



Support for implementing measures for the South East Europe Core
Regional Transport Network Multi Annual Plan 2008-2012
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ACTION PLAN

FOR IMPLEMENTATION OF REGULATORY MANUAL FOR THE ESTABLISHMENT OF ACCESS AND PRICING REGIME AND ENDORSMENT OF NETWORK STATEMENTS

Final
Specific Project Result No. 5

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**ACTION PLAN FOR IMPLEMENTATION OF REGULATORY MANUAL FOR THE
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OF NETWORK STATEMENTS
(Final)**

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1. The Objective of the Action Plan

The requirement for an Action Plan derives from Activity A.1.8 of Task A1 of the project. According to the TOR of the project *“the Action Plan should be proposed for the implementation of the charging methodology for rail infrastructure access regime, the endorsement of Network Statement and the completion of the Regulatory Manual, identifying the specific steps and resources necessary to achieve these activities”*

In his tender proposal, the Consultant suggested that the Action Plan should be prepared for:

1. The completion of the Regulatory Manual preparing for the establishment of the agreed Rail Infrastructure Access and Pricing Regime;
2. The endorsement of Network Statements: identification of the required steps and resources;
3. Input to the updating of future MAP's.

The goals reached within the project need to be implemented in a consistent way. Therefore, the purpose of the Action Plan is to present in a consistent way the actions, priorities, steps and schedule that need to be taken and followed in the Regional and in the National context for the achievements of the charging methodology for rail infrastructure access regime, the endorsement of Network Statement and the implementation of the Regulatory Manual. It should act as guideline applicable by the Region and the SEETO Participants for access to infrastructure with harmonised procedures and with common understanding for the role of the Regulatory Body.

Of the three above tasks, the third one has two aspects: firstly the Action Plan to be prepared by the project, as input to the MAP 2010-2014, but also the results of the monitoring of the implementation of the Action Plan, in the way that it will be described in Chapter 4, so that the input can be established to the MAP's of subsequent periods.

The objective of the Action Plan is to create the framework for the harmonized implementation of the proposals of the Project in all SEETO Participants. In this respect, as it will be described in the subsequent Chapters, the role of the Railway Working Group will be very important. This framework provides replies to the following questions: what is to be done, who will do it, when it is to be done, how is it to be done and who and how monitors the implementation of the Action Plan.

Therefore the basic references to be used for the preparation of the Action Plan are:

- Specific Project Result 3: Regulatory Manual
- Specific Project Result 4: Harmonized Network Statement for SEETO Participants
- EU Directives 2001/12/13/14/EC
- Railway Working Group Reports

2. Content and implementation of Action Plan (what, who, when and how?)

2.1 Specific actions that have to be planned and time frame (what?)

The specific activities that have to be planned as Actions of the Action Plan, derive from the Regulatory Manual and the Harmonised Network Statement prepared by the project for implementation in each of SEETO Participants and in the Region overall. These Actions can be grouped as follows:

- I. Implementation of the Regulatory Manual¹
 - i. Harmonised access charging methodology
 - ii. Harmonised capacity and path allocation procedure
 - iii. Common role for Regulatory Bodies in SEETO Participants
 - iv. Setting up collaboration at Regional level among Regulatory Bodies
- II. Implementation of the Harmonised Network Statement²
 - i. Harmonised structures and procedures of NS Chapters according to RNE standard
 - ii. Mutual acceptance of licenses
 - iii. Mutual acceptance of safety certificates
 - iv. Harmonised priorities for trains in congested infrastructure
 - v. Setting up collaboration at regional level among Infrastructure Managers

The basic time frame that has to be considered in the scope of time planning for the implementation of the RM and of the HNS, is the one concerning the Addendum Item 2.3 of the Table approved in the Becici 2008 AMM. Indeed, Addendum Item 2.3 includes: ***Fair infrastructure access, safety and interoperability***. The RM and HNS are directly related to "***Fair infrastructure access***" which according to the Table has to be implemented by SEETO Participants by December 2010. But the attainment of the Addendum Items 2.1 (Institution building) and 2.2 (Separation, management independence and market orientation) in one way or another influence the success of implementing the RM and the HNS in SEETO Region. Therefore they area also included as part of the Table adopted in the conclusions of the Becici AMM of December 2008

This Table shows that items 2.1, 2.2 and 2.3 should in principle be completed in all SEETO Participants by the end of 2010. While this constitutes the obligation of SEETO Participants, it is not clear, if that automatically implies to adoption **of Harmonised Procedures at Regional Level** by the same time period. It also does not imply that that the issues with which this Action Plan is dealing, **both of which constitute implementation details of the EU Directives**, have to be implemented by the end of the same year. In fact the latter is considered rather unlikely to be achieved by the end of 2010³.

¹ Specific Project Result 3: Regulatory Manual

² Specific Project Result 4: Harmonised Network Statement for SEETO Participants

³ In the 10th RW WG meeting that took place in Becici, September 24-25, 2009, it was confirmed that the dates in Table 1.1 will be also revised, as they can not be attained. This is detailed per SEETO Participant, in the next footnote.

Table. 1.1 Excerpt of the summary time table⁴ of Addendum Items to be implemented by SEETO Participants related to implementing the RM and the HNS

Measures	Albania	Bosnia and Herzegovina	Croatia	the former Yugoslav Republic of Macedonia	Montenegro	Serbia	Kosovo under UNSCR 1244/99	Region
Addendum Item 2.1: Institution building	Jun-09	2008	Dec-09	Jun-09	Jul-09	2006	Feb-10	Feb-10
Addendum item 2.2: Separation, management independence and market orientation	Jun-09	Feb-09	Mar-08	Feb-08	Sep-08	2010	Apr-10	Apr-10
Addendum Item 2.3: Fair infrastructure access, safety and interoperability	2010	2010	-	Dec-10	2010	2010	Dec-10	Dec-10

Source: SEETO AMM, December 2008, Becici, Montenegro

The project is therefore taking the approach, that since the EU Railway Directives would be implemented anyway by SEETO Participants in the process of becoming members of the European Union, it is more important to identify the time schedule for implementing these “details (Actions)”, so that we move from stand alone “Participant” based solutions (island solutions) to harmonised solutions at “Regional” level (system solutions). The most suitable organisation to monitor adherence to the Action Plan is the RW WG with the support of the SEETO Secretariat (See Chapter 4: Monitoring).

Therefore, the RW WG meetings organised by the Chairman who is an officer of EC -who has been financing the project- with the support of SEETO Secretariat will jointly serve the goal set by EC while executing this project *“to continue to pursue joint efforts for fostering a*

⁴ This timetable is the approved timetable in the Becici AMM Dec. 2008. During the 10th RW WG meeting in Becici, September 24-25, 2009, the representatives of some SEETO Participants, expressed concerns about these dates and have asked for their revision when asked by the Chairman of the WG. Some SEETO Participants have also sent detailed specific comments to the dates in the Table. These dates and or comments to dates are presented in this footnote:

Albania has proposed the following new dates: Add.2.1 2011 instead of June 2009, Add.2.2: 2010 instead of Jun 2009, Add. 2.3: 2011 instead of 2010,

Bosnia and Herzegovina: Add.2.1: Completed. Add.2.2: Two RW companies in B&H have separated accounts for infrastructure and operation. RB completed request form for granting licences and permits. RW companies are preparing request for obtaining licences and permits. Add.2.3: RW of Republic of Srpska finished Draft of Network Statement and RW of Federation B&H are in the preparation phase. Both RW companies are preparing route allocation, calculations of infrastructure costs and infrastructure access contracts.

Croatia: Add. 2.1: until Dec. 2009, Add. 2.2: Separation of companies completed. According to the new law, HZ Infrastructure should not be part of the management of the holding company. Employees of HZ Infrastructure can not work in operations of the holding company for 2 years after leaving the company. Annex 5 adopted according to EC Communication. IT systems of HZ Infrastructure and holding company are separated. Add. 2.3: Until 2012.

the former Yugoslav Republic of Macedonia: Add. 2.1: Beginning 2010, Add. 2.2: Achieved, Add. 2.3: 2010

Montenegro suggested the following changes: Add.2.1: June 2010 instead of July 2009, Add. 2.3: Dec. 2010 instead of 2010.

Serbia: Add. 2.1: End of 2009, Add. 2.2: End of 2010, Add.2.3: End of 2009

Kosovo (under UNSCR 1244/99): Add. 2.1: First quarter 2010, Add. 2.2: First quarter 2010, Add. 2.3: Until 2012

harmonised reform and integration process in the transport sector across the South East Europe Region and to support the improvement in the efficiency of the SEE Core Regional Transport Network". Clearly, the RW WG and SEETO Secretariat both have a longer duration and bigger sustainability than this specific Project⁵.

The time frame for the implementation of the issues and Actions mentioned above (I,II) should therefore be extended at least to 2 years from now. So the likely implementation period can be envisaged to extend up to Dec. 2011.

2.2 Stakeholders responsible for these activities (who?)

The stakeholders responsible for these activities are many and often act in a sub-optimal pattern of coordination. The most important are:

- a. the Ministry of Transport or equivalent in each SEETO Participant (MOT),
- b. the Railway Infrastructure Manager (IM),
- c. the Railway Operator(s) for passengers and/or freight (RU),
- d. the Independent Regulatory Body (RB),
- e. the Independent Licensing Body, even as an independent unit of RB,
- f. the Independent Safety Authority, even as an independent unit of RB,
- g. the Ministry of Finance.

Below we present briefly the Tasks of each stakeholder:

- the MOT is responsible to provide for new and cater for changes to existing laws and legal framework related to railway transport. In addition, it is responsible to prepare and have properly signed of Ministerial Decrees, or Government Decisions concerning the implementation of the Regulatory Manual and of the Harmonised Network Statement. MOT is also responsible to evaluate the financial implications of implementing the EC Directives in SEETO Participants and establish relevant agreements with the Ministry of Finance, by preparing and adopting the necessary performance or subsidy contracts for infrastructure renewal and development as well as for PSO both of which are related to the level of access charges to be implemented.
- The IM is responsible to determine and propose to MOT for approval the level access charges; the capacity and path allocation procedure in association with RU's; to provide to RB required information; to cooperate at regional level with other IM's in the Region; to prepare the harmonized NS; to set the priorities of trains on the railway infrastructure; and to set the rules for mutual recognition of safety certificates. So far the separation of railways into infrastructure and operations has not been completed in Albania, Bosnia and Herzegovina, Serbia and Kosovo (under UNSCR1244/99). Therefore while Directorates for Infrastructure may exist in the integrated companies, independent companies still do not exist. The IM's of SEETO Participants should meet periodically and establish collaboration at Regional level.
- The RU's are indirectly involved in the AP, mainly through their participation to the capacity and path allocation procedures to be organized by the IM. Likewise they have to abide with the licensing and safety certification procedures to be described

⁵ For that to happen, the financing of the RW WG meetings has to be resolved between EC and SEETO Participants

in the harmonized NS. Concerning the priorities of trains, the RU's should abide with the rules to be set by the IM although in some cases they may express different opinion. For the same reason as above, there are no established RU's in Albania, Bosnia and Herzegovina, Serbia and Kosovo (under UNSCR1244/99). Recently in Serbia two different companies have sought for RU license (the electricity company (Nikola Tesla) railways and a new company for suburban railway transport around Belgrade being created between the Municipality of Belgrade and ZS).

- The RB's are among the most important stakeholders. Firstly because through the RM they obtain their rightful position in the railway transport industry, which from figurative and typical becomes substantial and important. The RB has significant role to play in evaluating the implementation of almost all actions foreseen in the AP, such as: fair implementation of access charges; capacity and path allocation; specification of their role by the MoT; collaboration with other RB's in the Region; evaluation of the content of NS and of its implementation; implementation of mutual acceptance of licenses and safety certifications in SEETO Participants. Currently RB's do not exist only in Albania and Kosovo (under UNSCR1244/99). The RB's in Serbia and Bosnia and Herzegovina have to align their tasks with those mentioned in the Regulatory Manual. The RB's in Croatia, Montenegro and the former Yugoslav Republic of Macedonia, that are mostly aligned with the requirements of the RM, have to assume more activities as market regulators.
- The LB's are indirectly involved in the preparation of the Network Statement, since the procedures defined in the NS have to abide with national relevant legislation. It has to be mentioned though, that in the Harmonised NS prepared, the Consultant has taken into consideration the provisions of the latest version of the Treaty for Establishing a Transport Community between EU member States and SEETO Participants, according to which all RU licenses have to be mutually recognized and free access granted to railway infrastructure for the purposes of passenger and freight transport. Currently in SEETO Participants, licensing is carried out by the RB's or the MOT's. Only Montenegro at this stage has an independent LB⁶.
- The SA's are indirectly involved in the preparation of the Network Statement, since the procedures defined in the NS have to abide with national relevant legislation. It has to be mentioned though, that in the Harmonised NS prepared, the Consultant has taken into consideration the provisions of the latest version of the Treaty for Establishing a Transport Community between EU member States and SEETO Participants, according to which there shall be no restrictions on the validity of licenses of RU, their safety certificates, the certification document of train drivers and rail vehicle authorizations granted by an EU Member State, Iceland, Norway or a SEETO Participant⁷. There are no SA's in Albania and in Kosovo (under UNSCR 1244/99). In Croatia and the former Yugoslav Republic of Macedonia they are foreseen by Law but have not been manned yet. In Serbia and Bosnia and Herzegovina, RB's act also as SA's. In Montenegro a new SA has been formed recently but is not manned yet.
- The MoF is also indirectly involved in the railway reform process and the implementation of the Regulatory Manual and of the Harmonised NS. Traditionally, MoF were providing to the Ministries of Transport all requested funds to run the

⁶ The signing of the Treaty originally planned for December 2009, may now be delayed till 2010. The implementation of the provisions of the Treaty is left to signatories in SEE.

⁷ The Treaty does not specify between Part A and Part B Safety Certificates.

“integrated railway companies”. Since the reform started, according to EU Directives, state subsidies are no more possible to railways, except for:

- infrastructure development and rehabilitation, for the amounts not recovered by track access charges (TAC), on the condition that the IM has a effective structure,
- coverage of the losses incurred by services considered as Public Service Obligations. This topic is outside the scope of this project.

Indeed, for the level of TAC, already some existing NS mention that the amount to be charged is related to the amount of financial resources to be made available to the IM. Since these resources are scarce and they are managed by the MoF, this Ministry has to be properly informed about the procedures and the results of TAC calculations and be ready to sign a contract with the MoT or directly with the IM for the amount of resources to be made available to them for the infrastructure.

In summary the involvement of various stakeholders in the actions relevant to the present AP, are presented in the following table:

Table 2.1 Actions to be pursued and responsible stakeholders

Actions to be pursued	MOT	IM	RU	RB	LB	SA	MOF
Regulatory Manual							
Access charging methodology							
Capacity and path allocation procedure							
Common role for Regulatory Bodies in SEETO Participants							
Setting up collaboration at Regional level among Regulatory Bodies							
Harmonised Network Statement							
Harmonised structures & procedures of NS as per RNE							
Mutual acceptance of licenses							
Mutual acceptance of safety certificates							
Priorities to trains in congested infrastructure							
Setting up collaboration at regional level among Infrastructure Managers							

Legend:

Stakeholder with direct involvement	Stakeholder with indirect involvement	The stakeholder reviews
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2.3 Time scheduling of actions and priorities (when?)

As already mentioned in Section 2.1, the overall time frame in which we envisage that the Regulatory Manual and the Harmonised Network Statement can be implemented is till the end of 2011. That gives a total period of 9 calendar quarters as of the submission of this Action Plan.

In fact the last quarter of 2009 can be considered as internal consultation period during which, we expect that the Action Plan will be discussed in each stakeholder and among the stakeholders in each SEETO Participant. The process for its implementation may then start as of January 2010. Each SEETO Participant is liable to embark with the needed initiatives and changes in its own voluntary basis and according to the resources and means available to it. But as mentioned earlier, and as described in Chapter 4, if the RW WG with the support of SEETO will undertake the

role of monitoring, then the Participants should report their progress to them according to relevant provisions.

In addition, if the implementation of this Action Plan is adopted during the next Annual Ministerial Meeting to take place in December 2009 in Zagreb, then a coordinated and careful implementation of the Action Plan among SEETO Participants and punctual monitoring of its implementation can be envisaged.

Table 2.2 below presents in the form of a simple Gantt Chart the likely duration and sequence of carrying out the Actions.

Table 2.2 Time scheduling of Actions

	Year	2010					2011			
	Quarters	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regulatory Manual										
Access charging methodology										
Capacity and path allocation procedure										
Common role for RB in SEETO Participants										
Setting up collaboration at Regional level among RB										
Harmonised Network Statement										
Harmonised structures & procedures of NS as per RNE										
Mutual acceptance of licenses										
Mutual acceptance of safety certificates										
Priorities to trains in congested infrastructure										
Setting up collaboration at regional level among IM										

Legend:

Duration of Action	Duration can start earlier too
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This sequence of start dates, also reflects partly the priorities assigned to the actions taking into the complexity of their implementation. The time scheduling is provided in calendar quarters, which is considered a satisfactory time period in which tangible results can be achieved. The following are observed:

- a. Implementation of the RM should be completed before the Harmonised NS is implemented. As it is well known to all members of the RW Task Force (TF) and RW WG who followed the execution of the project rather closely through the Workshops that were organized, agreements reached for the first two Actions of the RM (access charging and capacity and path allocation procedure) have been, once agreed upon, implicated onto the NS. This is why they are not mentioned again as "Actions" to be done when considering the Harmonised NS. We believe that almost two years will be needed to adopt and implement the Regulatory Manual. Some SEETO Participants have already taken action in that direction.
- b. Implementation of the Harmonised NS is envisaged to be in parallel, whereby the likely completion is anticipated slightly later than the implementation of the RM. This is reasonable since in the SEETO Region there are still 4 Participants (Albania, Bosnia & Herzegovina, Serbia, Kosovo (under UNSCR 1244/99) who do not have any adopted NS yet, while they are only 2 that do not have established RB (Albania

and Kosovo (under UNSCR 1244/99). We advise that these Participants embark on the elaboration of their NS on the basis of the one produced by this project. In fact Kosovo (under UNSCR 1244/99) is already working in this way, while Albania is taking it into consideration for the final draft. In the 4th RWR Workshop that took place between September 23-24 in Becici, we were informed that the RW IM of the former Yugoslav Republic of Macedonia is revising the adopted NS according to Harmonised NS produced by the project. Similarly, Serbia informed us that this Harmonised NS will be used as the basis for the NS that the Serbian Railways are preparing for adoption. We believe that at least two years will be needed to adopt and implement the Harmonised Network Statement in all SEETO Participants.

- c. One topic that is already mature in the RM and on which therefore activities can be initiated immediately and pursued, is the action concerning **“Capacity and path allocation procedure”**. In fact this procedure is well established within RailNet Europe procedures and as result it is ready for implementation. In fact all SEETO Participants are well aware of these procedures and three adopted Network Statements are already implementing these procedures. The Network Statements that are in preparation, are also following the RNE procedures that fully satisfy the requirements of EU Railway Directives. This is why implementing this Action can start already from now and requires relatively short time (up to 6 months) of implementation and adoption.
- d. Access charging is a lot less mature action, even if it seems to have been in implementation for quite some time in SEETO Participants. Firstly it should be mentioned that the methodology and formula proposed by the Consultant and adopted in the approved Regulatory Manual is directly implemented only in Montenegro and is proposed for implementation in Albania. It is a formula that satisfies the basic requirements of the formula suggested for Serbia by another consultant –on which no action has been taken to date- and can be easily adopted by the former Yugoslav Republic of Macedonia which will be moving away from the “FC-” principle to the “MC+” principle of charging⁸. But even Croatia, that is implementing “access charges”, could turn to this simple and fair system, since up to now only lump sum charging takes place which is arbitrary and depends on the amount of subsidies provided to the infrastructure manager by the State. Similarly Bosnia & Herzegovina⁹ can implement this method. What is necessary for all SEETO Participants in order to implement the proposed formula, is:
 - to decide on the basis of their railway infrastructure’s operating and management costs, the values of the 4 coefficients included in the formula. The Consultant has in his proposal suggested some suitable margins between which these coefficients should range. Convergence of these values is advisable but they do not need to necessarily be the same in every SEETO Participant.
 - In addition, since the price per train kilometer is proposed by the Consultant at a fixed level of 3Euro/train.km, it is advisable that during the meetings of the IM’s for their collaboration in view of the Harmonised Network Statement to discuss and agree on the value of this price as well. Currently the prices used range between 2 and 4 Euro/train.km.

⁸ During the 10th RW WG meeting, the representatives of Serbia and of the former Yugoslav Republic of Macedonia mentioned that they will be using the simple method proposed by the project in adopting Track Access Charges.

⁹ The Federal Entity is not implementing access charges, while in RS Entity access charges according to a previous consulting project are implemented

For the above reasons, convergence toward the proposed access charging system, is expected to take about one year.

- e. Establishing common role for the Regulatory Body in SEETO Participants, is a major challenge. Even if today all Participants -except Albania and Kosovo (under UNSCR 1244/99)- have established Regulatory Bodies, only those of Croatia, former Yugoslav Republic of Macedonia and Montenegro seem “on the paper” to comply with the requirements of EU for RB. In addition, in Serbia and Bosnia & Herzegovina where the RB exist since many years, the RB’s are burdened with a variety of functions that do not cover the roles foreseen for the RB in the EU Directives or these functions are not properly exercised. We therefore believe that Chapter 4 of the RM will be very helpful for Croatia, former Yugoslav Republic of Macedonia and Montenegro where soon the RB will be in full action and will assist Serbia (as is already is the case) and Bosnia & Herzegovina to effect the necessary changes to the functions of their RB’s. Only when all RB’s in SEETO Region have covered as “minimum denominator” the requirements presented in the RM, would their activities in the Region be harmoniously fair and compliant to EU Directives. The duration of this Action is anticipated to last longer than one year. RB’s can – under the conditions suggested in the RM- play also the role of Independent Licensing Body and Independent Safety Authority, but this should not be their dominant task and in any case this role should be totally independent from the remaining functions of RB..
- f. Setting up collaboration at Regional level among the RB’s can be implemented once all RB’s have harmonized their RB duties as much as possible to those presented in the RM. Their collaboration and the coordination of their activities can be implemented according to the provisions of Chapter 5 in the RM. Three quarters are envisaged for this cooperation to be implemented, but this Action can even start earlier. That means, that in about a year’s time or even earlier, the RB’s can start their periodic meetings and discussions on how to become more effective as appeals body, as market regulator and how to play their role in a non-discriminatory way for the railway market and mainly for the operators.
- g. Implementation of the structure of RNE standard NS and harmonization of the procedures described in it, in all SEETO Participants is a sine-qua-non for the implementation of the overall Harmonised Network Statement prepared by the project. Indeed this Action is fundamental for the achievement of harmonization in various Actions that refer to the RM. This is why, this Action is second among 9 Actions, that has to bear quick results. As it derived from the recent 4th RWR Workshop and the 10th RW WG meeting in Becici, the following SEETO Participants have realised the merits of harmonized structures and procedures in their NS which are aligned with RNE and the proposal of the Consultant: Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo (under UNSCR 1244/99).
- h. Mutual acceptance of licenses and of safety certificates constitute two Actions that can be pursued in parallel. In fact reference is made to both Actions in the Treaty agreement between EC and SEETO Participants, in order to create a Transport Community in the Region. Indeed, in Article 8 of the Treaty it is foreseen that all SEETO Participants should mutually recognize the licenses of EU Member States, of Norway and Iceland as well as the licenses and safety certificates among themselves and that railway undertakings should be given open access to railway infrastructure in Western Balkans. We believe, that despite this “top down” approach, at least 9 months are necessary for the implementation of this Action. Here it should be mentioned that the Treaty does not differentiate between Part A

and Part B safety certificates. One should notice that the common practice in EU members is the mutual recognition of Part A safety certificates. Most countries expect railway undertakings to be certified locally concerning the Part B part of safety certificate¹⁰.

- i. The priorities to trains in congested infrastructure are specified in a different way in each SEETO Participant and with different criteria. The RM and the Harmonised NS attempted to introduce a harmonized approach on this issue, in order to secure optimized regional operations. The final proposal made following the discussions during the Workshops is as follows:
 1. international passenger trains
 2. suburban trains
 3. international freight trains (including international combined transport trains)
 4. domestic passenger trains
 5. domestic combined transport services
 6. other freight transport services

We expect that following the completion of the Action concerning "capacity and path allocation" the IM of SEETO Participants, in their efforts to set up collaboration at Regional level, can embark to discuss this topic and reach agreement for its implementation, both as part of the RN and of the Harmonised NS. Nine months are foreseen for this purpose, of which the last three can coincide with the organisation of joint meetings among the IM's.

- j. The IM's of SEETO Participants can embark in setting up collaboration with joint meetings, quite earlier than in the proposed 4th quarter of 2010. But realistically speaking, these meetings can become effective in about a year's time from today. The Action "priorities to trains in congested infrastructure" can be among the first ones to be discussed. But the main topic for discussion is the organisation of proper OSS services in every SEETO Participant and the cooperation among them, since this is what the railway market and the railway operators (RU) would expect. Should any problems in the operation of OSS prevail, the IM's are advised in the RM to create a Regional OSS who will serve the railway undertakings. In this direction, the IM's are advised to become a member of RNE¹¹. At least 5 quarters are expected to be necessary to establish effective collaboration among IM's.

Overall it is observed that 2010 is expected to be the year in which most effort for implementing the RM and the Harmonised NS should be placed, with some extensions into 2011. But 2011 is expected to be the year when the results of implementation will be evaluated and through the meetings to be held among the RB's and the IM's any operational practical and coordination problems will be resolved. In addition the meetings of RB's and IM's are expected to be of particular relevance for the facilitation of the access into the railway infrastructure of new entrants (RU) to the railway market.

2.4 Means to implement the actions (how?)

The implementation of the Actions has two levels of relevance:

¹⁰ As it was presented in the 10th RW WG meeting in Becici (Sept. 24-25, 2009), the European Railway Agency is working toward the unification of Part A and Part B certificates, into one common certificate.

¹¹ In the Nov. 6, 2009 RW TF meeting, the former Yugoslav Rep. of Macedonia, informed the TF that its IM has become a member of RNE.

- the National level;
- the Regional level.

At National level the implementation of the Actions described above can be achieved by establishing a “coordination committee” the Chairman of which will act as the National Focal Point of the process for regional harmonization.

The “coordination committee” is made up of the representatives of the stakeholders, who as mentioned earlier are:

- a. the Ministry of Transport or equivalent (MOT),
- b. the railway Infrastructure Manager (IM),
- c. the railway Operator(s) for passengers and/or freight (RU),
- d. the Independent Regulatory Body (RB),
- e. the Independent Licensing Body, even as an independent unit of RB,
- f. the Independent Safety Authority, even as an independent unit of RB,
- g. the Ministry of Finance.

The objective of this committee will be to attain the provisions of the Action Plan in the foreseen time frame. All consultations are to be made and all decisions are to be taken in this committee. The Chairman of the committee will act as the “National Focal Point” for the attainment of the Action Plan. The “National Focal Points” should report every three months to the organisations from which the members of the committee derive and to the RW WG supported by SEETO, the actual situation and the progress in the achievement of the objectives of the Action Plan in these committees.

Concerning the synthesis of the committees, there are two options:

- I. The committee to be established with 3 permanent members representing MOT, IM and RB and 4 non-permanent members, representing RU, LB, SA and MoF, who are invited to participate according to the relevance of topics to be discussed. It is stressed, that the representative of LB and SA should be invited even if these independent bodies are part of the RB. This means that the representative of the RB does not actually represent the LB and the SA.
- II. The committee to be established with 7 permanent members representing all 7 stakeholders.

In both of above options, it should be noted that, should more than one RU be licensed in one SEETO Participant, the representatives of all RU's should be invited to participate, except if the non-incumbent railways will agree to be represented by the same -commonly agreed- person.

The members of the committee will be responsible to promote within the specific stakeholder whom they represent, the specific activities or decisions that have to be executed in order to attain the provisions of the Action Plan.

It is proposed that in every SEETO Participant, this committee convenes once a month, in order to achieve in a coordinated way the Actions suggested in the Action Plan, within the schedule that has been proposed. It is evident that the schedule proposed in this Action Plan is indicative and can be considered as an “envelope of calendars” that typically will be different among the SEETO Participants. Those Participants that are more advanced than other in the process of having various Actions adopted at governmental level, will have to make a smaller effort than those that

are behind in the process, or where the requirements for adoption are more complex and/or need adoptions at various levels (as the case of Bosnia & Herzegovina will imply).

At Regional level, if all SEETO Participants follow the above process at National level, there should be no reason not to reach the relevant objectives of the Action Plan on-time and in a coordinated way. Nevertheless, since such a scheme may often miss momentum or incur delays which will influence harmonization at Regional level, the Chairmen of the committees of the 7 SEETO Participants are encouraged to establish multilateral communication among themselves and/or periodically meet each other, in order to discuss shortcomings, problems and difficulties and potentially to discuss the way these difficulties were solved in each Participant. Since some of these discussions can take place during the RW WG, this WG supported by SEETO Secretariat can act as facilitator in such communication and/or meetings, as part of its monitoring role in order to attain the desired harmonization. In this way, all SEETO Participants will be informed among themselves of the progress achieved in each one of them. We believe that this process will enhance competition between the Participants and will contribute to the earliest attainment of harmonization.

Last but not least, since both the Regulatory Manual and the Harmonised Network Statement allow SEETO Participants to differentiate between them to a certain degree concerning the harmonization that has to be attained (e.g. coefficients to be used in TAC, opening of the railway market in stages, operation of OSS etc), the multilateral communication and possible meetings of the Chairmen of the national committees should reveal the differences between SEETO Participants so that any problems relevant to the market and the operation of RU's can be traced and remedial actions taken.

Finally, since the harmonization proposed is also relevant to Railway TEN-T Corridors in the Region, the Consultant suggests that the multilateral communication and meetings of the Chairmen of the national committees should focus by priority, to reducing any problems or lack of harmonization for the Actions of this Action Plan on Corridor X (X, Xb and Xc in particular) and Corridor V (Vb and Vc in particular). Railway Routes 1, 2, 4, 9, 10 and 11 should be also considered as priority routes according to MAP but also according to current service provided to international railway transport in the Region.

There are no other requirements for means, other than the organizational structure and the administrative measures described above. No specific tools, technical facilities, equipment and/or training is required.

3. Resources necessary to implement the Action Plan

The implementation of the Action Plan requires almost exclusively human involvement and input by the members of the committees to be set up in each SEETO Participant, as was presented and detailed in Chapter 2.4.

This input can be provided by the existing personnel of the stakeholders and not any new hiring is necessary.

No specific tools, technical facilities, equipment and/or training is required.

The only additional resources that may become necessary are financial, as follows:

- the costs of international telephone or other type of communication, which are considered minimal;
- the costs of international travel of the Chairmen of each national committee in order to meet and exchange experiences. This cost for four meetings per year that will be revolving in the Region, is estimated to be around 350Euro per traveling Chairman or 2100Euro per meeting or about 6600Euro per year for an average of three meetings.

The above budget is considered totally manageable for SEETO Participants.

SEETO Secretariat will support the monitoring activities of the RW WG with its RW expert and may undertake specific activities that will be required from the RW WG. SEETO Secretariat can facilitate communication among the Chairman and will be reporting to the RW WG on the progress achieved in the implementation of this Action Plan.

In the case that SEETO RW expert will have to travel to SEETO Participants to meet the Chairmen of the committees an average of 350Euro will be required per meeting or 1150Euro per year.

4. Monitoring of the Action Plan

The monitoring of an Action Plan is the key to its success. Action Plans that have been carefully prepared, whose implementation has not been properly and seriously monitored can not be considered sustainable and will sooner or later lose their meaning, their role and they will disintegrate. To properly monitor an Action Plan, those who monitor, those who are monitored and the means of monitoring have to be determined. Finally the timing of monitoring should be well known.

Since this is a regional project which aims at **regional harmonization and integration**, the monitoring should be exercised at Regional level. The most suitable organisation for the monitoring of the Action Plan is the RW WG with the support of the SEETO Secretariat. This WG has proved sufficiently robust, since -thanks to the strong leadership of its Chairman and the collaboration of its members (who officially represent their respective governments)- has produced results that have been very helpful to the SEETO Steering Committee and has contributed to the achievement of the goals set in the MOU at the Tirana Annual Ministerial Meeting. The advantage of the RW WG is that its members originate from the responsible for railways Ministries in each SEETO Participant. As mentioned in Chapter 2.1, the RW WG should from now on shift its interest from the transposition of EU Railways Directives to National Legal Framework by 2010 (or other revised date), to the implementation of the actions presented in the Action Plan in a harmonised way by all SEETO Participants.

No additional resources are envisaged for the WG. In its monitoring activities the RW WG is supported by SEETO Secretariat. The Secretariat can also act as rapporteur for the results of the monitoring to the RW WG meetings. All RW WG members representing the SEETO Participants should in regular periods (that correspond to the periodicity of the RW WG meetings)¹² inform the WG about the progress achieved in implementing the Action Plan in their own National context. For this purpose they will exploit the reports to be sent to them by the Chairmen of the national committees set up according to the description in Chapter 2.4.

In addition to the face to face communication and exchange of opinions and knowledge during the RW WG meetings, the monitoring can be exercised in writing through questionnaires or ad hoc reports and/or telephone communication.

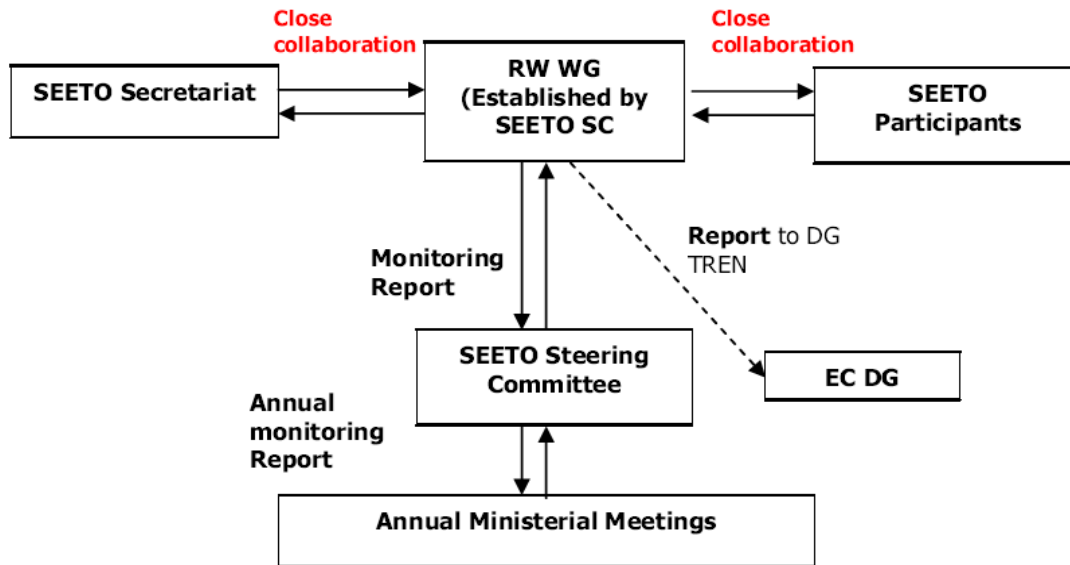
If the outcome of monitoring is not satisfactory, remedial actions have to be taken. In the case that the Action Plan would be adopted in the next SEE Annual Ministerial Meeting in Zagreb, in December 2009, its implementation assumes automatically high importance for the Region. Remedial actions should be considered in the RW WG and proper and coordinated decisions have to be reached, in order to bring deviating or delayed SEETO Participants back into the time scheduling of the Action Plan or to change the time scheduling.

A periodic report (according to the periodicity of the RW WG meetings) should be prepared by the RW WG on the results of the monitoring of the execution of the Action Plan. Following its adoption, it will be submitted to the SEETO Steering Committee. The report will be copied to EC and to IFI's who all have vested interest in the implementation of harmonized procedures in SEETO Region.

¹² This WG will be also responsible to monitor the implementation of the railway border crossing agreements, proposed by the project.

In addition, at the end of each year a comprehensive Annual Report has to be prepared concerning the progress in the implementation of the railway related Action Plans proposed by the project. It will be sent to RW WG, to SEETO Steering Committee, to the AMM and to IFI's for their due consideration.

The following flow chart, schematically presents the organisation of the monitoring of the Action Plan and the reporting process.



Periodic and Annual Reports, should be published for transparency reasons on SEETO internet site in order to inform all stakeholders and other interested parties.

It is possible to envisage to achieve harmonised implementation of the Action Plan within the two years foreseen in the Action Plan. If there would still be non-compliant SEETO Participant(s), the RW WG will decide to extend the duration of the time horizon for the implementation of the Action Plan, for a possibly few more months, or for as long as this will be necessary.

5. Conclusions

This Action Plan tries to create the framework for the implementation of the outputs and measures suggested by this project in order to achieve the overall goal of the project which is:

“to continue to pursue joint efforts for fostering a harmonized reform and integration process in the transport sector across the South East Europe Region and to support the improvement in the efficiency of the SEE Core Regional Transport Network”.

The Action Plan prepared for Task A1 of the project serves in addition to this overall goal, the following specific objective:

“the Action Plan should be proposed for the implementation of the charging methodology for rail infrastructure access regime, the endorsement of Network Statement and the completion of the Regulatory Manual, identifying the specific steps and resources necessary to achieve these activities”.

This Action Plan answers comprehensively to “what, who, when and how” to implement all those Actions that will render the specific objective for Task A1 Action Plan reached. But it goes one step further to suggest the monitoring methods, which in the opinion of the Consultant are necessary in order to attain this specific objective.

It is considered that 2 years are sufficient to implement the Action Plan, under the condition that each SEETO Participant sets up its own committee that will have as a task, through the participation of relevant stakeholder representatives, to implement the provisions of the Regulatory Manual and of the Harmonised Network Statement that was prepared by the Project.

The RW WG supported by SEETO Secretariat will be responsible for the monitoring of the implementation of Task A1 Action Plan in a coordinated way throughout the SEE Region.

The resources needed for the achievement of the overall goal and of the specific objective are minimal and totally manageable for the SEETO Participants and for the SEETO Secretariat.

What is needed is the **commitment of SEETO Participants** to the common goal that this Project has tried to serve and **a vision for the quickest possible integration of SEETO Region into the European Transport Community and eventually to the European Union.**

We believe that as Project we have contributed according to what was requested in our TOR, in the most appropriate way. It is now the turn of SEETO Participants to put their share in the same direction.

6. REFERENCES:

1. Specific Project Result 3: Regulatory Manual
2. Specific Project Result 4: Harmonized Network Statement for SEETO Participants
3. EU Directives 2001/12/13/14/EC
4. Railway Working Group Reports