

Audit Chamber Raps \$1.1Bln in Transportation Spending

By [The Moscow Times](#)

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Despite spending 35 billion rubles (\$1.1 billion) since 2006 to improve transportation infrastructure and increase the attractiveness of the country's transport network to foreign customers, not a single project has been completed, the Audit Chamber said in a statement Wednesday.

The Audit Chamber concluded that a set of long-term development programs initiated by the Transportation Ministry has failed to raise competitiveness and that the country's potential to be used as part of a transit network between Europe and Asia has not been realized.

"The growing demand for freight transportation is being held back by the underdevelopment of Russia's logistics infrastructure," the report said.

Overall, the Audit Chamber deemed both the effectiveness of spending and the quality of investment management as "low." Of 35.4 billion rubles consumed by the programs since

2006, 20.1 billion rubles have been provided out of the state budget. The report emphasized that adequate oversight of public-private spending was not developed. As a result, 1.7 billion rubles of budget money were spent in violation of standards.

As of Jan. 1 not one of 19 projects initiated over the last 7 years has been completed.

The Chamber noted that the desired enhancements in infrastructure would require increased state funding, as well as "improvements" in the management of investment.

The Audit Chamber will send its conclusions to the cabinet, the Transportation Ministry and the Federation council.

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