



“NETWORK OF DANUBE WATERWAY ADMINISTRATIONS”
South-East European Transnational Cooperation Programme

**STATUS QUO REPORT ON WATERWAY
ADMINISTRATION**

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1 LIST OF ABBREVIATIONS

ENC	Electronic navigation chart
EU	European Union
FP7	7 th Framework Programme
FR	Federal Republic
HENS	Hydro-electric and navigation system
IPA	Instruments for Pre-accession Assistance
IWW	Inland Waterways
OP	Operational Programme
SEE	South East Europe
SFR	Socialist Federal Republic
SWOT	Strengths, weaknesses, opportunities, threats
RIS	River information Services

2 SCOPE OF DOCUMENT

The subject of this document is current status of the Directorate for Inland Waterways Plovput, which is an IWW administration in the Republic of Serbia. The document is structured in four parts. The first part of the document deals with legal framework and the position of Plovput within national context. The subject of the second part of the document is organizational issues, as well as responsibilities and tasks of IWW administration. In the third part, available resources, including human resources, finances, equipment, and facilities, were discussed. Finally, in the fourth part, findings of the performed SWOT analysis were elaborated.

3 LEGAL BACKGROUND AND POSITION IN NATIONAL FRAMEWORK

This chapter contains information on legal background of the Directorate for Inland Waterways Plovput, as well as its position in national framework and its relations to other national authorities dealing with the Danube River.

3.1. Legal Background

Plovput was founded in 1963 by the special regulation, under the name Federal Public Institution for Maintenance and Development of International Inland Waterways¹. It was governed by the federal authorities of SFR Yugoslavia until the end of 1980s. During the 1990s, Plovput had kept its name, even though its responsibilities had been limited to maintenance and development of international inland waterways in the FR Yugoslavia (constituted by the Republic of Serbia and the Republic of Montenegro).

During the first half of the first decade of the XXI century, Plovput had become an indirect beneficiary of the Serbian state budget. The budget of Plovput was negotiated by the Ministry of Capital Investments, on annual basis.



Photo 1: Plovput's headquarters in downtown Belgrade

¹ Law on establishment of Federal public body responsible for maintenance and development of international IWW (1963)

In 2007, Plovput became a special organization of the Government of the Republic of Serbia. Its name has been changed to the “Directorate for Inland Waterways Plovput”. The position of Plovput was defined in the Law on Ministries (2007), and was confirmed by the law of the same name from 2008. By this law, Plovput became the direct beneficiary of the budget of the Republic of Serbia. Its responsibilities concerning maintenance and development of international IWW remained the same.

3.2. Position of Plovput within National Framework

The Directorate for Inland Waterways Plovput is a special organization of the Government of the Republic of Serbia. It is responsible directly to the Government of the Republic of Serbia and not to any ministry in particular.

Plovput closely cooperates with the **Ministry of Infrastructure** (former Ministry of Capital Investments), especially with the Sector for Inland Waterways and Navigation Safety. This cooperation consists of joined efforts regarding drafting major project proposals and their implementation. Plovput cooperates with port authorities (kapetanije) along the Danube, Sava, and Tisza rivers (port authorities in the Republic of Serbia are run by the Ministry of Infrastructure). Also, representative of Plovput is involved in the inter-sector working group dealing with Treaty on establishing Transport Community between EU and Western Balkan countries (this working group is chaired by the Ministry of Infrastructure).

The Directorate for Inland Waterways Plovput has very intensive cooperation with the **Office of the Deputy Prime minister in charge of the European integrations**. Representative of Plovput participate in the Serbian inter-sector working group dealing with the EU Danube Strategy. Furthermore, Plovput is involved in the working group for preparation of Operational programme (OP) for IPA component III (priority axes Transport, measure IWW), which is led by the Strategic coordinator who is from the Office of the Deputy Prime minister.

Beside the above mentioned institutions, Plovput cooperates with **Ministry of Spatial Planning and Environmental Protection**. This cooperation is related to environmental aspects of IWW projects in which Plovput is involved. Also, Plovput cooperates with **HENS Djerdap (Iron Gate)**, a state owned company in charge of Hydro energy power plans and navigation locks Iron Gate I and Iron Gate II. Regarding hydrological issues, it cooperates with **Serbian Hydro Meteorological Institute**.

4 ORGANISATIONAL STRUCTURE AND MAIN TASKS AND RESPONSIBILITIES OF PLOVPUT

The subjects of this chapter are organizational issues, as well as main tasks and responsibilities of the Directorate for Inland Waterways Plovput.

4.1. Organizational Structure

Organizational chart of Plovput is shown in *Figure 1*. The highest position in Plovput is Director-general. The term of the office of director-general is five years. There are two deputy director positions, in line with two major organizational units, called sectors: one for IWW and one for financial and legal issues. The terms of the office of deputy director positions are also five years.

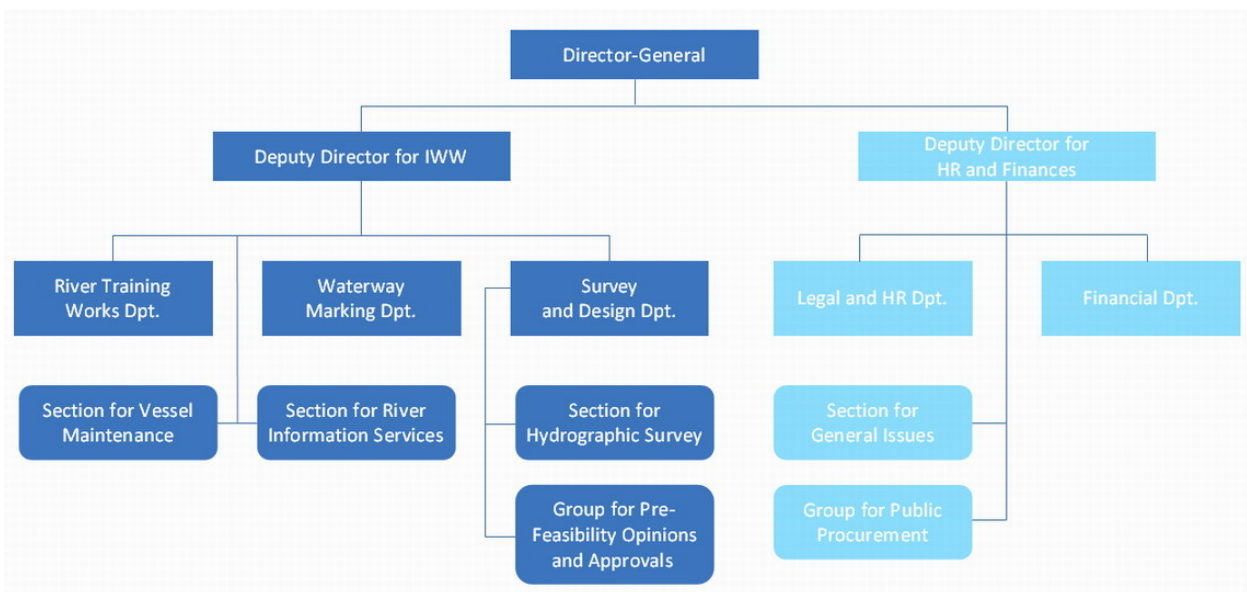


Figure 1: Organizational chart of Plovput

Among these major units, called sectors, three types of organizational units exist: departments, sections, and groups. The difference between these organizational units is related to the number of employees in each of them. The minimum number of employees for each department is seven, for a section is five, and for a group is three. These organizational rules are regulated by the Serbian Law on Civil Service.²

² Law on Civil Service (2007)

In Plovput, there are five departments, four sections, and three groups. Within Sector for IWW, the following organizational units exist: River Training Works Department, IWW Marking Department, Survey and Design Department, Section for River Information Services, and Section for Vessels Maintenance. Within the Sector for Legal and Financial Issues, there are: Legal and HR Department, Department for Finance, Section for General Issues and Group for Public Procurements. Organizational units within Sector for IWW will be elaborated in details in the next sub-chapter, dealing with main tasks and responsibilities of Plovput.

4.2. Main Tasks and Responsibilities

The Directorate for Inland Waterways Plovput is responsible for maintenance and development of international and inter-state inland waterways in the Republic of Serbia. Those are the Danube, Sava, and Tisza rivers (*Figure 2*).



Figure 2: Network of International IWW in Serbia

The length of the Danube River through the Republic of Serbia is 588 km, of the Sava River is 211 km, and of the Tisza River is 164 km. That gives the total length of the network of international IWW in the Republic of Serbia of 963 km.

Main tasks and responsibilities of the Directorate for Inland Waterways Plovput include: hydrographic survey, IWW design, pre-feasibility opinions, conditions and approvals, waterway marking, river training works, and river information services.

4.2.1. Hydrographic Survey

Hydrographic survey is being performed by the Hydrographic section, which is a part of Survey and Design Department in Plovput. This section is performing hydrographic survey activities of the Danube, Sava, and Tisza rivers, on annual basis.

4.2.2. IWW Design

Inland waterway design is responsibility of Survey and Design Department in Plovput. It performs IWW analysis and design, produce design documentation in the field of navigation safety and river training works, as well as supervising construction works on Serbian IWW. Since 1963, Plovput had prepared and implemented over 500 projects on Serbian inland waterways.

4.2.3. Pre-feasibility Opinions, Conditions, and Approvals

One of Plovput's tasks is issuing pre-feasibility opinions, conditions and approvals, and these tasks are being performed by the Group for Pre-feasibility opinions, conditions and approvals. This group is positioned in the Survey and Design Department. The main tasks of the group include issuing pre-feasibility conditions and approvals for construction of infrastructural objects, ports and marinas, as well as issuing opinions and approvals on placement of objects on IWW.

4.2.4. IWW Marking

Inland waterway marking activities are being performed by the IWW Marking Department in Plovput. The main tasks of this department include developing annual marking plans, introducing and maintaining waterway marking systems on international IWW in Serbia.

Inland waterway making activities in Plovput are organized on territorial basis, through the network of **monitoring stations**. Each of the monitoring station is responsible for maintaining marking systems on the defined stretches of international rivers. There are four monitoring stations on the Danube River: Apatin, Novi Sad, Belgrade, and Kladovo. Also, there is one monitoring station on the Tisza River, based in Titel. Currently, there are no monitoring stations on the Sava River. Marking activities on this river are being performed by the Danube monitoring station based in Belgrade. Plovput is planning to establish one monitoring station on the Sava River during 2010, and it will

be placed in the town of Sremska Mitrovica. The network of IWW marking monitoring stations in the Republic of Serbia is shown in the *Figure 3*.



Figure 3: IWW monitoring stations in Serbia

4.2.5. River Training Works

Plovput is responsible for performing river training works on international IWW in Serbia, and it is being done by the River Training Works Department. These works include building revetments, groins, and other hydro-technical structures, as well as maintenance dredging activities. Plovput has been performing river training works since 1965.

4.2.6. River Information Services

By the Law on Ministries from 2007, Plovput is authorized for introduction and development of river information services (RIS) on international IWW in the Republic of Serbia. Organizational unit responsible for RIS activities is Section for River Information Services. Main tasks of this unit include development and implementation of river information services, production of electronic navigation charts (ENC) for Serbian stretches the Danube, Sava, and Tisza rivers, introduction of new services like notices to skippers, etc. Also, this unit is responsible for preparation and implementation of projects funded under IPA and other EU donation programmes.

5 AVAILABLE RESOURCES

This chapter contains information on resources available to Plovput, regarding staff, finances, technical assets and facilities.

5.1. Human Resources

Under the current organizational structure, Plovput has 146 working positions. However, only 133 positions are occupied. Out of that number, 21 of the employees have university degree (16% of the total number). Among them, there are one Ph.D. and four Masters of Sciences.

Out of 133 employees, 97 are positioned in the Sector for IWW (73%), and 32 are in the Sector for Finance and HR (27%). The detailed allocation of employees throughout organizational units is given in Figure 4.

5.2. Financial Resources

The Directorate for Inland Waterways Plovput is a direct beneficiary of the budget of the Republic of Serbia. The budget of Plovput is annually negotiated with the Ministry of Finance, which is in charge for drafting proposal of the Law on budget and present it to the Government and to the Parliament. In 2009, budget of Plovput was EUR 2 Million, and for 2010 it was reduced for a bit.

Besides state budget, Plovput has additional two sources of funding. The first one is commercial arrangements, including performing hydrographic surveys, design activities, and river training works. The second are donations from EU for implementation of international projects under specific funding programmes, such as IPA, SEE, FP7, etc. In 2009, these two sources of funding made 20% of overall annual budget of Plovput. The rest (80%) are funds from state budget.

5.3. Technical Assets

The most important assets of Plovput include vessels and equipments for hydrographic survey.

5.3.1. Vessels

Plovput has 18 vessels in total. Three vessels are being used for hydrographic surveys, six for marking activities, and nine for different types of river training works. The fleet of vessels that Plovput have is quite old, 30 years in average. Due to the fact that vessels are old, costs for their maintenance are very high.



Photo 2: EHO - one of Plovput's survey vessels

Since 2003, the Sava River is declared to be an international waterway. In 2007, Plovput started campaign of restoring marking system on the Sava River. Those activities are being performed with vessels which are assigned for activities on the Danube River. This situation is not sustainable on long terms. For the past two years, Plovput has been trying to provide funding for purchasing one additional vessel for marking activities.

5.3.2. Survey Equipment

Plovput uses singlebeam and multibeam equipment for hydrographic survey. Singlebeam equipment is installed on two vessels and is being used for regular annual survey campaigns. Those campaigns start in April, and last until November every year. Multibeam equipment is being used for survey of critical sections on inland waterways, when more detailed information is needed.

5.3.3. Other

Besides mentioned vessels and survey equipment, Plovput has one dredger, two cranes, as well as two barges. The dredger (Mlava) was purchased in 2001, and was the last big investment made by Plovput.



Photo 3: Dredger Mlava

5.4. Facilities

Headquarters of Plovput is located in downtown Belgrade. Besides that, Plovput has facilities on the Sava River that serves as a base station for vessels, as well as the warehouse for the equipment.

Beside mentioned facilities, there are five monitoring stations used by our marking teams. Four of them are located on the Danube River (Apatin, Novi Sad, Belgrade, and Kladovo), and one is on the Tisza River (Titel). One additional monitoring station is to be established during 2010 on the Sava River, in the town of Sremska Mitrovica.

6 SWOT ANALYSIS

The sixth chapter of this report is focused on SWOT analysis performed in March 2010. The subject of the analysis is the Directorate for Inland Waterways Ploput, as Danube waterway administration in the Republic of Serbia.

SWOT matrix is shown in the *Figure 4*.

<p><u>Strengths</u></p> <ul style="list-style-type: none"> - Clearly communicated mission - 46 years of experience in IWW management - Skillful and well trained staff - Capability of adopting and introducing new technologies on IWW - Good partnership with other Danube Administrations on international projects 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> - Limited budget - Financial inability to perform major river training works for last 20 years - Outdated fleet of vessels - Lack of organizational unit for project management and European integrations
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> - Support of EU and Serbian government for IWW transportation in strategic documents - Availability of IPA and other international funds - Achieving candidacy for EU and availability of regional funds 	<p><u>Threats</u></p> <ul style="list-style-type: none"> - Current financial crisis - Uncertainty of annually negotiated budget - Co-financing for EU regional funds - Restrictions for recruiting the new staff - Absence of stronger IWW promotional activities in Serbia

Figure 4: SWOT analysis

Components of the SWOT (strengths, weaknesses, opportunities, and threats) and all findings from the performed analysis are elaborated separately.

6.1. Strengths

Mission of Plovput is to provide efficient, sustainable, standardized and environmentally friendly system of inland waterways which will be used by general public and businesses, at local and international scale. This **mission is clearly communicated**, both externally and internally. It represents a good toll for our leadership, and for understandable positioning of Plovput within national and international context.

Plovput has a **long tradition** in IWW management. Since it was founded in 1963, Plovput is successfully implementing projects in the fields of river training works, IWW design, IWW marking, hydrographic survey, and river information services. During that time, Plovput has developed a strong reputation as reliable partner, domestically and internationally.



Photo 4: River training works performed during 1970s

In Plovput, **human resources** are considered to be the most valuable resource. Employees of Plovput are well trained and skilled. They have opportunity to work on major projects and to further develop their skills and fully exploit their own potentials.

Well trained and skillful staff is precondition for developing **capability for adopting and introducing new technologies** on IWW. Over the past decade, Plovput managed to upgrade IWW marking systems, by introducing solar technology on the Danube and Tisza rivers. Our survey teams use up-to-date hydrographic survey equipment.

Since 2005, Plovput is developing and introducing river information services on the Danube River. Through these achievements, the work of Plovput is being visible to the general public.



Photo 5: IWW marking activities

Good partnership of Plovput with other Danube Administrations on international projects is considered to be very important strength. The quality of these partnerships is being confirmed by the number of international projects on which Plovput is involved. We will continue to develop these partnerships, because it is a guarantee for future success in implementation of international projects.

6.2. Weaknesses

The major weakness identified in this analysis is **limited budget**. During the last few years, the budget of Plovput has been significantly increased. In 2005, Plovput had a budget of EUR 1.1 Million. In 2008, that budget was increased by almost 100%. In 2009, it was slightly under EUR 2 Million, and for 2010 it is planned at the amount of EUR 1.7 Million. These figures do not include revenues from commercial activities, which have been generating approximately 20% of Plovput annual budgets for a last few years. Although the budget of Plovput has been increased, it is still insufficient for a number of activities that are being planned from year to year.

One of the main consequences of limited budget was Plovput's **financial inability to perform major river training works** for the last 20 years. For example, during the 1990s, Plovput constructed only two groins on international IWW in Serbia. This trend was continued in the last decade. Plovput has a completely equipped fleet of vessels specialized for performing river training works, but does not have annual funds for their activation.

Plovput has a fleet of 18 vessels, specialized for hydrographic survey, IWW marking, and river training works. However, this **fleet is considerably outdated**, 30 years old in average. The cost of their maintenance is quite big. Also, their fuel consumption is high. Having in mind that Plovput started with establishing marking system on the Sava River, the need for additional modern marking vessel is becoming evident. Providing funds for this purpose is among Plovput's top priorities for the next few years.



Photo 6: Plovput's fleet at Makis Base

The last, the final weakness identified at this moment is the **lack of organizational unit for project management and European integrations**. Plovput is involved in the number of international projects (Implementation of river information services in Serbia, NEWADA, WANDA, RISING, IRIS EUROPE II, etc.). During, 2010, we expect to have a few more projects. Lack of organizational unit for project management and European integrations is creating a lot of pressure on employees who are members of our project teams. This situation is not sustainable on a long term, because of the fact that the number of projects is going to grow in the near future.

6.3. Opportunities

Inland waterway transportation is being **strongly supported in a number of strategic documents**, both by EU and by Serbian government. This is the fact that should be more exploited by Danube administrations, including Plovput.

This governmental support is related to **availability of EU IPA** (Instruments for pre-accession assistance) and other international funds. Plovput is already a beneficiary on a number of EU funded projects (from IPA component I and II), and is planned to be involved in the new projects in the future. These funds are great opportunity for Plovput, since our state budget is limited and many of our activities couldn't be done without it.

Republic of Serbia is strategically oriented toward European integrations. The first milestone on that path is achieving **candidacy for EU membership**. When Serbia becomes a candidate country for EU, the new funds will be available for our institutions. Representative of Plovput is a member of the working group preparing Operational Programme for IPA components III and IV (OP for 2011-2013). In that way, we can influence the design of the priority axes Transport. These funds are the only opportunity for major projects on Serbian IWW, including river training works.

6.4. Threats

Current **global financial crisis** creates a lot of pressure on public finances in every country, including Serbia. Plovput is dominantly funded from the state budget, which is very restricted.

The second identified threat is uncertainty of **annually negotiated budget**. Plovput is a special organization of the government of the Republic of Serbia, and is a direct beneficiary of the state budget. This budget is negotiated annually, for the period of one year. When the budget of one institution is annually negotiated, it makes long term planning very difficult.

In the previous sub-chapter, availability of international funds was identified as an opportunity. However, using funds from IPA components III and IV requires **national co-financing**. It is most likely that institutions proposing projects for IPA OPs will not be able to provide co-financing on their own. This issue will have to be discussed on the national level, and all the relevant ministries, including Ministry of Finance, will have to be involved in the planning process.

In 2009, Government of the Republic of Serbia proposed and adopted the number of laws and regulations concerning reductions in public spending. All public institutions, including Plovput, are being effected by these measures. One of the introduced measures is related to strict limitations in **recruiting the new staff**. This means, literally, that it is forbidden to recruit any new staff. It creates a lot of pressure on the existing employees, and certainly is not sustainable solution on mid term.

Additional measure was introduced at the end of 2009, when the new Law on the maximum number of civil servants in Serbia was adopted. According to that law, the **maximum number of employees** in Plovput is set at 101, with the possibility to employ an extra 10% of that number for a limited period of time. That is a huge reduction of 25%, in comparison to the existing number of employees. At the same time, responsibilities and tasks of Plovput remain unchanged.

The last, but certainly not the least important identified threat is **absence of stronger IWW promotional activities in Serbia**. According to current legal framework, Plovput is not responsible for IWW promotion. However, Plovput is contributing to those activities any time it can. Promotional activities are very important for raising awareness and pointing out significant facts on some issue. The only way for making advantages of IWW over other transportation modes visible and recognized by the majority of users is by performing constant promotion. The lack of stronger promotional activities could eventually lead to the lost of interest of relevant stakeholders for IWW.



Photo 7: Kazan - the deepest part of the Danube River

Inland waterways are considered to be a valuable natural resource for Serbia. They have a multiple use: they are part of the traffic and transport infrastructure that connects Serbia with EU; they are the significant part of tourist offer; they can greatly increase level of employment through capital investments. The goal of Plovput is to increase the value of inland waterways, in cooperation with all other relevant institutions, and for the benefit of the whole society.

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