

In 2011 National Company Strategic Infrastructure Projects (NCSIP) was established following amendments to the Roads Act. It is a state enterprise subordinate to the Minister of Regional Development. The company is named as a beneficiary under Operational Programme on Transport 2007 – 2013 with effect from December 2011.

The Company's objective is to efficiently finance, design, build, manage, operate and maintain the Struma, Hemus and Black Sea Motorways.

**The main activities of NCSIP include:**

- organisation and management of all activities necessary for the implementation of the three motorway projects;
- carrying out of land acquisitions;
- preparation of proposals for approval of funding from Operational Programme on Transport and other sources;
- preparation and conduct of tenders necessary for the implementation of the projects;
- commissioning of road safety audits at the various stages of project preparation;
- participation in the preparation of investment plans and programmes in the road sector.

**The Company receives support from JASPERS and the European Investment Bank consultants.**



## Struma Motorway - Lot 3

Struma Motorway is approximately 150 km long and is located in the southwest part of the country, between the interchange at Daskalovo (near the town of Pernik) and the Bulgarian/Greek border near Kulata Village. The Motorway runs parallel to Struma River, and through nature sites like the Kresna Gorge. It is part of the Trans European Transport Corridor IV, as well as part of the TEN-T Network. The Motorway is divided into four lots where construction of Lots 1, 2 and 4 and the preparation of Lot 3 are financed by Operational Programme on Transport 2007 – 2013. The implementation of Lot 3 is scheduled for the program period 2014 - 2020.

Lot 3 is the most challenging section for implementation insofar as most of it runs alongside the Struma River and though the Kresna Gorge. A new dual, two-lane, A29 standard motorway of approximately 64 km is expected to be built for this section.

**Lot 3 of Struma Motorway is divided into three subsections, with approximate lengths as follows:**

**Lot 3.1**, from Blagoevgrad to Krupnik, is approximately 21 km long and incorporates a 2,6 km long tunnel, near Zhelezniitsa;

**Lot 3.2**, from Krupnik to Kresna, is approximately 20 km long. The major feature of the section is a tunnel (or two tunnels) approximately 15 km long in the Kresna Gorge;

**Lot 3.3**, from Kresna to Sandanski, is approximately 23 km long.

### PROJECT FINANCING

On 10 June 2013, a contract for grant assistance was signed under Project № BG-161PO004-2.0.01-0019, for preparation of Lot 3 of Struma Motorway. The amount of the grant is BGN 10 557 724. The financing, provided through Operational Programme on Transport 2007-2013 is from the Cohesion Fund.

### PROJECT IMPLEMENTATION

The preparation for construction of Lot 3 includes the following main activities:

**Preparation of preliminary design.** The preliminary design should determine the optimal alignment and develop a preliminary design of the tunnel and the road sections to a level that allows the sub-Lots to be tendered on a design and build basis. This task has been awarded to Via Plan – Amberg JV following a tender procedure conducted in terms of the Public Procurement Act. The contract value is BGN 1 999 950 excluding VAT. The designer started work in August 2013 and is expected to make final delivery within 18 months.

**Strategic advisor.** The strategic advisor will assist the employer in respect to the technical, financial, environmental and management aspects of the design process and will assist in preparing the terms of reference for the follow-on design and construct and supervision contracts. This task has been awarded to Sweco - Burda JV following tender procedures conducted in the terms of the Public Procurement Act. The contract value is BGN 1 183 000 excluding VAT. The advisor started work in July 2013 and is expected to make final delivery within 24 months. The advisor should ensure that delivery of the motorway will be achieved according to programme.

**Environmental consultant.** The alignment of Lot 3 passes through a number of areas included in „Natura 2000“ and environmental considerations are therefore an essential part of the choice of alignment. The environmental consultant is tasked to ensure that the technical solutions comply with environmental norms and applicable laws and

that the selected variant is environmentally and socially acceptable. This task has been awarded to Dango Project Consult Ltd. following tender procedures conducted in terms of the Public Procurement Act. The contract value is BGN 64 770 excluding VAT. The consultant started work in August 2013 and is expected to make final delivery within 18 months.

In addition to the main activities, monitoring, analysis and assessment of animal mortality in the Kresna Gorge has been initiated to determine possible ways to reduce the impact on affected species.

Traffic information gathering, using remote sensing technologies, is initiated in the Kresna Gorge with intention to systematically gather and transmit, for usage and analysis, traffic data including: volumes, irregularity and speed of the vehicles. This will be used to evaluate impact prior to, throughout, and after construction of Struma Motorway.

### FORTHCOMING ACTIVITIES

**Preparation of preliminary archeological studies.** The goal of the preliminary on-site archeological studies is to establish whether or not archeological and other items of cultural value exist in the proximity of the motorway's alignment. The results will be used as the basis for planning the on-site archeological studies prior to the construction stage.

**Preparation of geological studies.** These studies will provide important information necessary for the preliminary design of the tunnels and other large structures, as well as investigate the complex geomorphologic and tectonic formations in the Kresna Gorge. Based on the results of these studies, a final design solution of the Lot 3 alignment, together with the dimensioning for the tunnels and bridges, will be prepared.

## Hemus Motorway - Section Yablanitsa - Belokopitovo

Hemus Motorway connects the capital city, Sofia with the sea capital, Varna. The route is part of the European Network, from the connection with Corridor IV in the west to Corridor IX near the city of Veliko Tarnovo. The estimated length of the route is 420 km. The sections from the Yana Interchange to Sofia ring road reaching near Yablanitsa and from Belokopitovo, via Shumen, to Varna, approximately 170 km in total, are currently operating. The remaining section of the motorway to be constructed starts at Yablanitsa and ends at Belokopitovo, a length of approximately 250 km.

The project between Yablanitsa and Belokopitovo has been provisionally divided into the following 8 sections:

**Section 1**, from Yablanitsa to Road III-307/ III-305, approximately 24 km long;

**Section 2**, from Road III-307/ III-305 to Road II-35, approximately 36 km long;

**Section 3**, from Road II-35 to Road III-301/ Alexandrovo, approximately 24 km long;

**Section 4**, from Road III-301/Alexandrovo to Road III-303/Pavlikeni, approximately 28 km long;

**Section 5**, from Road III-303/Pavlikeni to Road E85, approximately 33 km long;

**Section 6**, from Road E85 to Road II-51, approximately 46 km long;

**Section 7**, from Road II-51 to Road II-49, approximately 35 km long;

**Section 8**, from Road II-49 to Hemus Motorway (A-2) Belokopitovo, approximately 30 km long.

### PROJECT FINANCING

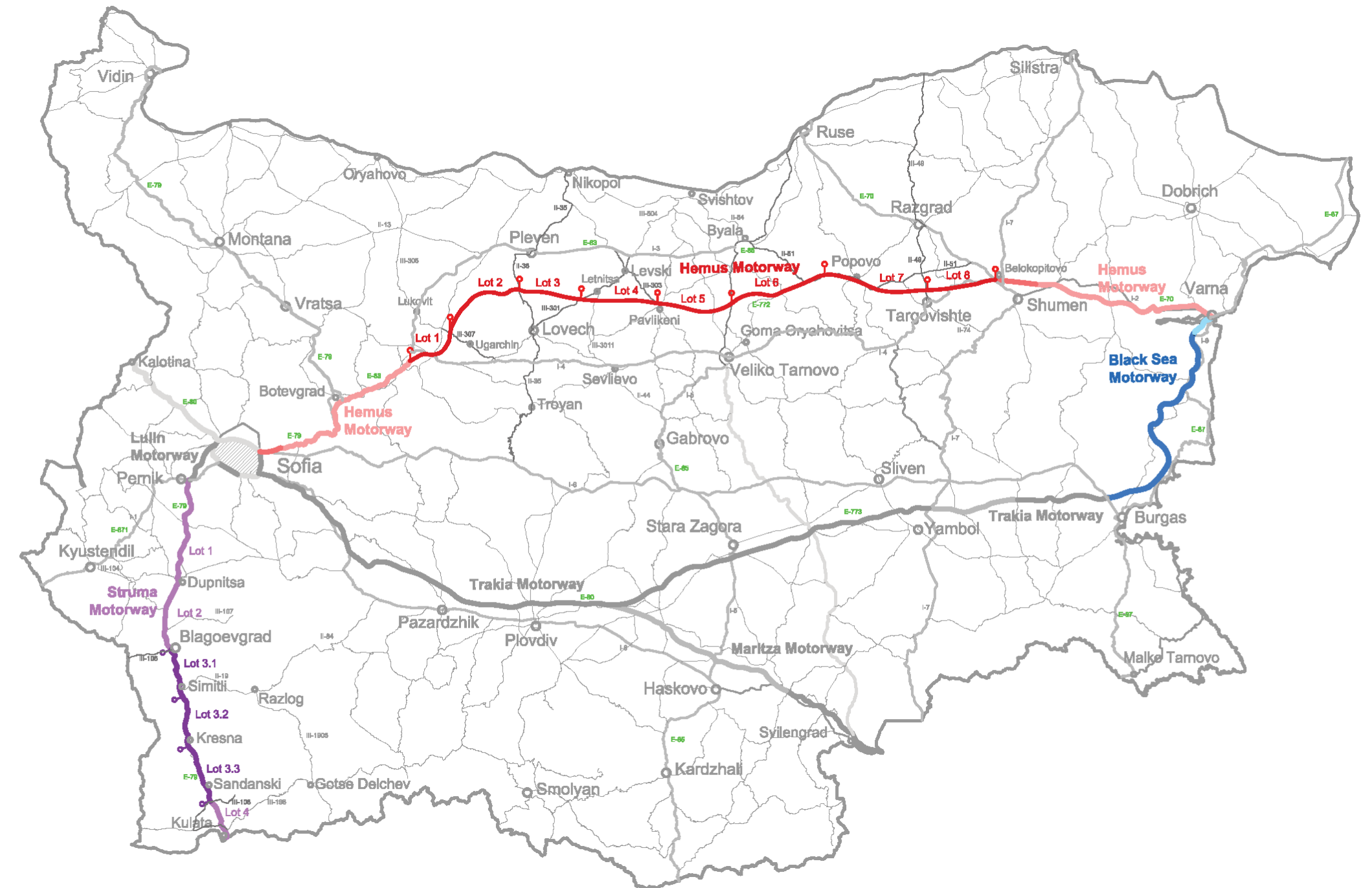
In July 2013, a contract for grant assistance was signed under Project № BG-161PO004-2.0.01-0018, for Preparation for the completion of Hemus Motorway. The contract value is BGN 5 246 400 and the financing, provided through Operational Programme on Transport 2007 – 2013, is from the Cohesion Fund.

### PROJECT IMPLEMENTATION

**The preparation stage** for the construction of Hemus Motorway includes 4 main activities: feasibility studies; preparation of preliminary design; Environmental Impact Assessment (EIA) report and preliminary archeological studies.

**The preparation of feasibility studies includes:** review and updating of existing feasibility studies from 1992-1993; estimation of operation and maintenance costs; review and updating of traffic forecast; comparison of alternative alignments; presentation of the preferred alignment to municipalities; updating of the cost benefit analysis from 2011 and preparation of a new one; preparation of an application form for the implementation stage. Infra-Mist-Dopravo-project JSC JV was awarded this contract in the sum of BGN 422 000 excluding VAT following a tender procedure complying with the Public Procurement Act. The contractor commenced in July 2013 and will make final delivery within 11 months.

Contracting for the preparation of the preliminary design, the EIA report and the implementation of the archeological studies will be commenced after the final alignment is approved.



## Black Sea Motorway

The preparation for construction of the Black Sea Motorway, between Varna and Bourgas, is another objective of the company. It is necessary to collect and systematically analyze the existing studies and to plan the implementation of the project under different technical scenarios and on a variety of alignment possibilities. Final project definition will be made in conjunction with and reflecting the constraints imposed by the financing method chosen and the identification of activities which cannot be assigned to a private partner.

### PROJECT FINANCING

A concession for construction initiative is being considered as the financing mechanism that will be pursued for the implementation of this project, but will depend on final project definition and financing structure.

### PROJECT IMPLEMENTATION

NCSIP has reviewed and updated existing feasibility studies and has also considered the legal implications of implementation. The detailed and updated feasibility study can support the decision-making process leading up to authorization to start project packaging and implementation.