
SEETO Secretariat's visits to the Regional Participants

March-April 2013

Summary Report

1. Background

In accordance to the SEETO Action Plan 2013 and the general notion of the SEETO Strategic work programme to increase the visibility and presence of the SEETO Secretariat in the region as well as to strengthen the working flow and cooperation between the Secretariat and the national authorities of the Regional Participants, starting from end of March throughout April 2013, the SEETO Secretariat performed the third in a row, annually series of regional visits to each SEETO Regional Participant.

Having detected the data collection and dissemination process as the weakest point within the SEETO exercise, the main guiding principle of the Regional Visits was the open approach, best-practises sharing as well as advising and mutual informing on the SEETO Comprehensive Network infrastructure projects preparation, implementation and monitoring as well as on regulatory and horizontal policy issues.

Given the fact that various type of information is not housed in one ministry or agency but rather scattered throughout the administration structures and among different officials within these and other organisations in the Regional Participants, the core meeting was held within the line Ministry in charge of transport, but also side meetings were held with other transport agencies, directorates, organisations, operators, or their representatives were taking part at the main meeting, while also the visits included non-transport stakeholders such are the NIPAC offices, Custom offices, Ministries of Finance etc. Additionally, for the first time, a separate meeting took place with the EU Delegation in each Regional Participant.

Other novelties this year which proved to be positive are the technical field visits organised by the hosts which added to the overview of the infrastructure development in the region: the reconstruction of the Belgrade airport, the newly built motorway from Pristina to the border with Albania and the construction site of the commenced project on the Corridor X in the former Yugoslav Republic of Macedonia.

The aim of the Summary Report is to present an overall impression of the meetings and to point out the common issues, but also the specificities of the transport systems and other transport related issues in the Regional Participants. Seven separate reports have been drafted from each Regional visit.

2. General remarks

The seven meetings took place in the capitals in the region in the following order:

Regional Participant	Week
Belgrade	25.03.2013
Zagreb	02.04.2013 – 05.04.2013
Sarajevo	
Podgorica	10.04.2013 – 11.04.2013
Tirana	
Skopje	22.04.2013 – 24.04.2013
Pristina	

In terms of number of involved institutions and persons, but also in quantity and quality of information received and provided, the Regional Visits 2013 are deemed highly successful.

The meetings succeeded in achieving the following specific aims:

- to promote the achieved results of SEETO and the current work and plans of SEETO
- to share strategic visions for the Regional Participants' infrastructure development and to determine the future scope of cooperation
- to get acquainted in more details with the current and planned projects for infrastructure development on the SEETO Comprehensive Network
- to elaborate and agree on certain horizontal (soft) measures to be conducted through SEETO
- to improve information sharing process among SEETO Secretariat and relevant organisations in Regional Participants
- to establish strategic partnership, maintain good channel for communication and to receive high level support from the Regional Participants
- to ensure the work of SEETO is further recognised, appraised and beneficial for the Regional Participants
- to share opinions and visions on furthering the regional cooperation process under the existing MoU or under some other forms of cooperation
- to discuss on the SEETO Multi-annual plan 2014

The format of the meetings varied from one Regional Participant to another, but the general template provided by the Secretariat, was followed to a great extent and the agreed Agenda topics were covered with the necessary adjustments. (the Agenda and List of Participants is attached to this Report).

Without exception, the meetings were organised and chaired by the SEETO Steering Committee Members and/or National Coordinators, ensuring participation from the main national counterparts, thus confirming the overall ownership over the SEETO process. The main institutions addressed during the visits are the following:

- Ministry of Transport (high level representatives, SC members, National coordinators, WG members, other personnel from all transport sectors)
- Public enterprises (for rails, roads, airports)
- Ministry of Finance (departments for international finances)
- NIPAC offices
- Delegations of the EU in the respective Regional Participant

The SEETO Secretariat allocated adequate human and financial resources to cover the visits, employing 2 to maximum 3 experts on mission, thus ensuring normal daily functioning of the SEETO office.

3. Transport related observations

3.1. Common transport issues

- The infrastructure on the SEETO Comprehensive Network is undergoing a steady development: some major projects are in progress across the region, while others are expected to begin. There is still a need to strengthen the project planning and project preparation, especially with regards to the tender procedures and technical issues related to licences, permits and land acquisition that impede the smooth implementation or delay the commencement of a project.
- SEETO and the Multi-annual Plan (MAP) are already seen and confirmed by all Regional Participants to be a helpful instrument in the regional transport planning and which can catalyze the investments and reforms. A great deal of coordination is needed on national level at first instance, and then on regional one, in order to better identify, present and justify the priority projects as well as to fully benefit from the MAP Priority project list.
- The cooperation with EC and IFIs has improved; the WBIF is seen as a good tool for leveraging investments, but as it is designed to leverage mostly loans, its potential is limited to certain extent due to the decreased capacity of the Regional Participants for borrowing
- Although many national transport strategies and national transport plans do exist, it seems that lack of implementation is an overriding problem across the whole region. Due to sporadic and uncoordinated actions and reforms, most of the Regional Participants expressed an interest for a Transport Strategy development as well as Common Transport policy on

regional level, stressing them as crucial element for further transport development and better utilization of the EU funds and IFIs finances.

- Further development of adequate absorption capacities was highlighted in order to fully exploit the IFI, WBIF and IPA funds. On the other hand, a great deal of finances are being invested in capacity building, therefore the pledge from the Regional Participants is for access to grants for infrastructure development.

SEETO Comprehensive Air Transport Network

- Air transport is rapidly growing sector in the region- almost all Regional Participants reported increase of the passenger transport, introduction of new regular lines and low-cost carriers, and several SEETO Comprehensive Network airports have completed or are undergoing major reconstructions and modernisations (somewhere with concession arrangements) in order to answer to the market needs. The infrastructure development is accompanied with appropriate adherence to the international and EU regulations on navigation, safety, security and market liberalisation in line with the ECAA Agreement (European Common Aviation Area)
- Although the air transport regulatory framework is mostly covered by ECAA and is excluded from the future Transport Community Treaty, the Regional Participants supported some SEETO's involvement especially with regards to the development of the Regional Study on Air Transport connections in the SEE regarding the possibility of PSO introduction on regional connections which is planned to be performed within the RCC
- Further cooperation between the regulators (Civil Aviation Agencies) and operators could be encouraged, as well as between the operating air companies; the initiative for establishing a regional air carrier did not proceed with a concrete follow-up, while the Regional Participants are still not officially part of any FAB

SEETO Comprehensive IWW Network

- The European Commission and the three Regional Participants with navigable rivers (Croatia, Serbia and Bosnia and Herzegovina) are paying great attention for sector development and great amount of funds for developing the infrastructure and river information systems:
 - RIS has been established along Danube and on the Serbian part of the river Sava, while the projects are ongoing in Bosnia and Herzegovina and Croatia for the RIS on Sava River;
 - several infrastructure projects for reconstruction have been completed or are planned under the IPA assistance (ports of Vukovar, Osijek and Sisak), while planning activities are on-going on sections Sisak-Brcko and Brcko-Belgrade

- Positive development is seen through the establishment of the bilateral Interstate Commissions between the concerned Regional Participants which should jointly work on the project preparation and implementation. For example, for the dredging works on selected locations on Danube river which are of cross border nature, a joint cooperation between Serbia and Croatia is needed for acquiring technical assistance for preparation of the documentation and only then works could be considered under larger instruments, perhaps CEF or future Structural Funds for Croatia
- Positive trends can be reported in the passenger and cargo volume in the ports of Belgrade, Novi Sad and Vukovar, which shows recovery signs of the economic crisis

SEETO Comprehensive Maritime Transport Network

- Some progress can be reported in the maritime sector regarding the implementation of the international and EU regulations concerning ships security and port facility, registrations of Ships and Seafarers and establishment of Vessel Traffic Monitoring and Information System (VTMIS). Substantial EU Technical assistance is being used along the process. Further incorporation of technical standards for ships and establishment of flag state control and port state control is needed.
- Different concession arrangements are evident in the SEE Comprehensive Network maritime ports: container terminal of Durres, Rijeka and Bar, and terminals for operating oils in Durres and Vlore have been awarded under concession.
- Almost all ports reported on-going projects for construction of berths for ferry and general cargo, or preparation of project documentation for works, while several ports also reported increase of TEU traffic.

SEETO Comprehensive Rail Network

- Despite the great efforts in the approximation of the national legislation with the complex railway acquis and setting the railway market scene in the region supported by the encouraging voices and efforts from the EU, the railway sector in general is still lagging behind; most of the Regional Participants reported decline both in freight and passenger traffic, while some of them are experiencing difficulties in setting the appropriate institutional capacities and implementing the costly reform measures
- There have been some positive examples of ongoing rehabilitations of railway lines to the level of designed speed, project preparation for rehabilitation projects as well as ongoing tenders for purchasing new rolling stock, as complementary efforts to increase the quality of the services. However, since the large infrastructure projects in the railway sector are extremely costly, some of the Regional Participants are pledging for a more coordinated

- regional approach under SEETO and on bilateral basis- as pointed out by the Albanian railway authorities, further development of railways in Albania will be largely dependent on the activities of their neighbours, hence regional planning of railways in this region is of fundamental significance.
- There is an uneven progress in the implementation of the railway legislation: while Kosovo* has made a breakthrough, the DEU expressed disappointment from the lack of progress in the railway sector of Serbia and the slow pace of restructuring the Serbian Railways, due to which the EC has suspended the Project on TA for the Serbian Railways, as well as from the decision of the Macedonian authorities to postpone the opening of national market until accession of the country into the EU against the relatively advanced legislation in place.
 - There is a slow progress in the implementation of the border-crossing agreements which should facilitate the rail transport; the highest concern was raised by the Macedonian Railways which reported third year in a row that the international passenger traffic towards Greece was completely cut out, and severe problems caused by the interruption of the railway freight transport due to the "white strike" in the Greek Railways, resulting in minimum operations which creates backlog of trains, safety concerns and trade distortions. Despite the situation which has not been remedied for 3 years now, there is a demand from the business community to use the Corridor X as an access to the port of Thessaloniki and further down to Piraeus.

SEETO Comprehensive Road Network

- There are no major developments in the road sector to be reported, as the Regional Participants have already reached a satisfactory level of regulatory framework and the traffic trends have been steady in the past few years
- The general observation about the road safety in the region is that is in deteriorating condition, despite the national efforts, national road safety strategies and the institutional set –up which is in progress. It was stated by most of the Regional Participants that support for improvement of Road Safety Auditing programmes and training of Road Safety Auditors is highly needed. Additionally, the need for invigorating the work of the SEETO Road Safety working group was emphasized.
- Regarding maintenance of roads (and maintenance in general), it seems to be an area where things might need to be made more clear in several, if not all Regional Participants in terms of criteria and procedures applied for financing the maintenance costs and the entities in charge of the maintenance

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

- There have been increased efforts for custom and police cooperation among the Regional Participants in general, and on the border-crossing points for maintaining regular contacts and information exchange with the neighboring border agencies, as well as attempts for opening one-stop-shop systems. A general commitment was expressed by these non-transport stakeholders to cooperate with SEETO and to participate to further initiatives and projects on regional level in order to increase the efficiency of the cross-border transport

3.2. Specific issues

- Bosnia and Herzegovina authorities expressed the necessity to revise the present configuration of the SEETO Comprehensive Network in Bosnia and Herzegovina to better reflect the current needs.
- Croatia is becoming an EU Member on 1st of July 2013 and it will not be a part of SEETO cooperation. However, for the MAP 2014 Croatia will be presented in all traffic and infrastructure analysis and its priority projects will be presented on the priority project list (with additional mark that Croatia is now a part of TEN-T Network)
- Macedonian road authorities reiterated the issue of the non-unified scales for weighing the weight of the Heavy weight vehicles in different countries which causes difficulties in the transport of goods during the road inspections for maximum allowed weight, requesting the issue to be regionally addressed and certificates to be made unified and to be accepted by the national authorities
- Evaluation of the SEETO Comprehensive Network as a part of the Regional Transport Study (REBIS update) is stated as one of the main activities for transport development in the SEE by the Montenegrin authorities
- DEU representative in the former Yugoslav Republic of Macedonia expressed a different view than the ones by the other Delegations regarding the use of IPA funds for transport- noting that the IPA funds are not enough to leverage substantial co-financing from IFIs in cost intensive projects like rails and that non-state actors see more benefits from the local infrastructure rather than from the main axes for international use, he announced that it might be put under consideration the possibility to finance access roads and feeder roads. SEETO representatives emphasized that the SEETO Comprehensive Network is already defined and included in the revised EU Guidelines on TEN-T, as a TEN-T network for South East Europe, therefore the official EU policy towards the region is extension of the TEN-T and priority over the local (for national-use) infrastructure
- There are many cross-border/transnational projects to which some of the Regional Participants are included under the SEE Transnational Cooperation Programme (DAHAR, WANDA, ACROSSEE, etc), Danube Strategy and others, which are managed by different parties. The SEETO Secretariat was also made aware of a Project for Monitoring and Evaluation Capacity Development

in the Western Balkans and Turkey which has recently commenced and is implemented by EC-World Bank Trust Fund. It should develop a foundation for measuring and monitoring through defined indicators for the public sector performance in selected sectors, including the transport sector

4. Conclusions

- 1) Regional Visits meetings are highly appreciated and welcomed both by the Regional Participants and SEETO Secretariat. They enable clear and detailed insight to the latest transport developments and they are excellent input for the preparation of the MAP 2014 and other SEETO reports and they can also help DG MOVE in the different assessments the EC is performing over the Regional Participants.
- 2) The visibility of SEETO in the region is drastically improved over the years and the level of understanding of the role of SEETO and the purpose of the MAP has advanced. However, there is a need for constant presence of SEETO in the region and dissemination of information in both direction in order to genuinely perform its role of a regional organisation in charge of the regional transport planning
- 3) There is a clear need for further coordination between the different authorities on national level, among the authorities from different Regional Participants, as well as with the DG MOVE, IFIs and the Delegations of the EU in order to have a common approach to the issues of concern. A common Regional Transport Strategy should streamline the efforts of the different parties and should guide the common transport policy and “ the echoing in one voice”
- 4) Continuation of the work of the SEETO Working Groups is incremental for exercising the administration and sharing best practices. In addition, Regional Participants are willing to see some concrete benefits as an added value of the results achieved so far. In that sense, the flagship initiative on multimodal corridor management which will tackle some of the bottlenecks and non-physical barriers in order to establish an efficient transport system was highly welcomed by all Regional Participants
- 5) The Regional Participants strongly support an advanced form of transport cooperation in the region and therefore, consider the Transport Community Treaty as the next step in that direction