



Republica Moldova – Republic of Moldova  
Ministry of Transport and Road Infrastructure

Project Identification Form (PIF): Transport Sector

**QUICK WIN PIF 7**

**Part One**

**1. GENERAL INFORMATION**

Project title:	Feasibility Study for the Rehabilitation and modernization of the infrastructure of Balti International Airport
Sector	Transport/Infrastructure
Subsector* (see list on the last page)	Air Transport
Lead project Beneficiary/proponent:	Ministry of Transport and Road Infrastructure
Project ID/number	
Institution that is the author of the project proposal	Ministry of Transport and Road Infrastructure
Location/Quick Facts	<p>Airport ICAO Code: <b>LUBL</b>                      Elevation: <b>758 ft / 231.04 m</b>          Airport IATA Code: <b>BZY</b>                      Magnetic Variation: <b>E 5°23.1' (2008-04)</b>          Airport Type: <b>A – Civil</b>                      Time Zone: <b>UTC+2(+3DT)</b>          Longitude/Latitude: <b>E 027° 46' 38.36"/N 47° 50' 34.66"      27.777322/47.842961</b></p> <p>Rîșcani district, Republic of Moldova, 11 km from the northern limit of Balti, 15 km from the city centre of Balti, economic and administrative centre of the Northern Development Zone of Moldova</p>
Total investment estimated:	Total investment: EUR 35,000,000
<ul style="list-style-type: none"> <li>• Preparatory activities (planning documentation, technical documentation, land acquisition etc.)</li> <li>• Rehabilitation works</li> <li>• Supervision</li> </ul>	For preparatory activities: EUR 1,000,000 Modernization works: 32,000,000 EUR Supervision of the modernization works: EUR 2,000,000 <b>The aim of this Quick Win PIF is to finance the Feasibility Study and Public Private Partnership preparation and contracting: 1 ME</b> A third party company
Responsible or authorized person for contact:	Victor NEAGA
Position:	Head of Air Transport Division
Email address - Telephone:	<a href="mailto:victor.neaga@mtid.gov.md">victor.neaga@mtid.gov.md</a> tel. +373 22 820 730

2. PROJECT DESCRIPTION

<p>Purpose of the infrastructure project</p>	 <ul style="list-style-type: none"> <li>- Improvement of air infrastructure for the northern area of Moldova – cargo and passengers, contribution to implementation of intermodal transportation network of Balti and Northern Development Zone of Moldova,</li> <li>- Resumption of regular passenger flights from Balti International Airport as a sustainable low-cost Airport, on commercial basis with low airport taxes, 7-9 EUR PAX, including through projected inclusion of Balti airport into the Free Economic Zone Balti,</li> <li>- Alternative for Chisinau International Airport and regional airports,</li> <li>- Increase number of destinations for regular flights and charter,</li> <li>- Return of passengers to and from Moldova currently using airports in Romania and Ukraine</li> </ul>
<p>Results of the infrastructure project</p>	<p>The implementation of this project will have direct impact on low-cost and regular air operators and new opportunities for northern area of the country, with a population of over 1.2 mln.</p> <p>The annual number of 220,000 passengers, which means 10% of the total number of passengers transported by air operators during one year in the Republic of Moldova, will increase up to 400,000 during the first 2-4 years.</p> <p>This project will also facilitate local transportation to the airport of passengers from the northern region of Moldova, thus avoiding numerous hours spent for terrestrial travel before registration.</p> <p>As an indirect result, a free market competition shall appear between airports operating international regular passenger flights in Moldova, which shall ultimately benefit also to passengers outside the catchment area of Balti International Airport.</p>

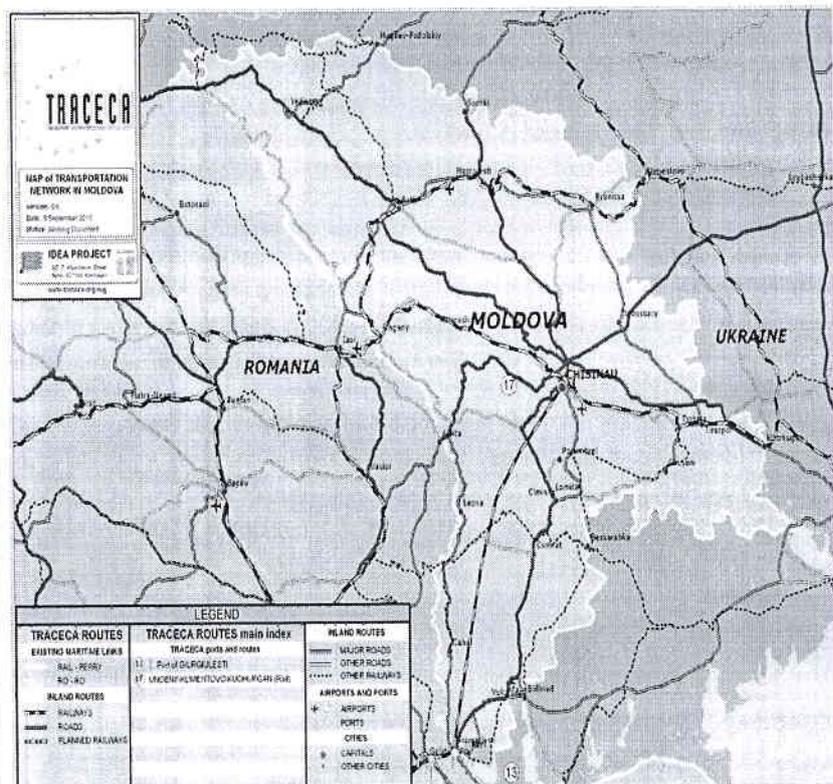
Regional context



There are 16 international airports in the neighboring Romania and 15 in Ukraine. Speaking about the development, an example to follow is the international Airport in Iasi, Romania, which from one destination in 2012 increased to a number of 14 destinations in 2016, with a traffic forecast of up to 1.2 mio passengers in 2017.

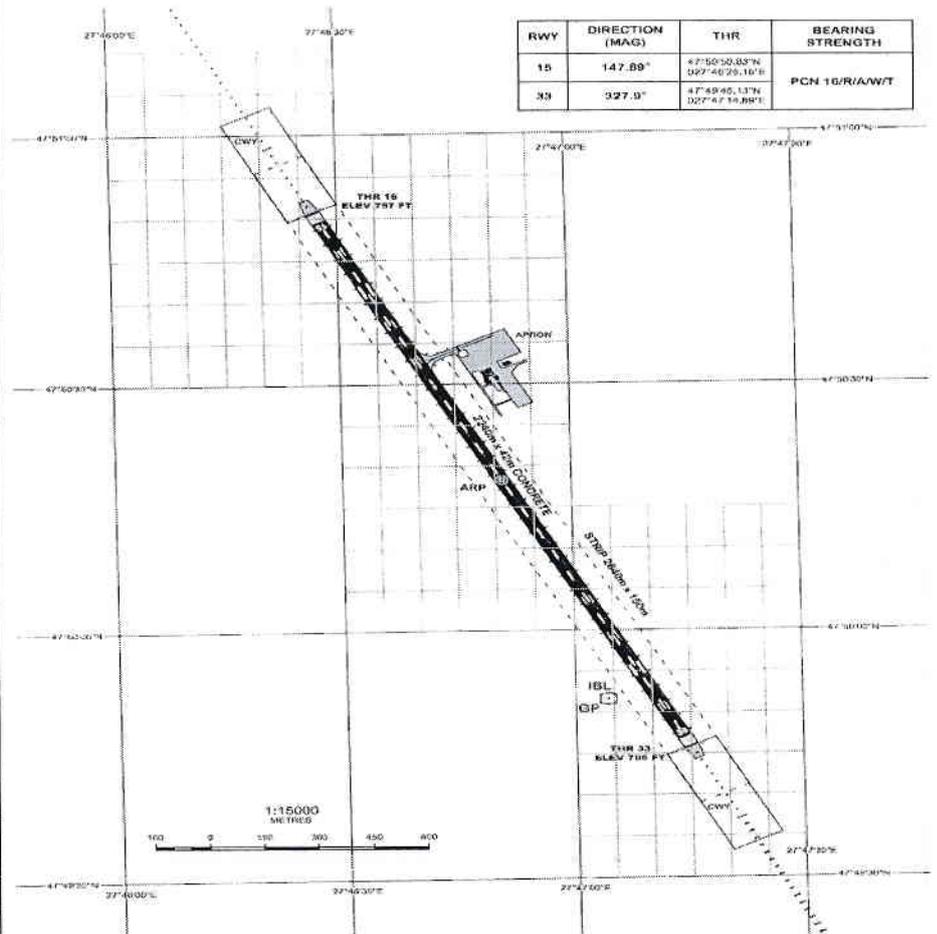
Countries comparable to the size of Moldova like Georgia (population 4.4 mln) and Lithuania (population 2.9 mln) have respectively 4 international airports in Georgia (notably a second international airport in Kutaisi) and 4 international airports in Lithuania (notably a second international airport in Kaunas).

General description  
(max 2 pages)

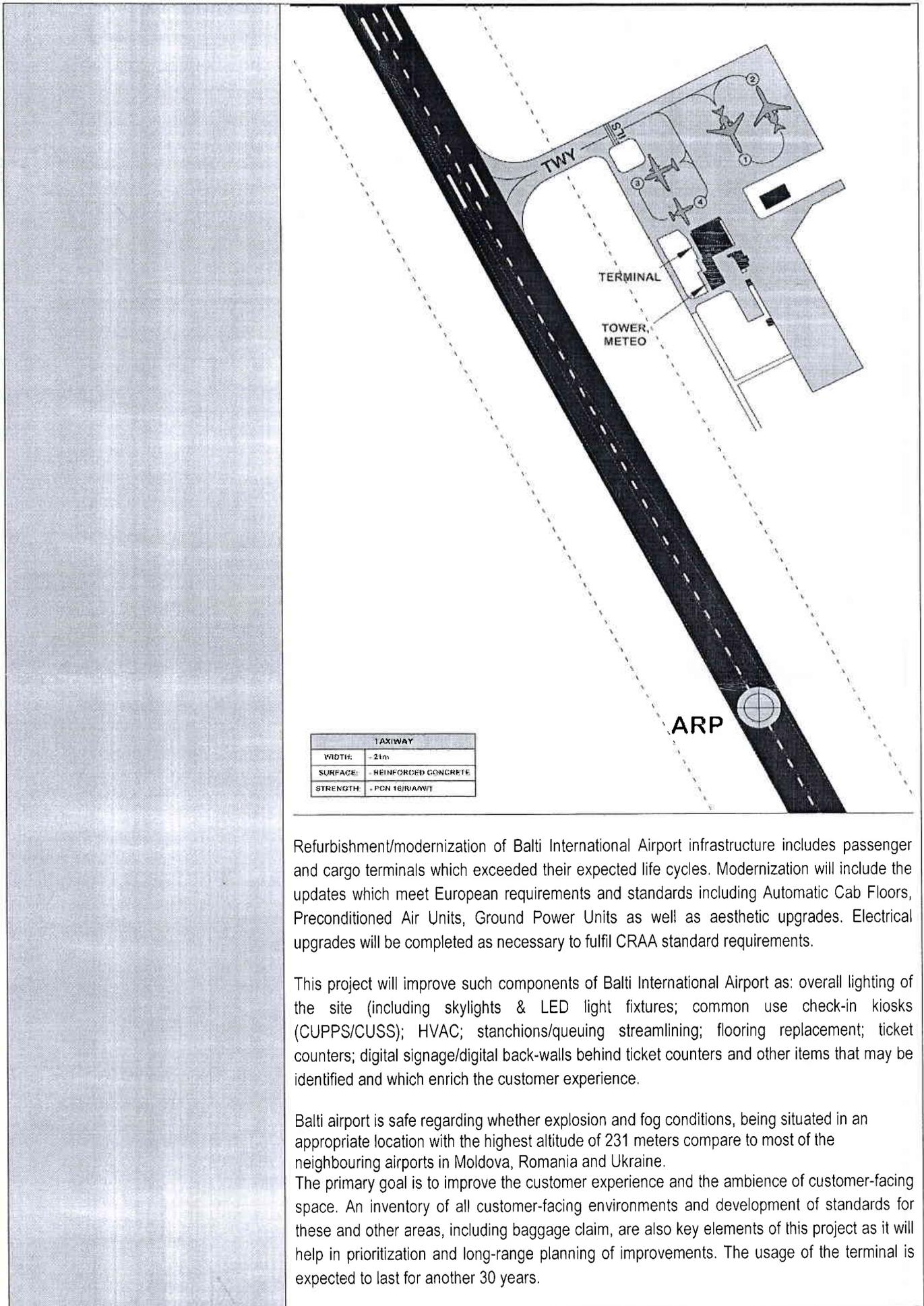


A pre-feasibility study is needed in order to assess the existing infrastructure, regional demand and further activities. The Republic of Moldova has the possibility to operate 5 civil airports, out of which 1 is permanently open for traffic – Chisinau International Airport (KIV). Balti Airport, the second Moldovan airport with history of regular passenger flights, is operated

by the State Enterprise "Moldaeroservice", subordinated to the Ministry of Transport and Road Infrastructure. Private-Public Partnership (PPP) could be identified in order to manage this Project for making the airport attractive, competitive, efficient with low taxes and sustainable.



The current infrastructure of Balti International Airport is the runway, luggage terminal and other buildings and facilities. Current runway dimensions; before its reconstruction and modernization; are as follows: 7350 x 140ft / 2240.3 x 42.7m. For the second stage the runway shall be extended with 500m in order to receive heavier airplanes such as Boeing and Airbus. The runway can be extended due to available land of the Balti Airport of 144 hectares and could be able to receive aircrafts of up to 160 tons weight.



Refurbishment/modernization of Balti International Airport infrastructure includes passenger and cargo terminals which exceeded their expected life cycles. Modernization will include the updates which meet European requirements and standards including Automatic Cab Floors, Preconditioned Air Units, Ground Power Units as well as aesthetic upgrades. Electrical upgrades will be completed as necessary to fulfil CRAA standard requirements.

This project will improve such components of Balti International Airport as: overall lighting of the site (including skylights & LED light fixtures; common use check-in kiosks (CUPPS/CUSS); HVAC; stanchions/queuing streamlining; flooring replacement; ticket counters; digital signage/digital back-walls behind ticket counters and other items that may be identified and which enrich the customer experience.

Balti airport is safe regarding whether explosion and fog conditions, being situated in an appropriate location with the highest altitude of 231 meters compare to most of the neighbouring airports in Moldova, Romania and Ukraine. The primary goal is to improve the customer experience and the ambience of customer-facing space. An inventory of all customer-facing environments and development of standards for these and other areas, including baggage claim, are also key elements of this project as it will help in prioritization and long-range planning of improvements. The usage of the terminal is expected to last for another 30 years.

### 3. ELIGIBILITY

<p>Coherence with EU strategies policies</p> <p>Coherence with Eastern Partnership</p> <p>Coherence with Association Agreement</p>	<ul style="list-style-type: none"> <li>• This project is coherent with the <b>Moldova - EU Association Agreement</b>, ratified by the Moldovan Law nr.112 of 02 July 2014</li> <li>• This project is in line with the <b>Action Plan for the implementation of the RM-EU Association Agreement 2014-2016</b> (approved by Government Decision on 25 June 2014)  <i>Article 81 (c) improvement of the infrastructure policy in order to better identify and evaluate infrastructure projects in the various modes of transport</i>  <i>Article 81 (d) development of funding strategies focusing on maintenance, capacity constraints and missing link infrastructure as well as activating and promoting the participation of the private sector in transport projects;</i>  <i>Article 82 Cooperation shall also aim at improving the movement of passengers and goods, increasing fluidity of transport flows between the Republic of Moldova, the EU and third countries in the region, by removing administrative, technical and other obstacles, improving transport networks and upgrading the infrastructure in particular on the main axes connecting the Parties. That cooperation shall include actions to facilitate border crossing.</i> </li> <li>• This project is in line with the <b>European Neighbourhood policy</b>, particularly with the joint communication Joint communication to the European parliament, the council, the European economic and social committee and the Committee of the regions: <b>Review of the European Neighbourhood Policy on 18/11/2015</b>  <b>TRANSPORT AND CONNECTIVITY</b>  <i>Support for greater connectivity as a key area for co-operation is confirmed by the consultation</i>  <i>*Extend core TEN-T networks to the Eastern partners</i>  <i>*Identify regional networks in the south to be included in the TEN-T guidelines</i>  <i>Cooperation on transport connectivity and telecommunications contributes to the economic development of partners and can be a means to foster dialogue and a starting point for regional co-operation between them. In the East, a safe and sustainable transport system, connected to the Trans-European Transport Network (TEN-T), is the key to promoting economic growth between the neighbourhood partners and the EU. The EU should therefore extend the core TEN-T to the Eastern partners and together with the IFIs and other partners promote the necessary investment in this extended network.</i> </li> <li>• This project is on line with the <b>Joint Declaration of the Eastern Partnership Summit</b> (Riga, 21-22 May 2015)  <i>The Summit participants emphasize the importance of ensuring the functioning of an efficient system of transit of goods.</i>  <i>They will promote an inclusive and open policy on energy security, transportation and supply.</i> </li> </ul>
<p>Contribution to valid national development objectives?</p>	<p>This project is in line with the Roadmap for the Improving the Competitiveness in the Republic of Moldova, approved by Government Decision n° 4 dated January 14-th, 2016.</p> <p><i>Objective 3.1. - Construction of a new air cargo terminal would provide the services according to international standards</i></p> <p><i>Objective 3.1.1. - Feasibility study on the construction of a new cargo terminal in the northern region of Moldova Quarter IV, 2018</i></p> <p><i>Objective 3.1.2. - Introducing the airports in the international economic cycle through modernization and development of their facilities.</i></p> <p>This project could be appointed for Public Private Partnership (PPP), according to the Government Decision n° 419 dated 18.06.2012, regarding the approving the list of state-owned assets and the list of works and services of national interest proposed for public-private partnership.</p> <p>A strategic interest of Moldova for this project was confirmed by the Ministry of Transport and Road Infrastructure and has the support of Moldovan Government.</p>
<p>Coherence with national Transport Sector Strategic framework</p>	<p>This project is not included in the Transport and Logistics Strategy but this strategy is going to be revised.</p>

#### 4. STRATEGIC RELEVANCE

Explain the features of the project in terms of:		
<b>Efficiency</b>		
<b>Value for money:</b> benefits generated by the project compared to invested resources (economic rate of return, cost-benefit or cost-effectiveness)	EF1	<p>This project will attract not less than 250,000 passengers per annum from the northern part of Moldova and Western Ukraine, and shall contribute to the return of passengers to and from Moldova flying so far from different airports in Romania and Ukraine.</p> <p>Low cost and regular companies will have an alternative no-frills airport in Moldova with lower airport charges, a more attractive geographical location and weather conditions than most of the neighbouring airports in Moldova, Romania and Ukraine.</p>
<b>Spill-overs:</b> is the project increasing connectivity and contributing to the growth of other sectors?	EF2	<p>This project is close connected to other projects in roads infrastructure and road transports, including development of the intermodal transportation network in Balti and the North Development Zone of Moldova, Balti being connected with European roads and having two railroad stations.</p> <p>This project will contribute to the development of northern region of Moldova in terms of transport of passengers and goods, as Balti hosts a large Free Economic Zone, Industrial Park Raut, just as northern region in general is home for numerous industries in Moldova.</p>
<b>Externalities:</b> does the project affect other societal problems, e.g. congestion or safety?	EF3	<p>This project will solve air transport problems for more than 1,2 mio people living in northern part of Moldova, when air transport becomes more accessible for long distances. Thus, it will reduce congestion on the roads and emissions.</p> <p>From national security point of view, the second civil airport in Moldova is a high priority and a necessity as an alternative landing and take-off point to Chisinau airport.</p> <p>A modernized Balti airport will boost the competition for airport services in Moldova, breaking the monopoly of the Chisinau International Airport and consequently leading to reduction in fares and quality enhancement.</p>
<b>Replicability:</b> is this project replicable in other places or countries?	EF4	<p>There are already similar projects with a positive impact in other countries comparable with Moldova. Georgia, Baltic states succeed to rehabilitate and operate on a sustainable manner other 2-3 regional airports.</p> <p>It is mandatory to use the existing experience in conducting this project.</p> <p>Countries comparable to the size of Moldova like Georgia (population 4.4 mln) and Lithuania (population 2.9 mln) have respectively 4 international airports in Georgia (notably a second international airport in Kutaisi) and 4 international airports in Lithuania (notably a second international airport in Kaunas).</p>
<b>Equity</b>		
<b>Inclusion:</b> number and proportion of people that would directly benefit from the project	EQ1	<p>1.2 mln (40%) Moldovan citizens from the northern part of Moldova and other 2.7 mio citizens of neighbour countries, Ukraine and Romania.</p> <p>New destinations will support the positive cooperation of Balti International Airport with other regional airports in the area.</p>
<b>Scale:</b> is the project of international, national, regional or local importance? Does the project have cross-border impact or impact on other	EQ2	<p>This project is on international scale attracting passengers from western part of Ukraine and Northern part of Romania.</p>

countries in the region?		
<b>Development:</b> is the project addressing specific problems of a community that is disadvantaged or underdeveloped in relation to the rest of the country or region?	EQ3	This project will contribute to the development of northern region of Moldova in terms of transport of passengers and goods, as Balti hosts a large Free Economic Zone, Industrial Park Raut, just as northern region in general is home for numerous industries in Moldova.
<b>Competition:</b> Is the project affecting the fair competition: access to the market, in-the-market competition, general compliance to rules and standards?	EQ4	The only existing airport in Chisinau has high airport taxes which are impeding free access to low cost air companies on the market. A modernized Balti airport will boost the competition for airport services in Moldova, breaking the monopoly of the Chisinau International Airport and consequently leading to reduction in fares and enhancement in quality.
<b>Groups:</b> Added value for disabled people, for gender equity or other disadvantaged groups	EQ5	Most of the migrant workers to Western Europe are women, thus improving connectivity in Northern Moldova will allow them to keep closer ties with their families at home. Following the rehabilitation and modernization of Balti International Airport, disabled people will have proper access conditions, being equipped accordingly.
<b>Feasibility</b>		
<b>Consensus:</b> is the project agreed by all the stakeholders?	F1	This project is a high priority for the Ministry of Transports with a large support of civil society. The project is being discussed regularly at official meetings with representatives of EU Commission, World Bank. The project is supported by the Moldovan Government and will be included in the amended Strategy for Transport and Logistics
<b>National:</b> is the project compliant and related with national strategies and government agenda?	F2	This project is in line with the Roadmap for the improving the competitiveness in the Republic of Moldova, approved by Government Decision n° 4 dated January 14-th, 2016.  <i>Objective 3.1. - Construction of a new air cargo terminal would provide the services according to international standards</i>  <i>Objective 3.1.1. - Feasibility study on the construction of a new cargo terminal in the northern region of Moldova Quarter IV, 2018</i>  <i>Objective 3.1.2. - Introducing the airports in the international economic cycle through modernization and development of their facilities.</i>  This project is appointed for Public Private Partnership (PPP), according to the Government Decision n° 419 dated 18.06.2012, regarding the approving the list of state-owned assets and the list of works and services of national interest proposed for public-private partnership.  A strategic interest of Moldova for the Project was confirmed by the Ministry of Transport and Road Infrastructure and has the support of the Moldovan Government.
<b>EU:</b> is the project compliant and related with EU agenda and strategies and with the EU/MD association agreement	F3	This project is coherent with the <b>Moldova - EU Association Agreement</b> , ratified by the Law nr.112 of 02 July 2014  This project is in line with the <b>Action Plan for the implementation of the RM-EU Association Agreement 2014-2016</b> (approved by Government Decision on 25 June 2014) <i>Article 81 (c) improvement of the infrastructure policy in order to better identify and evaluate infrastructure projects in the various modes of transport</i> <i>Article 81 (d) development of funding strategies focusing on maintenance, capacity constraints and missing link infrastructure as well as activating and promoting the participation of the</i>

		<p>private sector in transport projects;  Article 82 Cooperation shall also aim at improving the movement of passengers and goods, increasing fluidity of transport flows between the Republic of Moldova, the EU and third countries in the region, by removing administrative, technical and other obstacles, improving transport networks and upgrading the infrastructure in particular on the main axes connecting the Parties. That cooperation shall include actions to facilitate border crossing.</p> <p>This project is in line with the <b>European Neighbourhood policy</b>, particularly with the joint communication Joint communication to the European parliament, the council, the European economic and social committee and the Committee of the regions: <b>Review of the European Neighbourhood Policy on 18/11/2015</b>  <b>TRANSPORT AND CONNECTIVITY</b>  Support for greater connectivity as a key area for co-operation is confirmed by the consultation  *Extend core TEN-T networks to the Eastern partners  *Identify regional networks in the south to be included in the TEN-T guidelines  Cooperation on transport connectivity and telecommunications contributes to the economic development of partners and can be a means to foster dialogue and a starting point for regional co-operation between them. In the East, a safe and sustainable transport system, connected to the Trans-European Transport Network (TEN-T), is the key to promoting economic growth between the neighbourhood partners and the EU. The EU should therefore extend the core TEN-T to the Eastern partners and together with the IFIs and other partners promote the necessary investment in this extended network.</p> <p>This project is on line with the <b>Joint Declaration of the Eastern Partnership Summit</b> (Riga, 21-22 May 2015)  The Summit participants emphasize the importance of ensuring the functioning of an efficient system of transit of goods. They will promote an inclusive and open policy on energy security, <b>transportation and supply</b>.</p>
<p><b>Visibility:</b> how visible is the project to the general public?</p>	F4	<p>Aviation is a transport sector with highest rank of visibility and a new, modern airport will bring a major positive visibility effect in the country.</p>
<p><b>Ability:</b> capacity of the beneficiary to manage the implementation of the project</p>	F5	<p>This project is appointed for Public Private Partnership (PPP), according to the Government Decision n° 419 dated 18.06.2012, regarding the approving the list of state-owned assets and the list of works and services of national interest proposed for public-private partnership.</p>
<p><b>Maturity:</b> is the project ready to implement?</p>	F6	<p>The aim of this PIF is to set up the feasibility study for his project and identification of sustainable solutions for its development and implementation, as well as preparing the public private documentation and assistance in PPP contracting.</p>
<p><b>Sustainability</b></p>		
<p><b>Operational:</b> the capacity of the beneficiary (operators, authorities, communities) to keep the project running through the whole lifecycle</p>	S1	<p>Preliminary analysis shows that 250,000 passengers per annum will keep the airport financially sound and operationally sustainable. It is about 12% of the aviation traffic in the country, thus very feasible.</p>
<p><b>Financial:</b> existence of adequate financing for the sustainable operation of the project through the whole lifecycle</p>	S2	<p>Preliminary assumptions show that airport charges half the level of the Chisinau International Airport and 250,000 passengers per annum would ensure the financial sustainability of the renovated Beltsy airport. In depth data will be provided by the Feasibility study</p>

<p><b>Environmental:</b> impact of the project to the environment through the whole lifecycle</p>	<p>S3</p>	<p>Modernization of the airport will bring a positive impact on environment, will save CO2 and NOx emissions from passengers who are currently travelling by car to Chisinau for an air trip, number of road accidents will decrease, saving the time spent on terrestrial travel to Chisinau airport, which in some cases is about five hours ride from the very northern Moldovan localities.</p>
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## Part Two

### 5. MATURITY

Available studies and documents	Ready and approved	Being worked on	Not started yet
Conceptual idea	x		
Pre-feasibility study			x
Conceptual design			x
Feasibility study + CBA			x
EIA study (if needed)			x
Valid spatial planning documents	x		
Land property resolved	x		
Preliminary design			X
Main design/detailed design			X
Tender documentation			X
Construction and other permits			X
Construction contract signed			X

### 6. SPENDING SCHEDULE

	2017	2018	2019	2020	2021	2022
Costs (in EUR) of:						
Project preparation (TA)						
Investment						

### 7. OTHER ASPECTS

Have IFIs or other donors already been consulted on the project? When? What was their judgement?	No
Existing EU or WBIF support (TA): amount, purpose	No
Has the Ministry of Finance already been consulted on the project? Describe feedback.	Yes. Following the consultations with all public authorities this potential project was included in the Governmental Decision nr.419
Does the project generate revenues from end users?	Yes
Description of project team for implementation	

