



THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Partners:

- Ministry of Finance and Ministry of Transport and Communications in the former Yugoslav Republic of Macedonia
- Public Enterprise for Railway Infrastructure (Makedonski Železnici – Infrastruktura)

Estimated investment:

- €152.3 million

EU contribution:

- €70 million (works and supplies; technical assistance)

Estimated EBRD loan:

- €75 million

Beneficiary contribution:

- €1 million

2017 CONNECTIVITY PROJECT

Orient/East-Med Corridor: The former Yugoslav Republic of Macedonia – Bulgaria CVIII Rail Interconnection (Beljakovce – Kriva Palanka)

The Orient/East-Med Corridor runs between Hamburg and Bremen in Germany and Thessaloniki and Varna in Greece and, respectively, Bulgaria. In the former Yugoslav Republic of Macedonia, the Corridor includes an 89 km-long rail section between Kumanovo and the border with Bulgaria. Plans to develop this route date back to nineteenth century, with various segments built and/or overhauled until 2004, when all construction ceased because of a substantial shortage in funding.

This investment project concerns the rehabilitation of approximately 34 km of CVIII railway track to modern standards on the Beljakovce – Kriva Palanka section in the former Yugoslav Republic of Macedonia.

The planned development includes several railway bridges and over/under-passes, 5.5 km-long tunnels, 5 railway stations and halts, and new signalling and telecommunication systems.



Train station in Kumanovo, the former Yugoslav Republic of Macedonia.

Results:

- 34 km of CVIII railway track upgraded to modern standards, including 5 km railway bridges and over/under-passes, 5.5 km tunnels, and new signalling and telecommunication systems.
- 2 railway stations and 3 halts fully rehabilitated.
- Increase in passenger and freight travel speed from 30 km/h to 100 km/h.



View of railway track construction works on Kumanovo – border with Bulgaria railway section, the former Yugoslav Republic of Macedonia.

Previous EU and WBIF contribution:

- €6.3 million (technical assistance for project preparation and implementation)

Estimated start date:

- Mid 2019

Estimated end date:

- End of 2022

Estimated loan repayment period:

- 15 years

Transport



Map of Beljakovce – Kriva Palanka section on the Orient/East-Med Corridor in the former Yugoslav Republic of Macedonia.

The project is now at detailed design stage, with feasibility study and preliminary designs completed in 2012. A loan agreement with the European Bank for Reconstruction and Development (EBRD) is already in place.

The works will not have significant social or environmental impacts as the new facilities will be built on the route of the existing rail track. On the contrary, as travel time as well as operational costs will decrease once the project is complete, a modal shift to rail from road transport is expected to happen on the route, particularly in the case of long-distance transit traffic.

The project complements previous financing allocated to CVIII by the European Union and WBIF donors and partners, as well as planned and/or ongoing investments in two other railway sections on the same corridor route, as follows:

- Kumanovo – Beljakovce, 30.8 km;
- Kriva Palanka – Deve Bair – Border with Bulgaria, 24 km.

Once complete, the new railway interconnection will shorten the railway link between the former Yugoslav Republic of Macedonia and the Black Sea by approximately 200 km.

Benefits

- More than 300 new jobs created during construction, operation, and maintenance periods.
- Direct access to modern means of transport for more than 350,000 people living along the railway route proposed for rehabilitation.
- Decrease in travel time between Kumanovo and Kriva Palanka to approximately 35 minutes, compared to the current travel time by road of approximately 50 minutes.
- Increase by 20% in annual freight volume.
- Reduction of current air and noise pollution levels caused by diesel operations as well as by road transport on the entire route.
- Reduced operational and maintenance costs for railway operators.
- Improved trade flows with countries in the region and thus a positive impact on the broader economy of the former Yugoslav Republic of Macedonia.