

CARRYING INVESTMENT PROJECTS, PERSPECTIVES AND CHALLENGES

Introduction to the panel discussion

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A PARADOX

1

A renewed european ambition

- **Ambition : objective of carbon neutrality by 2050 in the EU & reduction of transport sector emissions by 90%**

- **Urgency : Double high speed passenger traffic by 2030 & freight traffic by 2050**

2

An increased difficulty to launch and to deliver projects

- **Lack of fresh money**

- **Skill shortages**

- **More stringent regulations for greenfield projects & stronger local opposition (noise, biodiversity, ...)**

- **Costs and Delays in complex environments**

HIGH SPEED LINES CARRY HIGH SOCIO-ECONOMIC VALUE, BUT PUBLIC SECTOR FUNDING REMAINS NECESSARY

	Socio-economic internal rate of return	Public sector funding (% of total investment)
LGV Paris Lyon	16,5%	0%
LGV Atlantique	23,4%	30%
LGV Nord	20,3%	4%
LGV Méditerranée	12,2%	11%
LGV Est phase 1	8,5%	77%
LGV Rhin Rhone	7,8%	76%
LGV Est phase 2	5,7%	74%
LGV SEA	8,3%	45%
LGV BPL	8,8%	57%
LGV CNM	9,9%	76%

INDUSTRIAL AND ENGINEERING CAPACITY

THE CHALLENGE OF SKILL SHORTAGE



**within IMs,
especially for
signaling**



**within the rail
industry at
large**

**Outsourcing is
no panacea**



ENVIRONMENTAL AND REGULATORY REQUIREMENTS & POPULAR ACCEPTABILITY

- ▶ Increased number of projects concerning densely inhabited areas
- ▶ Increased focus on biodiversity and local pollution

Additional regulatory and environmental requirements

Sensitivity of public living near the infrastructure (works, noise,..)

Additional costs

Extended duration

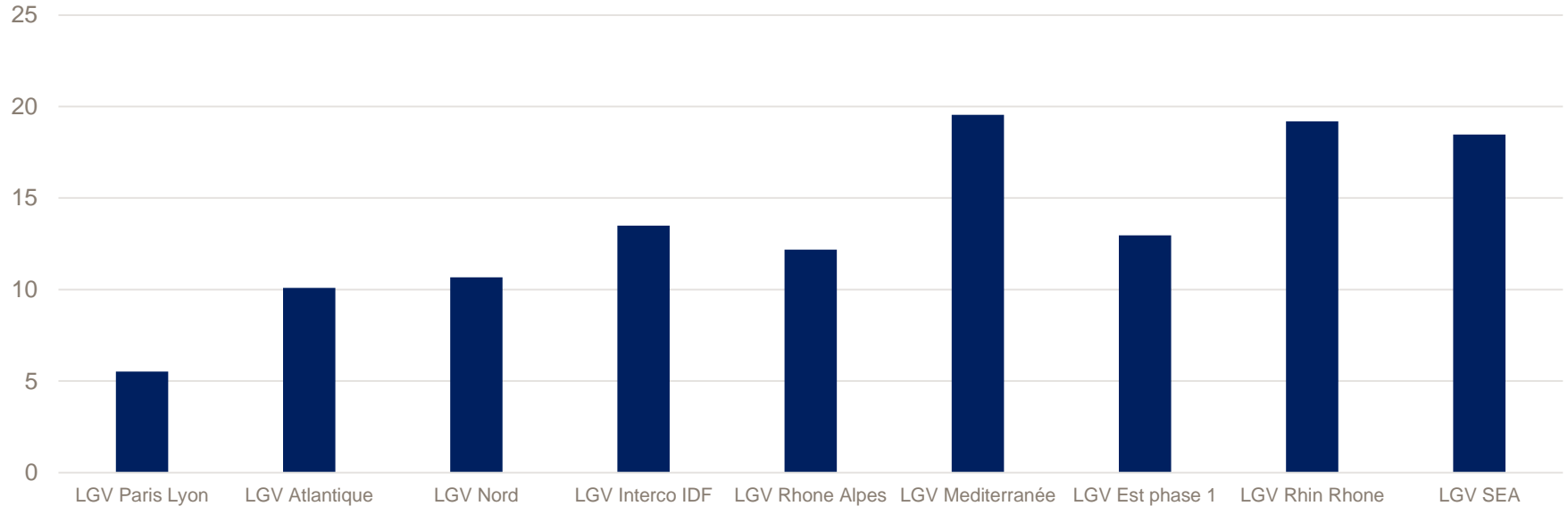
Increase in legal recourse



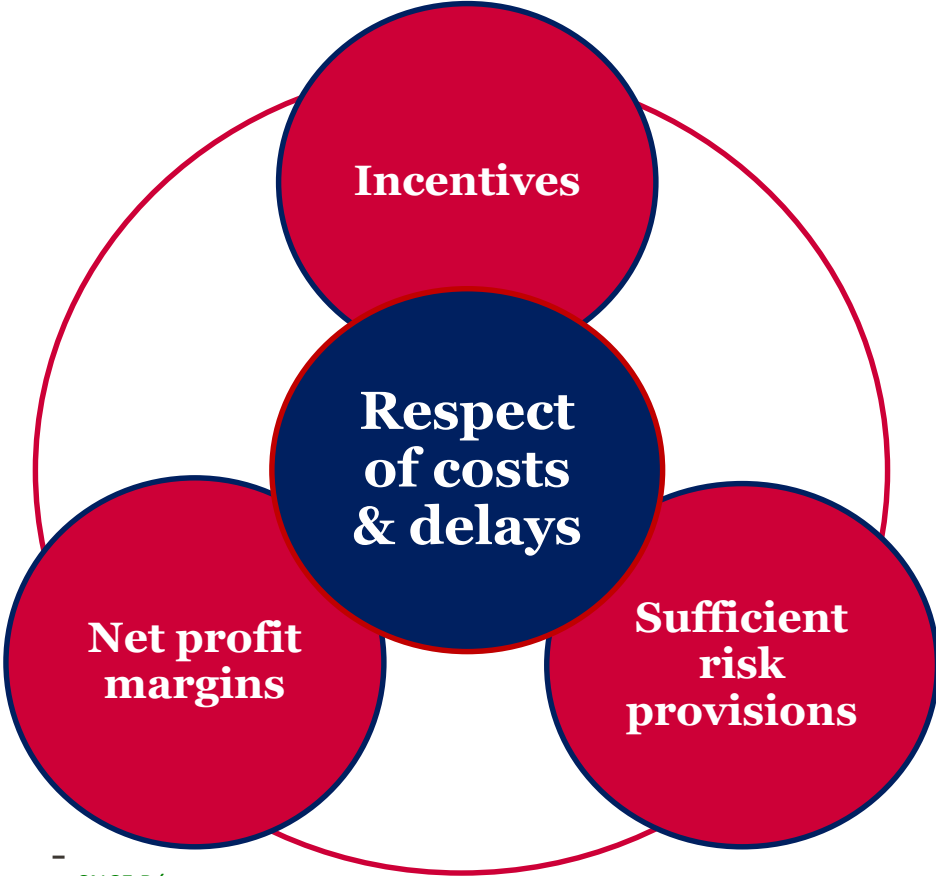
NOM DE L'ENTITÉ

INCREASING COST OF HIGH SPEED LINES

The increasing cost of high speed lines (M€2010/km)



COSTS AND DELAYS : THE RESPONSIBILITY OF IMS



Infrastructure managers must focus on :



Accurate evaluation of costs



Correct risk provisions

MAIN IMPLICATIONS

1

LONG TERM FINANCIAL VISIBILITY AS AN INCENTIVE TO INVEST IN INDUSTRIAL CAPACITIES AND HUMAN RESOURCES

2

GO SLOW TO GO FAST: MATURE PROJECTS HELP AVOID UNEXPECTED COST INCREASE & ADDITIONAL DELAYS

3

LOCAL DISCUSSIONS AND ARRANGEMENTS WITH STAKEHOLDERS ARE BETTER THAN STRICTER REGULATIONS

4

ECONOMIC MODEL MUST INCLUDE DULY ASSESSED RISK PROVISIONS AND INCENTIVES