**The Serbia Railway Sector Modernization Project (SRSM)**

**Project ID No. P170868**

**TERMS OF REFERENCE**

**Study on rail market potentials and possibilities for attracting more users with special emphasis on integration with existing and future urban transport**

# Background information

## Beneficiary country: Republic of Serbia

**Client**: Ministry of Construction, Transport, and Infrastructure of Republic of Serbia (MCTI).

**Final Beneficiary:** Ministry of Construction, Transport, and Infrastructure of Republic of Serbia (MCTI) and Infrastruktura železnica Srbije (Serbian Railway Infrastructure - IZS) and Srbija Voz (Serbian passenger company – SV).

## Relevant background

The Republic of Serbia is located at the crossroads of Central and Southeast Europe and is the central part of the Balkans, spreading over an area of 88,361km2. As an upper middle-income country with a Gross National Income per capita of US$ 7,409 (2019) and a population of 7 million (2018), Serbia is one of the main economies of the Western Balkans with positive economic performance in the last 5 years.

The country is ranked relatively high in terms of competitiveness, investment climate and the ease of doing business. The World Economic Forum’s global competitiveness index ranked Serbia at 72 out of 141 countries in 2019, behind regional peers Slovenia (35), Bulgaria (49), Romania (51) and Croatia (63) but ahead of Montenegro (73) and Albania (81). It is ranked 48th by the World Bank’s Doing Business Index 2019, where it scored above regional average for Europe and Central Asia. Since 2014, the Government of the Republic of Serbia (GoS) has made good progress in reducing public debt, including through greater fiscal responsibility, reform of the public administration, reform of the state-owned enterprises and an overall increase in public sector productivity.

The World Bank launched the Multiphase Programmatic Approach (MPA) to support the Government of Serbia in continuation of institutional, physical and operational modernization of the railway sector in an integrated manner through providing financial support to Serbia Railway Sector Modernization Project as part of the MPA to be implemented in three overlapping phases over the ten-year period.

To finance Phase 1 of the *Serbia Railway Sector Modernization Project* (the Project), the International Bank for Reconstruction and Development (IBRD), as part of the World Bank Group, and the Agence Francaise de Développement (AFD), jointly, granted to the Republic of Serbia loans amounting to EUR 102 million. The Project consists of three components:

* Component 1: Infrastructure Investments and Asset Management. This component focuses on improving the quality and safety of railway infrastructure and enhancing rail asset management practices.
* Component 2: Institutional Strengthening and Project Management. This component focuses on strengthening rail policies and institutions to deepen and sustain recent reforms.
* Component 3: Railway Modernization Enablers. This component finances measures to protect the vulnerable and poor and strengthen sectoral enablers for sustainable business growth and job creation.

The Project is managed by the MCTI through its Project Implementation Unit (PIU) supplemented by the Project Implementation Teams (PITs) in Railway Directorate (RD) and in railway companies, respectively IZS and SV. PITs act as subordinate implementing agencies and provide technical support for specific Project subcomponents or activities of the MPA that pertain to their area of expertise. Primary responsibility for Project execution lies on PIU which will ensure that the Project development objectives are met.

In this context, the MCTI intends to develop a study on rail market potentials and possibilities for attracting more users with special emphasis on integration with existing and future urban transport, framed under Component 3 of the Project. These Terms of Reference (ToR) relate to consultancy firm for technical assistance to analyze the railway market potential and identify interventions that will lead to improved integration of railway and municipal infrastructure and services, all with the aim of increasing rail transport and attracting new users for passengers. MCTI, with support of IZS and SV (Final Beneficiaries), intends to engage a highly qualified consultant to provide services to address the challenges of increasing modal share of railways in overall transport market in Serbia and assess the potential role of railways in the context of integration of passengers services with urban mobility (a broader view on mobility: non-motorized transport, car, taxis, etc. should included) thereby increasing the efficiency and attractiveness of railways transport and land utilization.

## General information

The future of rail will be determined by how it responds to both rising transport demand and rising pressure from competing transport modes. Rising incomes and populations in developing countries, where cities are growing fast, are set to lead to strong demand for more efficient, faster and cleaner means of transport. On the other hand, it is necessary for the railway to provide, in addition to the development of infrastructure and the introduction of modern rolling stock, a better and more complete service to customers. One of the directions is through joint development and planning of services and activities with urban transport.

Also, railways systems can facilitate urban development in the areas around stations and spark economic development more widely. Often municipalities lack capacity and methodologies to develop multimodal transport integration and urban development plans and therefore are missing opportunities offered by improved intercity connectivity. The development of large-scale transit and urban development projects are intrinsically related. Each project therefore may prove viable provided the complimentary project is fully implemented but both are envisaged without knowing the real feasibility of the other.

Access to the railway infrastructure in some of the railway stations in the Republic of Serbia is not suitable for integration with all urban modes of transport, commercial facilities, housing projects, and sometimes administrative services. Improving the railway system is an essential element for mobility on both local and long-distance journeys. It is necessary that the municipalities have the opportunity to lay out entirely their main challenges and perspectives when it comes to regional development and regional railways connection and potential synergy. At the regional level, intercity connections stimulate economic development through better access to and from economic centers. At the same time, all these activities at the municipal level directly contribute to the development of passenger rail transport. Moreover, integration creates additional demand for rail services.

In this regard, it is necessary in the first place to conduct a comprehensive analysis of the rail passenger market, in order to assess the situation and identify potentials for attracting new railway users. These are not necessary and are not always large investment projects. The most common solution can be found in improving and expanding the range of services provided by the railway passenger company. The goal is to offer, in the first place, a comprehensive - multimodal service to passengers at an affordable price. One of the way is certainly through the synergy of rail and urban transport in the broadest sense. This includes non-motorized transport, but also the space around the rail stations. For this reason, it is necessary to identify which services the railway carrier can improve, and pay special attention to those services that can be developed together with municipalities in one goal - increasing better sustainable services to citizens.

## Current situation in the relevant sector

Due to its position on the geographic borderline between the East and West, Serbia is often referred to as a gateway of Europe. The important European Corridor X – the international highway and railway corridor, part of the core TENT-T network through RoS, provides excellent connections with Western Europe and the Middle East. Beside Corridor X (with branches Xb and Xc -770 km), in RoS, Core Network includes Route 4 (421 km), Route 10 (84.5 km) and Route 11 (138 km). Total length of this Core Network is 1,414 km and, except for one section on the Corridor Xc (Nis - Dimitrovgrad), it is electrified with 108 km of double track sections and 219 km of single track sections. As for Route 4, connecting RoS with Montenegro and Romania, approximately 157 km is in very good and good condition, major part of route 4,212km is in medium condition, single track, electrified except for the section Pančevo - Vršac with diesel traction. Largest part of Route 10 traversing RoS is in good condition, and Route 11 section from Požega to Kraljevo is in very good condition.

Within the strategic goals of the Government of the RoS aimed at economic development, activities related to the improvement of the transport infrastructure and the formation of an integrated transport system of Serbia are continuously carried out in the transport sector. Serbia’s priority in the field of railway transport is to ensure the integration of the railway transport network into the TEN-T network and develop efficient connections with other modes of transport through the development of multimodal service terminals, while creating a framework and incentives for developing a market-oriented, open and modern railway sector. Emphasis is also placed on improving railway safety and increasing the accessibility and comfort of services, with minimum impact on the environment.

For infrastructure, the implementation of the National Program for the period 2017-2021 for construction, renewal, reconstruction, and maintenance of railway infrastructure will be critical and it includes US$ 432 million in implemented projects, US$ 954 million in ongoing projects, US$ 864 million of projects in preparation, and US$ 2.7 billion in the planning stage. Special attention is paid to full electrification of the line tracks, full deployment of the European Railway Traffic Management System (ERTMS), removal of speed restrictions, improved line capacity on the core network, and enhanced management of rail assets. On the other hand, the National Program for railway improvements lack considerations on how to make the improvements accessible and relevant to local communities and attract more users. Examples of such interventions in and around train stations should include synchronizing train and local bus schedules, fare integration with the other urban transport modes improving lighting and attractiveness for pedestrians, provide kiss and ride facilities, easy access for people with disabilities, safe bicycle access and bicycle parking, allowing mixed development, and facilitating intermodal connections.

The Serbian rail transport vision also includes further opening of transport markets in compliance with EU requirements. This will expand markets, but domestic transport providers need to improve their competitiveness and market orientation. In this respect, activities are also being carried out to provide the necessary conditions for establishing an environment for competition on the railways, and Republic of Serbia has adopted all necessary regulations that enable equal access to railway infrastructure as well as transparent and non-discriminatory behavior on the market. Further, reform of the railway sector in Serbia was realized by the implementation of the Serbian Railways JSC Status Change Plan, by completely separating the activities of infrastructure, passenger transport and transport of goods, as well as the accounts of such companies.

According to the data collected for all modes of transport in 2019, relative to 2018, the number of passenger kilometers decreased by 0.2%. Observed by transport modes, decrease was noted in railway transport (17.9%) and in road passenger transport (5.8%), while in air and public transport, passenger kilometers increased. Referring to transport of goods in 2019, tons kilometers increased by 6.2% relative to 2018. Such an increase was influenced by goods transport by road and inland waterways.

Figure 1 TENT-T core Network corridors



Table 1 Basic indicators of transport, 2015-2019

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Passenger transport (mill. passenger-kilometers)** |
| Railway transport | 509  | 438 | 377 | 347 | 285 |
| Road transport | 4601  | 4282 | 4255 | 4950 | 4662 |
| Air transport | 2642  | 3008 | 3203 | 3004 | 3301 |
| **Transport of goods (mill. ton-kilometers)** |
| Railway transport | 3249  | 3087 | 3288 | 3933 | 2855 |
| Road transport | 2973  | 4299 | 4980 | 6443 | 8175 |
| Air transport | 4,7  | 10,2 | 20,8 | 20,2 | 15,1 |
| Inland waterway transport | 865  | 926 | 725 | 580 | 727 |

Undoubted progress in the process of improving infrastructure on basic routes and globally implemented reforms of the railway sector needs to be strengthened in the coming period primarily by providing better and more complete users service, in order to improve services and attract new railway users, for which strengthening cooperation with municipalities and a common approach at the horizontal level is one of the way.

Based on the analysis conducted through several projects, during the previous period (listed in the part 3.3.) in RoS, the conclusion is that there is a large potential for cooperation with municipalities in relation to railway transport. This should not be viewed in the light of large investments but, in the first place, through the provision of new services to clients, which could be achieved through the synergy of SV and municipalities. The clients are increasingly looking for the door-to-door transport service as a way to increase travel comfort and railways can play an important role by adjusting the services accordingly and / or integrating them with other transport modes.

There are a lot of resources in railway companies’ operation that could be redirected to other operations and potential for cooperation undoubtedly exist. The cooperation with municipalities could be directed to providing integrated service to citizens, using of railway resources that are not or that were not sufficiently used for the rail transport function (surplus business premises in railway stations or use of abandoned railway stations by the local self-governments), then to using of resources in respect of which railway companies have no economic interest but that were recognized by the municipalities as well as to contribution to the development of local touristic potential. Also, one of the most important segment of cooperation could be Integrated Territorial Development (ITD) approach. Compact urban development and high-quality rail public transit mutually reinforce each other: mass transit can support the large passenger flows that come with high density development, while the concentration of jobs and housing around stations helps make public transport financially viable.

# Scope of Work

## Objective of the Assignment

The objective of the Assignment is to prepare Study on passenger rail market potentials and develop a strategy for attracting more users with special emphasis on integration with existing and future urban transport. This strategy will assist: (i) the GoS to structure further support to the railway sector, (ii) railway companies to better understand passenger rail transport demand and improve their range of services; and (iii) municipalities to better connect their urban fabric to rail stations.

The Scope of Work is divided into two activities:

Activity 1 – Assessment of perspectives for passenger rail transport and

Activity 2 – Strategy to attract more railway users and identification of priority activities and investments with technical specification for pilot interventions

## Activity 1: Assessment of perspectives for passenger rail transport

### Task 1.1: Analysis of the railway passenger market and potential for the next 10 years in Serbia

The objective of this task is to examine the rail passenger demand and its modal split distributions at a national level with specific focus on the position of SV on Serbia’s transport market using available and surveyed data. Having in mind that there are more than 120 municipalities in Serbia, it is not realistic, nor is it necessary to make analyzes below for all municipalities. For that reason, the Consultant in cooperation with MCTI will identify characteristic municipalities, not less than 10 municipalities (based on population, tourism, economic potential, or other characteristics they deem relevant) to which it will apply analyzes below. Within Task 1.1, the Consultant will, but not limited to:

- Analyze the passenger transport market and identify potential for improvement. The Consultant shall assess the current operating passenger transport services provided by SV considering the period from 2017-2021 in regards to category of trains, number of scheduled trains, number of cancelled trains, punctuality of trains per category of train per rail line, number of transported passengers, number of passenger kilometres, fare revenue collected and any other indicators proposed by Consultant.

- Based on an available data (listed in the part 2.4.), origin-destination travel matrices, cost-effective combination of different survey techniques and developed transport model, the Consultant shall estimate the number of journeys made in Serbia using different modes of transport (car included) in order to quantify the modal split of passenger transport, identify key travel patterns and characteristics, and obtain a clear picture of the positioning of SV in the Serbian transport market. The assessment should differentiate the different submarkets (commuting, to school and study, national, international, etc.).

- Within this activity the consultant will develop a model to identify those origin destination movements with highest potential to generate demand and/or attract more users. The analysis should distinguish among level of flows between regions and between final orgining and destination. The links with highest potential will be further analysed under task 2.

### Task 1.2: Gap analisis to enable passenger rail demand

The Objective of this task is to undertake a gap analysis to enable the prospective passenger rail demand established in Task 1.1. The Consultant will:

- Identify railway share on the main transport flows and development potentials, especially missing services, improvement of existing services, development and promotion of new services, independently SV or in cooperation with the private sector. It’s important to differentiate the several passenger transport markets – interregional, Belgrade, medium size cities and rural. The consultant will, among other things, conduct surveys of users and potential users, in order to identify new passenger railway services and potential of better services for rail passenger.

- Propose schematic modifications to the current passenger services timetable, aiming at addressing the unmatched demand for rail passenger services.

- Analyze SV’s asset base, covering rolling stock, facilities, and staff in order to identify the potential for improving customer services.

- Analyze the impacts of ongoing and planned infrastructure projects on passenger transport by rail, considering the probability of these projects being realized, their implementation schedule and the way in which they will be carried out.

- Analyze the existing system of marketing for railway passenger transport development, examine adequacy of the existing railway marketing information system, passenger ticketing and booking system in correlation to current and future demand for railway passenger transport services in order to increase its competitiveness and consolidate their market share.

**Task 1.3: Impact Analysis on Passenger Services Obligations contract**

The objective of this task is to analyze the impact of prospective rail passenger transport on the Passenger Services Obligations (PSO) contract. In this framework, the Consultant will:

* Analyze for identified municipalities in Task 1.1. unit costs per train for lines that are part of the PSO contract
* Propose adjustments to the current passenger fare policy;
* Estimate 5-year revenues from passenger rail services, based passenger forecasts established in Task 1.1;
* Estimate 5-year costs of operations and investment of passenger rail services, based on the schematic timetable updates established in Task 1.2.

***Deliverables: As a result of tasks 1.1 and 1.2., the Consultant will prepare Railway passenger market share and potential for attracting more users. Also, the Consultant will prepare Analyze the impact of prospective rail passenger transport on the PSO contract.***

## Activity 2: Strategy to attract more railway users and identification of priority activities and investments

Here, it will be of particular importance to identify development potentials and particularly missing services. Some of the solutions already exist around the world, but it is also a question of which of these solutions can be applied on the Serbian market. So, there is no example that can be replicated in RS, but there are certainly already developed examples of activities and sets of services that with certain modifications can contribute to the efficiency of rail passenger transport, especially through integration with municipal plans and activities.

### Task 2.1: Getting best practices for the world

The objective of this task is to get best worldwide practices to promote passenger rail services and ITD approaches. The Consultant will:

- Analyze world experiences in the development of activities to attract new railway users (at least 3 railways, which will be subsequently defined in cooperation with the MCTI, on the proposal of the consultant). Should include and the metropolitan rail services (such as the German S-Bhan), whose example would be special which in the Belgrade area may have a good growth.

- Analyze world experiences in the development of ITD approach (at least 3, which will be subsequently defined in cooperation with the MCTI, on the proposal of the Consultant) in order to attract new service users and provide better service to citizens, following the principles of sustainable and green developments. Based on the analysis of word experiences in the development of ITD approach, Consultant will identify approaches and activities applicable for Serbia.

### Task 2.2: Analysis of the existing and planned development of urban, regions/zones transport with potential of ITD approach

The objective of this task is to analyze the existing and planned development of urban/ regions transport, in order to consider the possibilities of integration with railway transport, which would at the same time contribute to the development of railway transport and economic development of urban/regions areas while respecting sustainable and green urban developments.

Within this task, the Consultant will, but not limited to:

- Analyze the existing and planned urban/regions transport and the level of integration with railway transport, in order to see the possibilities for an ITD approach. The consultant will consider the possibilities of access in a fast, convenient, comfortable and safe manner to railway stations, the harmonization of timetables of urban public transport and railway passenger transport and give recommendations for improvement. Also, a broader view on mobility (non-motorized transport, car, taxis, etc.), including social aspects, should included. In particular, the need to build or expand new and existing connections from the railway stations to non-motorized paths or facilities (build or expand of bicycle and pedestrian facilities) needs to be examined.

- Analyze the possibilities of intermodality of passenger urban/regions and railway traffic through providing a complete service of passenger in cooperation with public or private sector (integrated timetable, integrated tariff and/or coordinated electronic fare collection system). The Consultant will also analize possibilities for integration rail and urban transport trough concrete actions, such as family weekend tickets for identified relations, tickets for visits to spas, the establishment of themed trains during major events and fairs and more. Also, a broader view on mobility (non-motorized transport, car, taxis, etc.), including social aspects, should included.

- Analize the possibilities for expanding the activities of SV in cooperation with municipalities with tourist potentials and/or private service providers, such as renting bicycles in stations; providing a complete transport service to passengers to tourist destinations by purchasing buses or vans that would transport passengers to their final destinations, etc.

- Analyze development plans of urban territories, and with special attention development plans related to areas in the immediate vicinity of railway stations. Both are important in order to identify joint activities and how they can be implemented by both railways and municipalities, in order to attract new railway users and integrated territorial development of municipalities.

- Analize how the population will develop, what are the future planned economic zones, housing zones with significant impact, in order to identify future demand for services.

- Analyze urban and industrial/office zones around railway stations in order to increase the attractiveness and security of passenger access to railway stations.

### Task 2.3: Developing a Strategy framework to attract more railway users with an Action plan

The objective of this task is to consider strategic opportunities to attract new railway users, not only about investment, but also, and certainly with higher cost benefit, identifying new services with the commercial orientation of SV in the transport market. Is important attracting new users in two parallel ways – improving existing service so that users are more incline to use what is there but also changing the paradigm of creating a service. That is, it is necessary to identified a new set of services that can be provided for citizens, whereby in some cases that can be only by train but in majority of cases would mean integration with other modes or even introduction of new service operated by railways or similar.

In particular, the Consultant will identify activities and propose servicies and investments regarding rail passenger transport, improve passenger services integration with urban transport and urban development to attract new railway users, support more efficient and sustainable urban land use, and reinforce economic development, for identified 10 municipalities in Task 1.1.

Based on earlier tasks findings, the Consultant will prepare a Strategy to attract more railway users in which it will specifically, but not limited to:

- Give recommendation to implement the parts of the world best practice applicable for Serbian railways especially in the part of providing new services, which are usually not in the field of railway transport, but which give passengers the possibility of multimodal service.

- Give recommendations for the improvement of passenger rail transport by improving passenger rail transport service, introduction of new activities that can encourage the attraction of new service users and the provision of better services to citizens, with special reference to the services provided by SV in inclusive and gender sensitive manner. Also, it’s important to differentiate the several passenger transport markets – interregional, Belgrade, medium size cities and rural.

- Give recommendations for improvements of train stations, their content, conditions, and approach for increasing revenues from the stations. The Consultant will analyze potential to generate more revenues from stations and increase station capacities (for example land around the station building, warehouse, offices, commercial conntet like restaurants, buffets and, resorts for railway workers). Current financial performance of stations and structure of income and expenditures should be analysed. In order to identify free station capacities, the Consultant will analysis of both, the space of station buildings and the space in the immediate vicinity of station buildings, which are not needed by railway companies (SV and IZS) to perform traffic activities, but which has income generation potentials and can be used for provision of other required services to the passengers.

- Give recommendations for introduction concrete new services, with new (or reconstructed) rolling stock. The focus is on identifying the needs of potential new users and the capabilities of SV to expand their activities accordingly (for example, the possibility of transporting passengers by shuttle bus, renting a bicycle or otherwise), enabling passengers’ transportation services to their final destination, that is from door to door concept.

- Give recommendations marketing strategy improvement and propose special products or services, and innovative approaches to product pricing and service quality based on international experience considering the customer satisfaction survey and market needs and with proposed recommendations within this assignment in order to enable competitive positioning of rail passenger services in the transport market.

- Give recommendations for the integration of existing and planned urban transport (a broader view on mobility such as non-motorized transport, car, taxis, etc., should included) with railway transport as well as of development of new services enabling door to door service in cooperation with private service providers, in order to contribute to the ITD approach.

- Give recommendations in cooperation with municipalities and the private sector to increase the attractiveness of the zones around railway stations as places where potential users of railway transport are generated, while ensuring inclusiveness.

- Prepare a wide Action plan, including a proposal for specific services and investments and an implementation plan with detailed road map as a summary of recommendations developed above which will enable GoS and SV to capture the benefits of its implementation. Also, the Consultant will take into account the different funding/ financial instruments that can be used for the proposed investments (for example, National International Grants and Loans, Climate-Related Financial Instruments, PPPs, Public Transport Subsidies, Farebox Revenue, Parking Charges, Advertising, Added Value Capture Mechanisms, etc). For each of the recommendations, Consultant will prepare a rough estimate of the financial resources needed for implementation, identify main responsible party, possible constraints, time lines, etc. Estimated Operating and maintenance (O&M) cost will be included in the investment plan. The initial Action plan will be share with stakeholders to collect their feedback. The Action plan will be updated based on the collected feedback.

***Deliverables: As a result of this task, the Consultant will prepare Strategy framework with Action plan for implementation of recommendations for attracting more rail users. The consultant will also prepare a workshop to present the Action plan.***

### Task 2.4: Guidelines for ITD engagement

The Consultant will develop general Guidelines for municipalities that they can in the future assess potential gains from cooperation with rail companies (SV and IZS) and development of access to railway infrastructure and city plan and mobility development in accordance with it. The Guidelines will containes explanation of the process and main steps and special electronic aplication that will give base for municipalities for future ranking projects for ITD approach. The consultant will prepare for municipalities, as well, proposals forms for future projects that need to be filled out when proposing projects, and on the basis of which, using a special electronical aplication it will be possible to prioritize later. This will also increase municipal capacities to assess options and plan developments that would create added value from cooperation with rail companies (SV and IZS) and will enable them to develop a prioritization list of identified investments, subject of regular updating.

Also, the Consultant will organize a workshop to present the Guidelines and a special electronic aplication, as well as main results and bring the benefits of ITD approach closer to the municipal authorities. After the Workshops, the Consultant will implement the suggestions / comments of the workshop participants that the Consultant deems useful in the final version of the Guidelines.

### Task 2.5: Priority activities and projects for municipalities with the potential for integration of railway with other transport modes

The objective of this task is to consider the priority activities and projects for the integration of railway and other transport modes in order to develop the ITD approach. Based on the Action Plan and feedback from consultations, the consultant will identify the actions that should be implemented as future pilots. To this end, the Consultant will develop, in cooperation with the Client, investments prioritization criteria which should include, but not being limited to costs, benefits, time for implementation, incusion and wider social impact, etc.

Based on prioritization criteria, the Consultant will identify minimum 3 projects with the highest potential for the integration of railway and urban transport, with a detail estimate of costs and preconditions for their implementation, time lines for their implementation, identified possible constraints, etc. O&M costs will be also included. The consultant will pay special attention to the analysis of legal, economic and other prerequisites necessary for the implementation of priority activities and projects.

***For up to 3 choosen projects, with pilots value up to USD 2.5 million, the consultant will prepare technical specification and propose final procurement approach. Technical specification should be at the level of details that could be directly included in the tender documents.***

## Documents that the Client will make available to the Consultant

For the purposes of above activities, the Client will make available to the Consultant data and documents, as well as documents whose preparation is in progress:

- Data of SV and IZS related to data on traffic performance and station capacities, such as:

1. The Network Statement for the current (2022) and next year (2023),

2. Timetable for the period from 2017-2021,

3. Traffic transport instructions for the period from 2017-2021,

4. Number of transported passengers and passenger km, driving kilometers, number of trains in traffic, number of cancelled trains, as well as the condition of rolling stocks and their distribution on the network,

5. Data on conducted surveys in the period from 2017 to 2021,

6. Data on the occupancy of train according to the data from the passenger list in the period from 2017 to 2021.

- Information regarding realization ongoing and planned infrastructure projects,

- Traffic studies prepared in the previous period, which cover all basic routes on the railway network in Serbia;

- Comprehensive transport strategy, the realization of which will begin in the next period;

- Comprehensive Railway Reform Project

- Strategic and spatial documents of municipalities;

- Other relevant documents prepared for the Client in the previous period, which can facilitate and optimize the work of the Consultant for the preparation of this Study.

In case surveys are needed, the Client will support the Consultant to obtain necessary permits to conduct surveys.

# Logistic and timing

## Location

Operational base for the Contract will be Belgrade. Internal travel within the RoS will be required in order to execute activities and tasks.

## Commencement date and period of implementation

The intended commencement date is September 2022 but the actual commencement date will be defined with the signature of the Contract. The period of implementation of the contract will be 18 months starting from the commencement date.

The Consultant will carry out the services in line with a detailed time schedule to be submitted as part of his proposal, which could be changed during the negotiations in order to reflect the comments and/or requirements by the parties.

## Meetings

During Contract execution, monthly progress meetings will be organized with participation of the MCTI and Beneficiaries, i.e. IZS and SV.

The Consultant shall prepare the Minutes of Meetings (MoM) for the monthly progress meetings. All Meetings must be ensured to lead to clear decisions, persons in charge and deadlines. Minutes of Meetings will be distributed by the Consultant. MoM for the monthly progress meetings will be always in the agenda of the next monthly meeting to be approved and followed up.

# Requirements

## Shortlisting criteria

The Consultant firm will be selected in accordance with QCBS (Quality-and Cost-Based Selection) method set out in the World Bank’s Procurement Regulations for IPF Borrowers (July 2016, revised November 2017, August 2018 and November 2020). The Client, intends to shortlist up to eight eligible firms to whom a subsequent Request for Proposals (RFP), both technical and financial, shall be sent.

The assignment will require a qualified consulting company or Joint Venture that can demonstrate extensive experience in Technical assistance service for the contract. Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture (JV) and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected. Furthermore, Expressions of interest of JVs will be evaluated based on the composition of JV submitted, whereas the experience of other firms not included in the JV will not be considered in the evaluation. The experience of any proposed sub-consultancy shall not be included in the evaluation. Key Experts' CV are not required and will not be evaluated at the shortlisting stage.

The following shortlisting criteria will be applied to all consulting firms that have submitted EoI:

The Consulting firm must be a legal entity which is elimination criteria. Shortlisting will be based on the following criteria:

1. **General Experience:** Experience in railway sector with at least 2 policy, transport study or strategic projects in railway related sector in the past 8 years;
2. **Specific Experience:** The consultant (individual company or joint venture altogether) has implemented and successfully completed, during the last five years (from the January 2017 up to the deadline for the receipt of applications indicated below):
* at least one (1) contract in a field related to these Services, i.e. preparation strategies, transport studies or plan documents in transport field and
* At least one (1) contract in a field transport modelling of passenger transport

**iii) Availability of qualified experts within the organization/JV** with relevant experience in the field, such as, Senior (passenger) transport specialists, Senior transport economists, etc. As a proof, the Consultant firm shall provide organization chart and list of qualified experts within the firm who are relevant to the assignment.

**Allocation of points:**

1. General Experience 30 points
2. Specific Experience 40 points
3. Availability of qualified experts 30 points

## Personnel

The Consultant shall establish his Team in accordance with the needs and requirements of thes ToR. The Team shall consist of a core team made of key experts with the qualifications and skills defined in the Table 2, below, and non-key experts, as needed. The Consultant is obliged to ensure adequate staff in terms of expertise and time allocation, as well as needed equipment in order to complete the activities required under the scope of work and to achieve the objectives of this Contract in terms of time, costs, and quality. Having in mind the diversity of areas covered by this Contract it is expected that the Consultant will ensure experts with sufficient expertise in the area of rail and urban transport. Moreover, considering the geographical distribution of the scope, the Consultant's personnel are expected to be flexible in terms of travelling.

Given the complex nature of the services to be rendered by the Consultant for the implementation of the Contract, in terms of expertise required, as part of the organization and methodology of the technical proposal, the Consultant will be expected to effectively mobilize highly qualified key experts to carry out requested specific activities.

All experts shall be independent and free from any conflicts of interest in the responsibilities they take on.

The Consultant shall be responsible for organization of its key experts in such a way to ensure the technical assistance for the preparation of the Study are executed in accordance with the work program.

Note that staff of the public administration of the beneficiary country (Republic of Serbia) cannot be proposed as experts.

The Project language is English. All the team members assigned by the Consultant must be able to communicate effectively in English. A sufficient number of the Consultant’s team should be fluent in Serbian language, especially the staff assigned to communicate with municipalities.

The Consultant shall provide adequate administrative staff (secretary, translators, drivers accountant) needed to support the expert team.

### Key experts

The Team Leader with qualifications and skills given below will lead the Team. He/she will be the main contact for the Team and will interface with the MCTI, PIU and IZS and SV, and other interested stakeholders (e.g. municipalities). The Team Leader should be responsible for ensuring high quality performance of the main outputs and deliverables and the timing implementation of the activities during the Contract execution. The Team Leader will be supported by the Deputy Team Leader, who will replace the Team Leader when necessary.

The employment of local experts will be welcomed by the Client, and such experts should form a part of the Team carrying out preparation of the Study. The Consultant should pay attention to the need to ensure the active participation of local professional skills, and to provide a suitable mix of international and local-staff in the Team.

Table 2 Key experts

| **Title** | **Qualifications/Experience** | **Skills** |
| --- | --- | --- |
| Team Leader – Senior passenger transport specialist | Education:Have as a minimum MSc. Degree in Transport Engineering or Economy or other relevant disciplineRelevant professional experience:At least 15 years of general professional experience At least 10 years in the transport sectorAt least one successfully managed/implemented project in railway sectorAt least two successfully managed/implemented project in establishing/modernizing passenger transport serviceKnowledge of RoS railway/transport sector will be advantageHave a focus of professional experience in preparation strategies or plan documents in transport field | Excellent command of the English language. Computer literacy.Knowledge of Serbian language will be an advantage |
| Senior transport economist (Deputy Team leader) | Education: Have as a minimum MSc. Degree in Transport engineering, Economics or similar.Relevant Professional Experience:At least 10 years of general professional experienceAt least 7 years of relevant professional experience in the transport sector with focus on strategic planning and project preparationExperience as a Key Expert for at least two (2) projects related to preparation of regional / national transport master plans or similar scopeKnowledge of RoS railway/transport sector will be advantage | Communication skills, fluency in English. Knowledge of Serbian language will be an advantage |
| Urban Planning Expert | Education: Have as a minimum MSc. Degree in architecture, construction, urban planning or similar.Relevant Professional Experience:At least 10 years of general professional experienceAt least 7 years of relevant professional experience in the urban planning, urban development, urban project implementation, or land-use economyExperience as an Expert for at least one (1) project related to preparation of urban mobility plan or similar scope. | Communication skills, fluency in English. Knowledge of Serbian language will be an advantage |

### Non-key experts (NKE)

Consultants are expected to include in their proposals other positions that they consider necessary for the assignment. CVs for non-key experts should be submitted in the proposal, however they would not be subject of evaluation.

The Consultant is free to propose an appropriate non-key experts team composition considering that it is likely to require a mix of international and local experts with substantial international and developing country experience in a wide range of transport sector studies, and advanced multi-disciplinary skills in a range of areas, including but not limited to:

• Expert for modeling

• Transport sector policy formulation and analysis;

• Urban transport mobility;

• Public-Private Partnerships and finance;

• Governance;

• Marketing specialist

• Environmental and social.

Senior non-key experts: Minimum 10 years of experience. Good command of written and spoken English. Knowledge of local language is an asset. Full computer literacy in MS applications.

Junior non-key experts: Minimum 5 years of experience. Good command of written and spoken English. Knowledge of local language is an asset. Full computer literacy in MS applications.

## Office accommodation

Office accommodation for each expert working on the Contract is to be provided by the Consultant.

The Consultant shall ensure that experts are adequately supported and equipped. In particular, it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities.

No equipment is to be purchased on behalf of the neither Client (MCTI), PIU nor Beneficiaries (IZS and SV) as part of this service contract or transferred to the Client or beneficiaries at the end of this Contract.

# Deliverables and payment schedule

## Deliverables and payment schedule

The Consultant shall prepare, as a minimum, the below listed deliverables and reports during the period of execution of the Contract. All deliverables (draft and final versions) shall be prepared in both, English and Serbian language. The Consultant will be paid for the services provided after each deliverables is approved by the Client.

The deliverables should be delivered in accordance with the following timetable.

Table 3 Deliverables

| **Deliverables** | **Description** | **Due date** | **payment** |
| --- | --- | --- | --- |
| Inception Report | Up to 20 pages describing preliminary assessment of main passenger railway environment and plans for delivery of the subject service | one month after contract signing | 10% |
| Railway passenger market share and potential for attracting more users and Analyze the impact of prospective rail passenger transport on the PSO contract  | tasks 1.1., 1.2. and 1.3 up to 100 pages | In accordance with Consultant timetable, but no later than 6months after the commencement | 30% |
| Strategy framework for increasing passenger railway market share with an Action plan and corresponding workshop | Report summarizing the activities under Task 2.3 of up to 100 pagesWorkshop presenting a strategy framework and corspeoning action plan with corresponding presentation (up to 30 slides)  | In accordance with Consultant timetable, but no later than 12 months after the commencement | 30% |
| Guidelines for ITD approach and Priority activities and technical specification for up to 3 pilot projects with workshop | Summarizign outputs from task 2.4 and 2.5. Workshop for municipalities to present the Guidelines for ITD approach. (task 2.4)Workshop for municipalities where priority interventions are identified with presentation of the proposed activities with the goal of achiving agreement of initiating the pilots (task 2.5) | In accordance with Consultant timetable, but no later than 16 months after the commencement  | 20% |
| Final report  | Summarziing all work done under the Assignment, not longer than 50 pages | In accordance with Consultant timetable, but no later than 18 months after the commencement | 10% |

In addition to the above listed deliverables, the Consultant shall submit no later than 1 month after the end of each 3rd month of the implementation period Quarterly Progress Report (QPR), in which as minimum following should be included: description of progress (technical and financial) including problems encountered; planned activities for the next 3 months. QPR must include a summary of the progress of the services defined under Section 4 of this ToR, with particular reference to major activities and those on the critical path for completion of the works. The report must detail delays and difficulties encountered and proposed mitigation measures to alleviate them and provide future projections for implementation of the activities. QPR should be up to 20 pages and submitted in digital and 3 hard copies in English.

## Submission and approval of deliverables

All deliverables must be written in English and, final versions of deliverables should be translated into Serbian. All final deliverables should be delivered in digital and 3 hard copies in Serbian. The draft version of the reports (electronic copy) shall be submitted to PIU for distribution to the MCTI and to the IZS and SV.

The commenting period for the deliverables is 3 weeks. In case of no-reaction to the submitted deliverable(s) such status will be interpreted as “no objection” and shall be deemed as approved.