



TRACECA Investment Forum

ID: MD01

TRACECA PROJECT FICHE

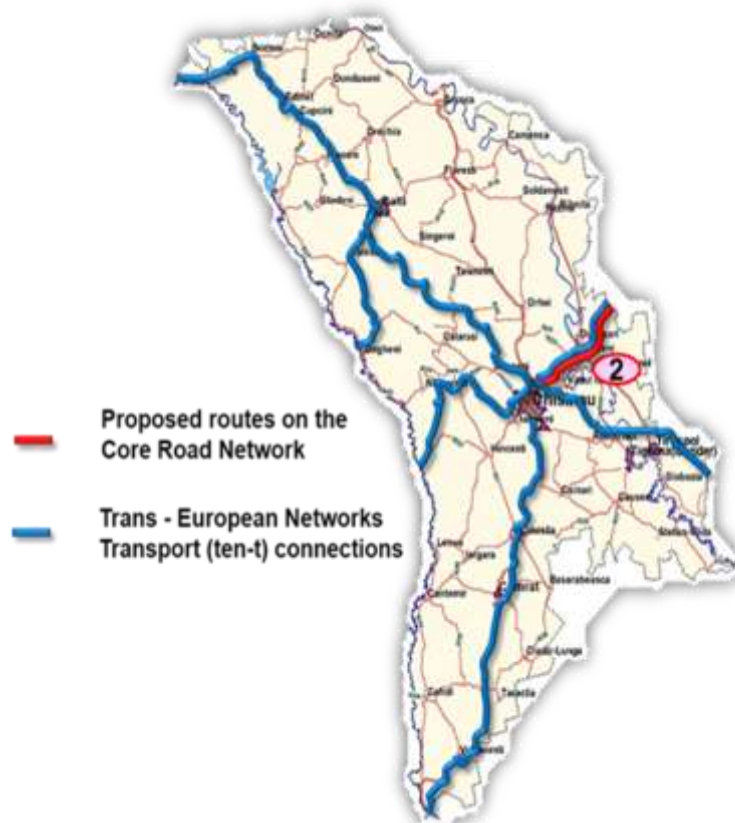
# REHABILITATION OF THE NATIONAL ROAD M1 (M21), SECTION CHISINAU – UKRAINIAN BORDER

## 1 BASIC INFORMATION

**TITLE:** Rehabilitation of the national Road M1 (M21), section Chisinau – Ukrainian border

**SECTOR:** Logistics

**LOCATION:** Republic of Moldova





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### **APPLICANT/SPONSOR/BENEFICIARY/**

#### **PROMOTER**

Ministry of Economy and Infrastructure

#### **INVESTMENT AMOUNT**

50 MLN EURO

#### **GEOGRAPHICAL DESCRIPTION**

Road M1 is the shortest link between Chisinau and Ukrainian border, thus providing access to Kirovograd and Poltava of Ukraine. It is an integral part of the European highways E577, E581 and Pan – European Corridor IX. At km 15 the Road M1 intersects with Road M5. Constructed between 1961 and 1965 it connects Chisinau with Dubasari to Ukrainian border and is one of the most important road in the Republic of Moldova. At the Ministerial Conference in Luxembourg on 9 October 2013, partner countries have agreed on priority connections in the EaP region. Road M1 was proposed as a part of TEN-T connection network, which begins in Chisinau (biggest country hub) and ends on Ukrainian border in Odessa district. The examined section of road begins at the intersection of 3 European ‘E’ roads, 3 TEN-T corridors and is a part of Pan – European Corridor IX.

#### **TECHNICAL DESCRIPTION**

Length – 50 km

Number of Lanes – 2-3 lanes for most of the road, concrete paved

The current and urgent need for rehabilitation of the road is the Update of the Feasibility Study and update of the Preliminary Design for the Chisinau - Ukrainian border section.



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The result of the updating of the feasibility study will be to establish spatial, environmental, social, financial and economic justification for the investment, create the basis for making the decision on investment justification and initiate the procedure for issuing the rehabilitation approval. It will also define the purpose, position, alignment, cross section, capacity, technical, technological and functional characteristics of the road.

### **SOCIO-ECONOMIC DESCRIPTION**

Traffic volume (domestic and international) – the rehabilitation of Chisinau – Ukrainian border section in the length of 50 km from Chisinau to Ukrainian border with connection to Pan – European Corridor IX contributes to the development of network capacity, resulting in faster integration into the TEN-T network. It is justifiably expected that the traffic of people and freight will significantly increase.

Travel costs reduction – due to a rehabilitated road infrastructure it will bring saving for the trip;

Travel time savings – it will reduce journey time;

Increased safety/reliability - it will significantly improve safety conditions on this part of the road network of Moldova. By rehabilitation of the road with the contemporary safety standards the number of accidents will be significantly reduced, which is now caused that the road is passing through the highly populated and economically active region of Moldova;

Promotion of intermodality – the rehabilitation would contribute to the economic development of the area, mainly because of a better connection to the Pan-European network, so the potential for the intermodal transportation will be substantially increased. Normally, zones where two or more roads (or other transport modes) are connected represents a solid ground for development of intermodal terminals.

Contribution to re-balancing transport modes

Impact on GDP - it will create significant economic potential, according to the feasibility study the IRR is 19.4 %, which is considered significant in the EaP



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countries; Cost efficiency regarding environmental protection, accidents and congestions at border crossing. Reduction of road infrastructure maintenance costs.

Quantification of environmental impacts – the rehabilitation of the road will significantly reduce CO2 and noise emission.

Cross border - it is one of the main direct road connection between Moldova and Ukraine, mainly used for freight transport.

Connectivity – because of its location between Moldova and Ukraine it contributes to regional cohesion and will assist in the development of seamless connections for passengers and freight in the EaP countries.

### **SOURCE OF REPAYMENT**

State budget

### **OTHER INVOLVED PARTIES AS FINANCING INSTITUTIONS, OPERATORS, CONSTRUCTORS**

State Road Administration – implementation unit

International Financing Institutions





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