

Fourth Annual Meeting of Ministers on the Development of the South East Europe Core Regional Transport Network

"Common problems – Shared solutions"
December 4th, 2008 – Bečići (Montenegro)

CONCLUSIONS **on implementation of MoU until the end of 2008**

The signatories of the Memorandum of Understanding (MoU) on the development of the South East Europe Core Regional Transport Network

having regard to:

- the EC strategy paper *Transport and Energy infrastructure in South East Europe* (European Commission, 2001);
- the Memorandum of Understanding (MoU) on the development of the South East Europe Core Regional Transport Network, signed in Luxembourg on June 11th, 2004;
- the European Common Aviation Area (ECAA) Agreement signed in June 2006;
- the Addendum to the Memorandum of Understanding on the Development of the South East Europe Core Regional Transport Network for a South East European Railway Transport Area, signed in Tirana on December 4th, 2007;
- the work of the High Level Group on the extension of the major Trans-European Transport Axes to the neighbouring countries and regions which is part of the Core Regional Transport Network;
- the Resolutions of the 1st, 2nd and 3rd Annual Meeting of Ministers signed in Skopje November 10th, 2005; in Brussels on December 1st, 2006 and in Tirana on December 4th, 2007;
- the Informal Ministerial Conference "The European Union and South East Europe: a common vision for connecting people", held in Belgrade on May 7th, 2008;
- the Steering Committee meetings of the South East Europe Core Regional Transport Network in 2005, 2006, 2007 and 2008;

reconfirm the commitment to develop a well functioning transport network that is a prerequisite to economic and sustainable development and integration of the region leading to a transport Community;

reconfirm continuing support to effective regional coordination to address jointly the need for adequate and sustainable regional transport infrastructure, as well as operational and regulatory issues of regional importance;

acknowledge progress that has been made in the implementation of the Resolution of the third Annual Meeting of Ministers held last year in Tirana;

1. Accept the recommendation of the Steering Committee with respect to the Multi Annual Plan for the five year period 2009 to 2013 and in so doing adopt the aforesaid Plan;
2. Having regard to meetings held in the framework of the Railway Working Group, and decision adopted by Steering Committee, agree to implement the Time table for the implementation of the Addendum of the Memorandum of Understanding on the Development of the Core Regional Transport Network regarding the South

East Europe Railway Transport Area which is added as an Annex to this Conclusions;

3. Welcome the launch of the negotiations for a treaty establishing a Transport Community with the Western Balkans which will integrate the South East Europe region further into the European Transport family;
4. Intend to take into consideration the contents of the Plan when formulating National Agenda, to ensure its implementation and advise on the progress made at subsequent Annual Meetings;
5. Stress the importance of the regional cooperation done through SEETO, which became continual sustainable process of improvement of Core Regional Transport Network;
6. Call upon Participants to ensure that the quality of the infrastructure continues to improve through inclusion of appropriate and economically feasible projects in Multi Annual Plans;
7. Recognise that the EU perspective remains essential for the stability, reconciliation and development of the Western Balkans, in accordance with the Stabilisation and Association Process (SAP) and all Participants are making progress to reform the transport sector introducing new legislation and regulations in line with the *acquis communautaire*; these reforms should be introduced in an harmonise way in order to achieve effective management and development of the Core Regional Transport Network;
8. Acknowledge the progress made in data collection, analysis and dissemination of information on individual projects and project proposals - but note that data collection is a continuous process which needs more resources and efforts to meet the necessity of updating on regular and harmonized basis the set of data.
9. Require regular publication of performance indicators covering the condition and operation of the Core Network by SEETO;
10. Welcome the start of the project financed by the European Commission "Support for Implementing Measures for the South East Core Regional Transport Network Multi Annual Plan 2008 – 2012" and support its activities;
11. Acknowledge the serious problems concerning road safety and require improvements in management procedures and systems and endorse the development and introduction of road safety auditing;
12. Recognising the role of efficient transport logistics in a modern economy requires that Inter-modal Transport receive an increasing attention in the development of the multi-modal Core Regional Transport Network;
13. Recognising that inter-modal transport development requires a trans-national approach to create optimum conditions for users and investors support the preparation of a regional inter-modal development strategy and plan;
14. Confirm the application of the European Common Aviation Agreement as a key element for improving the aviation sector market in the region;
15. Recognising the importance of inland waterway transport in the regional inter-modal system and therefore require that inland waterway transport receives more attention in the future, on issues of security, quality of service and environment protection.
16. Acknowledging the significant development to border crossing procedures that has resulted from various programmes, remain concerned that delays persist at international borders especially for freight transport leading to slower economic development;
17. Support joint working arrangements with ongoing initiatives to facilitate trade and transportation;
18. Acknowledge the limitations of public sector funding for transport infrastructure and support the development of initiatives to increase the participation of the private sector in the major infrastructure transport projects in all modes of transport.

ANNEX

Time table for the implementation of the Addendum of the Memorandum of Understanding on the Development of the Core regional Transport Network regarding the South East Europe Railway Transport Area

Based on experience of previous EU enlargements, and past experience with alignment to EU legislation within the region, special attention has been paid to effective implementation, including competent staffing, budgeting and institution building. It seemed useful to plan not only according to adoption of primary law, but to break down implementation into six steps in total, i.e.

- Primary law adopted and in effect
- Secondary law adopted and in effect
- Budgetary and financial framework established
- Institutional and organisational arrangements established
- Staff in office in sufficient number and competence
- Operational decisions issued and/or published or measure in operation.

This level of detail seemed necessary to reflect past experience according to which legislation had been adopted but never turned operational due to practical difficulties.

On the left, vertical side of the individual time tables, measures are listed and grouped into items as set out in the Addendum.

Working Group decided to aggregate this information and take the date of step 6 to represent target times for implementation of a measure.

Assessment and conclusions

1. Most Participants started aligning their primary law over four years ago. Nevertheless, there is no participant with more than one railway undertaking or competition on the track. Therefore, the data collection has shown that the critical step from a single operator to a competitive service environment is on the side of implementation and effective institutions. Moreover, the determination of railways and the State to move in this direction plays a key role.
2. Most regional railways have seen steep growth of the performance of freight in recent years. Since transition is easier to put in to practice in growing markets than in shrinking ones, this is an opportunity not to be missed.
3. All time tables seem ambitious, but feasible, provided that governments and railways maintain their efforts to move.
4. It is sometimes said that the EU model was not feasible for small networks. The former Yugoslav Republic of Macedonia is has implemented unbundling after that the countries saw its rail traffic performance grow. It thus appears that the assumption is not only wrong, but that the contrary is right: Small rail networks depend even more on open access to reach the critical mass necessary for railways to survive and develop.
5. Participants acknowledge interdependency between different measures of the Addendum, such that some measures can only be implemented after certain others.
6. For some measures, the risk of meeting a deadline will be bigger than for others. Where, for instance, progress on a measure involves cooperation of different ministries at national level, different regions, where regional railways exist, negotiations and information of social partners is required target times are

evidently more likely to occur. Furthermore, certain more complicated steps imply the availability of external technical assistance and know-how transfer from abroad, which take time or are not delivered at the desired quality or level of precision. Likewise, replacement of staff, change of management or political personnel may cause disruptions and target times in the process of rail reform, which are not under full control of transport ministries.

7. Participants agree that coordination by time tables should not discourage front-running, but rather encourage late-comers to catch up. In fact, certain states are more advanced than others and the latter wish to benefit from knowledge of the former rather than delay progress.
8. All time tables envisage implementation of the EU railway acquis before the year 2012. Keeping the indicated target times requires constant efforts and progress on the side of the regional administrations and railways.

Summary Time Table

According to section 5, 2nd paragraph of Addendum of the Memorandum of Understanding on the Development of the Core Regional Transport Network regarding the South East Europe Railway Transport Area.

Target times refer to the month/year when measures are made operational. For the purpose of readability, details on the six preliminary steps are not included in this table.

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
Addendum item 2.4: Financial Stability	Jan-09	2009	Jan-07	Jan-09	Jan-09	2010	Dec-09	2010
Addendum item 2.5: Border Crossing	NA	2009	-	Jun-09	Dec-08	2010	Jun-09	2010
Addendum item 2.6: Social dimension and social dialogue	Jan-09	2008	-	Dec-09	2009	2010	2003	2010

Albania: Based on time table version of 7 May 2008. Item 2.3: Target times for several measures not given. All preparations will be done in 2008/2009, but acceptance of new operators seems too dangerous, in the absence of a signalling system. A comprehensive network statement is planned to be published only in 2010. Item 2.4: No target times given for implementation of divesting historic debts and conclusion of multi-annual contract. Item 2.5: AL plans to analyse its border crossing agreement with Montenegro in January 2009.

Bosnia and Herzegovina: Regarding item 2.1, no target times provided for a national safety authority, which is required under directive 2001/49/EC. As to item 2.2, certain law has been adopted and organisational arrangements have been put in place. However, target times for putting the measures in operation were provided. Target times for cost accounting rules are not provided. Item 2.4: As regards compensation for public service obligations, no action is envisaged to put this measure in operation.

Croatia: Network statement was published end of 2007. Target time on the other measures within item 2.3 to be provided at a later stage. No target times given on item 2.5 and 6. Croatia launched informal talks with Slovenia on border crossings, but results will depend also on the other partner. Similarly, talks with Serbia are ongoing.

the former Yugoslav Republic of Macedonia: Regarding item 2.1, former Yugoslav Republic of Macedonia plans to make all required railway institutions operational by June 2009, only the notified body is planned for 2010. Former Yugoslav Republic of Macedonia plans to implement common safety targets, safety management system and common safety methods in 2011.

Montenegro: As to item 2.3, the government plans to have most measures in operation by end of 2008. Train driver certification according to the EU directive is envisaged for 2010. No target times are provided for implementing cross border path allocation, safety targets and safety methods, which is not of concern because the respective TSI are not yet adopted. In terms of item 2.5, Montenegro launched negotiations on cross-border agreements with both Serbia and Albania in early 2008.

Serbia: Serbia has accomplished first steps on almost all items. Item 2.1: No target time provided for independent accident investigation body.

Kosovo under UNSCR 1244/99: Based on participant's time table of 17 April 2008: As to item 2.2, the participant does not provide target times on the financing and business plan of its infrastructure manager. In term of item 2.3, certain target times are missing, e.g. for cross border path allocation. No target times provided, but the explanations seem not consistent. As concerns item 2.5, Kosovo under UNSCR 1244/99 is ready to start bilateral negotiating agreements with all other participants as soon as possible and plans to adopt legislation on border crossings in June 2009. Regarding item 2.6, step 6 social partner have established a regular social dialogue and monthly consultations. Employers' representative participates in weekly management meetings of the railways.

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