

ANNEX B – THE DEFINED ‘CORE NETWORK’ AND PLANNED EXTENSIONS

205. The European Union has supported a number of analytical efforts to define regional transportation infrastructure needs. These include:

- The Trans-European Transport Network (TEN-T) for the European Union;
- The Transport Infrastructure Needs Assessment (TINA) network for the eleven 1996 accession countries; and
- For Western Balkans countries, the strategic network of the Transport and Energy Infrastructure for South Europe strategy paper, which was further refined into the core network by the Transport Infrastructure Regional Study (TIRS) and the Regional Balkans Infrastructure Study (REBIS).

These studies for the Western Balkans region identify broad transport corridors, and outline principles for appropriate investment in those corridors, based on traffic demand and economic return. At times, however, the transport corridors identified in the European studies become mixed with the desire to have “European standard” infrastructure immediately. This results in demand for infrastructure investment that has poor economic returns and is unrealistic in amount, given fiscal conditions. A careful review of the studies defining the European Corridors demonstrates that they would not support such investment.

BACKGROUND

206. The European Union undertook an extensive planning exercise in the 1990s to define a European transport network serving the entire continent. Three Pan-European Transport conferences took place—in Prague in 1991, at which the corridor concept was defined; in Crete in 1994, where the alignments of nine long-distance transport corridors were identified; and in Helsinki in June 1997, at which a tenth corridor and the Pan-European Transport Areas (PETrAs) covering maritime areas¹⁰¹ were added. In addition, the overall design of the Trans-European Transport Network (TEN-T) of the European Union, as well as its extension to the applicant Central and Eastern European countries was confirmed. In parallel, in July 1996, the EU adopted Guidelines for the development of the Trans-European Transport Network¹⁰². The

¹⁰¹ Black Sea, Mediterranean, Adriatic/Ionian Sea and Barents/Arctic Area.

¹⁰² EU, 1996. *Decision No 1692/96/EC of the European Parliament and of the Council on Community Guidelines for the development of the trans-European transport network*. Brussels: 23 July 1996.

document contained outline plans for the land transport networks and criteria for network nodes such as airports or seaports.

207. In 1996, in preparation for the Eastern enlargement of the European Union, the European Commission launched the Transport Infrastructure Needs Assessment (TINA) to guide and oversee the development of an integrated multi-modal transport network in the eleven Central and Eastern European countries that were applicants for EU membership at that time—Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and Cyprus. The TINA exercise was intended to design an extension of the TEN-T network (existing in the EU) on the territory of the candidate countries,¹⁰³ creating a coherent transport network in Europe, to ultimately “increase the efficiency of the Single Market and maximize the potential of European trade”¹⁰⁴.

208. The TINA network development was to take into account relevant work of the United Nations Economic Commission for Europe (UNECE), (Working Party on Transport Trends and Economics, WP 5) and previous analytical work of the European Commission services, while complying with the principles, objectives and criteria set out in the EU Guidelines¹⁰⁵ for the development of the trans-European transport network.

209. An important element of the TINA methodology¹⁰⁶ was that any identified investment, for either existing or new infrastructure, had to be compliant with UNECE recommendations (WP 5), while “*relating technical standards and features of infrastructure with capacities and expected traffic on the network*”. Potential investments should concern “upgrading or construction of entire or part of network components, of which the standards of the existing infrastructure do not comply with the needs”. The cost of the network had to be consistent with realistic forecasts of financial resources, so that average costs would not exceed 1.5 percent of each country's annual GDP over the period up to 2015.

210. As the EC launched the TINA process, a Group of Senior Officials (the TINA Senior Officials Group) was established with representatives from all Member States and the 11 applicant countries, and three regional subgroups—Baltic Sea area, Central European area and Southern Central European area. A secretariat (the TINA Secretariat) was set up as a technical support unit in Vienna.

¹⁰³ The Structured Dialogue between the Transport Council of the EU and the Transport Ministers of the associated countries recommended, in September 1995, undertaking a Transport Infrastructure Needs Assessment (TINA) for the candidate countries for accession. On the basis of this recommendation, the Commission launched the TINA process, with a view to defining the future Trans-European Transport Infrastructure Network in the enlarged European Union, using the criteria of Decision 1692/96/EC.

¹⁰⁴ European Commission, 1998. *Transport network for the applicant countries of the European Union begins to take shape*. Press release. Brussels: 24 June 1998. IP/98/565.

¹⁰⁵ EU, 1996. *op. cit.*

¹⁰⁶ Available for download from: <http://www.tinavienna.at/tinasecretariat/methdly.html>.

211. The TINA exercise was completed in October 1999 with a network proposal of 20,290 km of railway lines, 18,030 km of roads, 38 airports, 13 sea ports and 49 river ports on the territories of Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. The TINA network was a continuation of the alignments of the TEN-T network within the European Union. The Report sets the time horizon for the completion of TINA at 2015. The total estimated costs amounted to around US\$ 110 billion (Euro 97 billion) (over US\$44 billion for rail).

212. The TINA exercise went through two main stages. First a differential modal design was adopted for the ten multimodal Pan-European transport corridors on the territory of the TINA countries. The European Commission proposed these as a starting point for the TINA process, e.g., a “backbone network” Later, additional network components were defined where appropriate to complete a coherent network.

213. The TINA network was drawn in line with the conclusions of the PHARE study “*Traffic Forecast on the ten Pan-European Transport Corridors of Helsinki*”¹⁰⁷, which was completed in July 1999, and which had been launched by the European Commission to inform work on TINA. The TINA cost estimates for investment measures were done on the basis of own estimates of the TINA countries, and estimates (unit cost estimates for segments of the network) in a project “*Updating of Transport Unit Costs in Acceding Countries*” financed under PHARE in 1995¹⁰⁸.

214. The completion of the TINA process engendered recognition that further planning was necessary to integrate the five countries of Southeast Europe – Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro – with the European transport network. The concept of the ‘Core Network’ for transport infrastructure in the five countries was originally proposed by the European Commission in its Strategy Paper “*Transport and Energy Infrastructure for South Eastern Europe*”¹⁰⁹, published in October 2001.

215. The ‘Core Network’ was further clarified and elaborated by the TIRS (Transport Infrastructure Regional Study) commissioned by the ECMT with EU support in 2002, and the REBIS (Regional Balkans Infrastructure Study – Transport) study, which was funded by the EU in 2003. A further exchange of views on the network took place at the three High Level Meetings on Regional Transport in South East Europe held, under the auspices of the Infrastructure Steering Group (ISG), in 2003.¹¹⁰ The definitive network was agreed at the Third High Level Meeting in Paris,

¹⁰⁷ NEA *et al* (1999), pp. 67-69.

¹⁰⁸ COWI Consult, 1995. *Updating of Transport Unit Costs in Acceding Countries*. (An overview is provided in the TINA report, pp. 60-62).

¹⁰⁹ European Commission, 2001. *Transport and Energy Infrastructure for South Eastern Europe*. Brussels: October 2001. Available from: http://europa.eu.int/comm/ten/infrastructure/doc/tren_se_en.pdf.

¹¹⁰ The three high level meetings were hosted respectively by the European Investment Bank (Luxembourg, February 2003), the European Bank for Reconstruction and Development (London, June 2003) and the World Bank (Paris, October 2003).

hosted by the World Bank, in October 2003. The identification of the network's final physical size was carried out in cooperation with the countries concerned. The methodology used in the definition of the network was similar to that applied to the candidate countries of Central and Eastern Europe within the TINA framework.

THE GENESIS OF THE CORE NETWORK

216. The European Commission's Strategy Paper "Transport and Energy Infrastructure for South Eastern Europe" provided guiding principles for the definition of the SEE strategic transport network. They include:

- Consisting of multimodal links and their nodes, at which efficient interchange of goods and passengers between transport modes can be accomplished; connections with the network within the region and with the TEN-T and TINA corridors are considered part of the network;
- Priority is given to the use of existing infrastructure, by repairing and rehabilitating it; upgrading or new infrastructure components should be kept to a minimum;
- The network design uses the principles of the EU transport policy in aspects such as the development of competition and co-operation between transport modes and privileging those modes of transport which pollute less over those which pollute more; and
- An investment program for the execution of the transport infrastructure plan must be based on the economic viability of projects; the density of the network must reflect the financial strength and capacity for implementing large projects in the countries concerned.

217. Criteria for the selection of network sections are:

- The network definition should take account of the infrastructure planning of the UNECE European agreements to which South East Europe countries have agreed, as well as of the declarations of the Pan-European transport conference of Helsinki in 1997, including the relevant sections of corridors IV, V, VII, VIII and X in the backbone network;
- The network should interconnect all capitals within the region, while also linking them to the capitals of the neighboring countries; in addition, the network should include connections to and with cities of major regional importance (Banja Luka, Nis, Novi Sad, Podgorica and Pristina);
- The network should concentrate accessibility to only a few Adriatic ports, with the aim of supporting short sea shipping, which requires the convergence of substantial traffic flows. These ports should be adequately linked to the land transport network and equipped for combined transport; and
- The network should concentrate air transport development in a few international airports in the region able to guarantee sufficient services.

Adequate land accesses should be provided to ensure sufficient accessibility to air transport services to the whole region.

- The regional air traffic control system should be upgraded, according to the “Air Traffic Infrastructure Regional Study”, to cope with increasing traffic at regional and international levels.

218. Criteria for the selection of projects are:

- Application of Trans European Motorways (TEM) and Trans European Railways (TER) technical minimum standards and EU *acquis communautaire* for the quality of network components;
- Technical quality of the transport infrastructure asset must correspond to the expected traffic in the next decade¹¹¹; and
- The technical standards and the quality of transport infrastructure assets should correspond to the expected traffic and ensure adequate socio-economic rates of return to prevent a misallocation of scarce economic resources. Feasibility studies must also ensure interoperability conditions in all modes: railways (electrification, signaling, etc.); roads (axle loads, signing); inland waterways (clearance, draught) and aviation (ATC systems).

219. With respect to railways, in particular, the EC Strategy Paper concludes that “to a large extent the SEE railway system is a patchwork” and does not form “a real network.” It notes that traffic is comparatively low and a minimum capacity would be sufficient for lines with less than 20 trains per day, while double-track electrified lines permitting speeds up to 160km/h are only required for those lines on which more than 100 trains per day can be expected. The EC Strategy Paper intended to provide “a common ground for the development of a multimodal transport infrastructure network”¹¹² as a follow-up step.

220. The follow-up came with the Transport Infrastructure Regional Study (TIRS), covering Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Serbia and Montenegro, and Romania which was completed in March 2002. The TIRS reviewed the SEE governments’¹¹³ plans for establishing the basic regional infrastructure network. It offered a first technical elaboration of a long term development plan for the Core Network, with recommendations on the nature of investments in the various sectors (e.g., rehabilitation rather than development investments, sustainable funding of maintenance, and sector reform issues).

221. The TIRS also provided a multi-criteria assessment of existing transport projects, a priority ranking of these projects, and a short/near/long term investment

¹¹¹ European Commission, 2001. *op. cit.*, p.10.

¹¹² European Commission, 2001. *op. cit.*, p.5.

¹¹³ The TIRS encompassed seven countries – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Yugoslavia, Macedonia, and Romania (e.g., also two EU candidate states).

plan for the region. The study estimated that over the period 2000-2015 rail traffic will remain broadly steady. Current traffic is mostly primary commodities and inputs/outputs of heavy industrial sectors. These industries are undergoing restructuring, retrenchment and in some cases reinvestment. Increasing per capita income in the region is likely to contribute to increased motorization and a shift in market share from rail to road. The study was funded by Agence Française de Développement (AFD).

222. The Regional Balkans Infrastructure Study - Transport (REBIS), encompassing Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro (including, Kosovo under international administration as per UN Resolution 1244 of June 10, 1999) was completed in July 2003, was conceived as a “continuation and deepening of the TIRS”, (according to the interpretation of the ISG¹¹⁴). It aimed to assist the SEE countries in developing coherent strategies for transport infrastructure development and the identification of priority investment in transport infrastructure. According to the REBIS study, over the period 2001-2025 rail traffic in the region will increase by 60-140 percent. It estimated a total of US\$14 billion for upgrading the railway network to a level compatible with forecasted traffic by 2015.

223. The “core network” proposed by REBIS includes the Pan-European Corridors in the region (the “backbone” of the core network), adding to these the interconnections between the five capitals of the region and the cities of Banja Luka, Podgorica and Pristina. It also links these with the capitals of the neighboring countries and provides connections with the Adriatic ports of Rijeka, Split, Dubrovnik, Ploce, Bar, Durres, Vlore. The study was funded by the European Commission under its CARDS program (Community Assistance for Reconstruction, Development and Stabilization), and prepared by a consortium of consultants.

224. To accelerate the implementation of priority investments for the period 2004-2009, a Transport Projects Preparation Facility (TPPF) was launched by the European Commission in October 2003. It is funded under the EC CARDS program and supported project preparation work for EBRD/EIB/World Bank funded activities in the transport sector in SEE. The total value of the investments which were assisted by the instrument is estimated at approximately US\$440 million. The total budget of the TPPF was US\$3.3 million.

225. A Memorandum of Understanding (MoU) on the development of the South East Europe Core Regional Transport Network, was signed on June 11, 2004¹¹⁵ in Luxembourg. The MoU defined in broad but clear terms the alignments of the

¹¹⁴ ISG Report, “*Developing Regional Infrastructure Strategic Approach and Implementation of Projects*”, A Note by the Secretariat of the Infrastructure Steering Group, May 24, 2003.) Stability Pact Regional Table, Thessaloniki December 16, 2002.

¹¹⁵ Signatories are: the European Commission, the Governments of Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia and Serbia and Montenegro, and UNMIK for Kosovo under international administration according to UN Resolution 1244.

network and the fields in which cooperation will be carried out. It also envisaged the establishment of a regional mechanism for coordination – a Regional Steering Committee (RSC), composed of junior Ministers or senior civil servants from the signatory countries and the European Commission, with the task of stimulating and monitoring the action needed to implement the goals of the MoU in practice, and of reporting back to the ministers at their regular meetings. The RSC will be composed of members who are well-anchored in their national administrations and able to ensure that the Core Network is fully integrated in the national transport plan and the infrastructure budget of their countries.

226. The Core Network, as defined in the MoU, comprises 4,300 km of railway lines and 6,000 km of roads, connecting all capitals and cities of regional importance among themselves and with the capitals of neighboring countries through the Pan-European transport corridors IV, V, VIII and X and other links. The Core Network includes 58 cross border points (road and rail) between the SEE countries themselves and between them and their other European neighbors.

227. The MoU also provides for the establishment of a South East Europe Transport Observatory (SEETO), headquartered in Belgrade. One of its most important functions is foreseen to be collection of data, preparation of annual and multi-annual work plans for the implementation of the projects defined in the REBIS Study (Core Network), and coordination with the existing task forces or transport observatories on specific transport corridors. SEETO will be equipped with an Information Technology system connecting the Transport Ministries of the participating countries. In addition, the SEETO is to assist the RSC—also established by the MoU—to supervise and promote the implementation of the Core Network. The implementation progress of the SEETO was presented at the Fourth High Level Meeting, held on October 25-26, 2004 in Paris. If not fully operational at this stage, it is already legally established in Belgrade (as of September 27, 2004), with a total budget of EUR 1 820 000, provided under a contract with the European Commission, for an initial period of three years, until December 31, 2007.

228. In January 2003, High-Level Group was appointed to revise the alignments of the major Pan-European Transport Corridors covering the territory of the enlarged EU and Bulgaria and Romania by concentrating investment priorities on a more limited backbone network¹¹⁶. A further High-Level Group II was established with a similar purpose in 2004, following a ministerial seminar on Wider Europe for Transport in Santiago de Compostela on 7-8 June 2004. Its task is to identify priority projects on the major transnational transport axes connecting the EU with its neighbors, while also analyzing some horizontal issues such as intermodality and interoperability. The EC has recently commissioned a study – “*Status report of the*

¹¹⁶ European Commission, 2003. *Transport infrastructure: High-Level Group chaired by Karel Van Miert to identify the priority projects for the trans-European network in the enlarged Union*. Press Release. Brussels: 10 January 2003. IP/03/26.

Pan-European transport corridors and areas”, to cover the period 1994-2003. This study should be completed in August, 2005¹¹⁷.

¹¹⁷ Contract notice was published June 2004 and is available for download from:
[http://ted.publications.eu.int/official/Exec?DataFlow=call_one_detail.dfl&Template=TED/result_one_detail.xls&TableName=TED_EN&TocQuery=ND:"101640%202004"&Lang=EN&StatLang=EN](http://ted.publications.eu.int/official/Exec?DataFlow=call_one_detail.dfl&Template=TED/result_one_detail.xls&TableName=TED_EN&TocQuery=ND:).