



European Bank
for Reconstruction and Development



Ministry of Transport and Communications
of the Republic of Belarus

The reconstruction of the road M-10: the border of the Russian Federation (Selishche) - Gomel - Kobrin, km 109.9 - km 195.15

Alena Dadzerkina – EBRD Project Management Consultant. M-10 Highway Project

- **Geographic location of Belarus**

predetermined its role as a **transit country**:

republic is located at the crossroads of major haul routes connecting Western Europe with the East, the Black Sea coast regions with the countries of the Baltic Sea.

- The territory of Belarus is cut by 2 cross-European transport corridors, defined by international classification with number II (The West – The East) and with number IX (The North – The South) with branch IXB.



INTERNATIONAL CONTEXT - The Belt and Road



Source: Meridian Project Presentation – Translated and modified

- The M-10 road is an international transport corridor of the Republic of Belarus ("Belarus") between the EU and the Russian Federation and beyond, Kazakhstan and China. The total length of the M-10 road is 543km running along the southern border of Belarus. This corridor shortens the transport route between the EU and China and bypasses the busy Minsk and Moscow transport hubs.
- The purpose of the Project is to reconstruct and upgrade to category I-b the 85.25 km long section of the M-10 road from km 109.9 (close to Retchitsa) to km 195.15 (East of the city of Kalinkovitchy). The reconstruction should double the traffic capacity, increase axle load to meet the EU standard of 11.5 tonnes per axle and reduce travel times. Construction is expected to take place during 2018-2020

KEY PROJECT INFORMATION

The Project consists of the reconstruction and doubling (from 2x1 to 2x2 lanes) of a 85.25 km long existing section of the M-10 road. An initial detailed project design is being prepared by the Client: it will comply with Road category I-b standards with a Design speed of 120 Km/h. The socio-economic evaluation of the project

Contracting Authority	Ministry of Transport and Communications of the Republic of Belarus	
Project	The private partner will be responsible for the design, construction, finance, operation and maintenance (DBFO) of the 5 sections of the M-10 highway with a total length of 85 km	
Capital expenditures (estimate)	200 US Dollars	
Payment mechanism	<p>The payment mechanism will be structured to provide availability payments denominated in Belarussian Ruble (BYN) from the Contracting Authority to the private partner during the operational period.</p> <p>It is anticipated that part of the availability payment will be indexed to a foreign currency (e.g. EUR) to mitigate currency risk. In addition, part of the availability payment will also be indexed in line with inflation.</p>	
Key risks allocation	The private partner will have the responsibility for a significant part of the risk related to construction, operation and maintenance (availability) and financing of the Project, whereas the public sector will bear the demand (traffic) risk.	
Contract period	2 years of construction period + approx. 18 years of operation period	
Preliminary timetable		<u>Project Phase</u>
	Prequalification	3Q 2017
	Tender process	2H 2017
	Final Bids	end 2017
	Commercial close & Financial close	1H 2018
	Construction period start	2H 2018



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