

The European Bank for Reconstruction and Development (EBRD) is deepening regional integration in the Western Balkans and strengthening transport infrastructure by financing the modernisation of the Macedonian national road network with a loan of up to €64 million. Strengthening transport infrastructure is a priority for the EBRD in the Western Balkans. By financing reconstruction of one of its key transport routes, the A4, the Bank helps the improvement of this vital trade link with neighbouring Bulgaria and the European Union. The sovereign-guaranteed loan is being extended to the Macedonian Public Enterprise for State Roads (PESR), a company responsible for the operation and maintenance of the national and regional road network. As part of the investment the Bank will support the opening of the road maintenance market to the private sector and strengthening PESR's procurement practices and asset management.

The funding will be used to improve a 39 kilometre single carriageway section on the national road that connects the city of Stip, one of the fastest growing economic centres, with Radovish, the second largest city in the south-east of the country.

As part of the A4 road, the improved road section will also connect with the new Miladinovci-Stip highway which leads to a cross section of two Transport Observatory pan-European corridors (Corridor VIII and Corridor X) in south-eastern Europe.

Sue Barrett, EBRD Director for Transport, said: "We are proud to support the reform of the Macedonian road sector. This is our sixth project and it builds on the success of our previous cooperation with the government and PESR. We believe this investment will play a vital role in improving important connections within Macedonia and with the EU."

Holger Muent, EBRD Director for the Western Balkans, said: "This transaction is significant for the Western Balkans region as it improves transport and trade connectivity with the EU. It helps grow economies and improve cross border trade. We believe that existing businesses as well as investors will benefit as the project raises the regions attractiveness significantly."

Anca Ionescu, Head of the EBRD's Resident Office in Skopje, said: "This project represents the EBRD's continuous contribution to the improvement of the country's transport infrastructure and underlines the Bank's commitment to tackling key transition challenges that the country faces."

Zoran Stavreski, the Macedonian Deputy Prime Minister and Minister of Finance, said: "By constructing Stip- Radovish express road, as well as by implementing other projects related to the road infrastructure in this region, only one hour will be needed to arrive to the capital of the Macedonian south-eastern region. Our agenda for the Macedonian south-eastern region is quite ambitious, thus contributing to its economic development. We would like to

thank EBRD for its support in implementing these projects, as well as its partnership, which means a lot to us.”

Aleksandar Stojanov, Acting General Manager of PESR, said: “Our intensive cooperation with the EBRD is testimony to our commitment to the development of the national roads infrastructure. By building a strong road transport infrastructure, we are contributing to our future economic growth.”

The EBRD began investing in the Macedonian economy in 1993. To date, it has signed over 90 projects in the country with a net cumulative business volume of more than €1.5 billion.

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