



PERÚ

Ministerio
de Economía y Finanzas



ProInversión
Agencia de Promoción de la Inversión Privada - Perú



**BICENTENARIO
DEL PERÚ**
2021 - 2024

VÍAS que conectan

**Huancayo - Huancavelica
Railway (FHH)**









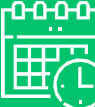


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2. Critical factors of the project.
3. Socioeconomic impact.
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7. Project schedule.





1. GENERAL ASPECTS OF FHH

 <p>MODALITY STATE INITIATIVE CO-FINANCED CONCESSION</p>	 <p>MECHANISM OF SELECTION COMPREHENSIVE PROJECT TENDER¹</p>	 <p>COMPETITION FACTOR LOWEST ECONOMIC OFFER (RPI-Works, RPI-MR², RPD³ and RPMO⁴)</p>	 <p>INVESTMENT USD 263 MM excluding VAT</p>	 <p>CONCESSION TERM: 30 YEARS</p>
 <p>NEW CALL FOR TENDER March 20, 2023</p>		 <p>AWARD Goal: December 2023</p>		

¹ Design, financing, construction - improvement, acquisition of rolling stock, operation and maintenance, and transfer to the grantor at the end of the concession term .
² Remuneration for investment in Works and Rolling Stock .
³ Remuneration for Availability (remunerates investments financed by capital stock) .
⁴ Remuneration for maintenance and operation .





2.1 CRITICAL FACTORS OF THE PROJECT CONSIDERED IN THE NEW CALL FOR TENDER

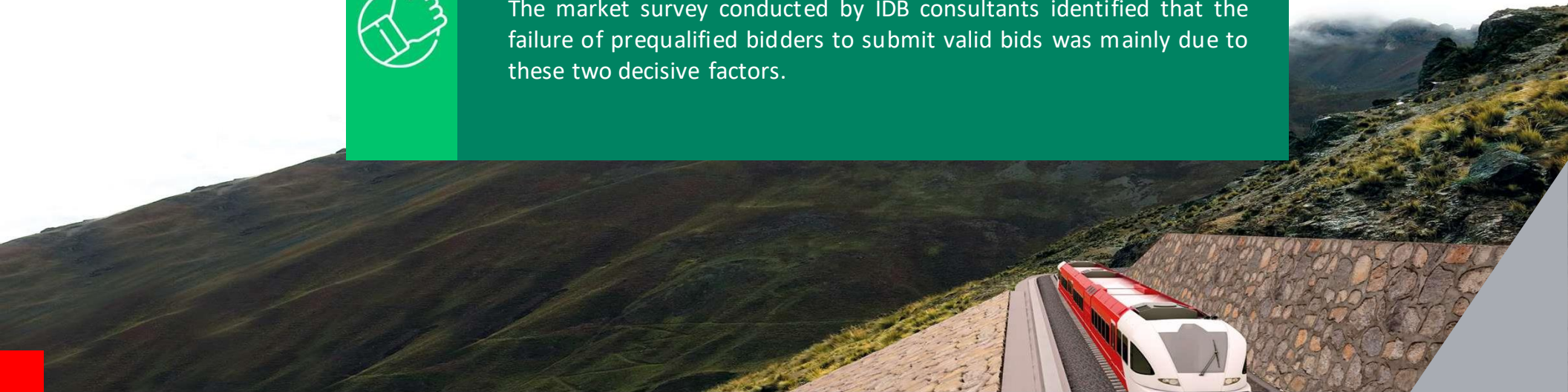


1. Capex update.
2. Review of geologic risk allocation.

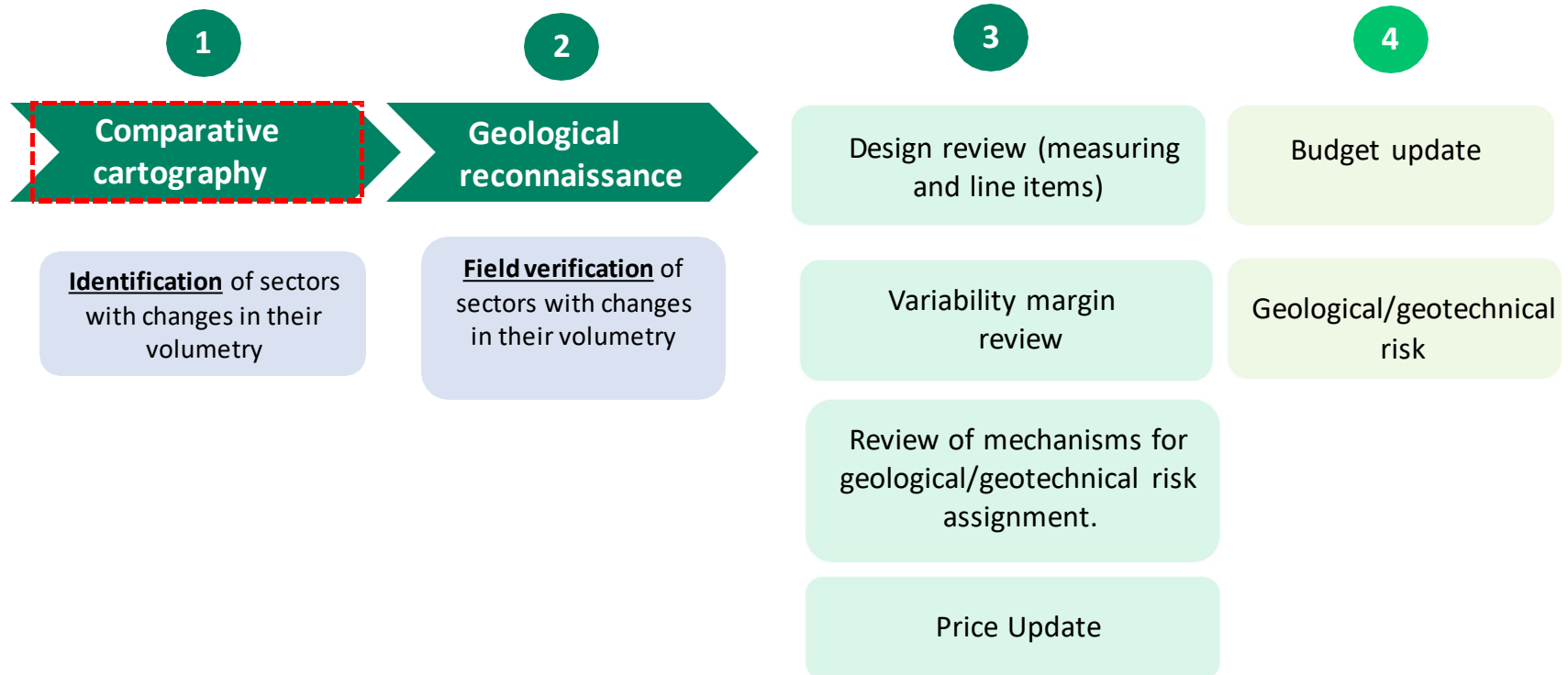


Facts:

The market survey conducted by IDB consultants identified that the failure of prequalified bidders to submit valid bids was mainly due to these two decisive factors.



2.1 CRITICAL FACTORS OF THE PROJECT: ACTIVITIES THAT ARE BEING DEVELOPED



3.1 RESULTS OF THE SOCIO-ECONOMIC EVALUATION



1. The average HDI of the population served exclusively by FHH is 0.20 (extreme poverty zone).



2. Ratio of average investment per inhabitant Province vs. Lima
 a) FHH: **1.8 US\$/m**
 b) Line 2: **2.6 US\$/m**



For every 1 USD invested in the project, a 5-fold impact would be generated. This is because they are located in areas of poverty with low Human Development Indexes.



The FHH connects and integrates populations with the cities, avoiding isolation and allowing access to health, education, labor, commerce and tourism services.



3.2 POTENTIALITIES IN THE FHH

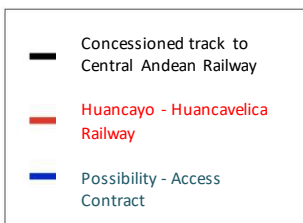
POSSIBLE RAIL SERVICES

La Oroya Station

It has maneuvering yards that can contain 80 cars. Each car can transport up to 70 tons of ore or concentrate. Central Andean Railway trains transport zinc, silver, lead, among others.

Trans-Andean tunnel Project

(Reduction of travel time Lima - Hyo from 14 hrs to 8 hrs)



HUANCAYO TRAVEL GENERATING CENTERS



Jauja Airport
5 min by road from Tambo Railway Station (1.2Km away)



Mall at Los Andes Railway Station



Regional Hospital
7 min by road from Chilca Station (2.km away)



Tourist attractions
Ex. Nevado Huaytapallana



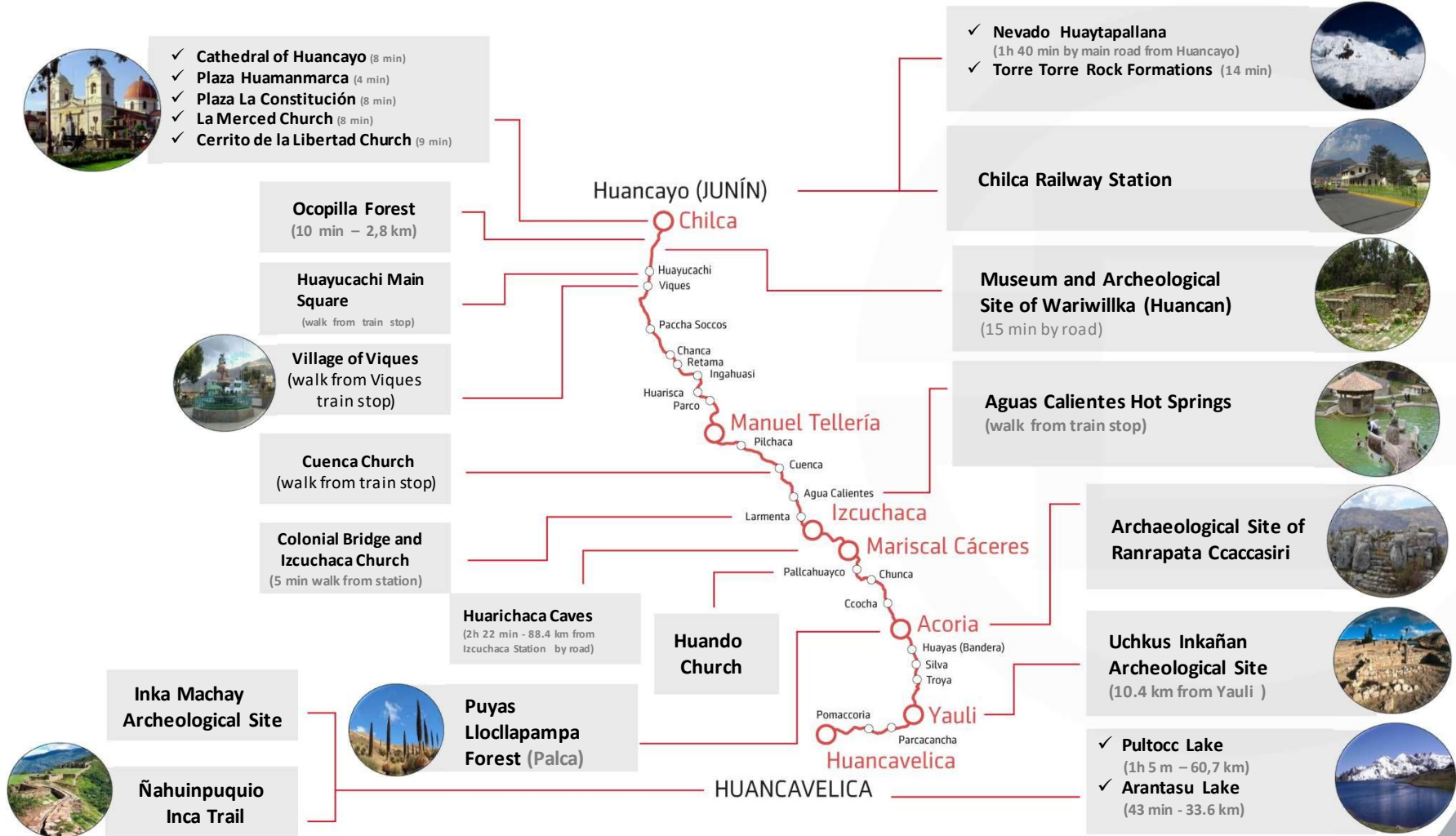
Stadium
5 min by road from Chilca Station (1.2Km away)



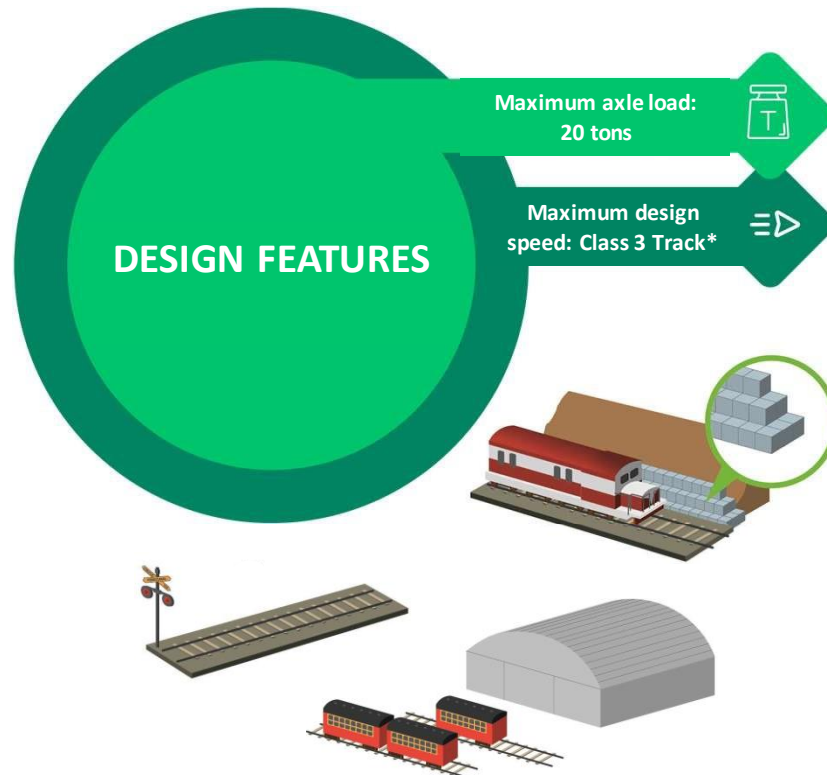
National University of the Center
5 min by road from Railway Station (2.4Km away)

3.3 POTENTIALITIES IN THE FHH

TOURIST POTENTIAL OF THE DIRECT AREA OF INFLUENCE



4.1 RENOVATION OF THE EXISTING TRACK



INTERVENTIONS

- Replacement of the existing rails on the main track and wooden railway sleepers.
- Replacement of existing bridges with new structures designed for a Cooper E-80 loading system.
- Protection and stabilization of slopes and riparian defenses and enlargement of loading gauges.
- Replacement of the tracking change and signaling equipment and the Operations Control Center.
- Use of existing ballast (as sub-ballast, after cleaning and sifting) and placement of new ballast.
- Construction of the longitudinal drainage system (ditches) and improvement of the transversal drainage system along the track.
- Remodeling of the facilities of the Chilca Railway Workshop.
- Construction of exhibition environments for Historic Properties.

* According to the National Railway Regulations, Class 3 Track's maximum allowable speed per section or section is as follows: 64 km/h for freight trains and 96 km/h for passenger trains.

4.2 ACQUISITION OF ROLLING STOCK

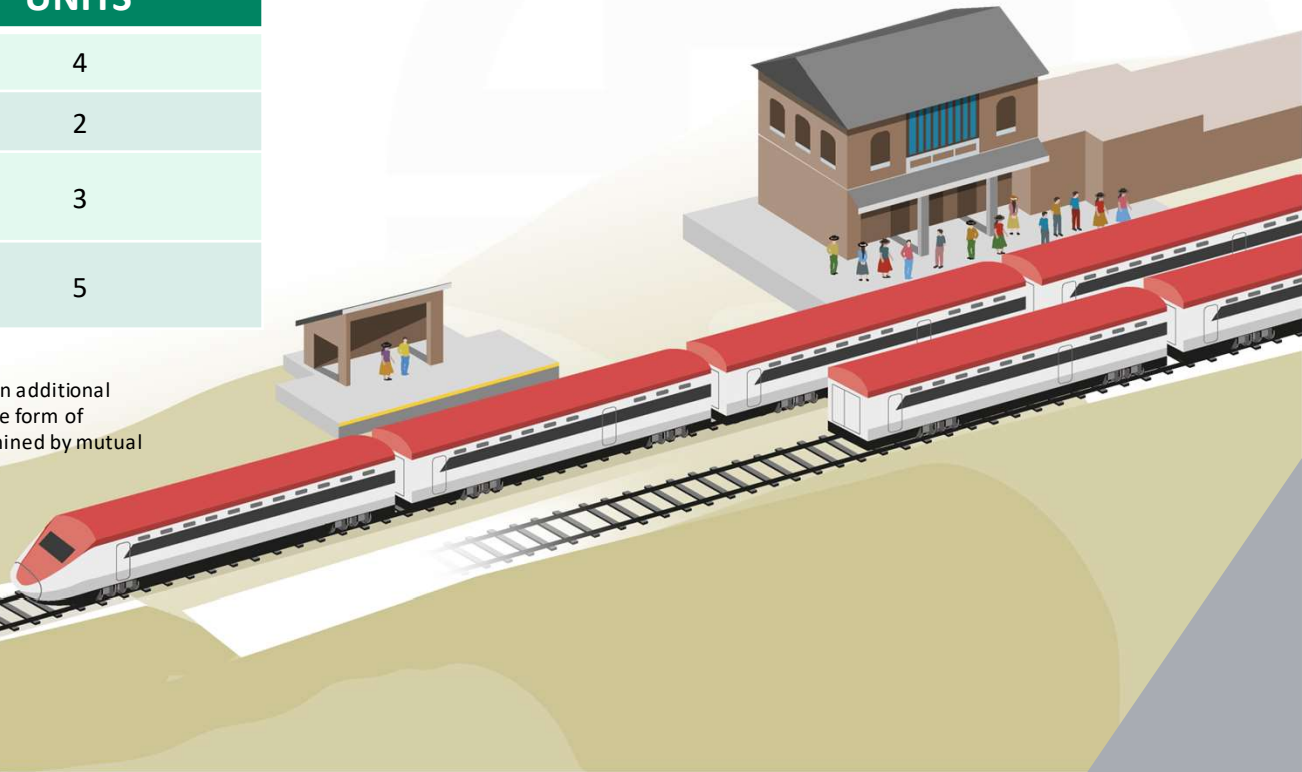
Supply of New Rolling Stock, which must be in accordance with the characteristics of the track, such as: operating altitude, radii, gradients and loading gauges.

The following table shows the minimum requirement of the Project:

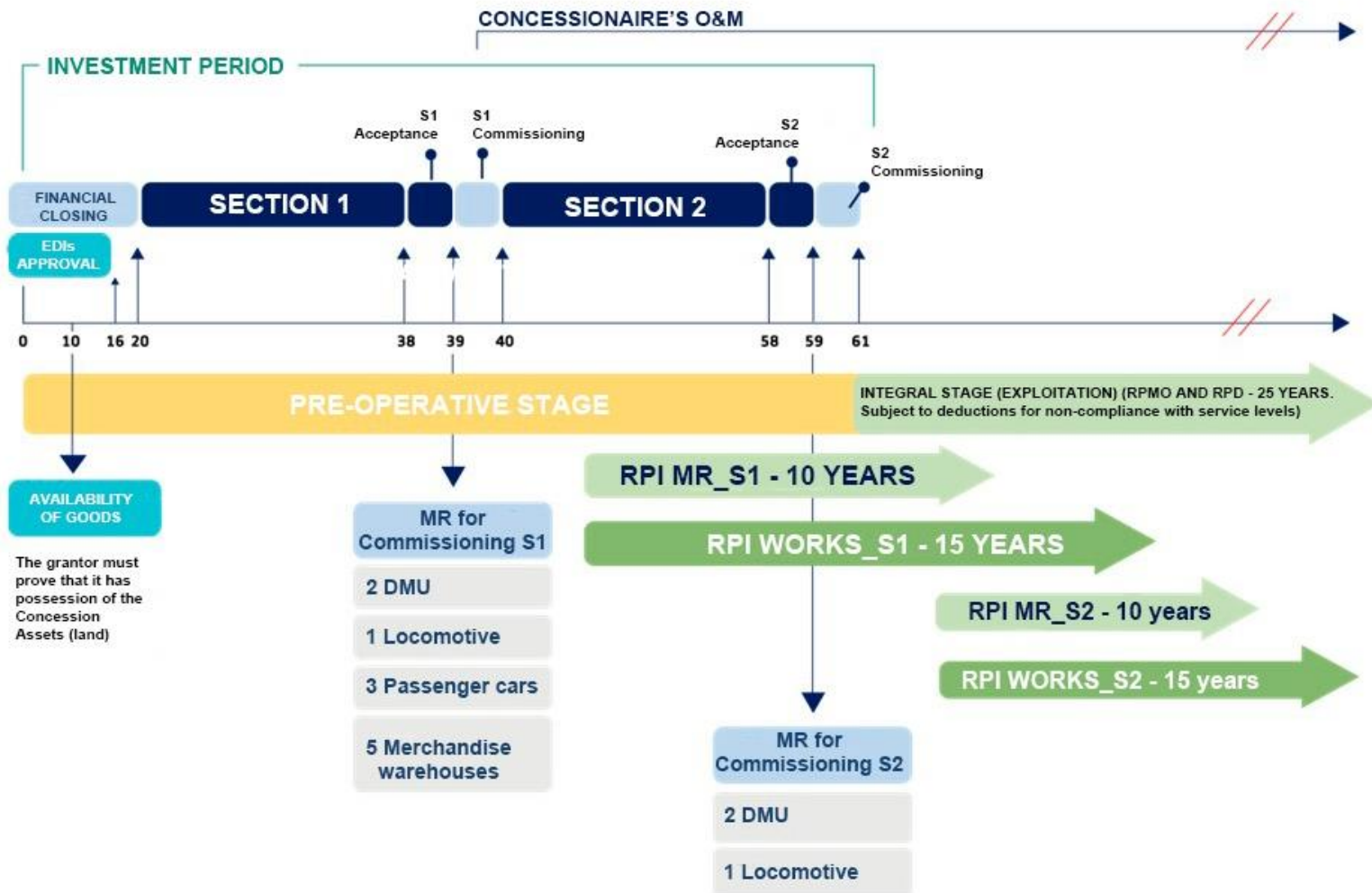
TYPE	UNITS
AUTOMOTIVES DMU (*)	4
LOCOMOTIVES	2
PASSENGER RAILROAD CARS	3
RAIL FREIGHT TRANSPORT	5

(*) 4-car Diesel Multiple Unit.

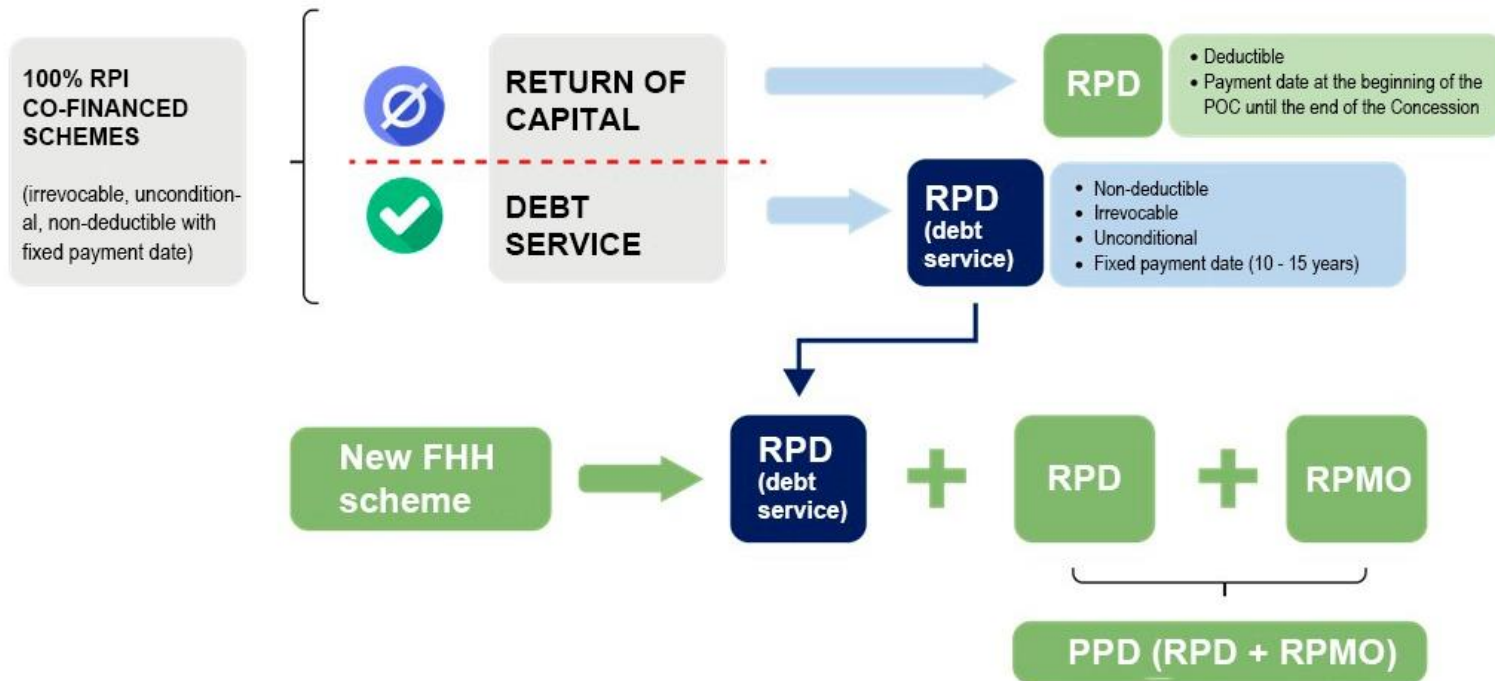
When demand exceeds 1,050,000 pax/year, an additional investment will be made for the fifth DMU, the form of payment of the respective DMU to be determined by mutual agreement between the parties.



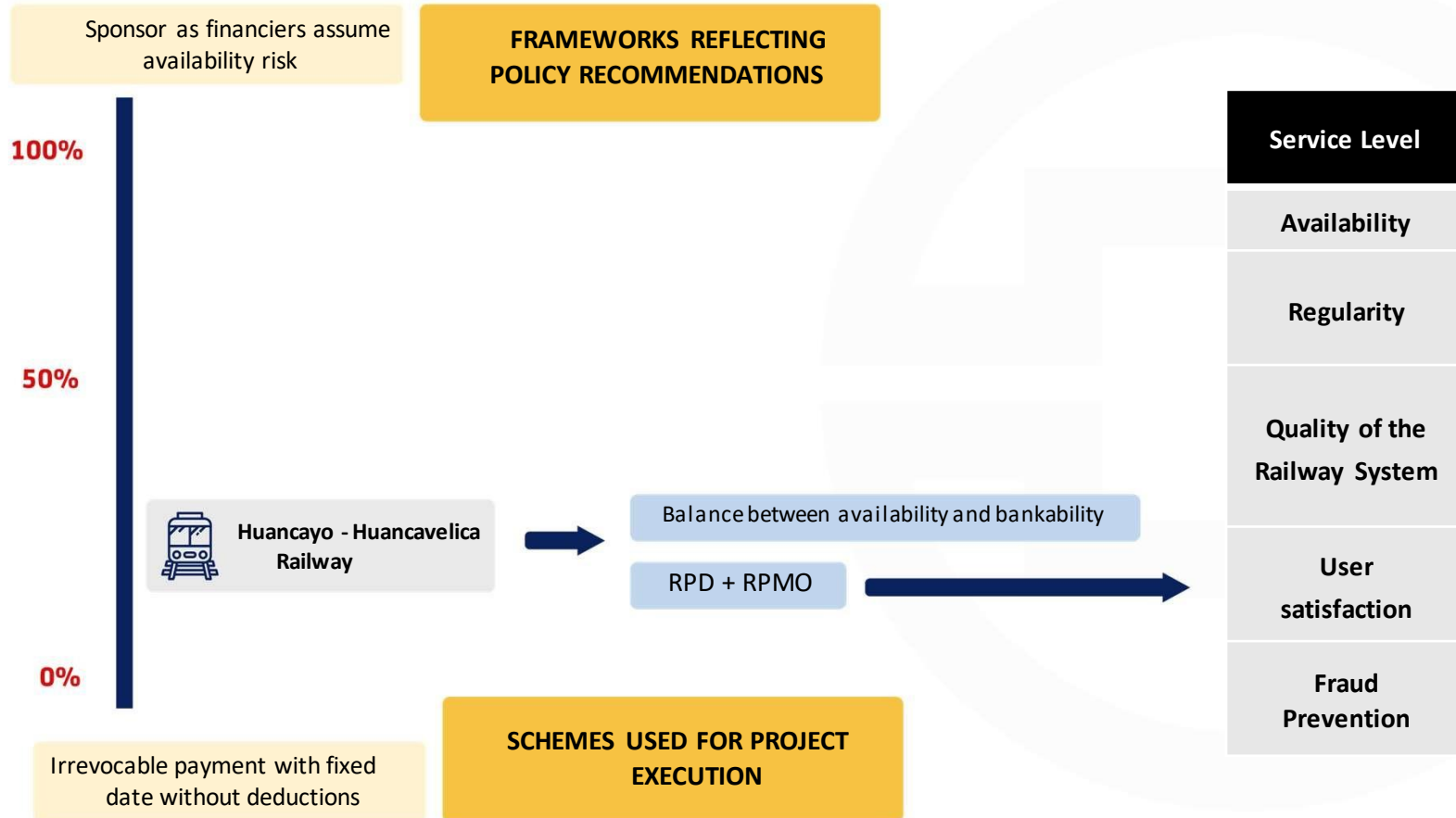
4.3 PROJECT EXECUTION



5.1 PAYMENT MECHANISM: RPI, RPD AND RPMO



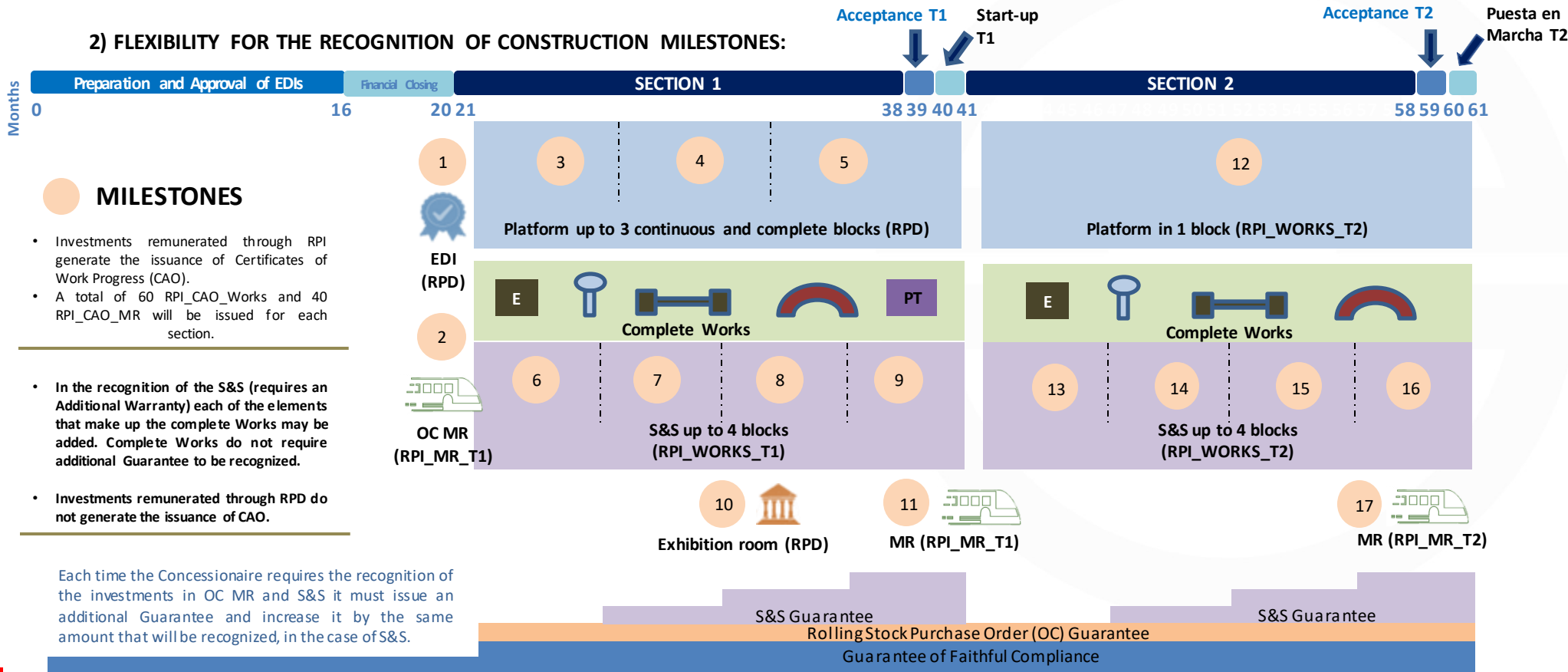
5.2 SERVICE AVAILABILITY PAYMENT





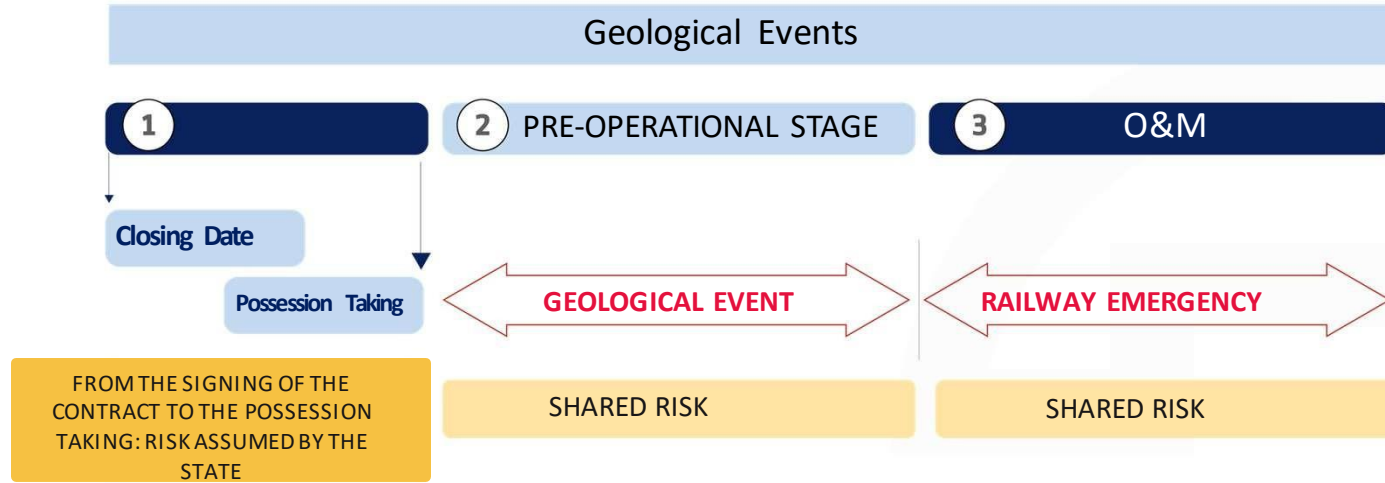
5.3 PAYMENT MECHANISM: MILESTONES

2) FLEXIBILITY FOR THE RECOGNITION OF CONSTRUCTION MILESTONES:



Each time the Concessionaire requires the recognition of the investments in OC MR and S&S it must issue an additional Guarantee and increase it by the same amount that will be recognized, in the case of S&S.

5.4 GEOLOGICAL RISK DISTRIBUTION MECHANISM



THE GRANTOR shall maintain the trafficability of the railway and stability of slopes and platform until possession taking.

	Geological Event	Railway Emergency due to Landslide and/or Mudslide
Scope	<ul style="list-style-type: none"> • Presence of water table higher than the identified ones • Existence of undetected man-made or anthropogenic cavities • Presence of unidentified active tectonic faults • Slope slippage due to undetected shear stress • Falling blocks, landslides, platform subsidence, extraordinary water level rise in the river bed. • Others 	<ul style="list-style-type: none"> • Landslide and/or Mudslide
Risk Allocation	<p>GRANTOR:</p> <ul style="list-style-type: none"> • Sub-section not built (not intervened) volumes greater than 50 cubic meters (m3). • Sub-section constructed (intervened) volumes greater than 200 cubic meters (m3). <p>CONCESSIONAIRE:</p> <ul style="list-style-type: none"> • Lower volumes will be assumed by the Concessionaire. 	<p>GRANTOR:</p> <ul style="list-style-type: none"> • Areas without intervention with a volume greater than 50 cubic meters (m3) • Areas with interventions with a volume greater than 200 cubic meters (m3) <p>CONCESSIONAIRE:</p> <ul style="list-style-type: none"> • Lower volumes will be assumed by the Concessionaire.

6. IDB RECOMMENDATIONS AND OTHER IMPROVEMENTS FOR THE SECOND VERSION OF THE CONTRACT



IDB

- Review of the minimum technical requirements (in particular associated with the operator).
- Review of RPI, reserve account other financial terms.
- Evidence-based geologic or geotechnical risk review.

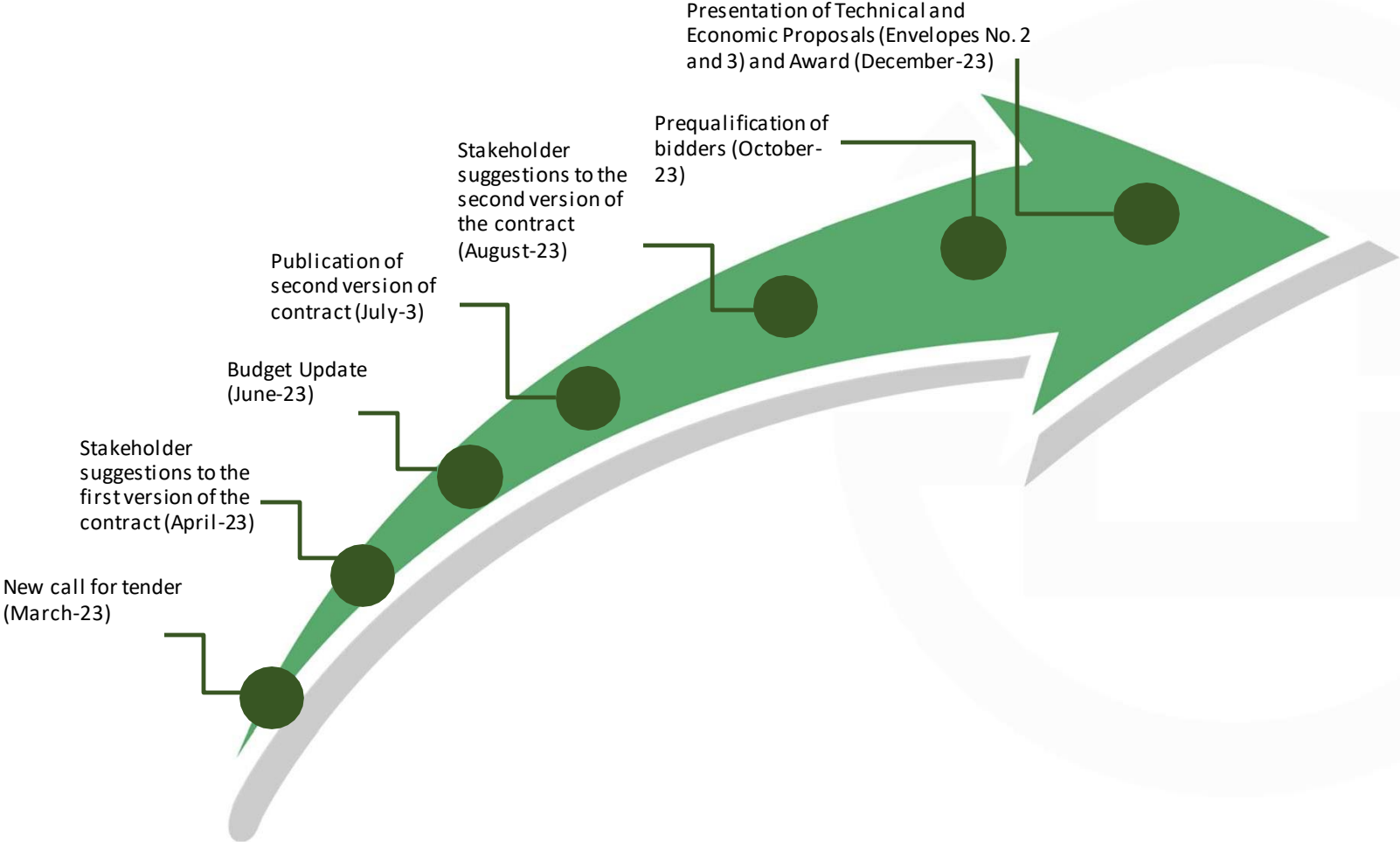


Others

- Inclusion of BIM methodology as an obligation of the concessionaire.
- Inclusion of the Dispute Resolution Board mechanism.
- Start of the construction stage for Section 2.



7. PROJECT SCHEDULE





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