



**Economic and Social
Council**

Distr.
GENERAL

ECE/TRANS/SC.2/2009/3
8 September 2009

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

INLAND TRANSPORT COMMITTEE

Working Party on Rail Transport

Sixty-third session
Geneva, 18-20 November 2009
Item 4 of the provisional agenda

TRANS-EUROPEAN RAILWAY PROJECT

Report of activities implemented in the reporting period 2008/2009

Transmitted by the United Nations Trans-European Railway Project Central Office

I. INTRODUCTION

1. The United Nations Economic Commission for Europe Inland Transport Committee (ITC) reiterated at its seventy-first session in February 2009 its support for Trans-European Motorway (TEM) and Trans-European Railway (TER) activities and invited the Steering Committees of the TEM and TER Projects, in close cooperation with the secretariat and the concerned governments, to continue pursuing the follow-up actions recommended in the Master Plan, including monitoring its implementation and its revision in 2008-2009. At its sixty-second session in November 2008, the Working Party on Rail Transport took note of the annual TER report introduced by the UNECE TER Project Manager and asked to be kept informed of new developments at its sixty-third session in 2009 (ECE/TRANS/SC.2/210, para. 11). This report complies with that decision.

II. OBJECTIVES OF THE PROJECT

2. The TER Project, of which the United Nations Economic Commission for Europe (UNECE) is the Executing Agency and in which 17 countries¹ of the Central, Eastern and South-Eastern Europe and Caucasus participate, provides a specific platform for cooperation in the field of building railways and introducing new methodologies. The objective of the project is to make the current international railway and combined transport more effective in synergy with the pan-European agreements on railway infrastructure. At the intergovernmental level, the TER Project is the only international regional platform dealing with the common topics of the railway transport and assisting in improving the railway network in participating countries.

3. For over a decade, the TER Project has provided the cooperation framework for participating countries with a view to promoting and implementing initiatives for an efficient international rail and combined transport system in those countries in accordance with the pan-European infrastructure agreements. The main specific objectives of the TER Project are:

- (a) To ensure the coordinated upgrading of infrastructure of the TER network to the European Agreement on Main International Rail Lines (AGC) and European Agreement on Important International Combined Transport Lines and Related Installations (AGTC) standards;
- (b) To contribute to the modernization of rolling stock;
- (c) To help participating governments improve rail efficiency and adapt railway organization to market oriented management;
- (d) To develop a database on the railway and combined transport system in the region;
- (e) To coordinate the improvement of operation parameters and ameliorate the situation at border crossings with a view to eliminating the bottlenecks in international rail transport;
- (f) To develop cooperation among member countries in the preparation of joint studies;
- (g) To promote cooperation among member countries in the field of combined transport;
- (h) To promote training activities for experts of member countries.

4. To achieve these objectives, the Project has for almost two decades organized meetings of decision-makers, TER National Coordinators, railway operators and experts with the aim to exchange opinions and experience. The TER Project also works closely together with the UNECE, ECO² and OSCE.³ Detailed information related to the above issues was presented at the sixty-second session of the Working Party on Rail Transport held on 18-20 November 2008 in Geneva (ECE/TRANS/SC.2/2008/1).

5. The TER Cooperation Trust Fund Agreement ensures the implementation of these main objectives by offering its framework and experience in reforming the railway and related IT

¹ Armenia, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russian Federation, Slovakia, Slovenia and Turkey.

² Economic Cooperation Organization <<http://www.ecosecretariat.org>>.

³ The Organization for Security and Cooperation in Europe <<http://www.osce.org>>.

systems in the member countries and increasing the quality of service according to the new standards and transport conditions developing in Europe.

II. DEVELOPMENT OF THE MANAGEMENT AND OPERATION OF THE PROJECT

6. During the reporting period, two important events regarding the management of the Project Central Office in Bratislava and institutional and operational position of the Project occurred.

7. First, on 27 July 2009, the Executive Secretary of the UNECE, signed an agreement with the Slovak Minister of Transport, Post and Communications, for the Slovak Republic to host the TER Project. The signing of this Agreement secures a stable and long-term functioning of the TER Project Central Office. It came at a very suitable moment, since the TEM and TER Master Plan Revision process is underway and the Agreement would not only facilitate its completion, but also ensure efficient continuation of other activities and tasks of the TER Project. Moreover, it provides the framework which will regulate the operational status and obligations of both signatories regarding the functioning of the Office as well as its staff, kindly hosted by the Slovak Republic at least until 31 December 2011.

8. The second event of importance also for the TER Project and especially for its smooth cooperation with the TEM Project as well as for the successful completion of the ongoing revision of the TER and TEM Master Plan was the appointment of the TER Project Manager as the TEM Project Manager at least for the period ending on 31 December 2009. This solution, kindly proposed by the Austrian Minister of Transport, Innovations and Technology and approved by the UNECE Executive Secretary, resolved the difficult situation which emerged in April this year at the TEM Project Central Office in Warsaw, resulting from the return of the past TEM Project Manager to the Slovak Ministry of Transport, Post and Communications in Bratislava. The UNECE will see to it that during the time period mentioned above TER Project activities will not be affected negatively by new responsibilities of the Project Manager.

III. TRANS-EUROPEAN MOTORWAY AND TRANS-EUROPEAN RAILWAY MASTER PLAN

9. The Master Plan, first published in 2006, outlined an investment plan which, after its implementation, would contribute to economic growth in the countries concerned and to the well-being of their populations. Furthermore, it would greatly benefit the integration and harmonization of transport within Europe and beyond. The Plan set out the priority infrastructure needs of 21 Central, Eastern and South-Eastern European countries. It also identified the backbone road and rail networks in those countries and presented a realistic investment strategy to gradually develop them. As many as 491 projects with an estimated total cost of € 102 billion were evaluated and prioritized.

10. The TEM and TER Master Plan elaboration achieved its goal which was to present a consistent and realistic short, medium and long-term investment strategy for the road, rail and combined transport backbone networks in the wider TEM and TER region. With the development of their Master Plan, TEM and TER Projects offered a substantial contribution to the extension of the Trans-European Network (TEN-T); the practical implementation of pan-European transport corridors; the promotion of intermodal operation and complementarity of transport modes and increased effectiveness of transport infrastructure.

11. It is evident that the TEM and TER process has been successful, but the follow-up action is needed. Further work in some aspects is necessary, as well as technical assistance, to monitor progress. The complete shape of the TEM and TER backbone networks in different time horizons (2015 and 2020) is still unclear due to lack of adequate information on the current status and planned progress in some parts of the respective networks.

IV. REVISION OF THE TRANS-EUROPEAN MOTORWAY AND TRANS-EUROPEAN RAILWAY MASTER PLAN - FIRST JOINT TRANS-EUROPEAN MOTORWAY AND TRANS-EUROPEAN RAILWAY EXPERTS MEETING

12. Since the elaboration of the TEM and TER Master Plan, a number of new developments emerged. These may be summarized as follows:

- (a) Completion of the work of the European Union (EU) High Level Group and the extension of the TEN-T to neighbouring countries and regions;
- (b) Approval of the accession of Armenia and Slovenia to the TEM and TER projects;
- (c) Transformation of Serbia and Montenegro into two independent entities;
- (d) Accession of Bulgaria and Romania to the EU;
- (e) Need for the inclusion of all South-Eastern Europe (SEE) and Caucasus countries in the Master Plan exercise (Albania, Armenia, Azerbaijan);
- (f) New proposals on priorities, projects and links by the TEM and TER member countries in the course of the 2007 and 2008 follow-up work;
- (g) Completion of the first phase of the UNECE-UNESCAP Euro Asian Linkages project and adoption, by the concerned countries, of the priority routes and projects identified by it;
- (h) New data received from countries such as Hungary, Poland and the Russian Federation;
- (i) Increased interest of countries in intermodal aspects, including logistics centres, combined transport terminals, seaports and maritime hinterland connections (RO-RO, RO-PAX and RO-LA).

13. The following 25 countries are involved in the first Revision and Extension of TEM and TER Master Plan: Albania, Armenia, Austria, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Italy, Lithuania, Republic of Moldova, Montenegro, Poland, Romania, Russian Federation, Serbia, Slovakia, Slovenia, the former Yugoslav Republic of Macedonia, Turkey and Ukraine.

14. Based on inputs of participating countries, the TEM and TER PCOs, in close collaboration with the UNECE and external consultants of both projects, prepared the Terms of Reference (TOR) for the Revision of the Master Plan. The content of the TOR was further discussed and approved by the Steering Committees of TEM and TER. The new TOR framework of the TER Master Plan Revision implies a need to collect additional data. Due to the slightly changed methodology, new objectives and the necessity to reflect all changes in the updated TER Master Plan maps, the meetings of experts in the given field as well as consultants involved are essential. In this way, the accuracy and reliability of all data collected should be enhanced. The Revision also aims to present, discuss and verify the methodology and questionnaires required and followed by the participating countries.

15. The current Revision of the Master Plan will review the latest developments in the TEM and TER projects, and in particular:

- (a) Update data related to traffic flows on TEM and TER networks;
- (b) Check the conformity of new projects and regulations with the TEM and TER backbone networks and review the original TEM and TER networks;
- (c) Review border crossing issues;
- (d) Improve data collection procedures;
- (e) Update information about TEM and TER funding;
- (f) Identify interrelationships of the TEM and TER Master Plan backbone networks with intermodal points and links; and
- (g) Draw up conclusions and recommendations.

V. TRANS-EUROPEAN RAILWAY ACTIVITIES CARRIED OUT IN THE REPORTING PERIOD

16. On 17-18 September 2008, the Project Manager took part in the Conference on Hinterland Connections of Seaports, held in Piraeus (Greece). On 7 October 2008, he participated in the fiftieth session of the Working Party on Intermodal Transport and Logistics (WP.24) in Geneva. On 15-17 October of the same year, he took part in the Second Railway Symposium organized by the Turkish Railways and the International Union of Railways (UIC) in Istanbul. On 28-31 October 2008, the Project Manager attended the Workshop on Sustainable and Healthy Urban Transport, which took place in Chisinau, organized jointly by the UNECE and the World Health Organization and focusing on Eastern and South-Eastern Europe, Caucasus and Central Asia.

17. On 18-21 November 2008, the Project Manager organized in Geneva the twenty-fifth session of the TER Steering Committee and the TER Working Party (WP.1), focusing on the Revision of the TER Master Plan and including a joint session with the Working Party on Rail Transport (SC.2) on 19 November 2008. The Steering Committee set the deadline of 15 January 2009 for returning the filled-in Revision questionnaires and decided to start the Revision immediately afterwards. It also examined the possibilities of strengthening cooperation with selected subsidiary bodies of the UNECE Inland Transport Committee as well as with the OSCE and endorsed the Programme of Work and the budget of TER for 2009.

18. On 27-28 November 2008, the 10th Meeting of the Steering Committee of Pan-European Corridor X, opened by the Slovak Vice Minister of Transport, Post and Communications, and coupled with the 7th Meeting of the Working Group for Improvement of Border Crossings along the same Corridor, was organized by the TER Project Central Office. The possibility of the Slovak Republic joining the Corridor X represented one of the topics. On 2-4 December 2008, the Project Manager attended a Meeting of the Steering Committee of pan-European Corridor IV held on the premises of the Czech Ministry of Transport in Prague. On 8-9 January 2009, the Project Manager participated in the Corridor VI meeting, which took place in Breclav, Czech Republic. On 20 January and again on 4 and 16 February 2009, he held meetings in Vienna with a representative of the OSCE to discuss possibilities and ways of strengthening the cooperation between the TER Project and OSCE, especially in the Caucasus area.

19. On 20 February 2009 and 4 April 2009, meetings with the TER Master Plan consultants as well as with the TEM Project Manager took place in the TER Project Central Office in Bratislava. The methodology of the TER and TEM Master Plan Revision and the next steps to be taken in this respect, as well as the preparation of the forthcoming three meetings held in Bad Gastein, Austria on 21-24 April 2009 (see below), were discussed during these meetings.

20. On 23-27 February 2009, the TER Project Manager attended the seventy-first session of ITC in Geneva. Some of the issues addressed at this session of major interest for the TER Project are listed below:

- (a) Reorganization of the Transport Division and its strategy;
- (b) Transport infrastructure agreements;
- (c) Environmental aspects of transport;
- (d) Activities related to Euro-Asian transport links;
- (e) Activities related to seaports' connections to hinterland;
- (f) Border-crossing facilitation;
- (g) Transport of dangerous goods;
- (h) Operational activities/assistance to countries with economies in transition.

21. At the session, the Project Manager informed ITC of recent developments of the TER Project. The Committee reiterated its support for the Project's activities, including the Revision of its Master Plan, and invited the Steering Committee of the Project to continue pursuing these activities and encouraged the governments of Eastern and South-Eastern European countries that are not yet members to it to consider full participation in the Project and signing the respective Cooperation Agreement.

22. On 16-17 March 2009, the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCEEA) together with the OSCE Centre in Astana, the UNECE Transport Division and the Customs Committee of Kazakhstan held in Astana the National Seminar on Improving the Implementation of International Legal Instruments to Facilitate Cross-border Trade and Transport Operations, in which the Project Manager also participated. The seminar brought together some 50 representatives of customs departments from the regions of Kazakhstan, international experts, including those from the United Nations, the World Customs Organization (WCO) and private sector representatives. Seminar participants discussed, among other issues, the recent completion by Kazakhstan of preparatory work to accede to the WCO Revised Kyoto Convention, measures to facilitate railway border crossings along the Euro-Asian transport corridors, benchmarking and performance measurements at border crossings as well as risk management systems and potential of advanced public-private partnerships.

23. Upon the invitation of the Austrian Government, three meetings of representatives and experts of the countries participating in the TER Project were held in Bad Gastein, Austria, on 21-24 April 2009. The meetings of the Master Plan Revision Coordination Group, consisting of the UNECE representatives, TEM and TER Project Managers and independent consultants and of the Revision Expert Groups, in which the experts of participating countries took part, were held on 21 April 2009. During these meetings, the results of the first stage of the Revision, i.e. of data collection and their analyses, were examined and the final TOR for the Revision as well as the work timetable in 2009 were endorsed. These meetings were followed on 22 and 23 April by the twenty-sixth session of the TER Steering Committee. At the session, the documents concerning the TEM and TER Master Plan Revision prepared and endorsed by the Coordination and Expert Groups on the previous day, were discussed and approved as amended. The members of the Steering Committee were also informed about the sound financial balance of the TER as of 31 December 2008 and the status of the TER Cooperation Trust Fund contributions of member countries for the year 2009.

24. This set of meetings was concluded by the Round Table, in which also representatives of the European Investment Bank, the OSCE and the UNECE participated, dealing with rail

transport challenges and impacts of the global crisis in the Central and Eastern European region. The round table was followed by discussions of specific issues of interest such as the rail infrastructure investment, railway marketing, corridor quality management, block trains, container terminals, hinterland connections with seaports and rail ferries.

25. On 27-29 April 2009, the Project Manager attended the First Regional Workshop on Euro-Asian Transport Links Phase II in Tehran, dealing with the facilitation of Euro-Asian transport in the ECO region. The main topics of interest for the TER were inter alia: developing EATL transport routes: initiatives and constraints, border-crossing and transport facilitation in the ECO region, coordinated infrastructure development and border crossing facilitation.

26. Upon the invitation of the Turkish State Railways (TCDD), the TER Project Manager took part in the Workshop on Rail Transport between Europe and Asia held on 9-10 June 2009 in Istanbul. During the workshop, organized by TCDD in cooperation with the Intergovernmental Organisation for International Carriage by Rail (OTIF) and ECO, in which representatives of 12 countries participated, the matters of rail freight transport, legal support for financing rolling stock, facilitation of border crossings and safety in rail transport were dealt with.

27. On 16-20 June and on 23-26 June 2009, the Project Manager attended the Project Management Courses with side meetings at the UNCTAD and Energy Division of the UNECE in Geneva.

28. On 21-23 June 2009, the TER Project Central Office organized as a follow-up to the meetings held in Bad Gastein, Austria on 21-24 April of the same year (see above), a meeting between Austrian and Turkish experts to address the new and revised Master Plan projects in Turkey, the RO-LA traffic between Austria and Turkey and the preparation of the TER meeting on Border Crossings to be held in Istanbul in November 2009.

29. On 1 and 2 July 2009, the Project Manager took part in the OSCE/UNECE/CIT Seminar on Increasing Cooperation at Railway Border Crossings in Central Asia, which took place in Balkanabad, Turkmenistan. The seminar provided a good opportunity to make representatives of four participating Central Asian countries aware of the role played by the UNECE and the TER Project while facilitating international rail transport with the aid of relevant legal instruments and projects. The OSCE Centre in Ashkhabad, in co-operation with the OCEEA and with the substantial support of the Austrian Federal Railways, organized a few months earlier two workshops, which aimed at sharing international best practices and technical expertise in the area of railway safety.

30. As a result of these new responsibilities following his recent assignment as the TEM Project Manager, the TER Project Manager visited on 8-9 July 2009 the TEM Project Central Office in Warsaw and met also the representatives of the Railway Department of the Polish Ministry of Transport and Chief Executives of the Polish General Directorate of National Roads and Motorways, which hosts the office. They confirmed that the Polish Government would support the activities of the TEM Project and keep the PCO in Warsaw operational. They also reaffirmed their interest in deeper mutual cooperation between the TER and TEM Projects.

31. On 11 July 2009, the Project Manager attended a meeting with the TEM Steering Committee Chairman and the Czech TER Master Plan consultant in Brno, Czech Republic. During this meeting, they discussed the preparation for the TEM Steering Committee session, to be held in Budapest on 15-16 September 2009, and drafted its draft agenda.

32. On 27 July 2009, following the intense preparatory work with the Slovak Ministry of Transport, Post and Communications and the Ministry of Foreign Affairs which had started already in January this year, the Project Manager took part in the meeting and ceremony in Bratislava for the signature of the above-mentioned agreement between the UNECE and the Government of the Slovak Republic to host the TER Project.

33. On 8-9 September 2009, the Project Manager attended the twenty-second session of the Working Party on Transport Trends and Economics (WP.5) in Geneva and provided an update on relevant TER-related developments and activities.

VI. MAJOR TRANS-EUROPEAN RAILWAY PRESENT AND FUTURE ISSUES

34. The present and future issues concerning the TER Project can be summarized as follows:

- (a) Extension of the TER Project to observer countries (Belarus, Moldova, Serbia, the former Yugoslav Republic of Macedonia, Ukraine);
- (b) Full integration of new member countries (Armenia and Azerbaijan);
- (c) Continuation of work on the TER und TEM Master Plan Revision.

VII. CONCLUSIONS

- (a) All activities carried out in the reporting period were in line with the Programme of Work as well as with the Short-Term Strategy of the TER, adopted by the TER Steering Committee sessions in 2007 in Vienna and in 2008 in Geneva.
- (b) The TER project offers the advantage of bringing together during its meetings representatives of the Ministries of Transport and railway companies from the member countries.
- (c) At the governmental level, TER is the only forum in the region addressing the key rail transport issues pertaining to a more rapid integration and at higher standards of the rail network of the TER member countries with the Western European network. It also stimulates measures for harmonizing the legislation of the Central and Eastern European countries with Western European standards in order to ensure a higher quality of service along major corridors and higher profitability of the railway sector in post-transition economies.
- (d) The TER Project is a useful tool for implementing the AGC/AGTC standards in the region and improving the railway and combined transport services. The realization of the comprehensive programme of work with concrete outputs has led to a permanent increase in the TER membership
- (e) The TER and TEM Master Plan Revision, carried out in close cooperation with the UNECE Transport Division in Geneva, Switzerland, started successfully in the reporting period and is expected to end in the second half of 2010.
