

FLASH NOTE**ON THE SECOND ANNUAL MEETING OF MINISTERS
ON THE DEVELOPMENT OF THE SOUTH EAST EUROPE CORE REGIONAL
TRANSPORT NETWORK**

*Charlemagne Building
Brussels, 1 December 2006*

The Second Annual Meeting of Ministers held on 1 December 2006 in Brussels gathered 103 participants with an opening speech from Vice-President Jacques Barrot. All countries/entities signatories of the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network were represented by Ministers of Transport, State Secretary or Deputy Minister.

The resolution of the meeting and a declaration on railway were signed during the meeting. The Multi-Annual Plan on the development of the core Regional Transport network was also presented.

VICE-PRESIDENT JACQUES BARROT: OPENING SPEECH

The Vice-President described the major progress achieved since the previous meeting of Ministers, in relation to the overall progress of the TENs policy in the EU. He underlined the importance of extending the networks to EU neighbouring countries, in particular to South Eastern Europe, for the interest of the region as well as for the whole European continent.

In the near future, a Commission communication will provide an updating of this policy, including a strategy of implementation of the *acquis* beyond the present limits of the EU.

The Commissioner congratulated the South East Europe Transport Observatory (SEETO) for its successful work. He stressed the need of addressing the problems of bottlenecks and anticipating the probable increase in traffic: priorities should be selective although the needs are great.

The Commissioner insisted on particular attention to be given to railways: there should be no delays in investment on infrastructure and rolling stock and the tendency to fragmentation should be overcome. The modal imbalance in the advantage of road transport is already too strong. Therefore, having an efficient Working group on railways is of crucial importance.

In conclusion, he expressed his satisfaction that the political will was there to establish a transport community with an integrated vision, taking into account the necessity to work at continental level.

MINISTERIAL DECLARATIONS**Republic of Albania: Mr Lulzim Basha, Minister of Public Works, Transport and Telecommunications**

The Minister underlined his intention to improve road management and maintenance thanks to a doubling of the 2007 budget and the privatisation of this activity. He indicated which

improvements could be expected in Durres (a new ferry terminal and a multimodal terminal for containers) and in Vlora (where €15.5 millions are to be spent). He mentioned his awareness of the critical situation of the railway infrastructure and said that he was in favour of the soft measures proposed by SEETO and the harmonisation of the legal framework for all the region.

Bosnia and Herzegovina: Mr Branko Dokič, Minister of Transport and Communication

The Minister underlined the importance of:

- corridor 5c, from Ploče to Sermač, via Sarajevo;
- river Sava, which could create the opportunity of a typical model of cooperation between 6 countries (in particular Croatia, Bosnia and Serbia). Nothing has been done for this river since the 1970s. He asked for financial assistance for improving navigation.

The Minister stressed the low speed of the Bosnian railway network (30 km/h) and expressed rather pessimistic views concerning the future of the railway sector, asking for support in the long term only. In Bosnia, 90% of the goods are carried by road transport, although the infrastructure is often in bad condition.

Republic of Croatia: Mr Dražen Breglec, State Secretary for Transport

The State Secretary underlined the impressive current rate of investments in the transport sector in Croatia, mainly to date allocated to the building of motorways: 1065 km of new infrastructure, 2312 km under construction, 1502 km planned, to be compared to the 324 km in operation in 1991.

He underlined the importance of shifting a significant part of the traffic from road to railways and other modes of transport. But the railway infrastructure is currently in a bad condition (90% are single track), although he expects EU funds to improve it.

He expressed its support to improve the navigation conditions on the Sava river, as only inland waterways contribute only to 1% of the transport of goods. He underlined Croatian priorities for ports: Rijeka, Split, Ploče, Dubrovnik on the Adriatic and Vukovar for inland navigation.

He informed the audience that Croatia had completed the screening operation for all the 35 chapters of the accession negotiations.

The former Yugoslav Republic of Macedonia: Mr Mile Janakieski, Minister of Transport and Communication

The Minister underlines the importance of the remaining obstacles to modernise the network and ensure mutual cooperation with the neighbouring countries.

He indicated that the Skopje and Ohrid airports would have the priority (for air transport) and the intention of the Macedonian government to look for concessions on corridors 8 and 10.

He recalled that Macedonia has presently the lower tax rate in Europe (10%).

Republic of Montenegro: Mr Andrija Lompar, Minister of Maritime Affairs and Transport

The Minister underlined the importance of independence for Montenegro and his happiness to be treated as an independent country.

He informed the audience about the establishment of a strategy for transport in Montenegro, identifying 25 priority projects, in particular the Adriatic highway and the road to Belgrade. He expressed his concern about the tremendous increase of traffic and the consequent multiplication of bottlenecks.

He complained about the mistrust between states and expressed his lack of confidence about the involvement of the private sector in transport activities.

Republic of Serbia: Mr Miodrag Jocić, Deputy-Minister of Capital Investment

The Deputy-Minister expressed the intention of the Serbian government to implement EU transport *acquis communautaire* as soon as possible.

He expressed his support to SEETO, advocating common priorities for the management of roads, the building of corridors, and the prevention of traffic fatalities (16000 deaths for Serbia).

He stressed the urgency of completing Belgrade by-pass, achieving railway rehabilitation, and removing the last obstacles to navigation on Danube and Sava (eliminating sunken ships and dredging the navigation channels). In air transport, his intention is to improve flight control and air safety.

UNMIK/Kosovo (under UNSCR 1244): Mr Johan van Lamoen (UNMIK) and Mr Qemajl Ahmeti (Minister of Transport and Communication)

The UNMIK Representative passed the floor to the Kosovo Minister.

The Minister indicated his intention to prepare laws on road safety and expropriations. He indicated that Priština had been awarded “*best regional airport*” and that Kosovo was a partner in *European Single sky initiative*. He underlined the importance of improving the railway network, the line Priština-Skopje being reopened in 2006.

He complained about lengthy border crossings, comparing Priština-Tirana (250 km, 7 hours) to Priština-Skopje (85 km, 2 hours), due to red tape at the Albanian border.

As to roads, he expressed his concern about tremendous traffic forecasts, indicating a steady growth, both inside and outside Kosovo. However, only improvements of road 7 and of the airport access are under way.

He approved SEETO joint network statement for railways in Kosovo and advocated for cooperation with Serbia and Albania on route 7, for which Kosovo expects to organise a donors conference.

COMMISSION SPEAKERS

Mr Michael Leigh (General Director of DG Enlargement)

He expressed DG Enlargement’s support for achieving practical results in the establishment of a transport network in South Eastern Europe. He stressed the importance of preparing for accession as well.

DG enlargement is well aware of the importance of improving transport infrastructure in this region and of the significant investment needed: €2 billions for identified projects, to be presented to all financial institutions (EU, IFIs, and the private sector), as EU funds (IPA) can provide a good leverage effect to ensure the participation of others.

Mr Leigh underlined the importance of the reforms to be achieved (a condition for international support), the necessity to remove barriers and to use the opportunities coming from the imminent accession of Bulgaria and Romania.

Mr Zoltan Kazatsay (Deputy Director General of DG Energy and Transport): Closing remarks

Mr Kazatsay underlined:

- the importance of networking (following Mr Dokič's intervention);
- the importance of regional cooperation to guide national administrations in view of harmonisation;
- the huge amount of investment needed (€2 billions), as the lack of physical infrastructure is a demanding challenge.

He summarised the measures to be implemented:

- hard measures: improving project preparation, financial frameworks, establishing adequate procedures;
- soft measures: establishment of regionally consistent services, organising together a regulatory framework, implementing *acquis communautaire* and institutionalising the system of cooperation.

As to railways, he insisted on the difficulty to develop the network in an effective way, due to the remoteness of the infrastructure. He underlined the clear need for cooperation, which is more important in this area. He stressed that harmonisation should be a prerequisite for success.

He indicated that the Commission was ready to help as well IFIs, as they have the relevant experience.

He expected MAP 2007-2011 to become a reference strategy, insisted on soft measures and the need to modernise mentalities.

Finally, he recalled that the transport sector is a specific and essential activity for economic development.