

**GOVERNMENT OF THE
REPUBLIC OF SERBIA**

**“INFRASTRUCTURE
SERBIAN RAILWAYS”
JSC**

**CHINA ROAD AND
BRIDGE
CORPORATION**

FRAMEWORK CONTRACT

ON

**RECONSTRUCTION AND MODERNIZATION OF THE RAILWAY SECTIONS ON
THE CORRIDOR X RAILWAY LINE BELGRADE – NIS – PRESEVO – STATE
BORDER WITH THE REPUBLIC OF NORTH MACEDONIA**

24/4/ 2019

FRAMEWORK CONTRACT
ON RECONSTRUCTION AND MODERNIZATION OF THE RAILWAY SECTIONS ON
THE CORRIDOR X RAILWAY LINE BELGRADE – NIS – PRESEVO – STATE BORDER
WITH THE REPUBLIC OF NORTH MACEDONIA

Concluded in Beijing, on 24/9/ 2019.

Between:

1. **The Government of the Republic of Serbia**, Belgrade, 11 Nemanjina Street, represented by Professor Zorana Z. Mihajlovic, PhD, Deputy Prime Minister of the Republic of Serbia and Minister of Construction, Transport and Infrastructure (hereinafter referred to as: Financier)
2. **Joint Stock Company “Infrastructure Serbian Railways”**, Belgrade, 6 Nemanjina Street, identification number 2112709 registered at the Serbian Business Registers Agency Belgrade, represented by Mr. Miroljub Jevtić, Acting General Manager (hereinafter referred to in: Investor),
And
3. **China Road and Bridge Corporation**, Zhonglu Plaza, Br. C88, Andingmenwai Dajie 100011, Beijing, People’s Republic of China, represented by Mr. Lu Shan, Chairman of the CRBC (hereinafter referred to as: Contractor),

Hereinafter referred to as: Contracting Parties

In view of:

- The Agreement on Economic and Technical Cooperation in the field of Infrastructure between The Government of the Republic of Serbia and the Government of People's Republic of China, signed on 20th August 2009 in Beijing,
- The Memorandum of Understanding on cooperation on projects of reconstruction and modernization of the railway sections on the Corridor X railway line Belgrade – Nis – Presevo – State Border with the Republic of Macedonia, between The Republic of Serbia and China Road and Bridge Cooperation, signed on 06th July 2018 in Sofia,
- The Action Plan for projects of reconstruction of the railway sections on the Corridor X railway line Belgrade – Nis – Presevo – State Border with the Republic of North Macedonia prepared by the China Road and Bridge Corporation in September 2018,
- The Guidelines of the Belgrade meeting of heads of Governments of the People’s Republic of China and the countries of Central and Eastern Europe on encouraging mutual cooperation through joint implementation and financing of projects in the field of transport infrastructure,
- Importance of quality railway infrastructure along Corridor 10 for the development of economic activities of the Republic of Serbia in which the companies of the People's Republic of China, as strategic partners, have significant participation,

Agree to the following:

**FRAMEWORK CONTRACT ON RECONSTRUCTION AND MODERNIZATION OF
THE RAILWAY SECTIONS ON THE CORRIDOR X RAILWAY LINE BELGRADE –
NIS – PRESEVO – STATE BORDER WITH THE REPUBLIC OF NORTH MACEDONIA**

Article 1

SUBJECT

The subject of this Framework Contract is design, delivery and execution of works on the reconstruction and modernization of the specific railway sections on the Corridor X railway line Belgrade – Nis – Presevo – State Border with the Republic of North Macedonia (hereinafter: the Project).

The Contracting Parties agree that further realization of the Project will be in phases according to the selected sections within The Action Plan, whereas the detailed and final scope of activities for each shall be based on the planning and technical documentation approved by authorized institutions of the Republic of Serbia.

Due to the specific requirements of each identified subsection of the Project, conditioned by current technical aspects, ongoing activities and readiness of technical documentation, the Contracting Parties hereby agree that the initial steps of the Project realization are the following:

- 1) Joint preparation of the Technical and Economic Study for the development of the railway Corridor X through the Republic of Serbia;
- 2) Design and execution of works on construction of the new double-track railway Belgrade – Velika Plana for combined passenger and freight transport and speeds up to 160 km/h (approx. 80 km long);
- 3) Determination of the remaining specific subsections of the Project and definition of commercial and technical details for the same.

Article 2

All activities on the Project, including design, execution of works, equipment, safety, traffic management and interoperability, shall be executed in accordance with the legislation of the Republic of Serbia, as well as requirements set out in the European Union regulations for reconstruction, construction and terms of usage of the Trans-European Transport Network (TEN-T).

Article 3

TECHNICAL AND ECONOMIC STUDY

The Contracting Parties agree to jointly prepare the Technical and Economic Study for the development of the railway Corridor 10 through the Republic of Serbia as well as its further extension to Port of Piraeus, which will serve as a decision-making basis for future activities.

Detailed scope, division of specific obligations and deadlines for completion of the Technical and Economic Study shall be mutually agreed between the Parties, not later than 30th June 2019.

Article 4

VALUE

The Project execution value, as well as other commercial details, shall be determined within the Commercial Contracts that will be signed in phases, i.e. for individual railway sections in accordance with the specific requirements for each, at the moment when the circumstances allow.

The Contracting Parties express their mutual interest to negotiate and conclude the Commercial Contract on design and execution of works on construction of the new double-track railway Belgrade – Velika Plana, not later than 4 (four) months from adopted Technical and Economic Study. The Technical and Economic Study will contain all the elements necessary for defining the route on the selected railway section, the scope, duration and estimation of the value of the works.

Article 5

CONTRACTOR'S OBLIGATIONS

The Contractor carries out design, construction works, procurement of materials and equipment and installation of these into the railway infrastructure on the sections of the railway line defined in Article 1 of this Framework Contract. In performing the abovementioned works, the Contractor's obligations to strictly abide the conditions, as stipulated in Article 2 of this Framework Contract. In undertaking the abovementioned activities, the shares of the services and goods of Chinese origin and goods of non-Chinese origin within the total value of the Project, are to be determined in the Commercial Contracts that will be signed as stipulated by this of the Framework contract.

All activities of the Contractor in the territory of the Republic of Serbia shall be performed in compliance with the regulations of the legislation of the Republic of Serbia and in accordance with provisions of the Agreement on Economic and Technical Cooperation in the Field of Infrastructure between the Government of the Republic of Serbia and the Government of the People's Republic of China and other intergovernmental agreements concluded between the Republic of Serbia and People's Republic of China.

The Execution Design shall be prepared by the Contractor.

Supervision of works shall be determined in accordance with national jurisdiction that regulates this scope of activity, whereas the costs of supervision shall be included in the total value of Commercial Contracts referred to in Article 4 of this Framework contract.

Article 6

FUNDING

The Parties agree that the appropriate Chinese bank will be appointed as a creditor. The details of the arrangement shall be agreed between the authorized financial institutions of the Republic of Serbia and People's Republic of China, at the moment when the circumstances allow.

Article 7

PROVISIONS OF THE COMMERCIAL CONTRACT

Apart from the obligations set out in this Framework Contract, the Commercial Contracts shall define more closely other elements, such as: technical specifications, dynamic plan of works on the reconstruction, as well as to define other mutual rights and obligations concerning compliance with the deadlines, insurance, payment method, amendments to the contract, quality control of works, installed material and equipment, instruments for settlement of disputes between the Contracting Parties.

Article 8

FINAL PROVISIONS

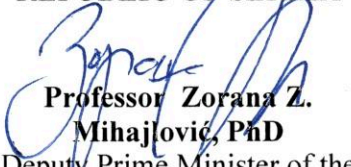
The Framework Contract shall enter into force on the date of signing by the authorized persons of the Contracting parties and its validity shall cease on the date of the entry into force of the Commercial Contract for the last selected section of the subject railway, i.e. when all selected sections of the Project are solved through commercial relations.

Amendments to this Framework Contract may be done only with the consent of the Contracting Parties.


Disputes and differences in interpretations that may derive from this Framework Contract shall be resolved by the Contracting Parties by means of friendly negotiations.

This Framework Contract is signed in Beijing on 24/4/ 2019 in 6 (six) original copies in the English language, wherein each party holding 2 (two) original copies.


**GOVERNMENT OF THE
REPUBLIC OF SERBIA**


**Professor Zorana Z.
Mihajlović, PhD**
Deputy Prime Minister of the
Republic of Serbia and
Minister of Construction,
Transport and Infrastructure

**“INFRASTRUCTURE
SERBIAN RAILWAYS”**

JSC

Miroslav Jevtić
Acting Director General

**CHINA ROAD AND BRIDGE
CORPORATION**


Mr. Lu Shan
Chairman of the CRBC