, in line with the objectives of our recently approved [EIB Climate Bank Roadmap](#) and the Transport Policy of the Czech Republic.”

„I am glad that this project dedicated to the purchase of new trains has been completed thanks to the cooperation between our region and the European Investment Bank. After all, train sets, which are almost half a century old, still run on rails in our region. Rejuvenation of this fleet is therefore a necessity. Although this is the largest-ever investment for the region, it has its own logic. Already when establishing its integrated transport system, the South Moravian Region chose railway transport as the backbone of the entire system.” emphasized **Jan Grolich, Governor of the South-Moravia region.**

The new passenger trainsets will meet current standards in terms of comfort, accessibility and environmental standards, and enable the operator to deliver a high quality service in line with growing expectations of passengers.

The project is linked to the “Transport Policy of the Czech Republic for the period 2014-2020 with a view until 2050” which aims at developing alternative to individual transport, among others by supporting the competitiveness of railway passenger transport. The project is also implemented within the framework of the “Operating Programme Transport” and the departmental programme “Purchase and Modernisation of Railway Vehicles”.

It complements other EIB financed projects in Czech Republic, related to the modernisation of infrastructure, and in particular the [Czech Railway Infrastructure Rehabilitation](#) project, aimed at modernising several sections of the rail infrastructure in the country, including the two sections Blansko – Adamov and Adamov – Brno, line S2. The project is to be co-financed by EU grants from the Operational Programme Transport.

Background information:

The **EIB** has worked with the [Czech Republic](#) since 1992 and invested in infrastructure, small businesses, environment and innovation. Since start of operations in Czech Republic, the EIB provided € 22.51 billion of financing to 185 projects.

[EIB's sustainable transport overview](#)

About the South-Moravia region

The South Moravian Region is located in the south-eastern part of the Czech Republic near the borders with Austria and Slovakia. The advantage of the region is an excellent transport accessibility and strategic location at the crossroads of the trans-European road and rail long-distance routes which are important arteries connecting Western Europe with Eastern and Northern Europe with Southern.

The South Moravian Region belongs to the regions with significant economic potential. Especially in recent years the number of business entities in the field of computing technologies, telecommunications, software development and others hi-tech fields has been growing. The South Moravian Region

significantly supports the development of technological and biotechnological incubators intended for start-up companies. The above-average education level of the region's population is due to the high quality system of universities and higher education in general.