



Public Consultation on the report of the High Level Group on the extension of the main Trans-European transport axes to the neighbouring countries and regions and the way forward

GENERAL COMMENTS:

1. EIM welcomes the opportunity to contribute to the consultation on the extension of the Trans-European axes that are crucial to a better targeted development of the Trans-European Networks.
2. However, EIM believes that this document will need to be modified in order to foster a more balanced approach between the several neighbouring countries.
3. EIM advocates a better targeting and mapping of the regional networks, including the economic development of some specific regions of the SEE.

1) Do the five main transport axes highlighted in the High Level Group (HLG) report, in your view, represent the main axes for international traffic and what you add/delete, if given the opportunity and why?

2) The HLG report outlines a number of measures, on so-called horizontal issues, are these the most important ones and do the recommendations made by the Group help to solve the problems?

1)2):

- *Problems related to large cultural differences and differing political scopes and agendas between the various national governments:*

TENs – Axes development could be useful as a way to stabilise and enhance the economic development of the regions through which corridors run. The EU Commission should consider the fact that less stable central governments have the potential to cause serious problems to the allocation and monitoring of the funding and foreign investments, especially with regards to the situation of Kosovo and Caucuses¹.

- *Priorities need to be given to the countries in the process of EU Accession:*

Given the opening of negotiation with Macedonia after the latest Brussels European Council in December 2005 and the future accession of Romania, Bulgaria and Croatia, the European Commission should focus on the Balkans; taking into account the need for rehabilitating the rail and road transport network in this whole region. Good links between the EU and neighbouring countries are a prerequisite to enhance trade, economic development and sustainability. All countries should participate actively in this

¹ As for instance Armenia and Azerbaijan situation.



exercise. The major axes identified in the document need to be completed by the secondary links of a regional relevance.

Taking into account the above comments, the 4th Axis is not balanced in its structure and it is too concentrated on the “Mashrek” dimension. Nevertheless, given the importance of this geographical zone for the EU both in both political and economic terms, we suggest to split the South East-West Axis in two parts, one covering the Balkans (South Eastern Axis) and the other the Middle East (Far Southern Axis).

In respect of the South Eastern Axis rail link, EIM would like to add two missing branches relevant for the connection of regional traffic to international:

- Pyhrn corridor issue: This corridor links Berlin to Zagreb and is linked to the TEN-priority project no 22 and the Pan-European Corridor X. UNMIK/Kosovo. Serbia and Montenegro and Albania stressed the importance of the Balkan regional core network in providing access to the main axes.
- Branch of Corridor X: Graz, Maribor, Zagreb/Budapest, including Nis.

3) Financing transport investments is a headache. How can the implementation of these axes and horizontal measures be best financed? What could be the role of the private sector and the user charges?

Following the uncertainties concerning the future of the EU financial perspectives 2007-2013 and the limited budget devoted to the TENs, the need for rationalising the financing of transport infrastructure becomes an absolute priority, not only in the EU but also and foremost in the neighbouring areas.

Leveling of freight charges to the EU 25 average is a first step in harmonising the systems and levels of rail charging.

In order to prevent mark-ups along international freight corridors being set at levels that the rail freight market cannot bear, charges above marginal cost should be negotiated by the concerned Infrastructure Managers.

For CEE and SEE countries EIM proposes the following mechanisms:

- 1) User charges should only cover maintenance.
- 2) The national budgets should cover all other costs.
- 3) Due to the limited financial absorption capability of these countries and the high public deficits, Cohesion and ISPA grants on the one side and Neighbouring Policy on the other should intervene when the countries cannot bear the costs on their own. EIB should be more involved in order to leverage private financing.

As for the involvement of the private sector, EIM encourages PPPs. These partnerships cumulate private risk analysis and efficiency with answers to public needs. They can open railway engineering and construction markets. However, Member States should monitor the guarantees they ensure to avoid the transfer of debts to the future.



4) For the implementation and coordination of the recommended actions, the report calls for either a memorandum of understanding or an international agreement – do these help to achieve the objectives? If not, how would you?

5) The Group has envisaged integrating the existing agreements and memoranda of understandings into a coherent framework. Should an international treaty be envisaged or this?

4)5):

A Memorandum of Understanding (MoU) should be the first step in order to provide a forum for reciprocal consultations on transport policy for both institutional reforms and EU Funding allocation. In 2001, a basis for the definition of the SEE Core Network was set by the strategy paper on Transport and Energy Infrastructure for SEE². It was further clarified by the TIRS (Transport Infrastructure Regional Studies) and the REBIS (Regional Balkans Infra Studies³). The previously unstable situation in the Balkans has encouraged the World Bank to take a regional medium term approach which will encompass close negotiations between the regional authorities on the one hand, and the SEE and the EU on the other. The EIB should strengthen his role in this region in the forthcoming years.

In order to acquire a more stable method of co-ordination and cooperation, EIM recommends that the EU uses the following three-step approach and four main principles:

- 1) Definition of Transport Strategic guidelines for the SEE Region.
- 2) Drafting and agreement of a Regional Sectoral Treaty.
- 3) Definition of the National Action Plans.

Four main principles:

- 1) A core regional transport network as a joint agreement between the countries of the region, the European Commission and the international financial institutions,
- 2) Prioritisation of investments of regional importance, which are financially affordable and suitable for international financing.
- 3) Commitment to policy reforms, notably aimed at improving sector management and cross border issues.
- 4) Institutional framework to coordinate all of the above and the creation of regional coordination centres.

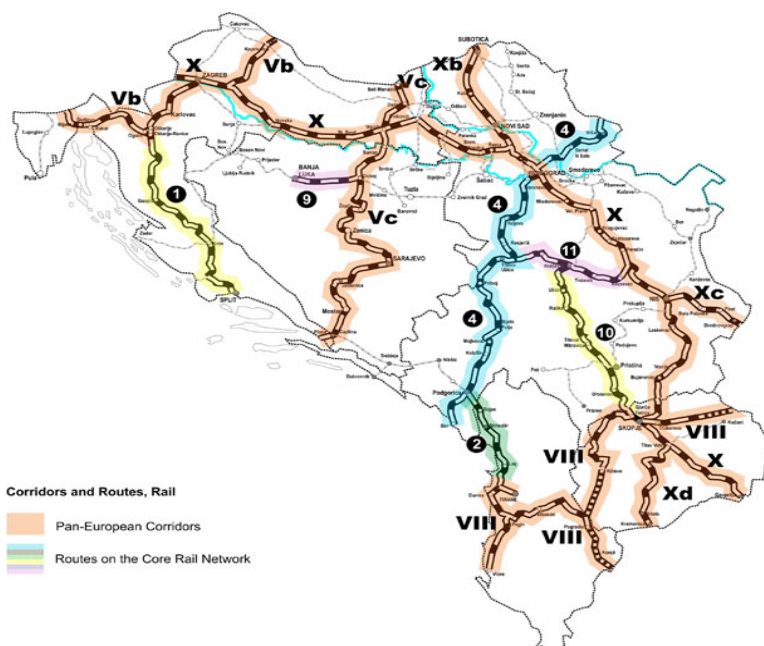
² European Commission, *Transport and Energy Infrastructure for SEE*, Brussels 15th May 2001.

³ European Commission, *The Road to Stability and Prosperity in South Eastern Europe A Regional Strategy Paper*, March 1st 2000.

ANNEX I:

Rail Network in SEE

*Following the proposal made by the South Eastern Transport Observatory the Rail Network in SEE could be designed as follows (for instance, one of the Serbian priorities as stated by the CEO of the Serbian Railways Milanko Sarancic, "the modernisation of the line Belgrade-Nis Bulgarian border is one of the top priority projects of the Serbian Railways). (<http://www.seetoint.org/SER/ProjectList.html>).



Core Network Corridors	Description of Routing
Corridor X	Border to Slovenia - Zagreb - Belgrade - Nis - Skopje - Border to Greece
Corridor Xb	Border to Hungary - Subotica - Novi Sad - Stara Pazova (Belgrade)
Corridor Xc	Nis - Border to Bulgaria
Corridor Vb:.	Border to Hungary - Zagreb - Karlovac - Rijeka - Border to Slovenia
Corridor Vc	Border to Hungary - Osijek - Samac - Doboj - Sarajevo - Ploce
Corridor VIII	Border to Bulgaria - Skopje - Tirane - Durres
*Route 1	Ogulin - Gospic - Split.
*Route 2	Podgorica - Shkoder - Durres.
*Route 4	Border to Romania -Vrsac -Belgrade - Podgorica - Bar
*Route 9	Banja Luka - Doboj
*Route 10	Kraljevo - Kosovska Mitrovica - Urosevac -Skopje
*Route 11	Uzice - Kraljevo - Krusevac - Stalac