

# Orient/East-Med Corridor: Serbia – Kosovo R7 Road Interconnection, Niš – Merdare Highway

## Project Financing

WBIF	Grant	WB10-SER-TRA-02	€ 904,500
WBIF	Grant	WB13-SER-TRA-01	€ 1,708,500
EIB	Loan		€ 100,000,000
WBIF	Grant	WB18-SRB-TRA-01	€ 4,824,000
National Contribution	Own Contribution		€ 29,205,000
WBIF	Grant	WB-IG03-SRB-TRA-01	€ 41,461,200
EBRD	Loan		€ 85,000,000
WBIF	Grant	WB15-SRB-TRA-01	€ 2,205,975
WBIF	Grant	WB24-SRB-TRA-04	€ 5,025,000
EIB	Loan		€ 180,000,000
EBRD	Loan		€ 180,000,000
National Contribution	Own Contribution		€ 19,000,000
Anticipated WBIF INV Grant	External Grant		€ 90,000,000
EU CONNECTA	External Grant		€ 50,000
EU CONNECTA	External Grant		€ 21,000
<b>Total</b>			<b>€ 739,405,175</b>
Total Grants			€ 56,129,175
Total Loans			€ 545,000,000

## Project Description

The extension of the TEN-T Network to the Western Balkans along the Orient/East-Med Corridor includes the road between Niš and Merdare in Serbia. Strategically linked to Corridors X and VIII, the road interconnection Niš - Merdare - Pristina (Kosovo), also known as the 'Peace Highway', is of great importance for freight and passenger transport in the Western Balkans as it is part of the region's shortest route to the Port of Durrës on the Adriatic.

The existing Niš – Merdare road (~70 km) consists of two lanes on a poor alignment, irregularly maintained. The road crosses urban and rural areas, and there are frequent bottlenecks at the border crossing point in Merdare. The European Union, through the WBIF, has been instrumental in identifying the investment needs as well as financing the preparation of the technical documentation for the upgrade to highway standards of the sections Niš - Pločnik (32 km) and Pločnik – Merdare (37 km), including construction of a modern cross-border point in Merdare.

The EU also mobilised a €40.6 million investment grant for the construction of the Niš (Merošina) – Pločnik (Beloljin) section under the [2018 Connectivity Agenda package](#). This brings the WBIF EU contribution to this

project to more than €50 million in the last four years. [JASPERS](#) (Joint Assistance to Support Projects in European Regions) and [CONNECTA](#) (Technical Assistance to Connectivity in the Western Balkans) have also provided technical advice during the preparation of this project.

The location (Spatial Plan) for the new highway was approved by the Serbian government in October 2017. The Niš (Merošina) – Pločnik (Beloljin) section is now at the procurement stage. Land ownership issues are to be addressed in the coming period, while an updated environmental and social impact assessment study will be approved by the relevant authorities and participating International Financial Institutions by the end of 2020.

The Pločnik (Beloljin) – Merdare section is at the preliminary design stage. Following the adoption of an updated Spatial Plan in August 2019, the preliminary design is scheduled for completion in 2020.

The construction of new highway is co-financed by the [European Investment Bank \(EIB\)](#) and the [European Bank for Reconstruction and Development \(EBRD\)](#).

## Links

[EBRD Loan Signed for 2018 Connectivity Project 'Peace Highway' Connecting Niš and Pristina](#)

[CONNECTA completes the Road Safety Audit for the second section of the 'Peace Highway'](#)

[€40 Million Investment Grant Agreement Signed for the First Section of the 2018 Connectivity Project the "Peace Highway" Connecting Serbia and Kosovo](#)

[Final Workshop on the Preliminary Design and Feasibility Study for Nis - Plocnik Highway Section on the Orient/East-Med Corridor in Serbia](#)

- **Countries:** Serbia
- **Code:** PRJ-SRB-TRA-010
- **Sector:** Transport
- **Lead IFI:** EIB, EIB
- **Status:** Implementation
- **Beneficiary:**

## Related Documents

- [2015 Connectivity Project: North Macedonia - Albania Power Interconnection](#)
- [WBIF Bilateral Donor Investment Grant Contributions to Date](#)