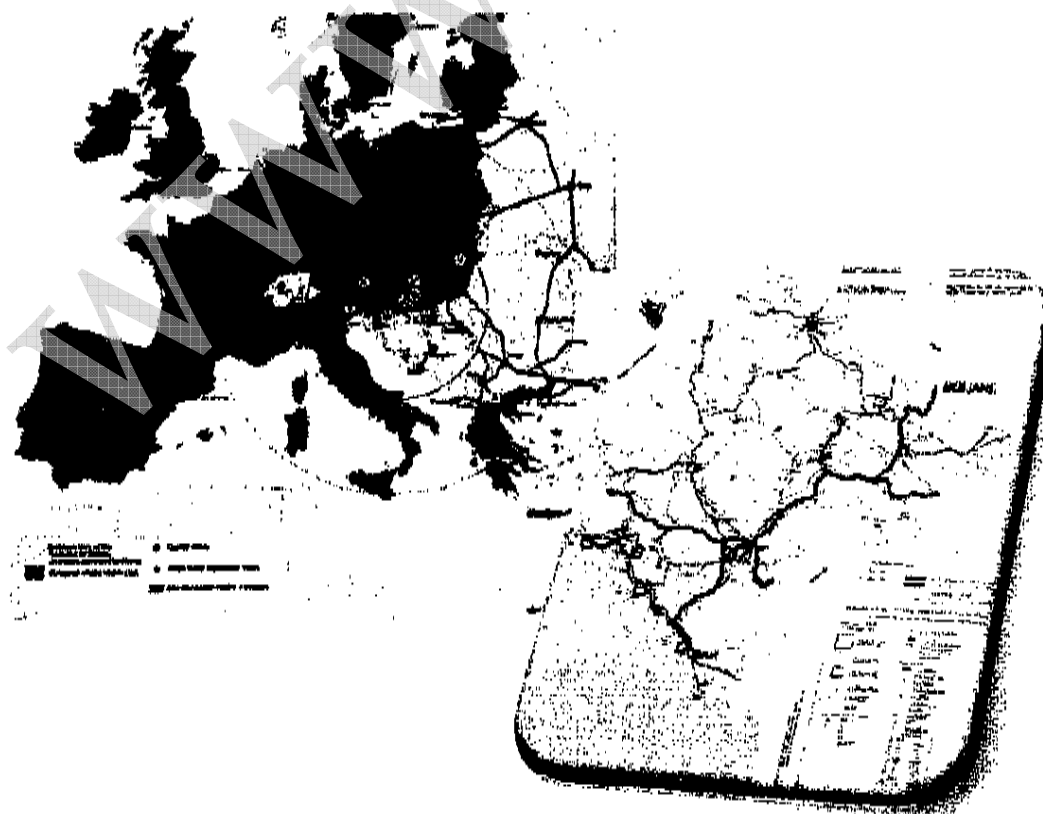


Project name: Bar-Boljare toll motorway project

Motorway toll-road proposed for linking the Adriatic coast at Bar via the capital Podgorica to the Serbian border at Boljare. Planned to connect Montenegro with Republic of Serbia through Pozega – Belgrade and further link on TEN-T corridor X, and hence to Romania and Central Europe. It would also connect with routes to the regional capital cities of Sarajevo in Bosnia and Herzegovina, Tirana in Albania and Skopje in Macedonia therefore Bar-Boljare motorway has a clear strategic role to play in the region. This project is a key element in our strategy of admission to the EU as it will allow our country to be fully integrated within Europe. The project is also very important for the unification of the country as it will allow the north-east regions to be connected to the coast through our capital. Finally, the project will allow our key port of Bar to be fully connected to the rest of the European corridors and better serve Kosovo and Serbia, further facilitating the unlocking of this part of the Western Balkans and contributing to economic and political stability in the region.

In future, planned to be road cross border with R Serbia.



Current situation and main needs addressed by the project:

Rehabilitation, reconstruction or upgrading the existing road from Podgorica to Serbian border is highly restricted thus any major or minor construction works along road (due to the terrain which are canyons of rivers Moraca and Tara) cause temporary block of the traffic and due to the non existence of alternative road, paralyze the transport in Montenegro. Such work could not be done during the winter due to the low temperature, snow and rain and not during the summer because of the tourist industry (main contributor to the state economy) requiring free passage for the tourist coming to the coast. Just paint situation in which there would be several construction sites along the existing road, lasting for two years, and difficulties it would caused to the economy of Montenegro. Therefore, rehabilitation of the existing road is likely to make more damages than benefits. Since the road goes through the canyons of two rivers, rocky mountains, with slides likely to move, with no locations for construction camps, with the tunnels with restricted dimensions not able to take heavy construction equipment and so on, cost of construction work itself is that high and come close to the cost of a new built road. Road itself was designed and constructed 40-45 years with elements calculated for fewer transport frequency and less axes load. Continued to be exploited the same way in the future, not only it will present barrier for future development of Montenegro economy, but might come to the state of no more use at all. Since the road goes through the canyons of rivers Tara and Moraca, all interventions in a future along the road have to be examined from the environmental point of view and it is not likely that any interventions go without major damages to the environment, unaccepted for the public and government as well. Safety reason is for selecting Podgorica-Matesevo section as the priority. Increased frequency of transport (heavy trucks, high speed small vehicles,...), poor road standards (sliding stones, narrow lanes, nonstandard dimension of the tunnels, rain, fog and snow during the winter,...) cause more and more incidents with fatal injuries along that road and we had to take that into account.

Main objectives of the project:

- Decreased high transport costs, congestion and slow travel times, increased growth of tourist business in both coastal and the mountain regions which will hinder external & internal trade, and decreased negatively impact on growth in all of Montenegro, but most significantly in the 11 northern municipalities; The existing road from Bar to the Serbian border at Barski Most can be improved, but only to a very limited extent. In the summer months traffic volumes are nearing capacity levels;

- Travel time to the south and the coastal areas would be significantly reduced;
- Major savings in reducing accidents;
- Important alignment for regional development, increased accessibility;
- Considerably reduced passenger journey times, from northern areas to Podgorica, and to the Adriatic coast. The existing roads are dangerous and congested in the summer season. The motorway is expected to attract new passenger and freight traffic, and improve safety.

Bar - Boljare motorway has a clear strategic role to play in the regional core network. It will link the capital of a country in the region and a major tourist destination with other regional capitals and economic centers, providing the infrastructure for fast, safe and reliable travel.

The Bar-Boljare motorway project is defined as a project of strategic importance for Montenegro, which implementation is to ensure the following: more balanced development of the Northern and Southern part of the country, the use of natural resources, development of tourism and other related industries, better transport connections and the overall economic and social development. The implementation of this Project is expected to have the following benefits:

1. Significant reduction of traffic accidents;
2. Reduction of travel time;
3. Reduction of operating costs;
4. Improved accessibility to hardly accessible areas;
5. Increased mobility;
6. Significant demographic changes;
7. Changes in market environment and increased competitiveness of enterprises;
8. Easier access to (regional markets) and lower procurement costs;
9. Better valorisation of potentials in the field of agriculture, forestry and water management;
10. Development of tourism;

11. Increase in employment and changes in employment structure;
12. Improved utilization of potentials of the Port of Bar and the Container Terminal as well as their better connection with gravitational zone;
13. Direct involvement of domestic construction labour force, equipment and materials in the process of construction, which will have multiplier effects on indirect benefits.

Implementation of the Bar-Boljare project is considered to be the most important engineering endeavor. The overall length of the motorway from Bar to Boljare is 169, 2 km. This corridor covers the following areas: Bar (Durmani) – tunnel Sozina – Virpazar – Tanki Rt – Farmaci (Podgorica) – Smokovac (Podgorica) – Uvac- Matesevo – Andrijevica – Berane – Boljare and forms part of the corridor Bar – Belgrade – Budapest. There are planned to be 42 tunnels and 92 bridges and viaducts on the route.

Table 1: The percentage of structures in the total length and cost of the motorway

Section	Overall length (km)	Tunnels, bridges, viaducts (% of overall length)	Tunnels, bridges, viaducts (% of total cost)
Bar (Durmani) - Virpazar	11,8	50	72
Virpazar - Smokovac	38,2	26	47
Smokovac - Matesevo	43,5	41	66
Matesevo - Berane	34,3	24	57
Berane - Boljare	41,3	12	42
MOTORWAY	169,2	28 %	59 %

Proposed motorway sections have been coded as dual-2 links (2 lane in each direction). Within the model, the motorway has been given the following characteristics:

- 2 lane in each direction
- Design speed of 100 kilometers per hour
- Capacity of 30.000.00 vehicles per day per direction.

In order to accurately represent driving behaviors of the three categories included in model, maximum traveling speeds have been capped for each users class independently of road classification:

- Passenger cars-maximum 120kph
- LGV-maximum 100kph
- HGV-maximum 80 kph.

Until now made design documentation includes more than 50 tunnels, whose size is over 60 km, and more than 100 viaducts and bridges, whose length exceeds 15 km, which indicates that over 38% of the route objects.

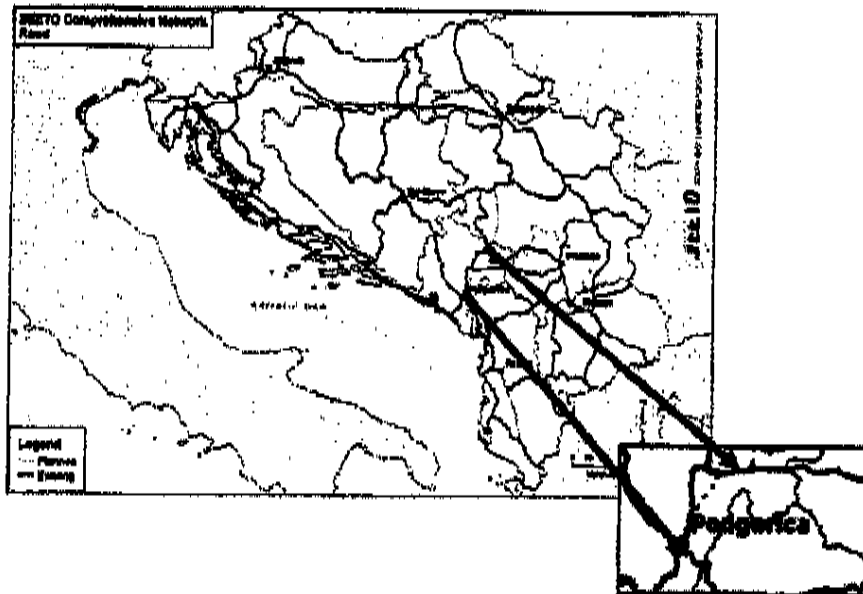
Planned structures include:

- Functional facilities-bases and facilities intended for the motorway maintenance, control and operational, as well as toll billing;
- Support facilities- gas pumps, motels, shops, park areas, resting areas, Info Centers ect.
- Support facilities are located at 14 locations along motorway.

Montenegro participates actively in regional cooperation and is a full member of the Memorandum of Understanding for the development of the Core Regional Transport Network in South East Europe (SEETO [1] Memorandum), which was signed in Luxembourg on 11 June 2004 by the following signatories: Croatia, Bosnia and Herzegovina, Macedonia, Albania, Serbia, Kosovo, as well as by the European Commission. This represents a cornerstone of the EU's policies towards the Western Balkans when it comes to the field of transport. Considerable progress was achieved by including the SEETO Comprehensive Network into TEN-T Comprehensive Network, through Annexes (Annex III VOL 30/33 and 31/33) in October 2011. Bar-Boljare motorway is included in the SEETO Comprehensive Regional Transport Network as SEETO road route 4. In this respect the Government of Montenegro continues with the realization of this strategic project for Montenegro.

Position on the SEETO Comprehensive Network (www.seeto.int.org)

Priority section Smokovac-Matasevo MONRD045



English company *URS Infrastructure and Environment UK Limited (Scott House)* in September 2012., concluded Final reports (Technical Options Report, Economics Report, Preliminary and Environment and Social Impact Assessment and Resettlement Framework, Traffic Modelling Report), regarding Feasibility study on the investment plan for SEETO Road Route 4 (European mark for Bar-Boljare motorway), financed from the grant of Western Balkans Investment Framework, in value of 500.000 euros. Bearing in mind content of the Feasibility Study made by the URS Infrastructure and Environment UK Limited (Scott House), the total investment costs for the dual lane carriageway are estimated to range from 2.112.115.300 to 2.361.106.882 Euros. Costs per kilometer are ranging from 11, 6 million to 13, 2 million Euros (these costs are for the entire Bar-Boljare route). Investment costs estimated in the Feasibility Report for the priority section from Smokovac (Strganica) to Matasevo (44 km) range from a minimal amount of 671,166,620 Euros to a maximum amount of 793,768,261 Euros. Unit costs per kilometer range from 15, 2 million of Euros to 17, 28 million of Euros making it the most expensive section on the SEETO road route 4.

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Chinese companies China Communications Construction Company (CCCC) and China Road and Bridge Corporation (CRBC) have offered to design and build dual lane carriageway of the Bar-Bojare priority section Smokovac-Uvac-Mateasevo for the amount of 809, 6 million Euros. The funds should be provided through special credit line intended for Central and Eastern Europe.

WWW.Sate.gr