

UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE



TRANS EUROPEAN RAILWAY (TER)
PROJECT CENTRAL OFFICE

**Annexes to the Trust Fund Agreement
for the cycle 2006-2010**

TRANS EUROPEAN RAILWAY (TER)

**CO-OPERATION TRUST FUND AGREEMENT
Implementing arrangements attached to the Agreement**

Attachment

Part 1

PROGRAMME OF WORK FOR 2006-2010

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

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Part 1

Programme of Work for 2006-2010

In accordance with the recommendations of the Ad Hoc Working Group of Experts on future TER activities (15-17 July 1996, Budapest), as well as the relevant sessions of the TER Steering Committees that followed thereafter, and in compliance with the objectives of the TER Co-operation Trust Fund Agreement, the Programme of Work for 2006-2010 has been agreed upon. It provides the necessary framework for developing concrete activities by the PCO and the member countries in order to achieve a step forward in the general development of the TER organisation under the following topics:

1. Follow up of the TER Master Plan and the implementation of its conclusions and recommendations to the view of its updating by 2008.
 - Monitoring concerted actions of TER member countries and their immediate neighbours involved in the implementation of the TER Master Plan;
 - Follow up the conclusions and recommendations of the TER Master Plan;
 - Complete updating by 2008 of the investment strategy that was elaborated under the present TER Master Plan;

2. Development and modernisation of the rail and combined transport infrastructure:
 - Updating of the TER Network;
 - Implementation of studies on TER line sections;
 - Optimisation of TER co-operative activities;
 - Evaluation of bottlenecks and measures for their elimination;
 - Organisation of seminars and training courses;
 - Co-operation of PCO and the member countries with other international fora for implementing infrastructure and financial planning in railway and combined transport;
 - Development of relations between PCO and the member countries with private companies for obtaining financial inputs to the Trust Fund;
 - Assistance of PCO towards participation at various conferences, seminars, etc. organised by governmental or non-governmental institutions

3. Development and utilisation of the TER database:
 - Monitoring the implementation of TER Standards and the up-dating of existing infrastructure of the TER Network to the level determined in the AGC and AGTC;

- Publish periodical Status Report on the conformity to the TER Network with the TER Standards and to those of the AGC and AGTC;
- Implementation of studies or participation of PCO in research schemes in carrying out studies on the TER lines by using the data collected and in co-operation with the member countries;
- Continuing of maintenance, processing and updating of TER database;
- Co-operation of PCO with other international institutions in charge with data collection.

4. Improving railway operation, organisation and management:

- Stimulation of new studies for improving services along selected corridors: analysis, conclusions and proposals;
- Assessment of the restructuring measures taken by the railway companies;
- Assessment of the implementation of “TER technical standards and operational parameters”, of the AGC and AGTC standards;
- Promotion of studies for developing combined transport in the member countries and establishment of relations with combined transport operators;
- Organisation of action in line with market-oriented management, of the railway companies;
- Assessment of the measures for the implementation of new services (Freight Freeways), joint ventures or/and international groupings;
- Assessment of the measures adopted by the TER countries in line with environmental friendly transportation;
- Assessment of the measures adopted by the TER countries in line for assuring access right to the national transport infrastructure.

5. Supporting harmonisation of railway technique and technology, sharing of best practices and transferring of know-how among TER member countries:

- Organisation of workshops, seminars for the transfer of know-how and new technologies;
- Co-operation with other institutions for the modernisation of track maintenance, signalling and telecommunications, use of information technology, etc.

6. Development of Euro-Asian Transport Links

- Support in the development of the railway and combined transport Euro-Asian Links
- Contribution to the integration of efforts of the Central Asian and Caucasus countries with that of the other TER member countries in the field of rail and combined transport;
- Assistance of concerted actions and initiatives of Central Asian and Caucasus countries for the modernization of their rail and combined transport systems on the basis of the TER Project experiences.

**TRANS EUROPEAN RAILWAY (TER)
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	OBJECTIVE		ACTIVITY		OUTPUT
1.	Follow-up of the TER Master Plan	1.1	Implementation of conclusions and recommendations of the TER Master Plan	1.1.1.	Monitoring actions of TER member countries and their immediate neighbours involved in the implementation of TER Master Plan.
				1.1.2.	Follow-up of the conclusions and recommendations of TER Master Plan including shape of back bone network in 2010, 2015, 2020.
				1.1.3.	Complete update by 2008 of the investment strategy that was elaborated under the TER Master Plan
2.	Development of the TER network (rail and combined transport)	2.1.	Permanent updating of the Trust Fund Agreement	2.1.1.	Updated Trust Fund Agreement with Attachment and Annexes
		2.2	Optimization of co-operative activities inside TER and of the co-operation with EU and other relevant bodies.	2.2.1.	Improvement of the system for co-ordination of TER activities inside TER and outside this organisation particularly in fields of interest to the member countries.
		2.3	Harmonization of railway policy of the member countries with the Directives of EU	2.3.1.	Assessment of present situation and proposals of measures required for further on harmonization of rail transport legislation in accordance with EU policy.

	OBJECTIVE		ACTIVITY		OUTPUT
		2.4.	Review of the TER Network	2.4.1.	<ul style="list-style-type: none"> - TER Network updated on the basis of TER Master Plan, new developments or new countries joining TER. - Inventory of Governments' plans and programmes as well as feasibility or preinvestment studies aimed at the upgrading of the TER lines or new TER links. - Promotion of studies for the development of transport on new railway links or lines in the TER region. - Promotion of studies on the possible rehabilitation of the existing lines in the region including lines with European gauge through Ukraine. - Traffic forecast on the TER lines. - Reports on developments on TER Network.
		2.5.	Implementation of projects identified within TER Master Plan	2.5.1.	Periodical assessment of the stage of implementation of projects recommended by TER Master Plan study.
		2.6.	TER bottlenecks including border crossing facilitation	2.6.1.	Evaluation and exchange of views regarding the pre-feasibility studies on bottlenecks elaborated based on commonly accepted criteria as well as progress achieved in border facilitation.
				2.6.2.	Improvement and elimination of bottlenecks through appropriate joint action and assessment of national implementation of international relevant legal instruments and development of the co-operation with relevant European bodies.

	OBJECTIVE		ACTIVITY		OUTPUT
		2.7.	Intermodal transport and logistics	2.6.3.	<p>2.6.3. Organisation of training courses with experts from the MOT, Railway, Ministry of Finance – Customs Division and Ministry of Interior Border Police for exchange of experience in facilitation of border control procedures in line with the international regulations.</p> <p>2.7.1. Assessment of progress made in developing intermodal transport, construction of freight villages platforms, terminals for combined transport, etc.</p> <p>2.7.2. Assistance in the adoption of adequate legislation for promoting intermodal transport and development of Freight Village projects.</p>
		2.8.	Participation at meetings, conferences, etc.	2.8.1	<p>2.8.1 Report of the PCO after attending appropriate international meetings.</p> <p>2.8.2. Executing Agency will prepare information on contacts with non-member countries in order to increase TER membership or with other international organisations for promoting closer co-operation to the interest of TER countries.</p>
		2.9.	Seminars, Workshops and Training Courses	2.9.1.	<p>2.9.1. Organisation of meetings of Railway Managers and Seminars, Workshops etc.; assistance for the participation of TER countries at various conferences; organisation of training courses on relevant issues of interest to EU and non EU member states of TER</p>

	OBJECTIVE		ACTIVITY		OUTPUT
3.	Development and utilization of the railway databank.	3.1.	Improvement of the system for common utilization of the databank.	3.1.1.	Updating the data collected and usage of existing data by the member countries inputting into the databank.
		3.2.	Maintenance, processing and updating of TER data.	3.2.1.	Utilization of the Geographic Information System (GIS) in TER PCO reports including via services provided by specialised consultants. The maps and processed updated data received from the countries will be provided by the TER PCO to each member country for its respective network and territory. TER PCO will improve the system of providing maps to the member countries with aggregate maps and processed data for the entire network, under specific conditions to be decided by the TER National Co-ordinators on relevant suggestions of the TER Database Experts Group which will be revitalised.
				3.2.2.	Availability of processed data according to the requirements of member countries
		3.3.	Co-operation of PCO with other bodies in charge with data collection	3.3.1.	Development of co-operation of PCO with other international institutions in charge with data collection.
4.	Improving railway economic and financial situation and management matters.	4.1.	Assessment of needs for improving services along selected corridors according to European standards.	4.1.1.	Studies for the development of traffic on selected corridors and links.
				4.1.2.	Assessment of the necessary economic and legal conditions for the implementation of new railway services (freeways, joint ventures, etc) or harmonization of national policy in line with EU legislation or international agreements.

	OBJECTIVE		ACTIVITY		OUTPUT
		4.2.	Assessment of technical basis along TER lines.	4.2.1.	Report on required modernization of technical basis of TER lines (stations, tracks, etc.).
				4.2.2.	Organisation of meetings for exchange of information on the experience of other European countries.
		4.3.	Economic and financial railway operation and management in line with European standards.	4.3.1.	Assessment report on measures adopted by the Railway Administrations in line with the EU Directives or harmonization of legislation with EU railway policy.
		4.4.	Operating M.I.S. (Management Information System) and improving Transport infrastructure planning	4.4.1.	Evaluations report on the present situation on operating M.I.S. in the TER countries for follow-up action.
		4.5.	Combined Transport	4.5.1.	Identification of all kind of obstacles to the development of International Combined Transport and assessment of proposal for their removal in accordance with EU regulations.
		4.6.	Restructuring of Railways according to the new European standards	4.6.1.	Progress report on the implementation of Restructuring of Railways in the TER Countries.
		4.7.	Management and financing infrastructure projects	4.7.1.	Exchange of experience and transfer of know-how in management of railway projects with external consultants' support.
		4.8.	Improvement of business plan	4.8.1.	Assessment of preparation of business plan in the railway administration of member countries.

	OBJECTIVE		ACTIVITY		OUTPUT
5.	Supporting harmonization of railway technique and technology	5.1.	Rolling Stock	5.1.1.	Organization of meetings, workshops and visits of relevant industries and manufacturers of railway equipment for transfer of know-how and documentation.
				5.1.2.	Evaluation and exchange of views regarding new developments in the field of manufacturing, purchasing and maintenance of rolling stock.
		5.2.	Railway technology	5.2.1.	Assessment report on manufacturing new technologies in the TER Countries; preparation of proposals for the transfer of know-how from various non-member countries to TER countries.
				5.2.2.	Organization of Round Tables on Track Maintenance and Civil Engineering.
		5.3.	Electrification, signaling, telecommunication, use of information technology	5.3.1.	Proposals for supporting implementation of projects in these fields with external expertise including promotion of ETCS projects.
		5.4.	Exchange of information for enabling new services	5.4.1.	Identification of administrative or technical obstacles for the implementation of new rail services.
		5.5.	Exchanging of information of Productivity in Rail Transport	5.5.1.	Exchange of information on the Productivity in Rail transport in the TER Countries.
		5.6.	Environmental aspects related to rail transport.	5.6.1.	Report on measures adopted in the TER countries reflecting the progress in achieving the environmental friendliness of rail transport.

	OBJECTIVE		ACTIVITY		OUTPUT
		5.7.	Railway security and safety rules	5.7.1.	Transfer of know-how and information on this issue and experience in implementing measures in line with this objective developed in other European countries.
		5.8.	Implementation of interoperability concept in accordance with EU policy	5.8.1.	Exchange of information on the implementation of interoperability task in the countries in accordance with EU latest directives and regulations.
6.	Development of Euro-Asian Transport Links	6.1.	Support in the development of railway and combined transport Euro-Asian links	6.1.1.	Contribution to the integration of efforts of the Central Asian and Caucasus countries with that of the other TER member countries in the field of railway and combined transport.
				6.1.2.	Assistance of concerted actions and initiative of Central Asian and Caucasus countries for the modernisation of their rail and combined transport systems on the basis of TER Project experiences.

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CO-OPERATION TRUST FUND AGREEMENT

Attachment

Part 3

**FRAMEWORK WITH ANNEXES
FOR 2006-2010 (Inclusive)**

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

**Attachment
Part 3**

TRANS-EUROPEAN RAILWAY (TER) CO-OPERATION AGREEMENT
FRAMEWORK FOR 2006-2010

The Governments of 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, as well as the EU policy developed in the railway transport particularly with regard to the member countries of EU or joining soon the EU and the need for implementing this policy,

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 intra European orientation of transport demand which is likely to be derived from the profound changes which have occurred in Central and Eastern European countries,

Agree to co-operate in the endeavour to implement, within the framework of the AGC and AGTC Agreement as well as other European documents, of 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: 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 Network includes, not only the north-south corridor, but also west – east lines which have been added to take into account new developments and integration processes in the region.

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 assist the member countries in developing a coherent efficient rail and combined transport system among Central and Eastern European countries and between those countries and other European countries, in implementing the EU policy in this field in the new EU member states or in accession, in providing an adequate framework for implementing the results of the TER Master Plan and promoting new links for a more efficient and financial competitive mode of transport the by co-ordinated efforts of all countries situated in this region.

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 what exists, to develop new ones and to provide all of them with appropriate equipment.

Implementation of investment projects identified as a result of the TER Master Plan is one of the priority objectives. Follow-up of this activity should enable TER countries to modernise to higher standards the railway infrastructure.

B. Modernization of transport equipment

Transport equipment (rolling stock, motive power, signalling and telecommunications equipment, etc.) is in many cases not apt for today's performances. The objective is therefore to progressively replace it by new equipment according to a necessary harmonization – at least at the level of compatibility – of the equipment adopted by the different countries. Transfer of know-how and technical documentation via seminars or workshops for providing new solutions (Joint Ventures, Leasing, etc.) should also be 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 in economies will lead 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 goes on, governments might soon face very serious problems.

The final objective is therefore to assist the railway companies in implementing a modern, efficient market-oriented organization and management, which would ensure a smooth transition to a new equilibrium of modes in the transport sector in Central and Eastern European countries. 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 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 according to new European or international standards. Railway companies will have to continue to improve commercial orientation. In order to achieve this objective, management will have to be trained accordingly. The implementation of the EU Directives should also be considered as a major task.

III. PRIORITY ACTIONS

1. Starting from the actual state of the TER Network, elaboration of short-term measures
 - To implement projects identified in the TER Master Plan,
 - To identify new links or railway axes to be upgraded, as well as the main infrastructure bottlenecks to be removed and urgent needs for equipment and rolling stock to be met,
 - To determine organizational measures to be taken particularly for facilitation of border crossings, development of combined transport and freight village projects 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 new investments required or their financing, proposing their priorities.
4. Implementation of projects identified as a result of TER Master Plan.

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 developments related there-to agreed on European scale;
- Elimination of major bottlenecks and missing links as well as the related infrastructural works to be undertaken, including at border points identified as a result of the elaboration of TER Master Plan. Establishment of priorities;
- Elaboration of new pre-feasibility and feasibility studies;
- Schedule for planning, design and construction of railway works;
- Financing of railway projects.

2. Development of combined transport

- Collection of data on traffic flows, 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, transfer of know-how and documentation on new technologies or equipment available.

4. Improvement of railways efficiency and interoperability

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

5. Development 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-operation 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, Slovak Republic.

VII. EXECUTING AGENCY

The UNECE shall be invited to continue as the Executing Agency of the Project.

VIII. ANNEXES

The following annexes constitute an integral part of the Attachment, part 3 and include the following:

- | | |
|-------------------|---|
| Annex I | - TER Network (List of TER Lines, Map of the TER Network and TER Parameters) |
| Annex II | - Steering Committee (SC) |
| Annex III | - Group of National Co-ordinators (TERNC) |
| Annex IV | - National Co-ordinators (NC) |
| Annex V | - Project Central Office (TERCO) |
| Annex VI | - Budget |
| Annex VII | - Letter of Agreement signed between ECE and the Host Government of the Project Central Office ¹ |
| Annex VIII | - Type-letter of Agreement to be signed between ECE and the Government of the Project Manager or other Project Central Office staff |

¹ The Letter of Agreement between the ECE and the Host Government of the PCO will be superseded and replaced once a new agreement has been concluded between the UNECE and the Government of the Slovak Republic.