

Report of the Working Group Railways and Intermodality

To the Steering Committee on

Implementation of section 5 of the

Addendum on a Common South East European Transport Area

Adopted at the ministerial meeting of 1 December 2007 concerning the

Time table for implementation

Draft of 1 October 2008

In the Addendum on a common South East European Railway Area, ministers expressed the need to coordinate time tables among participants the Memorandum of Understanding. The Steering Committee had suggested to collect time tables on the basis of a common format. Upon proposal of the Commission, the Working Group agreed on a format at its meeting in April 2008. All participants presented their completed time tables to the Working Group on Railways and Intermodality.

The present report sets out the approach taken and provides an assessment of the collected data as it came out of the analysis of partners' time tables. Finally, a summary time table, showing target times for implementation is attached. All of this is based on the data delivered by regional ministries and discussions in the working group. The Commission's monitoring according to section 3 of the Addendum is en route. The information provided in the individual and the summary time tables thus is under the sole responsibility of each regional participant and has not been verified by other participants. Participants based it on their best available knowledge at the time of submitting it to the working group, acknowledging that the table needs updating after some time.

Approach taken

Based on experience of previous EU enlargements, and past experience with alignment to EU legislation within the region, special attention has been paid to effective implementation, including competent staffing, budgeting and institution building. It seemed useful to plan not only according to adoption of primary law, but to break down implementation into six steps in total, i.e.

- Primary law adopted and in effect
- Secondary law adopted and in effect
- Budgetary and financial framework established
- Institutional and organisational arrangements established
- Staff in office in sufficient number and competence
- Operational decisions issued and/or published or measure in operation.

This level of detail seemed necessary to reflect past experience according to which legislation had been adopted but never turned operational due to practical difficulties.

On the left, vertical side of the individual time tables, measures are listed and grouped into items as set out in the Addendum.

Working Group decided to aggregate this information and take the date of step 6 to represent full implementation of a measure. The overview has been attached an annex to the present report.

Assessment and conclusions

1. Most countries started aligning their primary law over four years ago. Nevertheless, there is no participant with more than one railway undertaking or competition on the track. Therefore, the data collection has shown (again) that the critical step from a single operator to a competitive service environment is on the side of implementation and effective institutions. Moreover, the determination of railways and the State to move in this direction plays a key role.
2. Most regional railways have seen steep growth of the performance of freight in recent years. Since transition is easier to put in to practice in growing markets than in shrinking ones, this is an opportunity not to be missed.
3. All time tables seem ambitious, but feasible, provided that governments and railways maintain their efforts to move.
4. It is sometimes said that the EU model was not feasible for small networks. The former Yugoslav Republic of Macedonia is has implemented unbundling after that the countries saw its rail traffic performance grow. It thus appears that the assumption is not only wrong, but that the contrary is right: Small rail networks depend even more on open access to reach the critical mass necessary for railways to survive and develop.
5. Participants acknowledge interdependency between different measures of the addendum, such that some measures can only be implemented after certain others.
6. For some measures, the risk of meeting a deadline will be bigger than for others. Where, for instance, progress on a measure involves cooperation of different ministries at national level, different regions, where regional railways exist, negotiations and information of social partners is required target times are evidently more likely to occur. Furthermore, certain more complicated steps, imply the availability of external technical assistance and know-how transfer from abroad, which take time or are not delivered at the desired quality or level of precision. Likewise, replacement of staff, change of management or political personnel may cause disruptions and target times in the process of rail reform, which are not under full control of transport ministries.
7. Participants agree that coordination by time tables should not discourage front-running, but rather encourage late-comers to catch up. In fact, certain states are more advanced than others and the latter wish to benefit from knowledge of the former rather than delay progress.
8. All time tables envisage implementation of the EU railway acquis before the year 2012. Keeping the indicated target times requires constant efforts and progress on the side of the regional administrations and railways.

ANNEX

Summary Time Table

according to section 5, 2nd paragraph of Addendum.

Target times refer to the month/year when measures are made operational. For the purpose of readability, details on the 5 preliminary steps, are not included in this table.

Measures	Albani a	Bosni a and Herze govin a	Croati a	the former Yugoslav Republic of Macedoni a	Monte negro	Serbia	Kosovo under UNSCR 1244/99	Regio n
Addendum Item 2.1: Institution building	6/2009	2008	12/ 2009	6/ 2009	7/2009	2006	2/2010	2/ 2010
Addendum item 2.2: Separation, management independence and market orientation	6/2009	2/ 2009	3/ 2008	2/ 2008	9/2008	2010	4/2010	4/ 2010
Addendum Item 2.3 Fair infrastructure access, safety and interoperability	2010	2010	-	12/ 2010	2010	2010	12/2010	12/ 2010
Addendum item 2.4 Financial Stability	1/2009	2009	1/ 2007	1/ 2009	1/2009	2010	12/2009	2010
Addendum item 2.5 Border Crossing	NA	2009	-	6/ 2009	12/200 8	2010	6/2009	2010
Addendum item 2.6 Social dimension and social dialogue	1/2009	2008	-	12/ 2009	2009	2010	2003	2010

Albania: Based on time table version of 7 May 2008. Item 2.3: Target times for several measures not given. All preparations will be done in 2008/2009, but acceptance of new operators seems too dangerous, in the absence of a signalling system. A comprehensive network statement is planned to be published only in 2010. Item 2.4: No target times given for implementation of divesting historic debts and conclusion of multi-annual contract. Item 2.5: AL plans to analyse its border crossing agreement with Montenegro in January 2009.

Bosnia and Herzegovina: Regarding item 2.1, no target times provided for a national safety authority, which is required under directive 2001/49/EC. As to item 2.2, certain law has been adopted and organisational arrangements have been put in place. However, target times for putting the measures in operation were provided. Target times for cost accounting rules are not provided. Item 2.4: As regards compensation for public service obligations, no action is envisaged to put this measure in operation.

Croatia: Network statement was published end of 2007. Target time on the other measures within item 2.3 to be provided at a later stage. No target times given on item 2.5 and 6.

Croatia launched informal talks with Slovenia on border crossings, but results will depend also on the other partner. Similarly, talks with Serbia are ongoing.

the former Yugoslav Republic of Macedonia: Regarding item 2.1, former Yugoslav Republic of

Macedonia plans to make all required railway institutions operational by June 2009, only the notified body is planned for 2010. Former Yugoslav Republic of Macedonia plans to implement common safety targets, safety management system and common safety methods in 2011.

Montenegro: As to item 2.3, the government plans to have most measures in operation by end of 2008. Train driver certification according to the EU directive is envisaged for 2010. No target times are provided for implementing cross border path allocation, safety targets and safety methods, which is not of concern because the respective TSI are not yet adopted. In terms of item 2.5, Montenegro launched negotiations on cross-border agreements with both Serbia and Albania in early 2008.

Serbia: Serbia has accomplished first steps on almost all items. Item 2.1: No target time provided for independent accident investigation body.

Kosovo under UNSCR 1244/99: Based on participant's time table of 17 April 2008: As to item 2.2, the participant does not provide target times on the financing and business plan of its infrastructure manager. In term of item 2.3, certain target times are missing, e.g. for cross border path allocation. No target times provided, but the explanations seem not consistent. As concerns item 2.5, Kosovo under UNSCR 1244/99 is ready to start negotiating bilateral agreements with all neighbours as soon as possible and plans to adopt legislation on border crossings in June 2009. Regarding item 2.6, step 6 social partner have established a regular social dialogue and monthly consultations. Employers' representative participate in weekly management meetings of the railways.