

COPING WITH FUNDING NEEDS & ENSURING FINANCIAL SUSTAINABILITY, POLICY MEASURES – D.T3.2.5

Work paper

Version 1.0
9.2021

1. Introduction

The bottleneck analysis for Croatia (D.T1.3.3), one of the biggest bottlenecks discovered was the old railway infrastructure. It was concluded that this bottleneck had high consequences and should be resolved efficiently. In the priority list of actions (D.T1.4.2) three rail infrastructure modernisation actions of high-priority were selected.

The three selected actions are:

- Reconstruction and renewal of the railway line on the section Dugo Selo - Novska;
- Reconstruction of the existing and construction of the second track on the section Hrvatski Leskovac - Karlovac on the railway line M202 Zagreb GK - Rijeka;
- Modernization of the railway line M202 Zagreb GK - Rijeka, on the part Oštarije - Škrlevo.

These three actions are all projects planned to solve issues of old railway infrastructure on important national and international railway corridors. More details on these actions can be found in the tables below.

2. Funding needs and financial sustainability

Number and name of intervention: A.1 Reconstruction and renewal of the railway line on the section Dugo Selo - Novska	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	The total cost for this project is estimated at 572.500.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	1,99% Currently contracted - 11.400.000 €
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Reconstruction project is expected to be funded by EU Funds, more specifically CEF, and by HŽ Infrastruktura



	Project preparation and other project documentation was financed through the Operational Programme "Transport"
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	<p>Transport Development Strategy of the Republic of Croatia 2017-2030: R.7 - Zagreb - Novska - plans for infrastructure upgrades</p> <p>Territorial Development strategy: includes modernisation of a part of Pan-European Corridor X (of which this line is a part of) as an opportunity in its SWOT analysis.</p> <p>The Croatian Railway Law defines a large number of aspects related to rail transport in Croatia, including development of the railway infrastructure, its responsible entities, as well as listing duties of the responsible entities.</p>
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	Project is currently in the process of preparing project documentation. It has not yet been confirmed that the reconstruction project will be funded and therefore performed.
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	HŽ Infrastruktura
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	Expanding the Advisory board to include the responsible entity of this project (and other rail infrastructure projects) and have meetings discussing the importance of correctly prioritizing projects and activities, as well as suggesting which ones do the members of the board perceive as the highest priority challenges.

Number and name of intervention: A.2 Reconstruction of the existing and construction of the second track on the section Hrvatski Leskovac - Karlovac on the railway line M202 Zagreb GK - Rijeka	
Priority area <i>Indicate the priority area of the intervention</i>	Transport infrastructure
Total cost to realize the measure/intervention	The total cost for this project is estimated at 315.000.000 €
State of financing <i>Please indicate the percentage of the cost already financed</i>	<p>2,25%</p> <p>Currently contracted - 7.100.000 €</p>
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	<p>Reconstruction project is expected to be funded by EU Funds, more specifically CEF, and by HŽ Infrastruktura</p> <p>Project preparation and other project documentation was financed through the Operational Programme competitiveness and cohesion 2014 - 2020.</p>
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	<p>Transport Development Strategy of the Republic of Croatia 2017-2030: R.2 - Zagreb - Karlovac - plans for infrastructure upgrades</p> <p>Territorial Development strategy: includes modernisation of a</p>



	<p>part of Pan-European Corridor Vb (of which this line is a part of) as an opportunity in its SWOT analysis.</p> <p>The Croatian Railway Law defines a large number of aspects related to rail transport in Croatia, including development of the railway infrastructure, its responsible entities, as well as listing duties of the responsible entities.</p>
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	<p>Project is currently in the process of preparing project documentation. It has not yet been confirmed that the reconstruction project will be funded and therefore performed.</p>
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	<p>HŽ Infrastruktura</p>
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	<p>Expanding the Advisory board to include the responsible entity of this project (and other rail infrastructure projects) and have meetings discussing the importance of correctly prioritizing projects and activities, as well as suggesting which ones do the members of the board perceive as the highest priority challenges.</p>

Number and name of intervention: A.3 Modernization of the railway line M202 Zagreb GK - Rijeka, on the part Oštarije - Škrlevo	
Priority area <i>Indicate the priority area of the intervention</i>	<p>Transport infrastructure</p>
Total cost to realize the measure/intervention	<p>The total cost for this project is estimated at 270.000.000 €</p>
State of financing <i>Please indicate the percentage of the cost already financed</i>	<p>0,89%</p> <p>Currently contracted - 2.400.000 €</p>
Financial scheme <i>Please indicate the sources of funding? (European, national, regional...)?</i>	<p>Modernization of the railway line project is expected to be funded by EU Funds, more specifically CEF, and by HŽ Infrastruktura</p> <p>The production of technical documentation was funded by CEF</p>
Policy measure <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	<p>Transport Development Strategy of the Republic of Croatia 2017-2030: R.3 - Karlovac - Rijeka - plans for infrastructure upgrades</p> <p>Territorial Development strategy: includes modernisation of a part of Pan-European Corridor Vb (of which this line is a part of) as an opportunity in its SWOT analysis.</p> <p>The Croatian Railway Law defines a large number of aspects related to rail transport in Croatia, including development of the railway infrastructure, its responsible entities, as well as listing duties</p>
Possible obstacles <i>Please indicate which are the possible obstacles that may slow down the realisation of the actions (eg. financing might not be granted or legislators might not approve financing)</i>	<p>Project is currently in the process of preparing project documentation. It has not yet been confirmed that the reconstruction project will be funded and therefore</p>



	performed.
Responsible entity <i>Who is the responsible entity for the realisation of the actions?</i>	HŽ Infrastructure
REIF partner contributions <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	Expanding the Advisory board to include the responsible entity of this project (and other rail infrastructure projects) and have meetings discussing the importance of correctly prioritizing projects and activities, as well as suggesting which ones do the members of the board perceive as the highest priority challenges.

3. Conclusion

The three selected infrastructure projects are essential for the railway system in Croatia, as all three help resolve the identified bottleneck - old railway infrastructure. This is being done by preparing projects that will construct new railway tracks or modernise existing ones.

The realisation of all three project would largely contribute to the quality of infrastructure on the Croatian part of the TEN-T Mediterranean corridor, and the reconstruction and modernisation would result in this part of the railway network reaching international standards in the long-term.

The selected actions are not the only ones in Croatia that are in need of infrastructure reconstruction or modernisation. They have been selected as high-priority projects due to being a part of the TEN-T Mediterranean corridor and part of important domestic railway lines as well. Modernising the railway lines which belong to the TEN-T corridor is of utmost importance for development of international rail services with Slovenia and Hungary as direct neighbouring countries.