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European Bank for Reconstruction and Devleopment

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## EU grant complements EBRD and EIB financing for road rehabilitation in Moldova

€15 million grant to build bypasses on key motorways

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The European Union is supporting the construction and rehabilitation of Moldova's roads with additional €15 million of grant financing provided through its Neighbourhood Investment Facility (NIF).

The grant complements investments by the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) for a total of €300 million, which were announced in the summer of 2013.

An agreement in this regard was signed today between the Ministry of Transport and Road Infrastructure and the EBRD, the financial institution that manages the road rehabilitation programme.

Signing the document, Minister of Transport and Road Infrastructure Vasile Botnari stressed that this important investment aims to support the authorities' efforts to improve the quality of the national road network.

"A well-developed road network is essential for growth and for better quality of life in Moldova. We expect that the investments and grants from our European partners will improve the condition of roads in the country and will bring us closer to the European Union," said Vasile Botnari.

Attending the event, Head of the EU Delegation in Moldova, Ambassador Pirkka Tapiola,

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said: "We are pleased to continue our support for rehabilitation of the road network in Moldova which is already bringing visible changes in the country. The work we do together with partners from the EBRD creates more opportunities for social mobility and internal and external trade."

Julia Otto, Head of the EBRD Resident Office in Chişinău, said: "Located at a geographical crossroads and bordering the European Union, Moldova's roads are becoming increasingly important for the economic development of the country and the wider region. Better roads will help spread economic development to remote regions, bring producers closer to their markets and take people to their destinations more safely."

The EU grant will be used for construction of the 6 km-long Bahmut bypass on the R1 Chişinău-Ungheni-Sculeni road to the Romanian border and the 8.5 km-long Vulcăneşti bypass on the M3 Chişinău-Giurgiulesti road.

The construction works include new earthworks, footbridges, water-management systems, and relocation of utilities, as well as the installation of road signs and road markings. The 7m-wide roadway will consist of two lanes. In addition, a 40 m-long bridge over the Cahul River will be built on the Vulcănești bypass.

The two bypasses will reduce operational costs for road users by 10-15 per cent, creating more comfortable and safer conditions for both freight and passenger transport.

To date the EU have supported the rehabilitation of 23.7 km of the Balti-Sărăteni road and another 7 km-long Ungheni bypass which is currently under construction.

The efforts are part of a large programme to build and rehabilitate 700 km of Moldovan roads, supported by donors and international financial institutions.

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The Neighbourhood Investment Facility (NIF) is a financing mechanism of the EU aimed at mobilising additional funding to cover the investment needs of the EU neighbouring region for infrastructure in areas such as transport, energy, the environment and social issues (for example, construction of schools or hospitals). The NIF also supports the private sector, particularly through risk capital operations targeting small and medium-sized enterprises. In Moldova, the NIF has been used to support numerous projects such as the Moldova Road Rehabilitation Programme, Chişinău and Bălți trolleybuses, and rehabilitation of water utilities.