
Steering Committee for the Development of the South East Europe Regional Core Transport Network

13th Meeting

Dubrovnik, Croatia, October 4th/5th, 2007

Present:

SC Members (Voting)

- **Kujtim Hashorva**, Director of Road Transport Policy Department, Ministry of Public Works, Transport and Telecommunication, Albania - **Chairman**
- **Izet M. Bajrambašić** Assistant Minister, Ministry of Communications and Transport, Bosnia and Herzegovina
- **Mate Jurišić**, Assistant Minister, Ministry of Sea, Tourism, Transport and Development, Croatia
- **Svetlana Gligorovska**, Head of Department for EU, Ministry of Transport & Communications, Macedonia, - **Deputy Chairman**
- **Angelina Živković**, Advisor to Minister, Ministry of Maritime Affairs, Transport and Telecommunications, Montenegro, - **Deputy Chairman**
- **Nenad Nikolić**, Head of Prevention and Transport Telematics Group, Ministry for Infrastructure, Serbia – With authorization from the Serbian Government
- **Florim Grajcevci**, Political Adviser, Ministry of Transport and Communications, UNMIK/Kosovo
- **Francois Begeot**, Policy Officer, DG TREN, European Commission - **Deputy Co-Chairman**

SC Deputy Members (Non Voting)

- **Mate Gjorgjievski**, Head of Unit, Secretariat for European Affairs, Macedonia
- **Elinor Bajraktari**, Economic Policy Office, EU Pillar, UNMIK/Kosovo

SEETO Team and Advisor to the Steering Committee

- **Slavjanka Petruševa**, General Manager
- **Dejan Dević**, Transport Planning Manager
- **Andrija Gencel**, IT & GIS Expert
- **Jordana Fićović**, Administrative Assistant

Guests and Observers

- **Vjeran Basic**, Head of Section, Central State Office for Development Strategy and Coordination of EU Funds, Croatia
- **Dejan Zlatković**, Consultant, Sector for Programming and Management of EU funds and Development Assistance, Ministry of Finance, Serbia
- **Rame Qupeva**, Head of Road Infrastructure Department, Ministry of Transport and Communications, UNMIK/Kosovo
- **Nicola Bertolini**, Programme Manager IFI Project Preparatory Facility, DG ENLARGEMENT Regional Programmes, European Commission
- **Sofia Papantoniadou**, Programme Manager, DG ENLARGEMENT Regional Programmes, UNIT 3, European Commission
- **Paul Guitink**, Senior Adviser Central and Eastern Europe, CER - Community of European Railway and Infrastructure Companies

Apologies for absence from

- **Altin Ndroqi**, Director of Foreign Relation and Public Information, Ministry of Public Works, Transport and Telecommunications, Albania
- **Nikola Šego**, Secretary General, Ministry of Communications and Transport, Bosnia and Herzegovina
- **Nataša Mikuš**, Deputy State Secretary, Central State Office for Development Strategy and Coordination of EU Funds, Croatia

- **Amna Redžepagić**, Advisor for European Integration, Ministry of Maritime Affairs, Transport and Telecommunications, Montenegro
- **Miodrag Jocić**, State Secretary, Ministry for Infrastructure, Serbia
- **Gordana Lazarević**, Assistant Minister, Ministry of International Economic Relations, Serbia
- **Edgar Thielmann**, Director for Energy and Transport, DG TREN, European Commission

Administrative matters

1 Adopting the Agenda for the meeting – PPI has been re-scheduled.

Conclusion: Agenda was adopted.

2 Adopting minutes from 11th SC Meetings – Minutes were adopted with one change concerning RWG (under first bullet point; also SEE instead of Western Balkans,... - on page 2 of the 12th SC Minutes).

Conclusion: Minutes were adopted and signed.

Item 1 - Bilateral meetings

Albania

Albania does not have objections to MAP. Regarding Infrastructure & Traffic data Albania has provided more complete data than the last year with the greatest improvement in the data quality. However, more consistent / detailed description of the projects should be provided. Albanian delegation was asked to provide precise data about Milot-Morine road project, especially regarding financing. EC has also asked for some additional description regarding Tirana airport to be included in the MAP 2008-2012. EC representative was surprised that Albania has railway priority projects on Corridor VIII while the former Yugoslav Republic of Macedonia has none. Mentioning that a few kilometers are missing on both sides of the border, Albania has proposed to discuss with the former Yugoslav Republic of Macedonia rail Corridor VIII. New project concerned with the container terminal of the port of Durres was also mentioned as having additional intermodality dimension. More streamlined kind of information has been asked from Albania regarding the priority projects.

Bosnia and Herzegovina

Bosnia and Herzegovina does not have major remarks on this MAP but has requested to include the following explanation in the MAP 2008-2012 regarding legal and institutional developments in the national transport sector that is in accordance with EU legislature: "MoT of Bosnia and Herzegovina has been focusing on institutional capacity building and legal framework with regards to the new air and railway laws. The air law has been completely adopted while the one concerning the railway is in the implementation phase (regulatory body for railway established, operations and infrastructure has not been separated yet in accordance with a legal requirements, etc.). New legislature is underway referring to the road transport and the inland waterways laws. All these laws presume that governmental institutions responsible for specific transport modes have been established.

Transport policy, national strategy and action plan are the key documents for transport development in BiH, which BiH either does not have or has not implemented in everyday operations. Transport policy has been done and it is in the process of ratification. The other two documents are in the final phase and their ratification is expected by the end of March 2008. Financial means have been secured from EBRD and the World Bank for these important documents." Regarding recent developments in BiH, strategy has been drafted with assistance of SAFEGE. It was also confirmed by BiH representative that the main transnational axes in BiH are the ones adopted by HLG: Sava river and Corridor Vc and not the rail for the time being. Mr.

Begeot asked for EIRR information on Corridor Vc project Mostar By-pass but BiH representative mentioned that this project is only connected to Corridor Vc and not included in the Corridor Vc Feasibility Study. Mr. Bertolini has even raised the question of using EIRR as comparison tool in the case of different projects in different countries, but Mr. Begeot suggested that this discussion can further divert us from our agenda topics. At the end of the session, more precise projects' description has been requested from Bosnia and Herzegovina.

Croatia

Croatia has no objections with regards to the MAP. Suggestion is to include data on ro-ro traffic in the plan. In terms of ferries Split port should be emphasized and main passenger links to Venice, Pescara, Ancona and Bari, while Ploce is a cargo port. Out of four new projects proposed for priority list, candidacy for one (port of Vukovar) has to be revised according to the Core Network Modification procedure. One more railway project has been proposed: Rijeka-Zagreb-Botovo (HUN border) project will be ready by the next year. Mr. Begeot mentioned that the meeting in Luxembourg on Corridor Vb was very good, supported by IPA very strong logic. Inland WW Sava project (Corridor VII) will be also proposed. There are some measures in civil engineering to improve its navigable class up to III class. Other projects concerned with inland river ports like Vukovar that had growth from 100.000 tons to 1 million tones gain in their importance. Also, as Zagreb airport is priority and seeking financing from EIB, this project should also be on SEETO priority list. By the beginning of the following week the projects' descriptions should be sent to SEETO. In accordance with SEETO requirements, Croatia agreed to provide ASAP the missing data like those on Danube river traffic.

Republic of Macedonia

Macedonian representative informed for the recently adopted National Transport Strategy of the country as well as the progress on completion of the road corridor X so far. In addition it was required the country's road condition data to be reviewed after the SC meeting. The additional data that is still missing will be provided within one week. Regarding the question raised by the chairman for including one more railway project in this MAP it was explained that the project mentioned is already in the project pool but at this moment the proposed project that are already in the MAP 2008-2012 are priorities of the Government of the Republic of Macedonia. The mentioned project is planned to be implemented in the long term period.

Montenegro

Montenegro representative spoke about their priority investment plan which is included in the MAP 2008-2012. They told that financing for the Podgorica by-pass has to be removed from conceptual projects. Montenegro also informed the participants that a new Programme has been under preparation. It would include projects such as by-pass Nikšić concerned with the bottleneck elimination on roads.

Serbia

Opinion of Serbian representatives is that the MAP 2008 – 2012 represents significant improvement in comparison to the previous years, although the text length can be reduced. Proposal is that the description of Level of Service (LOS) is moved to the Annexes. They will provide SEETO with additional description and data about the Belgrade By-Pass and Niš airport.

UNMIK/Kosovo

Kosovo submitted their remarks in writing, of which most of the corrections are implemented in the second draft. Kosovo delegation will help SEETO to write a better project description for the Pristina Airport by 10.10.2007. It was agreed that the tables with GDP will be updated and removed from the main text (tables 3-3 and 3-4). SEETO was warned that in some cases the name of

UNMIK/Kosovo is not stated correctly and to correct the mistake, and also on page 70. The PPP study financed by the WB has been completed in 2007. They proposed to emphasize soft measures like border crossing problems, visa issuing problems and other nonphysical barriers.

Conclusion: *Written notes of bilateral meetings were adopted.*

Item 2 - Addendum on MoU

Mr. D. Devic and A. Gencel from SEETO presented to the SC members the conclusions of the 5th meeting of the Railway Working Group. As it was announced on the RWG the Macedonia and Serbia have submitted written comments on the Addendum.

Mr. F. Begeot additionally explained the importance of the Addendum to The MoU for Railways which regulates the regional railway market in the same way as the respective aviation Acqui Communautaire did with the common aviation area. The main improvement in the last version was adding a target on social dimension and social dialogue and a change in a Flexibility Clause.

Albania, Croatia and Bosnia and Herzegovina agree with the text as it is, while the SC member from the Republic of Macedonia asks for clarification in their (hand-written) document handed in writing. In her opinion it is important to have a timeframe for implementation. Also the question was raised with regards to clarification about possible conflict with WTO Rules for public procurement, about the transition period, and explanation on point 2.4 paragraph 5.

Serbia had a written remark to Article 2.4 paragraph 3 which by their opinion should read as: "The Regional Participants shall implement the Public Service Obligation ..." and a remark on paragraph 2 in Article 5 which is added in the draft of 11 September 2007. By their opinion the sentence should be: "Each regional participant shall adopt a detailed timetable for implementation of targets.", however in their opinion it is also important to have a timetable.

The representative of EC, CER and Macedonia has the opinion that it is not good to leave the timeline for the implementation of the targets open. Nevertheless, implementation should be synchronized.

The representative of the EC proposed to the SC that the EC assign a coordinator-facilitator to this process to try to make this project more dynamic and implemented on time. The coordinator-facilitator would further discuss it with the ministers, make necessary explanations and push the project where needed. He also proposed to have a RWG meeting in January after the Addendum is signed.

CER representative told that in the text there was no proposal made on the last RWG mentioning multimodality concept. All CEOs of railways supported the Addendum. Not only the SEE region but also the Baltics region is interested in this model to be implemented there.

Conclusion: the SC agrees to finance RW WG meeting (after the expenses are defined) to be held at the end of January and to have a coordinator-facilitator on behalf of the EC.

Conclusion (on the following day):

1) *The SC decided to adopt paragraph 2 in Article 5 as follows: "Each Regional Participant shall, from the adoption of the Addendum, prepare a detailed timetable for implementation of all targets. They shall endeavor to coordinate their calendars through discussion in the SC. The timetable will be endorsed at the Ministerial meeting in 2008."*

2) *To have a signature page marked by country flags*

3) *The expense for the RWG in January or February 2008 to be covered from SEETO National Budget. Expenses to be defined!!*

Mr. Bertolini explained in details the two planned tenders for "Support for Implementing soft measures of the South East Europe Core Regional Transport Network Multi Annual Plan 2007-2011 (Railways and Road Safety Auditing)" and "Project Preparation Facility for Infrastructural investments in the Western Balkans". For the Preparation Facility Project the budget is planned for 16mil EUR in 4 years in order to assist CARDS countries to prepare projects for investment in sectors of transport, energy, environment and social infrastructure. The budget will be balanced between the 4 sectors. Maximum 40% and minimum 10 % will be dedicated for a sector. It is important how transport is prioritized for this budget. Balance between transport modes must be in place. Priorities of Countries will also be taken into consideration. It is possible even at the Annual Meeting of Ministers to put emphasis on some projects of interest.

Item 3 - SEETO Handover

SEETO General Manager made a presentation on a draft action plan for 2008 which is expected to be adopted on the next SC meeting. In the next version a budget will be accompanied with a work program explaining activities. The EC representative told that the amount probably needs to be increased, but the earlier adopted system which defines its participant's share has to be kept.

Conclusion: SEETO to prepare the exact Action Plan for 2008

Item 4 - Annual Meeting of Ministers

SC Chairman explained that the next Annual Meeting is planned to be in Tirana in the hotel Sheraton on 4th and 5th of December. All Ministers and Mr. Barrot will be invited by the Albanian minister of transport. The large presences of business representatives are also expected.

EC Representative told that beside Mr. Barrot they would also like to invite Mr. Paolo Costa, Chair of the European parliament's transport and tourism committee and WB, EIB and EBRD representatives. The Resolution should emphasize that the addendum is signed, and encourage its implementation.

Serbia and Macedonia urged that the Resolution should be completed in due time thus enabling for the countries to agree on the text.

The Draft Agenda for the Ministerial meeting was presented by the SEETO and also explained that the Networking Village would give opportunities for each delegation to meet private investment companies.

Conclusion: *The SC members discussed the proposed agenda for the SC Meeting and decided that the proposed Networking Village should occur in the afternoon of the 4th December, after the Ministerial Conference. Day before at the SC Meeting the decision should be made about the budget and activity plan for 2008.*

Next SC Meeting – 14th SC Meeting to be held in Tirana, Albania, on 3rd of December

Minutes Approved

Chairman

Date