



Railway Reform in the Western Balkans

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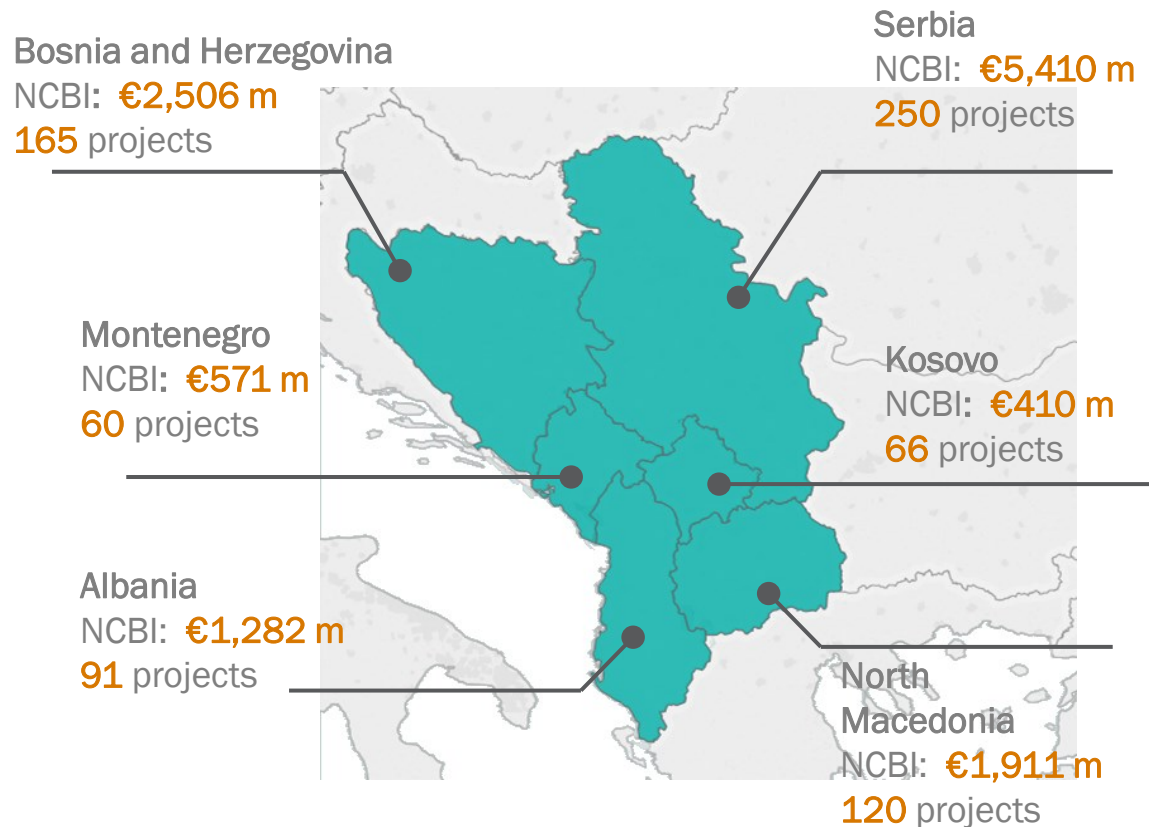


European Bank
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- EBRD in the Western Balkans
- EBRD's investments in infrastructure
- Railway sector reform principles
- EBRD's role in railway sector reform
- Contacts

EBRD in the Western Balkans

- EBRD is one of the key financiers in the Western Balkans
- Net Cumulative Bank investment (NCBI) **€12.09 billion** (31 August 2019)
- Total Number of Projects: **752**

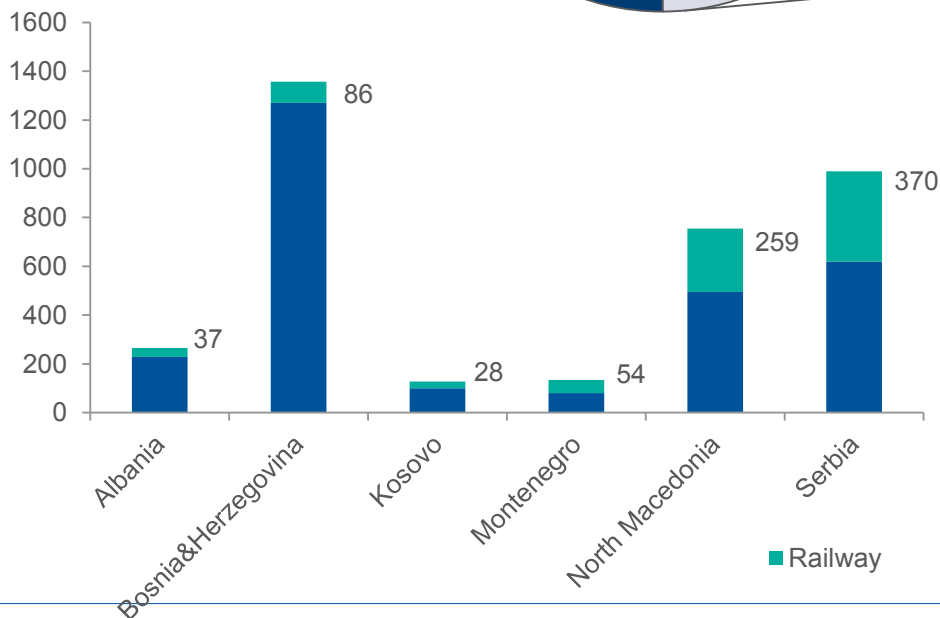
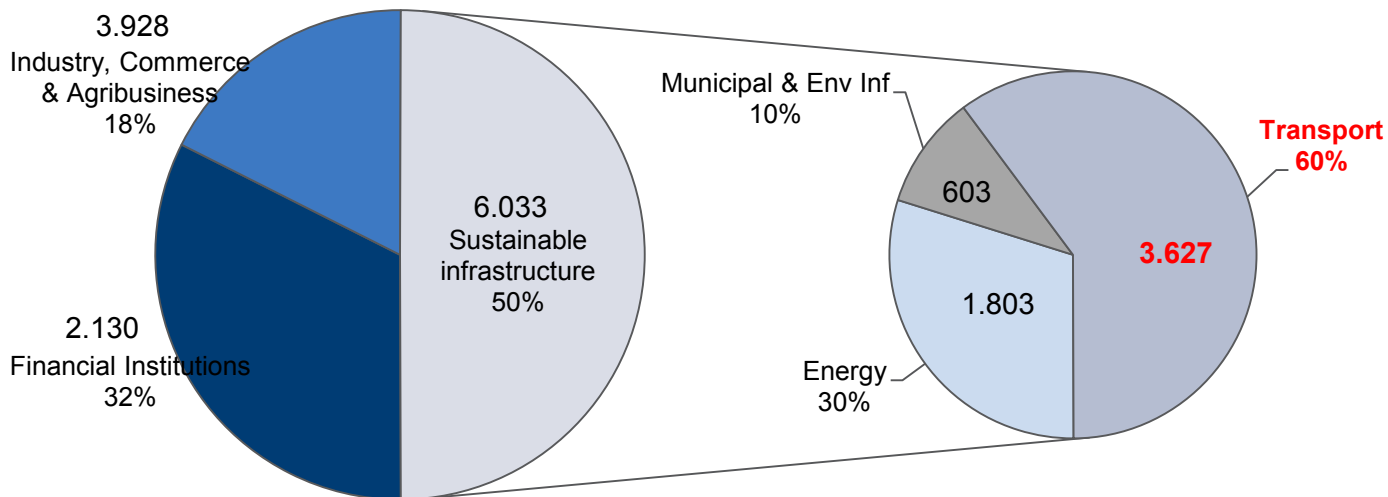


Annual Bank Investment in
2018
€1.12 billion

EBRD's investments in Railway Sector (EUR mil)



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	Transport	Railways	%
Albania	265	37	14%
Bosnia & Herzegovina	1357	86	6%
Kosovo	128	28	22%
Montenegro	134	54	40%
North Macedonia	754	259	34%
Serbia	989	370	37%
TOTAL	3,627	833	23%

Albania

- **Albanian Railways (2016)** – €36 million rehabilitation of the railway line Tirana and Durres and a branch to connect to the Tirana International Airport.

BiH

- **Railways Recovery Project (2001)** - €21 million priority investments
- **Bosnia and Herzegovina Regional Railway Project (2005)** - €65 million

Kosovo

- **Railway Rehabilitation Project (2015)** €65 million rehabilitation of the southern part of rail road 10

Montenegro

- **Rail Infrastructure Emergency Project** €40 million
- **Rolling Stock Renewal Project (2010)** €13.5 million

North Macedonia

- **Railways Fleet Renewal Project (2012)** €50 million
- **Macedonian Railways - Corridor X (2010)** €18 million
- **North Macedonia: Railway Corridor VIII - Phase I and Phase II (2012, 2014),** €46 + 145 million



Serbia

- **ZTP Reconstruction Project (2001)** – €57 million to finance labour restructuring, track machinery and the refurbishment of electric locomotives.
- **Rolingstock Project (2006)** – €60 million for the purchase of new freight wagons and a wheel lathe.
- **EMU Project (2009)** – €100 million for the purchase of Electrical Multiple Units to improve passenger service.
- **Corridor X Project (2010)** – €100 million for electric locomotives to improve service quality and for track rehabilitation to reduce bottlenecks on the network.
- **JSCSR (2012)** – €95 million for rehabilitation and modernisation of the rail tracks, focusing on Corridor X.
- **TPS Zemun (2017&2018)** - €47 million for reconstruction and upgrade of technical passenger station for maintenance of EMUs and locomotives.
- **New EMUs (in 2019)** - €100 million to finance procurement of new EMUs for regional passenger traffic.

The rationale: a comprehensive railway reform uses competition as a means of making the railway sector more efficient and sustainable

- **separating natural monopoly** (railway infrastructure) from potentially competitive segments (railway operation) of the railway sector,
- **opening the competitive segments to competition** through private entry on a non discriminatory access basis to drive efficiency through competition,
- **creation of a common transport market** through interoperability and technical harmonization with a wider network.

Key railway reform components:

- Enhance the regulatory environment,
- Restructure the incumbent,
- Introduce transparent funding to foster competition
- Introduce alternative ways of asset financing
- Harmonize technical and interoperability principles

Through its high level involvement in the sector, both in terms of investment and policy dialogue, the EBRD actively supports **railway sector reform** in the Western Balkans:

- Establishment of an independent regulator and institutional separation of operating companies, development of Business Segmentation Strategy
- Corporate Governance Action Plan (CGAP) & State Ownership Policy
- Promote commercialisation activities and cost efficiency within the railway sector
- The adoption of a railway code, track access charging methodology
- Development of a strategic business plans with productivity targets; Labour restructuring
- Implementation of a Public Service Obligation (PSO) contracts
- Development of asset management plans
- Sustainable energy Action Plans and Energy Management Information System (EMIS)
- Private sector participation / privatization



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