

**Railway Reform in Serbia**  
**SEETO Working Group Railway and Intermodality, November 14, 2012,**  
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## **I RAILWAY REFORM IN SERBIA**

**The new Draft Law on railway**, adopted from the Government, was in the parliamentary procedure from September 2011. Because of parliamentary changes and repeat procedure we are expecting adoption the new Law on railway till end of 2012.

The Draft Law on railway provides for further harmonization of the Serbian railway legislation with the EU regulations (EU directives: 91/440, 95/18, 2001/14 and with Regulation 1370/2007), namely regarding the following fields: access and use of infrastructure, licensing, public service obligations and activities of the Directorate for Railways with clear definition of its functions in the field of the regulation of railway services market etc. New version of the Law on railway includes a chapter on combined transport, as well as on national program of construction and reconstruction of the railway infrastructure defining obligations of all participants.

**The Draft Railway Safety and interoperability law** is finished and on the end February 2012 send Government for adoption. In accordance above mentioned reason we are expecting adoption this law till end of 2012. The subject matter of the Draft Railway Safety and interoperability law has been harmonized with the EU regulations (directives 2004/49, 2007/59 and 2008/57), particularly in the parts related to: implementation of technical specifications of interoperability, establishment of a national safety authority, safety certificates, activities of investigation body and notification body, keeping of vehicle and infrastructure register, notification of national safety rules, etc.

In July 2012, Assembly of Serbian Railways JSC adopted the foundation acts of the four new following daughters (subsidiaries) companies:

1. Subsidiary for Public Railway Infrastructure Management,
2. Subsidiary for Public Passenger Railway Service and Rolling Stock Maintenance within that type of transport,
3. Subsidiary for Rail Freight Traffic and Rolling Stock Maintenance within that type of transport,
4. Subsidiary for Management of Real Estate and other Assets of “Serbian railways” JSC.

The Republic Serbia has launched restructuring Serbian Railways JSC because of harmonization with the EU regulation. We are expected the Government approval in the next month on this foundation acts.

From IPA 2008 we have got Technical assistance in reorganization of the Serbian Railways JSC in total amount 0.5 million Euros and contract with consultant is signed at February 2012. Project duration is 1 year. Expected results of this project are as follows:

- Accounts of the companies which form the group of companies structure are functional and the management of the group of companies is performing their tasks in line with best business practice in this field,
- Procedures for Access Charges to the Infrastructure reviewed and under implementation,
- Public Service Obligation (PSO) methodology revised and prepared,
- Principles and criteria for the railway infrastructure capacity allocation developed.

## **II RAIWAY PROJECT IN SERBIA**

Project rehabilitation and modernization on the sections of the Corridor X network (Gilje - Cuprija - Paracin including the bridge over the Morava River), finance by EIB in the amount of 50 million Euros, is ongoing. Completion construction of the bridge over the Velika Morava River is expecting for middle 2013 and completion rehabilitation and modernization railway line Gilje - Cuprija - Paracin is expected for end of 2013.

The line Subotica - Stara Pazova (Corridor X) includes also bridge over the Danube at Novi Sad, so called "Zezelj" Bridge. Old bridge was destroyed in April 1999 and provisional, temporary bridge was erected in May 2000. Construction of the new bridge with two roadways and two rail lines started in May 2012 and is expected to be realized in next two years.

Ongoing project for rehabilitation truck along key sections of Corridor X (112 km) in the amount of 30 million Euros, financed by EBRD. Plan for the finishing this project is May 2014.

In January 2012 was signed loan agreement with EBRD, in the amount of 95 million Euros, for rehabilitation Corridor X. The investment will finance the rehabilitation of 14 km of railways from Belgrade Central Station through Rakovica to Resnik, as well as the renewal of approximately 50 km of truck along key sections of Corridor X. We are expecting the beginning of those projects after ratification of this agreement in the Assembly of R. Serbia, which is planned for November.

Negotiation for the Project on modernization of the railway line on section Stara Pazova - Novi Sad with EIB, in the amount of 200 million Euros is ongoing. Also, ongoing are preparation of technical documentation for the project of reconstruction and modernization of the railway section Stara Pazova Pazova- Novi Sad and the construction of the second track on this section. Preparation of technical documentation is being financed by IPA funds - about 0.5 million and assets Serbian Railways JSC - about 3 million. The technical part of the Preliminary Design have

been completed and preparation of the Feasibility study, Environmental impact assessment study and detailed regulation plan are ongoing.

Negotiations are ongoing with the Russian Federation on establishing a loan in the amount of \$ 800 million to implement following projects: development of Belgrade railway node, reconstruction of the railway Belgrade-Bar and on the construction of the railway Valjevo-Loznica.

For project on modernization and reconstruction of the railway line Niš – Dimitrovgrad is in progress negotiation with the Czech Republic on a loan agreement in the amount of 120 million euros.

It is anticipated signing in December of the Loan and Guarantee Agreement with the Kuwait Fund for Arab Economic Development, in the amount of 27 million euros, for the construction of Belgrade Center-Prokop (Phase 1). The project comprises the construction of phase 1 of the new Belgrade Centre Railway Station in Prokop with an area of about 37,000 square meters containing 8 main railway tracks with 4 sidings, 5 platforms with two connecting subways, metro tunnel structure underneath the station, technical control post and passenger services, in addition to electrical and mechanical works for trains and passenger related services and utility infrastructures.

The Preliminary Project Feasibility Study for the construction of the intermodal terminal in Batajnica, financed by IPA 2008 in the amount of 2 million Euros, is finished in April 2012. Activates on adoption of general regulations, the declaration of public interest, expropriation (3,5 million Euros for expropriation), etc. are in progress. After that, we are expecting support EU funds of 85% for construction of the intermodal terminal in Batajnica with estimated value of 15,5 million Euros. The final beneficiary of this project will be a new public entity established by the Government of Serbia/Ministry of Transport together with the City of Belgrade, as an Investor, and will be the owner of the intermodal terminal and the terminal operator. Future intermodal terminal will have a direct connection with Corridor X, ie. will be connected with the railway station in Batajnica, through the service road for loop Batajnica. Surface of intermodal terminal with access roads is about 13 ha. Near intermodal terminal is planned development of the logistics center on surface of about 80 ha.

The Project System for analysis of the track financed by IPA fund in the amount of Euros, started in October 2010 and lasts until end of 2013 year. Project scope is to develop and introduce a track infrastructure survey and information system as assistance in planning of railway line maintenance and reconstruction and accurate monitoring of train movement, in accordance with EU standards.

Regarding support EIB and WBIF at the end of February this year was signed Contract for services between the Ministry and Italferr for the Technical assistance to the rail infrastructure (Master plan for railway) with total amount of 800,000 Euros. The overall objective of the project is to prepare the investment plan for the railway

sector in Serbia during the period 2012-2021 and to provide institution building support within the Ministry of Transport and Serbian Railways JSC for investment planning. Also results of the Master Plan for railways will be good base for negotiation between Ministry, Serbian Railways and IFIs. The project lasts until June 2013.

The Ministry of Transport actively participates in EU Strategy for the Danube Region through the Coordinator of the Priority Area 1b - To Improve Mobility and Intermodality (rail, road and air transport).

Also, ongoing activities are:

- preparation the Preliminary Design for reconstruction and modernization of the section Niš – Brestovac, total length of about 22 km with the Environmental Impact Assessment Study and the Feasibility Study, which is funded under the IPA components III, as part of PPF4;
- tender procedures for project documentation for modernization of the railway line Novi Sad–Subotica–Hungarian border (in the total amount 6,8 million Euros) and for project documentation for railway bypass around Nis (in the total amount 1,5 million Euros), financed by IPA fund.

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