



# COPING WITH FUNDING NEEDS & ENSURING FINANCIAL SUSTAINABILITY, POLICY MEASURES - D.T3.2.5 - CENTRAL SLOVENIA

Work paper

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## 1) Introduction

Over the last ten years, the railway freight traffic on the public railway infrastructure in Slovenia has increased significantly on main lines but decreased in regional lines. The railway sector and its stakeholders in Slovenia have many problems to satisfy all the needs in the freight railway market because of the different types of bottlenecks, capacities and efficiency. Bottleneck analysis within task 1.3.3 we identified the following types of the bottlenecks for the further growth of rail freight transport:

- Railway hub Ljubljana and
- Quality of rolling stock of the national rail carrier
- Stopping (dwell) times at border crossings

Based on the bottleneck analysis Priority list of actions (D.1.4.2) and Policy measures (D.1.4.3) were defined. Both documents are a basis for determining funding needs for necessary actions and measures for improvement of the infrastructure and services.

## 2) Funding needs and financial sustainability

<b>Number and name of intervention: A.1 Railway hub Ljubljana</b>	
<b>Priority area</b> <i>Indicate the priority area of the intervention</i>	Transport Infrastructure
<b>Total cost to realize the measure/intervention</b>	200 M € (rough estimation)
<b>State of financing</b> <i>Please indicate the percentage of the cost already financed</i>	Project documentation (small part of the project) was already financed by The Ministry of Infrastructure
<b>Financial scheme</b> <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Combination of public and private funds (public private partnership - PPP, with majority of public funds). Possible public funds: national, local, European funds



**REIF**

<p><b>Policy measure</b> <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i></p>	<p><b>Policy measure:</b> Simplify procedures for large investments in public interest (environmental approval, building permit) <b>Regulatory action:</b> Approval of funding scheme by The Ministry of Infrastructure, amendments in National transport strategy, Spatial planning strategy, changed legislation on building and construction</p>
<p><b>Possible obstacles</b> <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>	<p>Delays due to slow bureaucratic and administration procedures, confirming funding schemes, providing funds for project</p>
<p><b>Responsible entity</b> <i>Who is the responsible entity for the realisation of the actions?</i></p>	<p>Ministry of Infrastructure, Slovenian Infrastructure Agency</p>
<p><b>REIF partner contributions</b> <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i></p>	<p>To provide proposals within REIF deliverables, such as D.T3.2.5, D.T1.4.3, D.T1.4.2.</p>

<p><b>Number and name of intervention: A.2 Rolling stock replacement</b></p>	
<p><b>Priority area</b> <i>Indicate the priority area of the intervention</i></p>	<p>Rolling stock / machinery</p>
<p><b>Total cost to realize the measure/intervention</b></p>	<p>180 M € (rough estimation)</p>
<p><b>State of financing</b> <i>Please indicate the percentage of the cost already financed</i></p>	<p>/</p>
<p><b>Financial scheme</b> <i>Please indicate the sources of funding? (European, national, regional...)?</i></p>	<p>Combination of private and public (EU) funds</p>
<p><b>Policy measure</b> <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i></p>	<p><b>Policy measure:</b> Financial policy and plans for supporting replacement of rolling stock (incentives), long term planning/strategy of rolling stock <b>Regulatory action:</b> Proposal to be submitted to the Ministry of infrastructure who adopts policy document and proposes new legislation. Amendment of policy document is possible when the policy document expires (est. in 2023). EU funds (state aid) have to be approved by the European Commission. Slovenian national rail carrier SŽ-Tovorni promet will prepare a strategy/needs on rolling stock.  Approval of funding scheme by the Ministry following the European commission's decision about the Notification of a State aid scheme.</p>
<p><b>Possible obstacles</b> <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>	<p>Public funds confirmed with limitations due to distortion of competition</p>



<b>Responsible entity</b> <i>Who is the responsible entity for the realisation of the actions?</i>	Ministry of infrastructure, European Commission (state aid approval), Slovenian national rail carrier SŽ-Tovorni promet
<b>REIF partner contributions</b> <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	To provide proposals within REIF deliverables, such as D.T3.2.5, D.T1.4.3, D.T1.4.2.

<b>Number and name of intervention: A.3 Rail industrial sidings</b>	
<b>Priority area</b> <i>Indicate the priority area of the intervention</i>	Transport Infrastructure
<b>Total cost to realize the measure/intervention</b>	5 M € (rough estimation)
<b>State of financing</b> <i>Please indicate the percentage of the cost already financed</i>	/
<b>Financial scheme</b> <i>Please indicate the sources of funding? (European, national, regional...)?</i>	Combination of private and public funds (public fund are limited to public part of rail infrastructure)
<b>Policy measure</b> <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i>	<b>Policy measure:</b> Prepare national strategy of industrial areas where sidings are necessary, financial incentives in case of public interest (e.g. large shift from road to rail) <b>Regulatory action:</b> Amendment of National transport strategy, National spatial strategy, National strategy of economic development. Proposal to be submitted to the Ministry of infrastructure who adopts policy document and proposes new legislation.
<b>Possible obstacles</b> <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>	Delays due to slow bureaucratic and administration procedures
<b>Responsible entity</b> <i>Who is the responsible entity for the realisation of the actions?</i>	Ministry of infrastructure, Ministry of spatial planning, Municipalities
<b>REIF partner contributions</b> <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i>	To provide proposals within REIF deliverables, such as D.T3.2.5, D.T1.4.3, D.T1.4.2.

<b>Number and name of intervention: A.4 Stopping (dwell) times at border crossings</b>	
<b>Priority area</b> <i>Indicate the priority area of the intervention</i>	services / operations
<b>Total cost to realize the measure/intervention</b>	3 M € (rough estimation)



<p><b>State of financing</b> <i>Please indicate the percentage of the cost already financed</i></p>	/
<p><b>Financial scheme</b> <i>Please indicate the sources of funding? (European, national, regional...)?</i></p>	Public funds (national or EU) are expected, since the measure is based on agreement between different countries, but probably with a share of freight transport service providers
<p><b>Policy measure</b> <i>Please indicate the policy measure, the regulatory action or the funding schemes supporting the measure /intervention</i></p>	<p><b>Policy measure:</b> Promoting cooperation between rail carriers and corridor states (agreements between rail carriers and corridor states), preparation of studies for new information system for cross-border operation</p> <p>Coordination meetings between stakeholders: infrastructure managers, rail carriers and ministries under the umbrella of the EU policy. Preparation of international transport strategy, bilateral and multilateral agreements, etc.</p> <p><b>Regulatory action:</b> bilateral and multilateral agreements in cross-border operations</p>
<p><b>Possible obstacles</b> <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>	Less of political will could delay the process
<p><b>Responsible entity</b> <i>Who is the responsible entity for the realisation of the actions?</i></p>	Ministries, rail carriers, infrastructure managers
<p><b>REIF partner contributions</b> <i>How can the REIF project partner(s) contribute/ensure that these efforts are taken?</i></p>	To provide proposals within REIF deliverables, such as D.T3.2.5, D.T1.4.3, D.T1.4.2.

### 3) Conclusion

The selected infrastructure projects are essential for the railway system in Central Slovenia Region and also in Slovenia. Ljubljana Railway hub which is a part of TEN-T will have an important role for connected regional rail network. Industrial sidings will increase transport on regional lines where rail traffic has declined recently. The quality of freight transport will be improved with modernized rolling stock and also smoother border operation which were proposed within REIF.

When it comes to further prioritisation, however, it is also important that the projects can be effectively financed. The deliverable Roadmap "New rail infrastructure/ services 2030" (D.T3.2.7) will be based on these prioritization approaches in order to develop a highlevel of relevance for the decisions and implementation of transport policy in Central Slovenia Region and also in Slovenia.