

Standard Summary Project Fiche – IPA centralised programmes

Project number 21: Facilitating Intermodal Transport in Serbia

1 BASIC INFORMATION

- 1.1 CRIS Number:** 2008/020-406
- 1.2 Title:** Facilitating Intermodal Transport in Serbia
- 1.3 ELARG statistical code:** 03.14
- 1.4 Location:** Republic of Serbia

Implementing arrangements:

- 1.5 Contracting Authority:** EC Delegation to the Republic of Serbia
- 1.6 Implementing Agency:** EC Delegation to the Republic of Serbia
- 1.7 Beneficiary** (including details of project manager):

Project Manager will be State secretary for transport.

Members of the Steering Committee (SC) will be

1. Representatives of Ministry of Infrastructure (MoI), Project Manager (Chair)
2. The EC Delegation Programme Manager for Infrastructure
3. Project Team Leader
4. Representatives of Ministry of Infrastructure, Department for railway and intermodal transport - 2 employees
5. Representative of the Ministry of finance
6. Representative of the Ministry for Environmental Protection
7. Other representatives as required

The SC will provide advice and guidance on policy matters. It will be responsible for the monitoring and evaluation of project results. The SC will meet at least every 3 months.

An operational working group will be established if required to assist guidance of project implementation. Members of the working group will be delegated by the key institutions included in the project implementation.

Financing:

- 1.8 Overall cost:** 2.000.000 EUR
- 1.9 EU contribution:** 2.000.000 EUR
- 1.10 Final date for contracting:** 3 after the signature of the Financing Agreement
- 1.11 Final date for execution of contracts:** 5 after the signature of the Financing Agreement
- 1.12 Final date for disbursements:** 6 years after signature of the Financing Agreement

2 OVERALL OBJECTIVE AND PROJECT PURPOSE

2.1 Overall Objective:

To contribute to increasing Serbian economic competitiveness and reducing environmental burdens due to transport.

2.2 Project purpose:

To establish the institutional framework for development of intermodal transport and logistic centres in the Republic of Serbia

2.3 Link with AP/NPAA / EP/ SAA

The **European Partnership**, page 14, Short term priorities: **Transport policy** – para 1 and page 19, medium- term priorities: **Transport policy** – para 1: The document emphasizes the importance of the implementation of the MoU on the Development of the South East Europe Core Regional Transport Network. The realization of short-term priority from the European Partnership, page 14 para 2 - to adopt and implement a national transport strategy - is underway, inter-modality being a significant part of the document. The European Partnership also highlights the implementation of the Law on Rail which refers to the intermodal transport issue and, in the medium term, strengthening capacity building in the transport sector.

The project fiche is harmonized with **Action plan** of the Republic of Serbia for implementation of priorities from the European partnership, which anticipates adoption and implementation of national strategy in transport field (road, rail, air and water transport) in order to achieve economic feasibility of the sector.

The **SAA**, Protocol IV, part for Rail and Combined Transport (articles 7 to 10) emphasis the mutually coordinated measures necessary for the development and promotion of rail and combined transport as a means of ensuring a more environmentally-friendly mode of transport and the necessary steps that will be taken to adapt the system for combined transport, with particular regard to the development or building of terminals, tunnel gauges and capacity, which require substantial investment.

In the **Serbia 2007 Progress Report** in the chapter Transport Policy it is reported that there is no progress on **combined transport** and inter-modality and that intermodal transport in Serbia must be improved. Accordingly, the requirements for the operation of more efficient and more environmentally friendly transport systems - which would be able to link modal infrastructure and related services on one side, and the nodes of the national and European economy on the other – should be strengthened. In such a context, intermodal freight transport has been identified as a priority for support by the European Commission

The **White Paper on EU Transport Policy for 2010**, which proposes specific measures to be taken at Community level under transport policy, recognizes a growing imbalance between modes of transport in the European Union. This persisting situation is leading to an uneven distribution of traffic, generating increasing congestion, particularly on the main trans-European corridors and in towns and cities. To solve this problem, two priority objectives need to be attained by 2010:

- regulated competition between modes;
- a link-up of modes for successful inter-modality.

The **REBIS study**¹ recommends creating the initial conditions for an efficient development of combined transport in the Balkans, which include, in the short term, improving the knowledge of the market and the creation of a new, adequate and a more efficient regulatory, organizational and institutional framework. This comprises a market and capacity study, an organizational study, a policy study and a long term investment study.

2.4 Link with MIPD

In the MIPD 2007–2009 for Serbia, within **Component I – „Transition Assistance and Institution Building“**, there are two important points which support development of intermodal transport:

¹ Regional Balkans Infrastructure Study (REBIS), Final Report 2003, funded by EU Commission/EAR, CARDS Programme 2000, and focusing on the development of a multi-modal Core Transport for the Balkan region.

- **Main priorities and objectives** (page 22, chapter 2.2.3.1. built 8) : Support Transport Authorities to meet demands of EU legislation; multi-modal transport network and trans-shipment facilities;
- **Expected results and time frame** (page 23, chapter 2.2.3.2. built 7): The National Transport Strategy (road, rail, aviation and waterways) prepared and implemented; effective implementation and enforcement of transport legislation, particularly as regards safety aspects; intermodal transport improved.

2.5 Link with National Development Plan (where applicable) n/a

2.6 Link with national / sectoral plans

The National Strategy of Serbia for the Accession to the EU emphasizes that a strategically important place should be reserved for the development of integral transport as a more efficient way of delivering goods to the biggest EU centres.

In the mid- and long-term, the strategy for the Serbian transport system should enable the realisation of at least three strategic goals: 1) faster development and raising to a higher technical, technological and organisational level of the whole transport system, which creates preconditions for more efficient and rational meeting of transport needs as well as reaching European standards, 2) establishment of such a structure of transport system and a transport services market that correspond to the valorisation of competitive advantages of all transport modes on certain routes and 3) further integration of domestic into international transport tendencies, according to the existing harmonised corridors at the EU level.

The needs of the Republic of Serbia for international assistance 2007-2009 - The development of intermodal transport in the Republic of Serbia is in its infancy. Development of intermodal transport terminals is a precondition for the development of modern transport and distribution technologies. Therefore, one of the priority transport projects is Institutional building of intermodal transport in Serbia (chapter 3.13, page 240).

The project fiche is in accordance with **Strategy of Railway, Road, Inland Waterway, Air and Intermodal Transport Development in the Republic of Serbia, 2008 – 2015** (adopted by the Government of the Republic of Serbia in December 2007)², which defines the necessity of introduction of intermodal transport and regarding this, the strengthening of the institutions competent for this field.

The Strategic Plan of the Public Enterprise Serbian Railways 2006-2010 takes into consideration construction of intermodal transport terminal networks in Belgrade, Novi Sad and Niš and purchase of 10 reachstackers (special forklift).

The project supports the implementation of the strategy **Danube Serbia: Building a European Gateway (2007)** which identifies the need for national government to facilitate exploitation of the region's comparative advantages by promoting inter-modal transport opportunities.

3 DESCRIPTION OF PROJECT

3.1 Background and justification:

The main goal of intermodal transport is the optimal usage (from the social point of view) of transport means of various kinds for each transport process, resulting in savings in total expenses, and better quality of service. Intermodal transport provides preconditions for successful cooperation of carriers of different means of transport for the realization of a transport chain, from manufacturer to consumer. Savings in energy, time and expense, and

² The Strategy is based on the Final Report (2006) of the Institutional Capacity Building Project in the Transport Sector, funded by EU Commission /EAR, CARDS Programme 2003.

greater environmental protection resulting from intermodal transport use are attracting increasing attention in developed European countries. By initiating processes of integration, the promotion of combined transport will be started in Serbia.

The favourable geographical position of Serbia for transit transport offers great potential for the development of intermodal transport. Rehabilitation work to date via CARDS and IFI funding on Euro-corridors X and VII and the positive developments in the region further emphasise this potential. Given the natural geo-strategic conditions that could potentially favour logistic fluxes towards the East, the onus is Serbia to build the institutional framework for local and international actors to realise the potential.

By 2020, intermodal transport is seen to be the natural choice for the movement of goods in Europe. By 2020, the European intermodal transport system, featuring also Multimodal and Combined Transport, is envisaged as accounting for 40% of the movement of goods, as the transport of freight, even bulk, will become increasingly unitized. Intermodal transport will be an industry with its own identity, its own strategy, and its own voice³.

Intermodal transport in Serbia is at a very early stage. The main reasons are the following:

- Institutional issues such as weak institutions, inadequate organization, non-existence of relevant associations, limited strategic foresight
- Operational issues, which comprises weak coordination and cooperation among stakeholders in the transport chain, as well as a lack of policy initiatives by government for intermodal transport organization
- Inadequate and weakly developed suitable infrastructure or superstructure, old mechanization and equipment, in addition to bad transport organization and network
- Insufficient support to the comprehensive and wide-ranging planning process in the logistic transport chains
- Underdeveloped awareness of the benefits which an intermodal transport system provides and inadequate marketing of the benefits
- The tariff policy in Serbia, which does not stimulate the use of intermodal transport.

More efficient cooperation between republic and local – city authorities (e.g. Belgrade, Novi Sad, Nis city authorities) is also necessary for better and faster development of intermodal transport in Serbia.

Support to intermodal transport terminals (location equipped for the trans-shipment and storage of intermodal transport units-ITU-s) is a precondition for the development of modern transport and logistic centres. To date there is no fully developed intermodal transport terminal in Serbia. Only ZIT Beograd (daughter company of Serbian Railways) and the Port of Belgrade are equipped to handle standard container transport. A better business-enabling environment needs to create and attract more private sector actors that can readily boost combined railway-road-river transport.

The Department for Railways and Intermodal Transport⁴ in the MoI has recognized that action has to taken in an orchestrated inter-ministerial manner to develop the enabling policy environment for intermodal transport in Serbia. The Department cooperates with other relevant institutions in the intermodal transport sector, which also lack strategic capability (knowledge, experience, organizational units, etc.) to deal with the institutional and policy challenges. A Department for intermodal transport was established in the Public Enterprise "Serbian Railways" in January 2006. The Department should be engaged in regulations and conventions in the combined transport field, by following new technologies, defining transport offers and prices.

Local public or private companies do not recognise the advantages of intermodal and container transport due to the failure of state policy. Inter-modal stimulation measures are well known in many EU countries - such stimulation measures provide subsidy to operators,

³ Strategic Intermodal Research Agenda 2020 – SIRA, 2005, European Intermodal Research Advisory Council

⁴ Department for Railways and Intermodal Transport at MoI was established in 2004.

stimulating fiscal and economy policies, tariff policy, simplifying border procedures (time, papers and costs), open access to the terminals etc. Nevertheless, due to the geographical location of Serbia, international companies are investing in the sector.

The responsible state authorities: MoI, Ministry of Finance (MoF), Customs and Inspection authorities, and Environmental Protection Authority have a limited awareness of the economic potential that intermodal transport offers. As a result there is a lack of related legislation and secondary legislation that could support intermodal transport and smooth the path for future foreign investors.

As the development of intermodal transport in Serbia is related to other transport sectors, other key stakeholders include MoF (donor coordination), Customs and border inspection authorities, Serbia Investment and Export Promotion Agency (SIEPA), PE "Serbian Railways", the Directorate for Railways, Belgrade airport "Nikola Tesla", port authorities, freight forwarders, shipping agents, transport companies, Serbian Chamber of Commerce, Belgrade Chamber of Commerce, local authorities, and the Faculty of Transport and Traffic Engineering, University of Belgrade. An important stakeholder is also the national operator for combined transport "Srbijakombi". "Srbijakombi" is a "daughter company" of PE "Serbian Railways" (adopted by the Government in December 2007) and will be the generator of further development of intermodal transport. "Srbijakombi" will be engaged in organizing combined road-railway transport, with a view to establishing a cost-effective, faster, more productive and environmentally acceptable transport mode.

The role of the state in intermodal transport development is crucial to facilitate development with stimulative measures, with the aim of promoting economical transport and providing alternatives to road freight transport. This especially refers to creating a financial support model for stimulating infrastructure projects for intermodal transport (terminals), the organization and terminal equipment, and transport itself representing a necessary basis for the development of intermodal transport.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Impact:

The increase of traffic flows worldwide causes environmental damage such as air emissions, noise impact, climate change, and other 'external' costs such as congestion and accidents. One of the main goals of inter-modality is to reduce the environmental impact of transport. Owing to Serbia's central geographical position, effective transshipment facilities will do much to enable the selection of the most efficient transport means for many journeys in the region, and thus have a significant environmental impact. In making transport thus more efficient, it will at the same time increase the competitiveness of trans-Serbian transport routes, making the entire economy more competitive.

Catalytic effects:

The implementation of this project will provide coordinated activities between competent state bodies on one side, and public and private companies on the other through an established institutional framework, so that the state can operate efficiently. Also, the organization of stakeholders in intermodal transport chains will be improved. With reliable and efficient intermodal transport organization, the Republic of Serbia will be reliable and recognized partner in the European logistic system. This will stimulate further investment in ever more efficient systems.

Sustainability:

The sustainability of the project will reflect networking between stakeholders enabling the geographical grouping of independent companies and bodies dealing with freight transport (for example, freight forwarders, shippers, transport operators, customs) and with accompanying services (for example, storage, maintenance and repair) and developed investment models of public-private partnership for intermodal transport terminals and logistic centres.

This especially refers to creating the financial support model for stimulating infrastructure projects for intermodal transport (terminals), the organization and terminal equipment and transport itself representing a necessary basis for the intermodal transport development.

The sustainability of this project will be through preparation recommendation and guidelines for Strategy Action plan of intermodal transport for next year by Coordination body. All of members of Coordination body give contribution in their own organisation for implementation of recommendations and guidelines of intermodal transport.

The Coordination body will be initiator of transformation in intermodal transport field in next period through initiation of project proposals, linking with different institutions and

organisations, permanent communication with Ministries and Government by reports and plans.

3.3 Results and measurable indicators

This project will support the creation of the necessary legal framework, implementation of recommendations and best EU practice, as well as implementation of technical and security regulations and establishment of conditions which will contribute to improving transport services and the overall economic development of Serbia.

The specific results to be achieved by this project are

1. **Developed guidelines of stimulation measures** for facilitation of intermodal transport
2. **The requisite skills provided** in the sector for intermodal transport through training
3. **Promotion of intermodal opportunities** as a competitive feature of Serbia to attract local and international investments through stimulating the interest stakeholders and organising conferences
4. **Development of the Action Plan** according to the Transport strategy of the Republic of Serbia 2008-2015 for future development of intermodal transport in the Republic of Serbia.

Measurable indicators are:

- state of drafting of guidelines for stimulation measures
- number of experts trained
- number and quality of presentations of best practices
- state of drafting of the Action Plan according to the Transport strategy of the Republic of Serbia 2008-2015.

3.4 Activities:

Activities related to Result 1

- 1.1 Review the Institutional Framework and Organisational Design
- 1.2 Prepare national legislation and improved procedures
- 1.3 Develop guidelines for operational, financial and ecological stimulation measures to facilitate and promote intermodal transport
- 1.4 Develop guidelines and implementing measures covering the objectives, priorities, and identification of projects of common interest
- 1.5 Define economic and ecological promotion measures.

Activities related to Result 2

- 2.1 Identify the priority areas of interventions and institutional strengthening to improve the intermodal transport network and related logistic services

- 2.2 Organise training on the preparation and implementation of projects (20 members of WG, 20 working days, ref. Activities 3.2)
- 2.3 Organise training in financial management and development of models for creating budget position for subsidy of intermodal transport (20 members of WG, 20 working days, ref. Activities 3.2)
- 2.4 Develop models of public-private partnership for intermodal transport terminals and logistic centres, based on recommendations and best EU practice
- 2.5 Organise training for public and private sectors building knowledge in the management of intermodal transport
- 2.6 Organise 8 Workshops in Serbia and 4 Study trips in experienced countries in the field of intermodal transport (members of WG, 30 working days, ref. Activities 3.2)

Activities related to Result 3

- 3.1 Identification main stakeholders both in state-local and public-private level
- 3.2 Create a dual-level Working Group (WG):
 - State-Local level (representatives of responsible Ministries and Customs and Inspection authorities, Local and municipal authorities, etc.)
 - Public-Private level (representatives of Serbian Railways, river Ports, airports, transport companies, freight forwarders, land owners, associations within Chambers of Commerce etc.)
- 3.3 Organise a conference for promotion of intermodal transport and logistic centres, perform a market analysis and review, and raise the awareness and knowledge in Serbia.
- 3.4 Develop synergies among existing organizations dealing with intermodal transport and encourage implementation of best practice.

Activities related to Result 4

- 4.1 Perform a review and gap analysis of inter-modal transport sector in Serbia
- 4.2 Design market-led stimulation measures and implementation procedures
- 4.3 Develop the Action plan for development of intermodal transport and necessary infrastructure investments based on international standards and best practice.

Contracting Arrangement:

This activity will be implemented through a service contract.

3.5 Conditionality and sequencing:

Conditionality

This project is conditional to the full commitment by all key line ministries to facilitating the economic opportunities presented by inter-modal logistics.

The Serbian administration must ensure that this project is market-oriented and that the private sector (both local and international) are involved at the very beginning in supporting the project objectives.

Sequencing

Activities related to the several results can proceed sequentially, and partly concurrently.

3.6 Linked activities

This project is especially linked with:

1. The Project Capacity Building – Transport sector» CARDS 2004 – EAR which deals with the reform of the Ministry of Infrastructure as a whole and does not include sufficient emphasis on strengthening the capacities regarding the inter-modal transport workforce in Serbia. This project provides a detailed elaboration of strategies, action plans and programs for the transport sector in Serbia, and developed a transport strategy paper 2008-2015 within which an important part is dedicated to development of intermodal transport in Serbia. The project Facilitating Intermodal Transport in Serbia implies a series of concept solutions and measures based on the Capacity Building project.
2. The current Twinning Project “First Alignment with the Transport Acquis”, (CARDS) to be finished by December 2007. The objective this project is the harmonisation of legislation in the competence of the Ministry of infrastructure.
3. The IMOD-X Project («Intermodal Solutions for Competitive Transport in Serbia») financed by the Norwegian programme 2004, done by MoI, SINTEF from Norway and Faculty of Traffic and Transport Engineering of the University of Belgrade. This project had a great impact on raising the awareness for the necessity of intermodal solutions in the Serbian transport system, touched upon capacity building and proposed the macro locations of intermodal transport terminals. In order to enable practical implementation of the IMOD-X project conclusions, it will be necessary to organise a project addressing these issues. In that regard, the Ministry of infrastructure proposes this project that will develop operative strategies for development of the intermodal transport in Serbia and initiate practical implementation of the intermodal terminals in Serbia. This project will represent a logical follow-up of the IMOD-X project.
4. Technical Study and Tender Documents for the Belgrade Railway Node (CARDS 2005, started in October 2007). The overall objective of the project is to promote sustainable mobility along pan-European Railway and Combined Transport Corridor X, and in the City of Belgrade, through the rehabilitation and upgrading of the Belgrade Railway Node with expected Preliminary design of a freight terminal.
5. Regular Bilateral Agreements on combined transport between Serbia and Bulgaria (signed in 2002), Serbia and Croatia (signed in 2005), Serbia and Hungary (agreed in 2005), Serbia and Slovakia (started procedure in 2005.) and MoU between Serbia and Austria (signed in 2006).
6. Implementation of the AGTC Agreement (European Agreement on Important International Combined Transport Lines and Related Installations). The Agreement reflects a commitment to the development of combined transport, creating the necessary preconditions for attracting international financial institutions in respect of loans and donations in the area of transport infrastructure and related facilities

3.7 Lessons learned

One of the most important tasks in The Facilitating Intermodal Transport in Serbia project will be to build the stakeholder network and develop common understanding and motivation among them for practical implementation of the intermodal transport and intermodal terminals in Serbia. The job on building this stakeholder network and development of common motivation has been started during the IMOD-X project, which has demonstrated the importance of this subject.

On the Pan-European Transport Corridor X (AGTC: C-E 70), in September-November 2006, a new rolling motorway (Ro-La) began operating between Wels and Halkali connecting over a distance of nearly 2,000 km Austria, Slovenia, Croatia, Serbia, Bulgaria and Turkey. The Ro-La trains are operated by 6 railway companies. This Ro-La is unaccompanied, the drivers taking the plane from Istanbul to Vienna. There have also recently appeared several initiatives to introduce intermodal transport in Serbia, such as a container line Belgrade-Constanza (by the Danube) and the railway container line Belgrade-Bar.

Such initiatives should be used to stimulate interest in Serbia and the region.

Experience of the mentioned initiatives and all the above projects suggests further institutional capacity building in the intermodal transport field is required to provide sustainability of those and future projects in Serbia.

4 INDICATIVE BUDGET (AMOUNTS IN EUR)

			TOTAL EXP.RE	SOURCES OF FUNDING								
				IPA COMMUNITY CONTRIBUTION	NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION		
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1												
contract 1.1	x		2,000,000	2,000,000	100							—
TOTAL IB			2,000,000	2,000,000	100							
TOTAL INV												
TOTAL PROJECT			2,000,000	2,000,000	100							

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

5 INDICATIVE IMPLEMENTATION SCHEDULE

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1	T + 1Q	T +3Q	T + 11Q

6 CROSS CUTTING ISSUES

6.1 Equal Opportunity

The project will be committed to equal opportunities in employment.

6.2 Environment

The implementation of this project will enhance the development of intermodal transport and in this way contribute towards a modal shift so-called environmentally friendly transport.

EU policy is focused on encouraging a multi-modal approach to transport and particularly the use of intermodal transport. In recent years EU shippers on certain corridors have increasingly focused on intermodal possibilities⁵. This has been partly due to increasing concerns about road traffic congestion but also because of stricter environmental guidelines that are having an increasingly significant influence on logistics management decisions.

6.3 Minorities

As minorities and vulnerable groups are usually the most affected by environmental degradation, improvements resulting from this project will also be of particular benefit to them. This also applies to greater transport efficiency, whose resulting cost-reductions will favourise especially the poor in society.

⁵ Transport Master Plan, ToR, 2006, planned to be financed by EC/EAR in 2008.

ANNEX I: LOGICAL FRAMEWORK MATRIX

LOGFRAME PLANNING MATRIX FOR Project Fiche			
FACILITATING INTERMODAL TRANSPORT IN SERBIA		Contracting period expires 3 years after the signature of the Financing Agreement	Disbursement period expires 6 years after the signature of the Financing Agreement
		Total budget: 2 million Euro	IPA budget: 2 mill. Euros
Overall objective	Objectively verifiable indicators	Sources of Verification	
To contribute to increasing Serbian economic competitiveness and reducing environmental burdens due to transport.	<i>Investment models of public-private partnership for intermodal transport terminals and logistic centres</i> <i>Contracts signed between interested stakeholder and e.g. IFIs</i> <i>Degree of construction and use of trans-shipment terminals</i>	- Governmental or Local Government Reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To establish the institutional framework for development of intermodal transport and logistic centres in the Republic of Serbia.	<ul style="list-style-type: none"> - establishment of a Coordination body (consisting of 20 trained experts) and adoption by Minister of infrastructure. - Use made of guidelines produced under this project 	<ul style="list-style-type: none"> - EC Progress reports for Serbia - Government Reports - Ministerial decisions 	<ul style="list-style-type: none"> -Positive influence of EU and accession of Serbia in modern transport process -Decision-makers are interested in importance of intermodal transport -Existence of financing sources for use of the project results

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1. Developed guidelines of stimulation measures for facilitation of intermodal transport 2. The requisite skills provided in the sector for intermodal transport through training 3. Promotion of intermodal opportunities as a competitive feature of Serbia to attract local and international investments through stimulating the interest stakeholders and organising conferences 4. Development of the Action Plan according to the Transport strategy of the Republic of Serbia 2008-2015 for future development of intermodal transport in the Republic of Serbia	- state of drafting of guidelines for stimulation measures - number of experts trained - number and quality of presentations of best practices - state of drafting of the Action Plan according to the Transport strategy of the Republic of Serbia 2008-2015.	- Annual report of MoI - Governmental/Ministerial decision - Evaluation of workshops (presentations) by participants - Evaluation of conferences (presentations) by participants - Annual plan of MoI	- Absorption capacities of the beneficiary - Active mutual cooperation of all transport sectors and state institutions - Flexible Organization structure of the institutions need for realization project
Activities	Means	Costs Total budget: 2 mill. Euros	Assumptions
Activities related to Result 1 1.1 Review the Institutional Framework and Organisational Design 1.2 Prepare national legislation and improved procedures 1.3 Develop guidelines for operational, financial and ecological stimulation measures to facilitate and promote intermodal transport 1.4 Develop guidelines and implementing measures covering the objectives, priorities, and identification of projects of common interest 1.5 Define economic and ecological promotion measures.	- Service contract	2 mill. Euro	Interests and readiness of all stakeholders for common intermodal platform and relation between. Availability of adequate project documentations, data etc

<p>Activities related to Result 2</p> <p>2.1 Identify the priority areas of interventions and institutional strengthening to improve the intermodal transport network and related logistic services</p> <p>2.2 Organise training on the preparation and implementation of projects (20 members of WG, 20 working days)</p> <p>2.3 Organise training in financial management and development of models for creating budget position for subsidy of intermodal transport (20 members of WG, 20 working days)</p> <p>2.4 Develop models of public-private partnership for intermodal transport terminals and logistic centres, based on recommendations and best EU practice</p> <p>2.5 Organise training for public and private sectors building knowledge in the management of intermodal transport</p> <p>2.6 Organise 8 Workshops in Serbia and 4 Study trips in experienced countries in the field of intermodal transport (20 members of WG, 30 working days).</p>			<p>Interests and readiness of all stakeholders for common intermodal platform and relation between.</p> <p>Availability of adequate project documentations, data etc</p>
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<p>Activities related to Result 3</p> <p>3.1 Identification main stakeholders both in state-local and public-private level</p> <p>3.2 Create a dual-level Working Group (WG):</p> <ul style="list-style-type: none"> • State-Local level (representatives of responsible Ministries and Customs and Inspection authorities, Local and municipal authorities, etc.) • Public-Private level (representatives of Serbian Railways, river Ports, airports, transport companies, freight forwarders, land owners, associations within Chambers of Commerce etc.) <p>3.3 Organise a conference for promotion of intermodal transport and logistic centres, perform a market analysis and review, and raise the awareness and knowledge in Serbia.</p> <p>3.4 Develop synergies among existing organizations dealing with intermodal transport and encourage implementation of best practice</p>		
<p>Activities related to Result 4</p> <p>4.1 Perform a review and gap analysis of inter-modal transport sector in Serbia</p> <p>4.2 Design market-led stimulation measures and implementation procedures</p> <p>4.3 Develop the Action plan for development of intermodal transport and necessary infrastructure investments based on international standards and best practice.</p>		

ANNEX II: AMOUNTS (IN ₪) CONTRACTED AND DISBURSED BY QUARTER FOR THE PROJECT (IPA CONTRIBUTION ONLY)

Contracted	QR1	QR2	QR3	QR4	QR5	QR6	QR7	QR8	QR9	QR10	QR11	QR12	Total
Contract 1.1			2,000,000										2,000,000
Cumulated			2,000,000										2,000,000
Disbursed													
Contract 1.1			200,000		450,000		450,000		450,000		450,000		2,000,000
Cumulated			200,000		650,000		1,100,000		1,550,000		2,000,000		2,000,000

ANNEX III: INSTITUTIONAL FRAMEWORK – LEGAL RESPONSIBILITIES AND STATUTES

The specific sector of transport is ruled by the Ministry of Infrastructure itself (following the general elections in January 2007 the new Government was installed on 15 May 2007; the Ministry of Capital Investments was restructured - the Sector for Telecommunication was rearranged into a new Ministry, and renamed as Ministry of Infrastructure) and through Directorates that deal with the relevant sector as road, railways including intermodality, inland waterway transport and air.

The Ministry of Infrastructure performs the public administration duties in the sphere of railway, road, waterway, air, and intermodal traffic relating to: obligation and ownership rights relations; monitoring; safety and technical-technological system structure; status of foreign carriers in transport of goods and passengers on the territory of the Republic of Serbia; navigable waterways where international and multinational navigation regime is valid; development strategy of transport system; development plans and other plans in relation to structure, system organization, and relations in transport of passengers and goods; approval of construction and usage of transport infrastructure and equipment, and capacities which are in the function of utilization of traffic infrastructure; financial and technical control organization. The Ministry of Infrastructure also performs the public administration activities referring to: spatial and urban planning; setting out conditions for the construction of the facilities; sets out the housing relations and residential business; construction; construction land; geodesy engineering surveying; and other activities stipulated by law.

The Ministry of Infrastructure consists of the following organizational units:

1. Sector for Road Transport
2. Sector for Roads and Road Safety
3. **Sector for Railways and Intermodal Transport**
4. Sector for Air Traffic
5. Inland Waterway Transport and Navigation Safety Sector
6. EU Integration Sector
7. Architecture, Construction and Investments Projects Sector
8. Urban and Spatial Planning Sector
9. Urban and Spatial Planning Agency

Beside of the Ministry of Infrastructure of the Republic of Serbia, as the development intermodal transport in Serbia is related to other transport sectors, other stakeholders including:

1. Ministry of Finance of the Republic of Serbia is governmental body responsible for budget policy, including subsidy for railways transport (and future implementation stimulation measures for development of combined / intermodal transport)
2. Ministry for Environmental Protection of the Republic of Serbia is governmental body responsible for environmental protection policy and measures for reducing noise, pollutions of air, land and water, vibrations (and future implementation stimulation measures for development of combined / intermodal transport)
3. Customs authorities is governmental body within Ministry of finance, responsible for customs activities at border crossing and terminals, ports, airports (and future implementation of simplifying border crossing procedure and reducing transport times)
4. Serbia Investment and Export Promotion Agency (SIEPA) is a government organization dedicated to effectively helping foreign investors and buyers, while raising Serbia's profile in the minds of international business decision-makers.

5. Serbian Railways is public enterprise for freight and passenger transport, responsible for carrying out of intermodal transport on railways.
6. Directorate for Railways is a special organization of the Republic of Serbia for the field of railway transport. Directorate has been established to carry out expert, regulatory and other operations in the field of railway transport defined by the Law on Railway.
7. Belgrade "Nikola Tesla" Airport is public enterprise for ground handling of aircraft, passengers, goods and mail in domestic and international traffic
8. Port authorities are company in Serbia for freight inland waterways transport, including intermodal transport on rivers.
9. Srbijakombi is "daughter company" of Serbian Railways responsible for organization of combined road-railway transport
10. Belgrade City authorities is local level authorities responsible for urban city transport projects and planning, including potential locations of intermodal terminals in Belgrade
11. Other stakeholders: shipping agents, transport companies, chambers of commerce...

Development of intermodal transport is related with good cooperation within all stakeholders.

ANNEX IV: REFERENCE TO LAWS, REGULATIONS AND STRATEGIC DOCUMENTS:

According to The Strategy of Railway, Road, Inland Waterway, Air and Intermodal Transport Development in the Republic of Serbia, 2008 – 2015 it is planned to make legal framework for intermodal transport through regulations for railway and road transport, road safety, tax relief, environment protection etc.

Existing Serbian laws and regulations those are important for intermodal transport and need to be modified:

- Law on rail (*"Official Herald of Republic of Serbia", no. 18/2005*)
- Law on safety in railway transport (*"The Official Gazette of FRY", no. 60/98, 36/99, "The Official Gazette of RS", no. 101/2005*)
- Law on international transportation in road traffic (*"Official Gazette of FRY" No. 60/98, 5/99, 44/99, 74/99 and 4/00, "Official Gazette of Republic of Serbia", No 101/2005*)
- Federal Law on road safety (*"Official Gazette of SFRY" number 50/88, 63/88, 80/89, 29/90, 11/91; "Official Gazette of FRY", number 34/92, 13/93, 24/94, 41/94, 28/96, 3/02; "Official Gazette of RS", number 101/2005*)
- Regulation on the total duration of managing over vehicle, drivers rest and work of doubled crews on vehicles with relevance to safety of vehicle steering (*"Official Gazette of SFRY, no.18/84, 67/85"*)
- Regulation on dimensions, total masses and axle load for vehicles and on the basic requirements that must be fulfilled by devices and equipment installed on vehicles in the traffic on roads (*"Official Gazette of SFRY", number 50/82, 11/83, 4/85, 65/85, 64/86, 22/90, 50/90, 51/91*)
- Law on maritime and inland waterways transportation (*Official Herald FRY, No 12/99, last amendment 101/2005*)
- *The Spatial Plan of the Republic of Serbia until 2010 ("Official Gazette of the Republic of Serbia", No. 13/96)*

Existing international agreements in the intermodal transport field:

- European Agreement on Important International Combined Transport Lines and Related Installations - AGTC; (*"Official Gazette of SCG – International Contracts", No .7/05*)
- *Agreement on combined transport between Federal Republic Yugoslavia and Republic of Bulgaria ("Official Gazette of FRY – International Contracts", No .3/03)*
- *Agreement on combined transport between Serbia and Montenegro and Republic of Croatia ("Official Gazette of SCG – International Contracts", No .4/06)*

The **European Partnership**, page 14, Short term priorities: **Transport policy** – para 1 and page 19, medium- term priorities: **Transport policy** – para 1: The document emphasizes the importance of the implementation of the MoU on the Development of the South East Europe Core Regional Transport Network. The realization of short-term priority from the European Partnership, page 14 para 2 - to adopt and implement a national transport strategy - is underway, inter-modality being a significant part of the document. The European Partnership

also highlights the implementation of the Law on Rail which refers to the intermodal transport issue and, in the medium term, strengthening capacity building in the transport sector.

The project fiche is harmonized with **Action plan** of the Republic of Serbia for implementation of priorities from the European partnership, which anticipates adoption and implementation of national strategy in transport field (road, rail, air and water transport) in order to achieve economic feasibility of the sector.

The **SAA**, Protocol IV, part for Rail and Combined Transport (articles 7 to 10) emphasis the mutually coordinated measures necessary for the development and promotion of rail and combined transport as a means of ensuring a more environmentally-friendly mode of transport and the necessary steps that will be taken to adapt the system for combined transport, with particular regard to the development or building of terminals, tunnel gauges and capacity, which require substantial investment.

In the **Serbia 2007 Progress Report** in the chapter Transport Policy it is reported that there is no progress on **combined transport** and inter-modality and that intermodal transport in Serbia must be improved. Accordingly, the requirements for the operation of more efficient and more environmentally friendly transport systems - which would be able to link modal infrastructure and related services on one side, and the nodes of the national and European economy on the other – should be strengthened. In such a context, intermodal freight transport has been identified as a priority for support by the European Commission

The **White Paper on EU Transport Policy for 2010**, which proposes specific measures to be taken at Community level under transport policy, recognizes a growing imbalance between modes of transport in the European Union. This persisting situation is leading to an uneven distribution of traffic, generating increasing congestion, particularly on the main trans-European corridors and in towns and cities. To solve this problem, two priority objectives need to be attained by 2010:

- regulated competition between modes;
- a link-up of modes for successful inter-modality.

The **REBIS study**⁶ recommends creating the initial conditions for an efficient development of combined transport in the Balkans, which include, in the short term, improving the knowledge of the market and the creation of a new, adequate and a more efficient regulatory, organizational and institutional framework. This comprises a market and capacity study, an organizational study, a policy study and a long term investment study.

In the **MIPD 2007–2009** for Serbia, within **Component I – „Transition Assistance and Institution Building“**, there are two important points which support development of intermodal transport:

- **Main priorities and objectives** (page 22, chapter 2.2.3.1. built 8) : Support Transport Authorities to meet demands of EU legislation; multi-modal transport network and trans-shipment facilities;
- **Expected results and time frame** (page 23, chapter 2.2.3.2. built 7): The National Transport Strategy (road, rail, aviation and waterways) prepared and implemented; effective implementation and enforcement of transport legislation, particularly as regards safety aspects; intermodal transport improved.

⁶ Regional Balkans Infrastructure Study (REBIS), Final Report 2003, funded by EU Commission/EAR, CARDS Programme 2000, and focusing on the development of a multi-modal Core Transport for the Balkan region.

The National Strategy of Serbia for the Accession to the EU emphasizes that a strategically important place should be reserved for the development of integral transport as a more efficient way of delivering goods to the biggest EU centres.

In the mid- and long-term, the strategy for the Serbian transport system should enable the realisation of at least three strategic goals: 1) faster development and raising to a higher technical, technological and organisational level of the whole transport system, which creates preconditions for more efficient and rational meeting of transport needs as well as reaching European standards, 2) establishment of such a structure of transport system and a transport services market that correspond to the valorisation of competitive advantages of all transport modes on certain routes and 3) further integration of domestic into international transport tendencies, according to the existing harmonised corridors at the EU level.

The needs of the Republic of Serbia for international assistance 2007-2009 - The development of intermodal transport in the Republic of Serbia is in its infancy. Development of intermodal transport terminals is a precondition for the development of modern transport and distribution technologies. Therefore, one of the priority transport projects is Institutional building of intermodal transport in Serbia (chapter 3.13, page 240).

The project fiche is in accordance with **Strategy of Railway, Road, Inland Waterway, Air and Intermodal Transport Development in the Republic of Serbia, 2008 – 2015** (adopted by the Government of the Republic of Serbia in December 2007)⁷, which defines the necessity of introduction of intermodal transport and regarding this, the strengthening of the institutions competent for this field.

The Strategic Plan of the Public Enterprise Serbian Railways 2006-2010 takes into consideration construction of intermodal transport terminal networks in Belgrade, Novi Sad and Niš and purchase of 10 reachstackers (special forklift).

The project supports the implementation of the strategy **Danube Serbia: Building a European Gateway (2007)** which identifies the need for national government to facilitate exploitation of the region's comparative advantages by promoting inter-modal transport opportunities.

⁷ The Strategy is based on the Final Report (2006) of the Institutional Capacity Building Project in the Transport Sector, funded by EU Commission /EAR, CARDS Programme 2003.

ANNEX V: DETAILS PER EU-FUNDED CONTRACT:

The Project leader monitors regularly the activities undertaken and results achieved during project implementation. The project leader will have the responsibility of adjusting the work schedule and activities in order to achieve the overall objective of the project.

The project leader works in Belgrade to direct and coordinate the project with the responsible members from the Ministry of Infrastructure and WG. The Project leader is responsible for the daily management of the project in Serbia. Project leader performs the following:

- coordinates and supervises the activities of all long-term, short-term and local experts;
- ensures overall co-ordination within the project;
- organises the project implementation, especially steering the assignments of the medium- and short-term experts, training measures, conferences, internships, etc.;
- ensures avoidance of overlapping with other projects.

Project leader organizes:

- training on the preparation and implementation of projects (20 members of WG, 20 working days, ref. Activities 3.2)
- training in financial management and development of models for creating budget position for subsidy of intermodal transport (20 members of WG, 20 working days, ref. Activities 3.2)
- training for public and private sectors building knowledge in the management of intermodal transport
- Workshops in Serbia
- Study trips in experienced countries
- Study trips in experienced countries, including of training

The standard steering committee meetings can be a management instrument ensuring this important function.

Long and Short-term experts provide specialised know-how for the individual tasks in this project. As a general approach, the experts will take the responsibility for the implementation of the Project and the achievement of the results, each for his/her individual mission tasks. They will also prepare the required reports and the output described. They must provide long-standing experience in all relevant fields.

Local experts should pay attention to the need to ensure the active participation of local professional skills where available. Local experts are responsible for expertise on current strategies and situation in the Serbian transport sector, expertise on development of intermodal terminals and logistic centres, expertise on local transport flows and transport infrastructure and knowledge of national transport laws.