



# Economic and Social Council

Distr.: General  
21 August 2011

Original: English

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## Economic Commission for Europe

### Inland Transport Committee

#### Working Party on Rail Transport

##### Sixty-fifth session

Geneva, 3–4 November 2011

Item 4 of the provisional agenda

##### Trans-European Railway (TER) Project

### Report on activities implemented in the reporting period 2010–2011

1. This report is based on the invitation of the sixty-third session of the UNECE Working Party on Rail Transport (SC.2) held in Vienna, on 18–19 November 2010. The 2009–2010 report on implementation of TER activities by the TER Project Manager was highly appreciated, particularly, the Revision of the TER and TEM Master Plan. TER was invited to provide an update at its next session in 2011.

#### I. Objectives of the Project

2. The TER Project is an international platform for cooperation of participating countries in the field of railway transport. The Project supports and enhances the introduction of new methodologies aimed at increasing the efficiency of international railway and combined transport and strengthening the synergy with the pan-European agreements on railway infrastructure. At the intergovernmental level, the TER Project constitutes the only regional platform, dealing with topics of common interest for railway transport and assisting in achieving a higher standard of railway network in the participating countries. Eighteen countries of the Central, Eastern and South-Eastern Europe and of Caucasus participate in the Project: Armenia, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russian Federation, Serbia, Slovakia, Slovenia and Turkey. The TER network extends to about 24 000 km of railways and forms the backbone of the pan-European rail corridors in the Economic Commission for Europe (ECE) region (the Trans-European network (TEN-T) in the European Union (EU) member countries), providing a valuable contribution to the strategic transport plans in Europe and the extension of the TEN-T to the neighbouring countries and regions.

3. The TER Cooperation Trust Fund Agreement, established by the UNECE in 1990, made the Project self-sustaining, financed by direct contributions from the member countries and ensuring the implementation of its main objectives, namely:

(a) To ensure the coordinated upgrading of the TER infrastructure network to the European Agreement on Main International Railway 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 operational parameters and improve the situation at border crossings with a view to eliminate bottlenecks in international rail transport;

(f) To develop cooperation among member countries in the preparation of technical 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 organized in the last two decades a number of meetings of decision-makers, TER National Coordinators, railway operators and experts with the aim to facilitate the exchange of experience and best practices. The TER Project also works closely together with the Organization for Security and Co-operation in Europe (OSCE), International Union of Railways (UIC) and Black Sea Economic Cooperation Organization (BSEC) organizations.

## **II. Development of the management and operation of the Project**

5. On 27 July 2009, the Executive Secretary of the UNECE signed the TER host-country agreement with the Slovak Minister of Transport, Post and Communications. The signing of this Agreement secured a stable and long-term functioning of the TER Project Central Office in Bratislava, Slovakia. The signing of the Agreement ensured efficient continuation of all the activities and tasks of the TER Project.

6. Another important event for the TER Project and especially for its smooth cooperation with the TEM Project, as well as for the successful completion of Master Plan Revision was the appointment of Mr. Helmut Meelich as the TEM Project Manager up to 31 December 2011. The experience gained so far with this arrangement in the reporting period shows that Mr. Meelich's TER Project activities were not negatively affected by his new task and that this solution actually contributed to closer cooperation between TEM and TER Projects as well as to budgetary savings due to the organization of joint activities and meetings of working groups and representatives of both projects.

## **III. TER and TEM Master Plan Revision**

7. The Master Plan, published in 2006 outlined an investment plan which contributed to the economic growth of the countries concerned and to the improvement of the well-

being of their population. The Plan had great potential to enhance the integration and harmonization of rail 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 for their gradual development. As many as 491 projects with an estimated total cost of EUR 102 billion were evaluated and prioritized.

8. 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 elaboration of the Master Plan, TEM and TER Projects offered a substantial contribution to the extension of TEN-T network, the practical implementation of pan-European Transport Corridors, promotion of intermodal transport operations and stronger complementarity of transport modes towards the higher efficiency of rail transport infrastructure.

9. The TEM and TER Master Plan process was successful, but further work was necessary in some areas and technical assistance was needed in order to monitor implementation.

#### **IV. Revision of the TER and TEM Master Plan**

10. Since the elaboration of the TEM and TER Master Plan, a number of new developments have taken place. These may be summarized as follows:

- (a) Completion of the work of the 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) Separation of Serbia and Montenegro into two independent states;
- (d) Accession of Bulgaria and Romania to the European Union;
- (e) Need for the inclusion of all SEE and Caucasus countries in the Master Plan exercise (Albania, Armenia, Azerbaijan, Serbia and Montenegro),
- (f) Proposals of new priorities, projects and links by the TEM and TER member countries in the course of the 2007–2009 follow-up work;
- (g) Completion of the first phase of the UNECE – UNESCAP Euro-Asian Linkages project and adoption of the priority routes and projects identified by it;
- (h) New data received from several countries (Hungary, Poland, Serbia and the Russian Federation);
- (i) Increased interest of countries in intermodal transport, including logistics centres, combined transport terminals, seaports and maritime hinterland connections with RO-RO, RO-PAX and RO-LA.

11. Based on the decisions of the seventieth, seventy-first and seventy-second sessions of the UNECE Inland Transport Committee and on inputs from participating countries, the TEM and TER Project Central Office (PCOs), in close collaboration with the UNECE and external consultants, prepared the Terms of Reference (TOR) for the Revision of the original Master Plan, which were further discussed and approved by the Steering Committees of TEM and TER Projects.

12. In accordance with these TOR, the Revision of the Master Plan reviewed the latest developments in the TEM and TER projects, and in particular:

- (a) Updated data related to traffic flows for TEM and TER networks;
- (b) Checked the conformity of new projects and regulations with the TEM and TER backbone networks and review the original TEM and TER networks;
- (c) Reviewed border crossing issues;
- (d) Improved data collection procedures;
- (e) Updated information about TEM and TER funding;
- (f) Identified interrelationships of the TEM and TER Master Plan backbone networks with intermodal points and links; and
- (g) Drew up conclusions and recommendations.

13. The following 25 countries were involved in the Revision 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. The work on the Master Plan Revision was carried out by the TEM and TER Project Central Offices with the support of international consultants from the participating countries. The intermediate results of the work were discussed at the meetings of the TER and TEM Expert Groups and supervised by the joint Master Plan Coordination Group. The final report of the Master Plan Revision was submitted for examination to the seventy-third session of the UNECE Inland Transport Committee in February 2011. Its printed version is now being prepared at the UNECE in Geneva and will be available in October 2011.

## **V. TER activities carried out in the reporting period**

15. On 8 September 2010, the Project Manager attended the fourth session of the Group of Experts on Euro-Asian Transport Links as well as the workshop "Climate Change Impacts on International Transport Networks", organized jointly by the UNECE and the United Nations Conference on Trade and Development (UNCTAD) as part of the twenty-third session of the UNECE Working Party on Transport Trends and Economics.

16. On 20 September, 5 October, 21 October and 10 November 2010, he took part in the series of meetings at the OSCE Hofburg Congress Centre, Austrian Federal Ministries of Transport, Innovation and Technology and of Foreign Affairs and at the Municipality of Baden, at which he together with the Austrian TEM and TER National Coordinators discussed and approved the preparatory steps and organizational measures for the TEM/TER Conference on financing development of road and rail transport infrastructures and for other TEM and TER meetings to be held in Vienna on 14 – 19 November 2010.

17. The Project Manager attended the thirteenth session of the Steering Committee of the VIth Pan-European Transport Corridor Gdansk – Katowice – Brno/Zilina – Vienna held in Ostrava, (Czech Republic, 8 November 2010), in which the TEM and TER National Coordinators of the respective countries also took part. He met there with the chief executive officials of the Polish State Railways and the Ministry of Transport in Warsaw and discussed possibilities and the future alignment of the high-speed railway network in Poland with those of Germany and the Czech Republic. He also used this opportunity to continue the discussion on the alternative routes of the future high-speed line Warsaw – Prague in the section Wrocław – Lichkov – Ústí nad Orlicí, which commenced in Prague in June 2010.

18. He organized and attended the “*Conference on financing development of road and rail transport infrastructures*”, held by UNECE, the TEM Project and TER Project in collaboration with the OSCE on 17 November 2010 in the OSCE Conference Centre Hofburg in Vienna. The conference, opened by the UNECE Executive Secretary Mr. Kubis, in which the Austrian Vice Minister of Transport, Innovation and Technology Mr. Weissenburger as well as the Directors of Russian and Turkish Railways also participated, has been organized on the occasion of the launching of the revised TEM and TER Master Plan. Representatives of Governments and International Financial Institutions, road and rail sectors met at the conference to evaluate the opportunities for financing the TEM and TER infrastructure priority projects specified in the revised Master Plan and to discuss the measures aimed at ensuring seamless connections throughout Europe, including cost-effective access to markets. They noted that the TEM and TER Master Plan Revision, which set out the priority infrastructure needs, the backbone networks and a realistic investment plan to develop them, represented a great contribution to these efforts, taking into account also the fact that the rail and road/motorway infrastructure projects, identified in the framework of this Revision, have to be achieved given the difficult financial environment of necessary budgetary savings and capital market restrictions. Therefore, the projects developed within BSEC such as the Motorways of the Sea (Railferries) and in close collaboration with BSEC, OSCE, International Road Transport Union (IRU) and UIC would certainly be of great benefit for the development of transport in the region.

19. The Project Manager organized and participated in the sixty-fourth session of the UNECE Working Party on Rail Transport (SC.2) held on 18 November 2010 in the Conference Centre in Vienna, which inter alia represented an opportunity to TER countries to become involved, again as a group, in EATL and BSEC activities.

20. On 15, 16 and 19 November 2010, he took part in the fifty-fourth session of the TEM Steering Committee, twenty-ninth session of the TER Steering Committee and in the fifth Joint Meeting of the TEM and TER Master Plan Revision Expert Groups, all held in Baden, Austria.

21. The Project Manager represented the TEM and TER Projects Central Offices at the OSCE-UNECE Inter-regional Workshop on Developing Euro-Asian Transport Links, held in Turkmenbashi, Turkmenistan on 7 and 8 December 2010. He proposed to pay more attention including the on-site visits to the rail ferries as key elements of the Euro-Asian Transport Links.

22. On 17 December 2010 he visited the Austrian Federal Ministry for Transport, Innovation and Technology and the Office of the Co-ordinator of the OSCE Economic and Environmental Activities in Vienna, closing the final settlement of the Conference on financing development of road and rail transport infrastructures held in Vienna on 17 November 2010. He visited the Austrian Ministry of Foreign Affairs in order to extend his thanks for its support of this event.

23. He visited the UNECE Transport Division on 19 and 20 January 2011 to discuss the draft final report of the TEM and TER Master Plan Revision and the arrangements for its submission to the seventy-third session of the Inland Transport Committee.

24. From 24 to 27 January 2011, the Project Manager visited the Polish Ministry of Transport in Warsaw and discussed their future involvement in the TEM and TER Projects, plans for extended usage of effects of these activities, ways of improved communication of TEM and TER actions via website as well as the possibilities of Czech – Polish border crossing rail improvements.

25. On 31 January and 1 February 2011, he attended the Inland Transport Security Discussion Forum “UNECE-TAPA Driver, Vehicle and Cargo Security” in Geneva,

building upon the work of the Multidisciplinary Expert Group on Inland Transport Security and upon the 2009 Inland Transport Security Seminar.

26. From 9 to 10 February 2011, the Project Manager presented the results of the second preparatory conference at the eighteenth OSCE Economic and Environmental Forum in Prague. He also established additional contacts with the Czech Ministry of Transport and informed them about the results of his recent discussions with Polish officials on the high speed line Wroclaw – Prague, about the possibilities for extending this connection to Vienna via Brno and to Zurich via Linz as well as about the proposals to introduce bus transport as a provisional solution in border sections having low passenger traffic flows at present.

27. From 21 to 25 February 2011, he took part in the Club Feroviar Conference on Policies and Technologies for Increasing Mobility and in the technical-scientific colloquium on passenger transport rolling stock held in Brasov, Romania on special invitation of the Romanian Railways.

28. From 1 to 3 March 2011, the Project Manager attended the seventy-third session of the UNECE Inland Transport Committee at Geneva, inter alia presenting the final version of the TEM and TER Master Plan Revision.

29. From 4 to 7 April 2011, he participated in the TEMSTAT Data Collection and Mapping Meeting held in Warsaw, visited the Polish Ministry of Transport and the General Directorate of Polish State Railways and informed their policy-makers about the successful finalization of the TEM and TER Master Plan Revision. With their assistance and support, he organized a visit to the Warsaw Central Railway Station under reconstruction and was acquainted with its park and ride system, discussing at the same time with its chief executive officers the intermodal aspects and further cooperation between the road and rail systems in the city.

30. On 13 April 2011, the Project Manager participated in the panel discussion on “The new shape of TEN-T: Will Europe bet on rail?” organized by the CER together with the Hungarian Presidency and the European Parliament’s European People's Party (EPP), Alliance of Liberals and Democrats for Europe (ALDE) and Greens/European Free Alliance (EFA) Groups in Brussels. He was personally invited because of his long experience in the Hungarian rail sector. He reported on conclusions of the Conference in Brasov, (Romania, February 2011) on technologies for increasing mobility and passenger transport rolling stock as well as on the planned high-speed line Budapest – Bucharest – Constanta (Black Sea).

31. On 28 April 2011, accompanied by the officials of the Austrian Ministry of Transport, he took part in the first meeting with the representatives of the Embassy of the Republic of Azerbaijan in Vienna on the cooperation between the TER Project and Azerbaijan and on the future TER Steering Committee session to be held in Baku, Azerbaijan.

32. On 3 May 2011, the 1-day meeting for a final proofreading and editing of the TEM and TER Master Plan Revision was held in Geneva, in which Mr. Pospisil, the UNECE Consultant took part on Project Manager’s behalf.

33. The TER Project Manager (17 May 2011) visited the regional office of the JASPERS – Joint Assistance to Support Projects in European Regions. This initiative was established in 2006 by the European Commission, the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD), helping the EU member States in Central and Eastern Europe to develop high quality projects that will receive support from the EU's Structural and Cohesion Funds. With its representative,

Mr. Horhager, he worked on preparing the overview of railway investment in the countries neighbouring Austria.

34. From 18 to 20 May 2011, the Project Manager visited the Czech Ministry for Transport and the General Directorate of Czech Railways in Prague to discuss coordinating timing of the reconstruction of the second main Czech – Austrian railway corridor Prague – Ceske Budejovice – Linz as well as the possibilities and the future alignment of the high-speed railway network connections between these countries.

35. On 30 May 2011, the Project Manager participated in the ITS conference in Vienna, organized by the Austrian Federal Railways (OBB), discussing its research work on road and rail combined transport.

36. From 12 to 19 June 2011, he took part in a series of meetings with the representatives of the Romanian Ministry of Transport and Romanian State Railways discussing the preparations of the UNECE TER Conference on Development of Special Rail Transport Infrastructure – Rail Ferries/Seaports. The Conference, to be organized jointly with the Ministry of Transport of Azerbaijan in Baku in September 2011, focuses on the Black Sea wider area, hinterland connections to the seaports and development of Pan-European railway Corridor IV.

37. On 28 June 2011, the Project Manager met with the authorities of the Upper Austria Province in Wels, to discuss the TEM and TER Steering Committees' sessions (Salzburg, Austria in October 2011) and to discuss the further development of the intermodal transport between Wels and the neighbouring German state of Bavaria.

38. Finally, from 5 to 8 July 2011, he undertook a series of meetings at the Ministry of Transport of the Republic of Azerbaijan, "Azerbaijan Railways", TRACECA Office in Baku, Austrian Embassy in Azerbaijan, Ministry of Finance of the Republic of Azerbaijan and the Azerbaijan office of the Asian Development Bank. These meetings focused on preparing the thirtieth session of the TER Steering Committee (Baku, September 2011).

## **VI. Major TER present and future challenges**

39. The present and future challenges concerning the TER project can be summarized as follows:

- (a) Extension of the TER Project to observer countries (Belarus, Republic of Moldova, the former Yugoslav Republic of Macedonia, Ukraine);
- (b) Extension of the TER Project to the countries participating in the Revision of its Master Plan, i.e. Albania, Azerbaijan and Montenegro;
- (c) Full integration of new member countries (Armenia and Serbia);
- (d) Publishing the TER und TEM Master Plan Revision final report, promotion and dissemination of its results and outputs;
- (e) Monitoring the implementation of TER und TEM Master Plan Revision;
- (f) Financing the development of the rail transport infrastructure;
- (g) Focus on rail security issues.

## 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 and in 2009 in Vienna;

(b) The TER Project offers the advantage of bringing together representatives of the Ministries of Transport and railway companies from the member countries;

(c) In the reporting period, the TER Project strengthened cooperation with major international organizations dealing with transport issues and established closer relations with the Economic Cooperation Organization (ECO);

(d) 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 into the Western European network. It also stimulates better harmonization of the legislation of 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;

(e) 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 comprehensive programme of work with its concrete outputs has led to a permanent increase in the TER membership;

(f) The TER and TEM Master Plan Revision, carried out in close cooperation with the UNECE Transport Division, was successful in the reporting period and it is expected that the printed version of its final report will be available in October 2011.

40. The promotion of the results of the TER and TEM Master Plan Revision and monitoring of its implementation represent two of the most important tasks of the TER Project in the years to come.

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