

Construction of Bar - Boljare Highway Phase 2: Podgorica Bypass (Smokovac - Tolosi - Farmaci)

Project Financing

WBIF	Grant	WB17-MNE-TRA-03	€ 2,401,950
EBRD	Loan		€ 55,200,000
Other Sources	Other Sources		€ 128,800,000
Other Sources	External Grant		€ 5,520,000
Total			€ 191,921,950
Total Grants			€ 2,401,950
Total Loans			€ 55,200,000

Project Description

The Bar - Boljare highway, approximately 169 km long, will cross the entire country and connect it, from the Adriatic coast, through Podgorica to Serbia, and onwards, via highway Pozega - Belgrade, to TEN-T Corridor X, Romania, and Central Europe. It will link the ports on the Adriatic Sea to those on the Danube (Corridor VII and Corridor X) too. Moreover, this will be the shortest connection from Hungary and Romania through Serbia and Montenegro to southern Italy and Albania.

The construction of the highway is planned under the Spatial Plan of Montenegro by 2020, and it will be developed in four phases:

- Phase I: Section Mokovac-Matesevo (41 km long, under construction);
- Phase II: Matesevo-Andrijevisa and a bypass along the route Smokovac – Tolosi – Farmaci;
- Phase III: Andrijevisa – Boljare;
- Phase IV: Podgorica – Djurmani.

The WBIF finances the preparation of the preliminary design and ESIA for the construction of the Podgorica bypass on the alignment Smokovac – Tolosi – Farmaci as part of Phase II of the project. It has a total length of 18 km and the estimated period for the construction of the full profile of this section is 3 years.

Results and Benefits

- encouraging mobility (market mobility, access to jobs, education and health) in the directly gravitating region (Montenegrin municipalities through which it passes) for better utilization of economic potentials (tourism, agriculture, forestry, etc.)
- encouraging the attraction of transit goods and traffic flows from gravitating wider environment, and consequently creating an environment to attract new foreign direct investment
- reduction of emigration from the northern part of Montenegro and achieving more balanced demographic development of Montenegro
- reducing the number of traffic accidents and bottlenecks in transport

- reducing noise and air pollution

- **Countries:** Montenegro
- **Code:** PRJ-MNE-TRA-006
- **Sector:** Transport
- **Lead IFI:** EBRD
- **Status:** Preparation
- **Beneficiary:**