

UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE



TRANS EUROPEAN RAILWAY (TER)
PROJECT CENTRAL OFFICE

**TRANS-EUROPEAN RAILWAY (TER)
CO-OPERATION TRUST FUND AGREEMENT**

**ATTACHMENT 1
PART 3**

**COOPERATION FRAMEWORK FOR 2011-2015
(inclusive)**

COOPERATION FRAMEWORK FOR 2011-2015 (inclusive)

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

Having regard to the Trans-European Railway (TER) Project Document,

Bearing in mind existing bilateral and multilateral agreements in the fields of rail and combined transport, particularly the European Agreement on Main International Railway Lines (AGC) and the European Agreement on Important International Combined Transport Lines and Related Installations (AGTC) elaborated within the framework of the United Nations Economic Commission for Europe,

Desirous to facilitate and develop international rail and combined transport among and through their countries as well as between them and other European countries,

Wishing to improve the quality and efficiency of transport operations,

Aware of the new West-East orientation of transport demand which is likely to be derived from the profound changes which have occurred in Central and Eastern European countries,

Recalling the Declarations of the Pan-European Transport Conferences in Prague, October 1991; in Crete, March 1994 and in Helsinki, June 1997,

Agree to co-operate in the endeavour to implement, within the framework of the AGC and AGTC Agreement, the Trans-European Railway (TER) Project, according to the following provisions.

I. THE „TRANS EUROPEAN RAILWAY (TER)” PROJECT

The TER Project consists of a series of objectives and actions to achieve them, which are established with the aim of improving the quality and efficiency of international rail and combined transport, passenger and freight, on the main international lines of the following countries: Armenia, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russian Federation, Slovakia, Slovenia and Turkey.

While these lines are not the whole railway network of the above countries, but a small number of them, they constitute nevertheless a continuous railway network designated hereafter as the TER Network.

The TER Project relates to the TER network only. It considers also the related combined transport installations and equipment in the above countries.

II. OBJECTIVES

The general objective of the TER Project is to develop a coherent efficient rail and combined transport system among Central and Eastern European countries and between those countries and other European countries.

By providing efficient competitive services, the TER system must become attractive to customers, both passenger and freight, and be able to absorb an important part of the international transport market within, from and to Central and Eastern Europe, thus alleviating congestion and reducing environmental and safety problems on major international roads of those countries.

More specific objectives are:

A) Infrastructure development

With the exception of some short sections, the physical plan of the TER Network is already in place. However, the infrastructure standards are far below those indicated in the AGC and AGTC Agreements.

The objectives in this field are therefore, firstly the implementation of the TER standards (medium term) and the upgrading of the existing infrastructure to the level determined in the AGC and AGTC Agreements as the final target. As regards related combined transport installations, the objective is to upgrade existing, to develop new ones and to provide all of them with appropriate equipment.

B) Modernization of transport equipment

In many cases transport equipment (rolling stock, motive power, signalling and telecommunications equipment, etc.) is not suitable for today's requirements. The objective is therefore to progressively replace it by new harmonized equipment – or at least mutually compatible with the equipment adopted in different countries. In this context, new solutions (Joint Ventures, Leasing, etc.) should be also considered.

C) Adaptation of organization to market oriented management

Railways no longer have the dominant position they had in the past. In market economies, road transport has succeeded in providing better door-to-door services and just-in-time deliveries, required by customers today, and its share of the transport market has become much more important than the one of rail transport. In Central and Eastern European countries, as a consequence of a fundamentally different approach, railways were able to keep for decades the strongest position with regard to other modes. However, recent developments in those countries and the adoption of market principles led to a strong and fast development of road transport. Already, as a consequence of both this development and the recession, which has followed the initiation of a transition period, rail traffic has sharply decreased. If this situation continues, governments might soon face very serious problems.

The final objective is therefore to provide railway companies with a modern, efficient market-oriented organization and management, which are able to ensure a smooth transition to a new optimal and sustainable equilibrium of transport modes in the transport sector in Central and Eastern Europe. In particular, increased attention should be paid to international combined transport. Advantages of road in terminal transport should be combined with the environmental and safety advantages of rail on main transport routes in order to provide efficient international combined transport services. The rail part of the service still has to be efficient and of the appropriate quality. Border crossing procedures will have to be simplified. Railway companies will have to adopt a commercial orientation. In order to achieve this objective, management will have to be trained accordingly. The implementation of the provisions from the latest EU Directives in this regard should also be considered.

III. PRIORITY ACTIONS

1. Starting from the actual state of the TER Network, elaboration of short-term measures
 - To identify railway axes to be upgraded, main infrastructure bottlenecks to be removed and urgent needs for equipment,
 - To determine organizational measures to be taken particularly for facilitation of border crossings, development of combined transport and improvement of commercial services in general.
2. Consideration of existing pre-feasibility studies, proposing elaboration of new ones including traffic forecast and cost/benefit analyses.
3. Assessment of the required investments, proposing their priorities.

IV. REGULAR ACTIVITIES

1. Infrastructure development

- Establishment and upgrading of the TER Network, including west - east connections, taking also into consideration in this Agreement defined TER Standards and other related developments too;
- Identification of major bottlenecks and missing links as well as the related infrastructural works to be undertaken, including at border points. Establishment of priorities;
- Elaboration of pre-feasibility and feasibility studies;

- Schedule for planning, design and construction;
- Financing.

2. Development of combined transport

- Collection of data on traffic flows by all modes. Identification of major international road transport flows through, from and to the TER Network;

- Studies on the establishment of alternative combined transport solutions on, from and to the TER Network;
- Identification of obstacles to the development of international combined transport, including deficiencies in transfer terminals, special wagons, containers and swap bodies, etc.;
- Proposals for eliminating those obstacles;
- Identification of possible measures to be taken by the TER member countries in order to approach the steps taken in the EU in the field of railway freight transportation;
- Prioritization of proposals on a cost/benefit analysis basis;
- Financing;
- Consideration of possibilities for development of combined transport of dangerous goods.

3. Training

Seminars and workshops on marketing oriented management and other commercial issues, use of computers in railways, CAD systems, etc., transfer of know-how and documentation on new technologies or available equipment.

4. Improvement of railways efficiency

- Identification of major obstacles (other than infrastructure related) to rail transport efficiency, including obsolescence or incompatibility of rolling stock, motive power and signalling and telecommunications equipment, delays in border crossings, inadequacy of international rail transport regulations, etc. in the TER countries;
- Proposals for the elimination of those obstacles;
- Prioritization on a cost/benefit analysis basis;
- Financing.

5. Establishment of a multimodal data bank

- Data on traffic flows and forecasts (intermodal approach);
- Technical and operational parameters, rolling stock, etc.;
- Data on border stations;
- Data on train-ferry connections.

V. TER BUDGET

To cover expenditures required for the execution of the activities presented in the programme of work, annual budgets shall be established by the Steering Committee on the basis of:

1. Resources

- a) Contributions in-kind and in-cash from member countries;

- b) Contributions in-cash or in-kind from other international organizations, national and/or private bodies and non-member countries.

The participating countries will provide as in-kind contribution to cover all costs for carrying out all tasks, emerging from the Work Plan as a part of the Project's national activities (e.g. data supplying, analysing, providing studies, experts).

2. Expenditures

The main lines of expenditures for project co-ordination are listed on the budget page.

The participating countries will continue to pay local salaries, social security contributions and other emoluments of national staff both working within each country for the Project and when such staff is delegated to participate in meetings, courses, etc. Special study items included in the programme of work and allocated to certain countries will be financed through the project budget.

VI. LOCATION OF PROJECT CENTRAL OFFICE

The TER Project Central Office is located in Bratislava, Slovakia.

VII. EXECUTING AGENCY

The UN/ECE shall be invited to continue as the Executing Agency of the Project.