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## Railway Concessions and BOTs

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Set out below are sample contracts related to freight networks, highspeed lines, as well as conventional lines. For more information on PPP projects related to urban passenger transport, including metro and light rail projects, visit [Urban Passenger Transport](#).

### Armenia

[Concession Agreement on the Transfer of the Armenian Railway System to the “South-Caucasian Railway” Closed Joint-Stock Company Created by “Russian Railways” Closed Open Joint-Stock Company](#) - Concession agreement between the Republic of Armenia (“Concedent”), the South-Caucasian Railway (“Concessionaire”) and the Russian Railways (“Guarantor”) to modernize and operate the Armenian Railway.

### Australia

[Standard form Project Deed](#) issued by the Victorian state government for linear infrastructure (e.g. roads, rail) PPP projects, based on an “availability” model. For the Key features of the agreement, [read more...](#)

The Victorian government publishes a broad range of standard form PPP documents for infrastructure projects on its [website](#).

## Brazil

[Mining-Related Railway Concession](#) (Portuguese with summary in English) - Concession agreement between the Brazilian state and a consortium of several mining companies. The concession agreement grants the Concessionaire a 30-year concession to develop and operate a 1,674 km railway line that serves as a freight transportation link to the region's main ports. The concessionaire can charge a “commercially interesting” fee observing upper and lower limits, the latter being the “long-term variable costs.” The preservation of the “economic and financial equilibrium of the contract” is a right of the concessionaire to account for local currency fluctuations in purchasing power. See also sample [Leasing Agreement](#).

[Highspeed Rail Link from Rio de Janeiro to Sao Paulo](#) - Draft bidding documents including draft concession agreement, draft request for proposal and draft shareholder's agreement (Documents in Portuguese with summary in English).

## European Union (EU)

France/United Kingdom – [Channel Tunnel Fixed Link](#) - Concession agreement between the United Kingdom and France and the Concessionaires (The Channel Tunnel Group Limited and France-Manche S.A.) regarding the development, financing, construction and operation of a fixed link across the English Channel between the United Kingdom and France. The website of the [Channel Tunnel Intergovernmental Commission \(IGC\)](#) provides more information on the legal framework for the Channel Tunnel.

United Kingdom - [Channel Tunnel Railway Link \(High Speed 1\)](#) - Concession agreement between the Secretary of State for Transport and High Speed 1 Limited (HS 1 Limited). The agreement regards the design, construction, financing, operation, repair and maintenance of the high-speed railway link from St. Pancras Station in London to the Channel Tunnel that connects with the international high-speed routes between London and Paris, and London and Brussels.

## India

The Indian Ministry of Railways (“**MoR**”) launched a [Participative Policy](#) in December 2012 to promote rail connectivity and capacity augmentation projects under 5 possible models:

- Non-Government Private Line model;
- Joint Venture (“**JV**”) model;
- Build, Operate and Transfer (“**BOT**”) model;
- Capacity augmentation with funding by customers; and
- BOT Annuity model.

The MoR has published an [Overview](#) of this framework describing the key features of these models.

It has also issued a [model concession agreement](#) for the development of railway projects on a Design, Build, Finance, Operate and Transfer (“**DBFOT**”) model. This model agreement is between the President of India represented by the MoR and a private company (“Concessionaire”).

The tariff and payment mechanism in the model concession agreement provides an example of how the demand / revenue risks of a PPP project may be shared between the concessionaire and the government. It also contemplates a couple of other arrangements which are important to consider in the structuring rail PPPs, such as government participation in the governance of the project entity and the retention of certain key operational functions by the government. For the key features of the model concession agreement, [read more...](#)

## Peru

[Contrato de Concesión de los Ferrocarriles del Sur y Sur Oriente](#) (Spanish) - Concession agreement between Peruvian state and a private entity (Ferrocaril Transandino S.A. - FTSA) regarding the southern (Matarani/Mollendo to Cusco) and the southeastern (Cusco to Machu Pichu) railway lines. The term of the concession is 30 years (extendable). The conceding authority transfers the right to use fixed assets and rolling stock for passenger and freight services to the concessionaire. Main obligations of the concessionaire include the upgrading and rehabilitation of the railway infrastructure (including signaling and telecommunication systems), rehabilitation of rolling stock, and improvement of the operational performance. The concessionaire has the obligation to provide open access to other railway operators on a non-discriminatory basis and upon payment of a track access charge. Track access charges need to be approved by the [regulator](#). Click [here](#) for more information on a track access agreement drafted for this railway network.

## Sub-Saharan Africa

### General

[Concessioning of the Ifrikya Railway](#)- a Case Study by Karim-Jaques Budin, Sub-Saharan Africa Transport Policy Program (SSATP), Working Paper No. 64, World Bank, May 2003 (English and French). The case study includes a sample railway concession agreement (section 3) drafted for a state in Sub-Saharan Africa.

For more information on railway concessions in Sub-Saharan Africa see [Further Reading and Resources](#) and visit the website of the [World Bank - Sub-Saharan Africa Transport Policy Program](#).

### Guinea

#### [Pro-forma Rail Convention](#)

The sample Rail Convention provides an example of an agreement on a “build-operate-transfer” model. It is to be signed by the State, the infrastructure owner entity (who will construct the rail infrastructure) and the operating entity (who will operate the rail infrastructure).

Given that in this model, it is private entities who will bear the risk of the financing, design, construction and operation of the port, the Convention is drafted to obtain optimal rights and security for those entities. This represents one model for PPP projects, where project risks and upsides are substantially transferred to the private sector. For the key features of the Pro-forma Rail Convention, [read more...](#)

#### Related Content

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- [Public Private Partnerships in Ports / Port Reform](#)

- [Public-Private Partnerships in Roads](#)
- [Railway PPPs](#)
- [Urban Passenger Transport](#)
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- [Gender & Transport Projects](#)

#### Additional Resources

- [Concessions Build-Operate-Transfer \(BOT\) and Design-Build-Operate \(DBO\) Projects](#)
- [Concession Agreements](#)
- [Railway Concessions and BOTs](#)

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