



Montenegro

Ministry of Transport, Maritime Affairs and Telecommunications

Railway Reform in Montenegro

Railway Working Group meeting , 5th - 6th of October 2010, Zagreb

In the past three months, Montenegro has continued the process of railway reform and implementation of measures from Addendum MoU.

Ministry of Transport (MoT) has prepared a new Law on Railway Transport Contracts. The law is come into force in August 2010. The Law is compliant with regulations 1371/2007 concerning rail passengers' rights and obligations and Convention concerning International Carriage by Rail (COTIF).

In mid-September 2010 Ministry of Transport (MoT) has started activities on the preparation of a new Law on Railway and Amending Law on Railway Transport Safety, in which will be transposed relevant EU railway acquis. Through the Project Technical Assistance to the Transport Sector in Montenegro (IPA 2007) MoT has provided expert assistance for the harmonization of domestic legislation with EU. This project began in April 2010.

The Railway Directorate began operating in March 2010. This institution as an administrative entity overtakes the role of Regulatory Body, National Safety Authority and previous responsibilities of the Railway Department of the Transport Directorate for example: tenders preparation, concluding contracts for designing technical documentation, construction, regular maintenance, reconstruction and modernization of railway infrastructure, professional control of the quality of works and other tasks.

Under the scope of the MoT in accordance with to the Law on Railway Transport Safety will be formed an Accident Investigation Body.

Also, through the Project Technical Assistance to the Transport Sector in Montenegro (IPA 2007) MoT has provided technical assistance for the establishment of the planned functions of the Directorate and the MoT.

In order to achieve the above mentioned tasks, the Ministry of Transport and the bodies of public administration responsible for railway transport plan to strengthen their administrative capacities. Currently there are three civil servants working on railway transport issues in the Ministry, while the Railway Directorate has six civil servants. At the end of 2010 Railway Directorate will have twelve civil servants.

The new Network Statement 2010 is prepared and published on the web site of the Infrastructure Manager in February 2010. After preparation new Network Statement in February and March were signed Infrastructure access contracts between Infrastructure Manager and transport operators.

Restructuring process of the Railways of Montenegro is done according to the Restructuring Strategy of the Government, and is currently at the end of the second phase which implies further segmentation of the newly created stock companies Railway Infrastructure and Railway Transport as well as preparation of privatization of certain part of these railway companies. Currently there are ongoing activities on preparation for separation of the Sector for Infrastructure Maintenance and Sector for Maintenance of Rolling Stock from the existing companies. In this way they will be attractive to future privatization.

Privatization process for JSC MONTECARGO, which is freight operator in Montenegro, is at the end. Currently this process is in phase of final negotiations with only bidder - Romanian company GRAMPET.



Appropriate protocols which are necessary for full implementation of the Bilateral agreement on border crossing control between Montenegro and Serbia, will be signed in October 2010.

Also, preparation of a new Agreement on border crossing control between Montenegro and Albania is in progress. Negotiations began in late May 2010.

According to Memorandum of Understanding between Montenegro, Italy and Serbia consultant is in process of preparing the Study performed on the technical and economic feasibility of the interventions required for the redevelopment of the Belgrade-Bar railway line. This study will be finished in November 2010. Also, we are in the process of preparing the Project Provision of Preliminary Design, Studies and Spatial Planning Documentation for the Regional Railway Link Čapljina – Trebinje – Nikšić. The completion of this project is expected in February 2011. This will be a completely new railway line between Montenegro and Bosnia and Herzegovina.

Pursuant to the Law on Railways and the Protocol 4 on land transport of the SAA, Montenegro invests in reconstruction and modernization of railway infrastructure through programmatic annual budgets and relevant credit arrangements. Current budgetary expenditures, which present the basis for regular and investment maintenance of infrastructure and transport regulation, are worth € 10 million per year. Besides this, there are investments in railway infrastructure financed through IFIs loans guaranteed by the Montenegrin Government. At present, the rehabilitation project Railways of Montenegro II (2007-2012) is being implemented. Currently is in progress following activities:

- Major rehabilitation of the section of the line Bar – Vrbnica: Bijelo Polje – Mijatovo Kolo 18 km length, began in March 2010, ending December 2010 (financed from EIB credit);
- Completed tender for a Major rehabilitation of the section of the line Bar – Vrbnica: Trebaljevo - Kolašin 11 km length, beginning work March 2011, (IPA 2009);
- Rehabilitation of the tunnel No 182 between stations Kolašin and Kos, began in April 2010, ending July 2011 (financed from EBRD credit);
- Project Preparation for a Major rehabilitation of the section of the line Bar – Vrbnica: Mijatovo Kolo - Mojkovac 11 km length, beginning work September 2011, (IPA 2010).
- Investigative work in geology and the superstructure lines on the section line Kolasin-Bar (IPA 07), work began in September 2010.

All these activities are on the Route 4 Bar - Belgrade, also continued the Project Electrification and Renewal railway line Nikšić-Podgorica in the length of 56.6 km. In July and August 2010 has started project for reconstruction the 10 tunnels and 20 level crossings on the railway line Podgorica - Niksic financed from EBRD loan. The first section from Podgorica to Danilovgrad (22.4 km) will be fully completed in November 2010.

We are in the process of negotiations with EBRD for loan for acquiring new electric trains for the local railway transport in Montenegro and repair of existing trains.

Social dialogue with representatives of railway companies' trade unions is ongoing and it represents one of the activities defined in the Restructuring Strategy. In accordance with these we are in process of negotiations on a new Collective Agreement at the company for passenger transport.

Currently there are in the progress further actions to reduce the number of employees in the railway companies which will be funded by EBRD loan and the State Budget.

In the first 8 months 2010 notes the increase in cargo transportation in the amount of 44% compared to last year while the volume of passenger transportation has been reduced by 9%.

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