Standard Summary Project Fiche – IPA centralised programmes
(Regional / Horizontal programmes; centralised National programmes)

1. Basic information
1.1 CRIS Number: 2007/19322
1.2 Title: Supervision of Belgrade City Road By-Pass, Section B – Dobanovci to Bubanj Potok 37,3 km motorway
1.3 ELARG Statistical code: 02.21
1.4 Location: Serbia

Implementing arrangements:
1.5 Contracting Authority (EC): EC
1.6 Implementing Agency: N/A
1.7 Beneficiary (including details of project manager): Ministry of Infrastructure

Financing:
1.8 Overall cost: € 3.5 M
1.9 EU contribution: € 3.5 M
1.10 Final date for contracting: 30 November 2010
1.11 Final date for execution of contracts: 30 November 2011
1.12 Final date for disbursements: 30 November 2012

2. Overall Objective and Project Purpose

2.1 Overall Objective:

To enhance traffic flows on Euro Corridor X and improve the efficiency of urban and transit traffic in Belgrade to meet EU standards.

2.2 Project purpose:

The purpose of the project is to:

- To assure efficient and effective supervision of motorway construction works of Belgrade City Road By-Pass
- To provide technical assistance in permits provision, to result by Take-over Certificate and Final Acceptance Certificate for the Roads

2.3 Link with AP/NPAA / EP/ SAA

‘The White Paper on EU Transport Policy’ sets out the approach for the development of the Trans European Transport Network to 2020. It places a high priority on making transport systems more efficient and safer and on achieving a shift of modal split from the current emphasis on road transport. In order to face the challenges created by rapidly increasing freight and passenger transport, on 22 June 2006 the Commission published a mid-term review of the White Paper "Keep Europe Moving - Sustainable mobility for our continent". These considerations give the indication of unsatisfactory implementation of the intentions of the White Paper: road transport has increased its share of goods up to distance of 250 km to
85-90%, and modal transfer seems unrealistic. Investments in the road transport infrastructure are crucial to improve road safety.

The **European Partnership** document emphasizes the importance of the implementation of the MoU on the Development of the South East Europe Core Regional Transport Network, which is based on the 2003 Regional Balkans Infrastructure Study (REBIS) whose aim is developing infrastructure and improving policies in the area of transport and which anticipates close co-operation between participants in the process of harmonizing procedures and technical standards, regulatory and administrative provisions concerning transport, in accordance with EU standards and directives. The Multi Annual Development Plan of the South-East Europe Core Regional Transport Network was adopted which defines long-term investment requirements for the western Balkan countries in the period 2007-2011. The realization of short-term priority from the European Partnership - to adopt and implement national transport strategy - is under way.

The High Level Group **Networks for peace and development - Extension of the major trans-European transport axes to the neighbouring countries and regions** underlined five main multimodal axes as extensions of the Trans-European Transport Network (TEN-T) towards neighboring countries and regions among which South Eastern Axes includes Corridor X:

### 2.4 Link with MIPD

The **Multi-annual Indicative Planning Document** (MIPD) 2007–2009 emphasises the importance of developing the full potential and the competitiveness of Serbia's transport sector, in particular Corridor X.

### 2.5 Link with National Development Plan (where applicable)

N/A

### 2.6 Link with national/ sectoral investment plans(where applicable)

The National Strategy of Serbia for the Accession to the EU emphasizes the development of transport infrastructure as being strategic important for Serbia. The project proposal is harmonized with the Action plan of the Republic of Serbia for implementation of priorities from the European Partnership, which anticipates adoption and implementation of national strategy in road, rail, air and water transport, in order to achieve an economic feasibility of the sector.

In addition it will be in line with the National Transport Policy and Strategy which is being prepared by the Ministry of Infrastructure (now Ministry of Infrastructure). A National Transport Plan study will be financed in 2007 by the EAR, in which all means of transport will be considered.

The draft document “**Strategy and Policy of Transport Sector Development in Serbia until 2015**” recognizes motorway corridors and routes of Regional Core Network as the basic components which enable Serbia to become a part of the European road network system. It recommends that priority should be given to the removal of bottlenecks especially Belgrade by-pass on its whole length.
3. Description of project

3.1 Background and justification:

Serbia has an extensive transport infrastructure network as regards density of roads and total roadway. The transport network has experienced under investment in the past decade, and has been severely affected by war damage, resulting in destroyed or unusable components of the transport infrastructure.

The overall objective of the Serbian road transport sector policy is to recover from the years of sanctions and war during which the highway network suffered from lack of maintenance. The rehabilitation of roads began in 2001 and it is estimated that an additional EUR 600 million alone is needed for the initiated network reconstruction. Approximately EUR 6.2 billion will be required for the rehabilitation and maintenance of State and regional road network over the next ten years. Preparations are being put in place to further develop the highway infrastructure and, thereby, improve the country’s potential for attracting investment and international trading capacity.

Restoration of the infrastructure network is one of the priorities of the Serbian government and extensive IFI investments have been made to support and finance this restoration. To date EAR has played a major role in the facilitation of IFI investment under the CARDS programme. These investments have largely targeting the key Euro corridors of X and VII.

One of the main road transport axis strategically important for Serbia is Pan-European Transport Corridor X. This Euro Corridor is a major European transport route connecting all other existing trans-national and TEN-T priority axes in South East Europe: Budapest-Timisoara- Bucharest (IV), Budapest-Šamac-Sarajevo- Ploče (Vc), Vlora -Tirana - Skopje - Sofia (VIII) and the Corridor VII (Danube river).

For Belgrade Euro corridor X is of major importance. Belgrade has a serious traffic congestion problem. The increasing structural deterioration of the Gazela bridge, which is the only motorway bridge taking transit traffic through the city of Belgrade, (traffic density of 160 000 vehicles per day.) creates a bottleneck on the pan-European Corridor X route. The Belgrade City Road Bypass will contribute to rectifying this problem.

Section B of the Belgrade City Road Bypass represents a critical strategic link in the Trans-European Corridor X route connecting Western Europe/Italy/Austria /Zagreb/E70 and Hungary/Novi Sad/E75 through Belgrade to E75 /Nis /Greece /Turkey. This part of the Bypass commences where the incoming E75 from the north and the E70 from the west meet and combine at the ¼ clover leaf Dobanovci Interchange. The design of this section has progressed through a preliminary to final design with this section being sub-divided into sectors numbered 1 to 6 from west to east:

<table>
<thead>
<tr>
<th>Section “B”</th>
<th>Dobanovci – Bubanj Potok</th>
<th>37.3 km</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector 1.</td>
<td>Dobanovci – Surcin</td>
<td>7.8 km</td>
</tr>
<tr>
<td>Sector 2.</td>
<td>Surcin – Sava river</td>
<td>4.9 km</td>
</tr>
<tr>
<td>Sector 3.</td>
<td>Sava river bridge – Ostruznica</td>
<td>4.1 km</td>
</tr>
<tr>
<td>Sector 4.</td>
<td>Ostruznica – Orlovaca</td>
<td>7.7 km</td>
</tr>
<tr>
<td>Sector 5.</td>
<td>Orlovaca – Beli Potok</td>
<td>5.4 km</td>
</tr>
<tr>
<td>Sector 6.</td>
<td>Beli Potok – Bubanj Potok</td>
<td>7.4 km</td>
</tr>
</tbody>
</table>
Sectors B1-B3 (16.8 km length, one motorway carriageway) are completed and opened for traffic in 2004 (including 12 bridges)

Sector B4 includes construction of two tunnels: “Lipak” (665 m length) and “Zeleznik” (699 m length). For the tunnel “Lipak” both tunnel tubes are finished and works are completed. “Zeleznik” tunnel is also planned with double tubes, and the works are in progress.

Sector B5 requires construction of tunnel “Strazevica” (745 m length) - the longest tunnel on the whole route. New Austrian Method is in use. Six bridges in the length of 2,169 m are planned too.

Sector B6 comprises of one tunnel (“Beli Potok”, 373 m length) and ten bridges in the length of 791.7 m.

The proposed route in section B is consistent with the corridor defined in the latest Belgrade City Master Plan for 2021.

The EIB has decided to fund the works on this section. During the EIB mission to Belgrade in 2006, it was confirmed to the Bank that the financial contribution by the Republic of Serbia (€132 Million) would be made available during the period of the project implementation 2007-2011. The EIB will make €180 Million available to complete the project.

The works to be carried out within the framework of this fiche comprise the following actions:

- Construction of new motorway section, app. length of 24.2 km with
- Construction of 1 interchange in Bubanj Potok with E75,
- Construction of 1 tunnel “Beli Potok” and connection road in-between.

The key challenges to overcome in this project include the following

1. Geotechnical condition of the soil
2. Integration of project in General Urban Plan of Belgrade
3. Integration of crossings and traffic interchanges
4. Large number of piles, piers and beams required

The Roads Directorate of Serbia will be responsible for the works. The ministry for infrastructure will be responsible for up-keep and maintenance.

The total amount of project works is approx. 0.5 Billion Euro. The works will be carried out on a phased approach over a 3-5 year period

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

The City of Belgrade is suffering heavily from congestion and other nuisances, such as high levels of pollution, noise, and accidents, largely caused by excessive use of the highway going through the city centre. Congestion wastes fuel, increases air pollution, reduces public transit efficiency and aggravates social environments. The situation also adds to more accidents.
This project will address these specific Belgrade issues and enhance cross border traffic flows. The shift of traffic, especially cargo transport, will provide a major impetus to further development of Belgrade. The by-pass will divert traffic flows from the South and the East to avoid Belgrade and distribute traffic flows to Croatia, Slovenia, Italy, Novi Sad, Budapest and Austria. The E75 will become the main city road distributing the internal urban traffic.

3.3 Results and measurable indicators:

**Expected outcome**

- Supervision of motorway construction works in accordance with national and professional standards carried out successfully
- Technical assistance in permits provision resulting by Take-over Certificate and Final Acceptance Certificate for the Roads provided.

3.4 Activities:

- To provide assistance to the contracting authority and the PIU during the tender evaluation for the Works contract and during the contract negotiations with the successful bidder in accordance with EU procurement procedures.
- To monitor the progress of the works by conducting on site inspection as considered necessary to check the satisfactory performance of the Contractor and execution of the project in accordance with the contract documents and sound project management practices. Management of risk will be addressed when the various lots contracts are complete. The Road Directorate PIU, financed under CARDS, will prepare a risk analysis that will take into account all the work foreseen for E75 and the by pass. This requires in particular ensuring a follow-up of the project on the basis of a Gantt chart or similar and making an anticipated management of the risks so as to allow proposing to the PIU remedial solutions to the foreseen or existing delays or various difficulties that may occur.
- To conduct inspections periodically after completion of the works and to assist the PIU in administrative matters related to the completion of the Contract.

The Activities will be carried out through one Service contract.

3.5 Conditionality and sequencing:

**Assumptions underlying the project intervention**

- Availability of funds under the respective commitment, taking in consideration the limited timeframe for contracting
- Timely deliverance of Main Design for the road sections
- Successful tendering of works and/or services
- Continued commitment of the Serbian Authorities towards the IFI’s requirements for loan provision
- Procedures for land acquisition of the various sections must be complete
3.6 Linked activities

Development and Assistance Coordination Unit (DACU) of the former MIER (now part of the Ministry of Finance), as National Coordinator of Donor Activities, is competent for donor activities coordination, organizes, participates at the meetings with representatives of international organizations and bilateral donors, participates in neighbourhood and transnational EU programmes and participates actively in the negotiations regarding the infrastructural projects financed either through EBRD, EIB and/or World Bank.

The European Commission is financing several studies in Serbia and the region. These include the regional REBIS-Transport project (2003) the on-going Feasibility Study for Belgrade-Montenegro Road and the concurrent Belgrade-South Adriatic motorway project.

The EIB, the EBRD are undertaking other related programmes providing loans mainly for upgrading road and rail networks on the territory of Serbia. A Technical Assistance Project and 5 Year Roads Recovery Plan has been developed with the aid of financing from the US Trade and Development Agency (TDA).

The Roads of Serbia and Serbian Railways are receiving assistance from a PIU granted by the EAR, administered by external consultants for managing EIB and EBRD loans for Reconstruction and maintenance works projects.

Road investment has increased due to the contracts signed with European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD) in the period 2002 to 2005. Both banks are investing approximately 208 million Euros in the Rehabilitation of the most critical sections of the roads E 75, E 70, E 760, E 761 and E 80. The total length of the sections with Rehabilitation works is 995km.

The improvement of traffic flows on Corridor X is linked with on-going CARDS projects as well as projects planned under IPA 2007. These linked activities include support to Customs Administration (customs procedures), preparation of the Integrated Border Master Plan and increased control standards by the Border Police.

3.7 Lessons learned

The availability of efficient transport infrastructure along the Pan European Transport Corridor X is of particular importance for economic growth in SEE. The geographical position of the Republic of Serbia provides a transport competitive advantage to the country’s economy. In general, growth of transport will continue causing congestion of trucks and trailers on roads resulting in high rates of accidents, high levels of pollution and noise, reduce mobility of goods and people, decrease utilization of infrastructure. Corridor X has potential to become the backbone of sustainable transport system connecting the Middle East countries to the European markets.

The project "Institutional Capacity Building in the Transport Sector in Serbia" has prepared a document which defines the strategy and policy of Serbia in the transport sector until 2015.
4. Indicative Budget (amounts in €)

<table>
<thead>
<tr>
<th>Activities</th>
<th>TOTAL COST</th>
<th>SOURCES OF FUNDING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EU CONTRIBUTION</td>
<td>NATIONAL PUBLIC CONTRIBUTION</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>% *</td>
</tr>
<tr>
<td>Activity 1</td>
<td>3,500,000</td>
<td>100</td>
</tr>
<tr>
<td>contract 1.1</td>
<td>3,500,000</td>
<td>100</td>
</tr>
<tr>
<td>contract 1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activity 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>contract 2.1</td>
<td></td>
<td></td>
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<tr>
<td>contract 2.2</td>
<td></td>
<td></td>
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<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,500,000</td>
<td>100</td>
</tr>
</tbody>
</table>

* expressed in % of the Total Cost

5. Indicative Implementation Schedule (periods broken down per quarter)

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Start of Tendering</th>
<th>Signature of contract</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1.1</td>
<td>T+1Q</td>
<td>T + 2Q</td>
<td>T+12Q</td>
</tr>
</tbody>
</table>

All projects should in principle be ready for tendering in the 1st Quarter following the signature of the FA.

6. Cross cutting issues (where applicable)

Traditionally the provision of infrastructure and the planning of reforms transport have been directed by technological and financial concerns with little provision to socio-economic issues and divisions such as gender, ethnicity and class structures.

This project will ensure that key issues of gender integration in this transport project will be respected (as identified by the World Bank Transport Group). These issues relate to Access (to destination), Appropriateness (of mode), Availability (of service) and affordability (to traveller).

6.1 Equal Opportunity

The service provider for this project will ensure that their human resource policies and procedures take account of gender differences. Criteria should be introduced to ensure that gender equality measures are pursued.

6.2 Environment

In the implementation of the works and subsequently in the operation of the infrastructure and facilities, due consideration will be given to the environmental factors, all in compliance with...

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1 Where T=the date of the signature of the FA and xQ equals the number (x) of quarters (Q) following T.
Serbian legislation and with environmental standards comparable. All the work lots will have a specific EIA where environmentally sensitive issues will be addressed in detail to EU standards. The EIA recommendations carried out before project launch will be respected throughout the operation.

As the aim of the project (i.e. the EIB loan) is to remove bottlenecks and reduce the number of vehicles that pass through Belgrade it will directly contribute to significant drop in pollution and noise levels in the city.

6.3 Minorities

Transport is one of the priority areas which do not primarily impact minority issues. At the same time, they might have long-term repercussions on minorities. Thus, project needs to consider whether minorities are also beneficiaries of some of the measures, or whether, due to geographical disbursement (or other regions), only majority communities benefit from these measures.  

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2 Taken from “EAR Practical Guide on Minority Issues Mainstreaming”
### ANNEX I: Logical framework matrix in standard format

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project Fiche</th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision of Belgrade City Road By-Pass, Section B – Dobanovci to Bubanj Potok 37.3 km motorway</td>
<td>Contracting period expires 5 years after the signature of the Financing Agreement</td>
</tr>
<tr>
<td></td>
<td>Disbursement period: expires 6 years after the signature of the Financing Agreement</td>
</tr>
<tr>
<td></td>
<td>Total budget: 3.5 million EUR</td>
</tr>
<tr>
<td></td>
<td>IPA budget: 3.5 million EUR</td>
</tr>
</tbody>
</table>

#### Overall objective

To enhance the development of road transport infrastructure and to improve the efficiency of urban and transit traffic in Belgrade to meet EU standards.

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in transit time on Corridor X</td>
<td>Sample survey (before and after)</td>
</tr>
<tr>
<td>Reduction in number of accidents</td>
<td></td>
</tr>
</tbody>
</table>

#### Project purpose

- Efficient and effective supervision of motorway construction works of Belgrade City Road By-Pass
- TA in permits provision, to result by Take-over Certificate and Final Acceptance Certificate for the Roads

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction done timely in line with technical specifications</td>
<td>Final Acceptance Certificate for the Roads</td>
<td>Competent experts available</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Successful tendering of works</td>
</tr>
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<td></td>
<td></td>
<td>Sufficient implementation capacities in administration</td>
</tr>
</tbody>
</table>

#### Results

- Supervision of motorway construction works in accordance with national and professional standards carried out successfully
- Technical assistance in permits provision resulting by Take-over Certificate and Final Acceptance Certificate for the Roads provided.

<table>
<thead>
<tr>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time schedule adhered to work carried out according to technical specifications</td>
<td>Inspection reports</td>
<td>Availability of funds under the respective commitment.</td>
</tr>
<tr>
<td></td>
<td>Final Acceptance Certificate for the Roads</td>
<td>Timely deliverance of Main Design for the road sections</td>
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<td></td>
<td>Monitoring reports</td>
<td>Continued commitment of the Serbian Authorities towards the IFI’s requirements for granted loans;</td>
</tr>
</tbody>
</table>

#### Activities

- To provide assistance during the tender evaluation for the Works contract and during the contract negotiations with the successful bidder in accordance with EU procurement procedures.
- To monitor the progress of the works by conducting on site inspection as considered necessary to check the satisfactory performance of the Contractor and execution of the project in accordance with the contract documents and sound project management practices.
- To conduct inspections periodically after completion of the works and to assist the PIU in administrative matters related to the completion of the Contract.

<table>
<thead>
<tr>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA contract, periodici reporting, confirmation of intermediate bills, certificate of goods approved</td>
<td>3.5 million EUR</td>
<td>Successful tendering of services</td>
</tr>
</tbody>
</table>
ANNEX II: amounts (in M€) Contracted and disbursed by quarter for the project

<table>
<thead>
<tr>
<th>Contracted</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>Q6</th>
<th>Q7</th>
<th>Q8</th>
<th>Q9</th>
<th>Q10</th>
<th>Q11</th>
<th>Q12</th>
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</thead>
<tbody>
<tr>
<td>Contract 1.1</td>
<td>3.5</td>
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<td>Contract 1.2</td>
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<td>Contract 1.4</td>
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</table>

| Cumulated   | 3.5      |          |          |          |          |          |          |          |          |          |          |          |

| Disbursed   |          |          |          |          |          |          |          |          |          |          |          |          |
| Contract 1.1 | 2,100,000 | 116,666  | 116,666  | 116,666  | 116,666  | 116,666  | 116,666  | 116,666  | 116,666  | 116,666  | 350,000  |          |
| Contract 1.2 |          |          |          |          |          |          |          |          |          |          |          |          |
| Contract 1.3 |          |          |          |          |          |          |          |          |          |          |          |          |
| Contract 1.4 |          |          |          |          |          |          |          |          |          |          |          |          |
| ......       |          |          |          |          |          |          |          |          |          |          |          |          |

| Cumulated   | 2,100,000 | 2,216,666 | 2,333,332 | 2,449,998 | 2,566,664 | 2,683,330 | 2,799,996 | 2,916,662 | 3033328  | 3149994  | 3,500,000 |          |
ANNEX III
Description of Institutional Framework

The Ministry of Infrastructure (former Ministry of Capital Investments) is in charge of implementation and monitoring of this project. The work, mandate and authorisations of the Ministry are regulated by the Law on Ministries (adopted on May 15, 2007 (Official Gazette of Republic of Serbia no. 48/07)) – i.e. Article 12.

The Ministry consists of the two main sectors – Transport sector and Construction and Urbanism sector.

ANNEX IV
Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations

General:
- Constitution of the Republic of Serbia
- Law for the Implementation of the Constitution of the Republic of Serbia
- National Strategy for Serbia and Montenegro’s Accession to the European Union
- Action Plan for the Implementation of the European Partnership

Transport:
- White Paper on EU Transport Policy
- Regional Balkans Infrastructure Study (REBIS)
- Multi Annual Development Plan of the South-East Europe Core Regional Transport Network

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Reference to National Development Plan N/A

Reference to national / sectoral investment plans

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ANNEX V

Details per EU funded contract (*) where applicable:

- Provide assistance to the contracting authority and the PIU during the tender evaluation for the Works contract and during the contract negotiations with the successful bidder in accordance with EU procurement procedures.
- Monitor the progress of the works by conducting on site inspection as considered necessary to check the satisfactory performance of the Contractor and execution of the project in accordance with the contract documents and sound project management practices.
- Conduct inspections periodically after completion of the works and to assist the PIU in administrative matters related to the completion of the Contract.