

# KfW IPEX-Bank

## Transforming Rail Travel in Central and Eastern Europe



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**C**entral and Eastern Europe (CEE) is joining the high-speed rail (HSR) revolution.

After decades of little investment in many parts of its rail infrastructure, it's great to see large projects like Centralny Port Komunikacyjny's (CPK) Transport Hub and Rail Baltica taking shape.

These projects are part of the wider Three Seas Initiative, a forum of 12 countries spanning the Adriatic, Baltic and Black Seas and covering a third of the EU region, which aims to improve transport, energy and digital connections along the EU's north-south axis.

Under this initiative HSR networks are being developed that will connect neighbouring countries, eventually creating an integrated HSR network from Poland and the Baltics down to Croatia that is forecast to be 4,500km in length by 2050.

*In the words of Mikolaj Wild, CEO of CPK, "This is a unique one-of-a-kind time in our history, when functioning together in the region, we can create an unrivalled rail transport offer that will bring about an economic domino effect, giving a boost to other industries and sectors."*

When complete, these projects will provide faster



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and more comprehensive networks that improve connectivity across the entire continent. But as well as offering better connections across Europe, the aim is to move passengers travelling distances of around 400–800km away from short haul flights to HSR alternatives.

Not only will this support economic growth, as Wild highlights, but also sustainability, as it becomes more attractive for travellers to choose rail over road or air.

### Centralny Port Komunikacyjny (CPK)

This will make a huge difference in Poland, for example,

which is known for its slow train speeds. In 2022 **82.4% of Polish rail lines had a maximum speed of 60km/h, down from 88.1% in 2014** – making it clear that much still needs to be done in order to get people out of their cars and on to trains.

CPK’s mega project aims to reach this tipping point through the construction of a new airport and **the country’s first HSR network** between Warsaw and Lodz. This 140km line will reduce travel times between the two cities from 90 to 45 minutes.

CPK’s end goal is to build a 2,000km-plus HSR network

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**Mikolaj Wild, CEO of CPK**

that connects all major Polish cities to the new, centrally-located airport, which will also function as a rail hub, but it’s also looking to improve international travel links, including the feasibility of a new HSR line between Warsaw, Lviv and Kiev.

## Rail Baltica

Rail Baltica’s goal, on the other hand, is to integrate the Baltic states with the rest of the European rail network after a gap of almost 80 years. Prior to World War II the Baltic States were connected to Europe with 1,435mm standard-gauge rails, but since then they’ve been linked to an east-west rail axis using Russian gauge 1,520mm rails.

The largest Baltic region infrastructure project in the last 20 years, when complete the fully electric, 870km-long HSR network will link Helsinki, Tallin, Parnu, Riga, Panevezys, Kaunas, Vilnius and Warsaw.

It’s considered a priority transport project by the European Union (EU), as it will remove bottlenecks, build missing cross-border connections and promote modal integration and interoperability.

## Trans-European Transport Network (TEN-T)

These projects will become part of the EU’s TEN-T, which aims to strengthen the Union’s economic, social and territorial cohesion by creating seamless transport systems across borders without physical gaps, bottlenecks or missing links.

Another goal is to reduce the environmental impact of transport and to increase network safety and resilience. There are a total of nine core TEN-T corridors, and both projects will be part of the North Sea-Baltic

corridor. Many other projects from the 3SI look set to be incorporated into different corridors, depending on their location.

## Financing Large-Scale Infrastructure Projects

The projects discussed are or will receive funding from the EU, but will need further funding to reach completion.

**KfW IPEX-Bank** is experienced in arranging financing for large scale rail infrastructure projects, including financing of the rail infrastructure as well as the acquisition of rolling stock.

One example of the bank’s support of the modal shift from road to rail in the region comes in the form of recently closed **Green Loan** financing with Polish freight car lessor Eurowagon for up to 800 intermodal railcars.

Within the TEN-T network the KfW IPEX-Bank is a significant financier of locomotives and rail wagons.

An expert in passenger and freight rail financing, KfW IPEX-Bank is open to sharing its expertise in Central and Eastern European projects.

To find out more about KfW IPEX-Bank visit our [website](#) or follow us on [LinkedIn](#).



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