



*Montenegro*  
*Ministry of transport and maritime affairs*

**Railway working group meeting – Belgrade, Serbia**  
**9<sup>th</sup> – 10<sup>th</sup> October 2014<sup>th</sup>**

Beside from harmonization of national laws with EU legislation, set of changes has been initiated in organization of railway system in order to fulfil requests for liberalization of market, traffic safety and interoperability, with the aim of integration of Montenegrin railways into European railway system.

***National legislation***

In a field of national legislation, we continue with publication of bylaws that we are obliged to publish according to provisions of our new laws (Law on railways and Law on safety, organization and efficiency of railway transport), in order to reach full compliance with EU legislation.

In past six months we have prepared several bylaws that are in different stages of processing (Bylaw on maintenance of substructure and Bylaw on cableway installations designed to carry persons are published; Bylaw on licensing of train drivers is sent to be published).

Law on combined freight transport was adopted in Jun 2014. In order to fulfil requirements for development of combined transport, within the Strategy of transport development of Montenegro, reconstruction of existing and construction of new terminals for combined transport was planned on railway stations in Bar, Podgorica and Bijelo Polje, which will allow further development of rail-truck transport on most important traffic lines. Within the new EASYCONNECTING project (which is financed through the EU Adriatic Cross-Border Cooperation Programme) we have planned to prepare several studies as encouragement to combined transport development.

Speaking about PSO regulation, it's important to mention that we are trying to be thorough in fulfilment of requirements we face in process of preparation of contract and methodology for calculation of reimbursement. As we previously stated, obligations that we have concerning PSO regulation already have legal basis in our Law on Railways, but for the other part of work we didn't have adequate experience. For those reasons we applied for expertise help through TAIEX so we can fill in the gaps we have and get necessary help to understand the aspects of the contract that have to be adjusted to our system. The aim of this expert mission was to include certain number of people that will be involved in implementation of PSO contract. We included people from Regulatory body, infrastructure manager and railway undertaking company, and all together we had a chance to hear a lot about how these measures are implemented in highly developed systems like the one they have in Germany, and on the other side we learned how it's been done in Croatia, which is a system similar to Montenegrin. This expert's mission has contributed to our better understanding of EU regulation concerning this matter, and now we can say that we are few steps closer to complete this work.



Establishment of NIB is still in procedure. Using guidelines stated in EC screening report, we are considering how to change some things marked as possible obstacles in our accession process. At the moment, analysis of justification of existence of certain administration bodies in Montenegro is in procedure, with the aim of creating a joint bodies out of few. Since we have already planned and proposed for our Regulatory body to be separated from National Safety Authority, we hope that it something that will be completed during this process. It important to know, that these changes are something that has to be done on a hole state level, not only under the competence of Ministry of transport.

### ***Freight and passengers transport***

Volume of freight transport has decreased for 20% for the last three months, compared to the same period last year, but comparing the overall situation, for the first nine months, tones of goods transported are on the same level as in 2013.

Main reason for this reduction is damaged railway infrastructure on Serbian part of Bar-Belgrade line, caused by heavy floods that occurred in this area. This problem had a major impact on passengers transport in international traffic, which was reduced for 50% compared to the same period in 2013. During the summer tourist season, when railway undertaking is gaining most profit, only one train operated between Bar and Belgrade. The train operates on bypass line through Kraljevo and Lapovo, which makes travel time on the route Belgrade - Bar to last 15 hours.

Beside the fact that service in railway transport is improved, reduction of number of trains and increased travel time for 5 hours, it is expected that by the end of the year passengers transport will be even lower as well as incomes, that are normally twice as high as incomes in local transport.

Nevertheless, there's been steady growth of passengers in local transport, which has increased for 40% compared to the same period last year. Constant improvement of services provided, introduction of new trains and adjustment of timetable to requirements of passengers are some of reason that contribute to this constantly positive result.

### ***Infrastructure – projects in progress***

#### **Projects financed from IPA funds, component III:**

- 1) "Rehabilitation of 12 large slopes, rehabilitation of unstable terrain and construction of protective galleries on the most critical sections of the main railway line Vrbnica-Bar(Kos-Trebešica-Lutovo-Bratonožići-Bioče-Podgorica)" – ongoing.

Implementation of contract for the first phase (Preliminary design, Feasibility study and Environmental impact assessment study) has started on 24<sup>th</sup> March 2014. and it will last until the end of the year. Development of Main design is planned for the second phase. The estimated amount for the development of Technical documentation with technical control is 660,000.00€, while 4.6 million has been allocated for execution of works.

- 2) "Dismantling of the existing, procurement and installation of the new electric traction plant in substation Trebešica"

Tender for drafting of the Final design and execution of works is completed and it will be published within the decentralized management system of EU funds. It is expected that



financial agreement will be approved and signed by the European Commission and the Government of Montenegro in November 2014, when legal requirements for publishing of tenders will be acquired.

### **IPA component II – nominated projects for rehabilitation of section Kos - Podgorica**

Within the programming period 2014-2020, projects for rehabilitation of section from Kos to Podgorica have been nominated, since Design documentation for execution of works on overhaul of Vrbnica-Bar railway line has already been prepared. First of sections planned to be rehabilitated is the one from Kos to Trebješica and we expect that IPA14 funds will be approved for this project.

**X round for the WBIF** - Development of Design documentation for complete replacement of signalling safety devices (with priorities in development of Design documentation for electronic signal box at Podgorica station) and development of Design documentation for the rehabilitation of 91 concrete bridge.

Terms of reference are prepared by WBIF Transport sector Key expert. Project runs on predicted dynamics, which mostly depends on terms and procedures of WBIF and EIB.

### **Design and Technical control for 15 steel bridges on the railway line Vrbnica – Bar - ongoing**

The project is financed by the EIB loan, whose value amounts to 1,390,000.00€ for development of Design documentation and 138,500.00€ for Technical control. Studies on the conditions and states of all 15 steel bridges are provided by the IC Consultant from Austria and Main projects should be submitted by the end of 2014.

### **Rehabilitation of bridge "Trebiljevo"**

Draft Tenders for execution of works and Technical supervision performance are approved by the EIB and the Invitation for Bids will be posted on the EIB website and in a daily newspaper. Project is financed by the EIB loan and the estimated value of works is 2.5 million euro, and supervision of works amounts to 200,000.00€.

### **Overhaul of railway section Kolašin-Kos**

Report on the cancellation of the previous tender process and launching a new one, for rehabilitation of the railway line Kolašin - Kos, was prepared by the Consultants EGIS and will be sent to the European Bank for Reconstruction and Development. This report includes reasons for cancellation of tender Kolasin - Kos, because of offered price, which was higher than estimated price, as well as information on next steps concerning this project.

### **Rehabilitation of five tunnels on the railway line Vrbnica – Bar – Evaluation of submitted bids is ongoing**

Deadline for proposals for the selection of the contractor was open until 2<sup>nd</sup> September 2014. The estimated value of works was 4.5 million euro. The works will last 18 months, and project is financed by the EBRD loan.

Within this period only one bid was provided - GP "Planum" AD, in the amount of 5.429.073,07€.