Railway Reform in the Western Balkans

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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**

![Map of the Western Balkans with project and investment details](image)
EBRD’s investments in Railway Sector (EUR mil)

<table>
<thead>
<tr>
<th>Country</th>
<th>Transport</th>
<th>Railways</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>265</td>
<td>37</td>
<td>14%</td>
</tr>
<tr>
<td>Bosnia &amp; Herzegovina</td>
<td>1357</td>
<td>86</td>
<td>6%</td>
</tr>
<tr>
<td>Kosovo</td>
<td>128</td>
<td>28</td>
<td>22%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>134</td>
<td>54</td>
<td>40%</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>754</td>
<td>259</td>
<td>34%</td>
</tr>
<tr>
<td>Serbia</td>
<td>989</td>
<td>370</td>
<td>37%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3.627</strong></td>
<td><strong>833</strong></td>
<td><strong>23%</strong></td>
</tr>
</tbody>
</table>

Financial Institutions: 32%
Industry, Commerce & Agribusiness: 18%
Sustainable Infrastructure: 50%
Municipal & Env Inf: 10%
Energy: 30%
Transport: 60%

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Railways Sector Projects in WB

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.


- **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.
Railway sector reform

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
EBRD’s role in railway sector

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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