

Huge Budget Overruns on 4 Highways

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Orthodox priests blessing the opening of the highway built by Avtodor from Moscow to Sergiev Posad in 2002. **Vladimir Filonov**

The state highway company Avtodor received 39.5 billion additional rubles (\$1.3 billion) for construction and redevelopment of four federal highways, up from 17.3 billion rubles (\$402 million) originally allocated in the 2010 budget, Kommersant reported Tuesday.

Company representatives confirmed the figures and said they had requested the extra money, which was issued by government decree at the end of last year, for pre-construction activities — including work on the country's first toll road which will run between Moscow and St. Petersburg.

"We're talking about project preparation, and given the experience with the first section [which runs through the Khimki forest], we're talking first of all about environmental expertise," an Avtodor spokeswoman said Tuesday.

Costs will include environmental surveys, planting new trees to compensate for those cleared,

and relocating houses and associated infrastructure along the route, the representative said.

Work on the Moscow–St. Petersburg highway has been suspended since August, when anti-road demonstrations forced President Dmitry Medvedev to order an inquiry into the proposed route through the Khimki forest.

A government commission chaired by Deputy Prime Minister Sergei Ivanov approved the route in December, but recommended several compensatory measures, including the construction of sound shields alongside the road and planting new forests to compensate for the trees felled.

The Moscow–St. Petersburg highway is the first big infrastructure project being built with the participation of foreign investors, who will then receive a concession to collect tolls on the sections they build. The additional funding to Avtodor seems designed to shield concessionaires from the effect of Khimki-type controversies.

The French civil engineering firm Vinci, whose North West Investment subsidiary holds the concession for the 43-kilometer section through the Khimki forest, has not revealed how much it lost as a result of the stoppage.

Avtodor is working on one another concession-model highway construction project — the 450-kilometer M1 to the Belarussian border. The 1,524-kilometer M4 highway to Novorossiisk and the 489-kilometer M3 to the Ukrainian border will be state-funded.

Avtodor is holding a news conference Thursday to announce plans for the next steps in the project. Moscow region Governor Boris Gromov said in December that the project would restart this Saturday, Jan. 15.

Environmentalists who opposed the road will gather in a field next to the forest at 3 p.m. on Saturday to try to prevent further tree felling.

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