



*A word from the TCT Permanent Secretariat in Belgrade
Together connected in 2020!*

Dear Steering Committee Members, dear colleagues, dear readers,

The year that just ended represented an important milestone for the implementation of the Transport Community and its Permanent Secretariat. The mandate given to Commission to set up and steer the Secretariat will end in a few months. Time has therefore come to have a look to what was achieved in 2019, and to identify the remaining challenges in view of the ambitious objective to bring the Western Balkans closer – in every sense of the term - to the European Union.

*In this context, and in view to build a stronger “**community of interests**” in the transport field between the EU and the Western Balkan partners, I would like to share with you what I personallyⁱ consider being the key priorities for the coming years and the “lessons learnt” from the experience of the Permanent Secretariat during these last twelve months.*

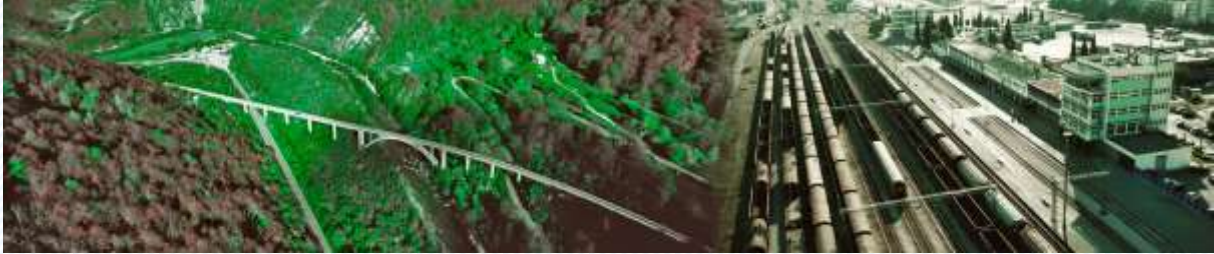
Before starting this assessment, let me recall that all what was done in the past twelve months would have not been feasible without the dedication of few, highly committed, and energetic people who worked very hard to transform a “blank page” - as it was less than a year ago - to an almost fully operational international organisation. Many thanks to the Commission and EUDEL officials on whom I could always count, to the civil servants of the host country, to the staff of the Permanent Secretariat whose working conditions have been far from ideal, in particular in the first months of life of the Secretariat. Many thanks also to the Regional Steering Committee members who not only supported the setting up of the Secretariat but also contributed to its most important achievements.

I have no doubt that the values that have guided the work of the Permanent Secretariat during the last twelve months will continue to inspire the future “permanent staff” whose recruitment is in on-going and who will soon replace the Commission and myself in steering the Secretariat!

1 – New aspirations and new priorities

Like the citizens of the rest of the world, the Western Balkans’ citizens seek for a renewed approach of mobility: **safer, environmentally and socially sustainable, connected (in the broad sense of the term)** as well as **more inclusive**.

We cannot ignore this change of paradigm and it will be therefore important to start quickly thinking how these new aspirations can fit in the set of transport policy priorities defined for the region. In the same vein, more attention must be paid to the **impact of climate change** on the transport economy and on the transport infrastructure as **prevention is certainly**



better (and less expensive) than cure. The consequences of the massive floods that have affected Serbia and Bosnia and Herzegovina's transport infrastructure in 2014 are still visible nowadays. Western Balkans networks and overall transport system appear therefore **highly vulnerable to climate hazards**. We collectively cannot be passive in front of these risks. For this reason, the European Commission recently presented its "*Green Deal*" to make Europe the first climate-neutral continent. There is little doubt that this will affect, in the coming years, the way transport and infrastructure are conceived and planned. If we want to avoid that the "transport gap" existing between the EU and the Western Balkan region - instead of decreasing – increases further in the coming years, the EU objectives to reduce the impact of transport on the environment must also be extended to the Western Balkans. The Transport Community Treaty comes therefore timely to support a greener and more innovative approach of transport in the Western Balkans.

2 – Future mobility needs: a challenging environment

As mentioned above, there are strong aspirations for a more "qualitative" approach of transport rather than a "quantitative one". In short, this means making "better transport" rather than making "more transport". The industry at large – in the region and outside – also aspires for changes in the way transport operations are carried out in the Western Balkans. What matters most for business is the **efficiency of the logistical chain** and the **cost-effectiveness of the transport operations**. This requires more coordination between partners (including with the EU Member States), the adoption of common technical standards and rules based on the EU ones, and obviously a better infrastructure connectivity. The **Permanent Secretariat** already responds to these expectations through a certain number of actions that have started in 2019 and will continue in the coming years. The **removal of road safety "black spots"**, the **improvement of border crossing operations through the promotion and implementation of border-crossing agreements**, – a **new impetus for rail** to become a competitive alternative to other modes (like road) or to be part of a more CO₂ neutral transport offer, are all part of a tangible action plan already set up.

In 2020, in order to follow up the measures and actions agreed in 2019, the **Permanent Secretariat** foresees to deliver additional Technical Assistance to the Western Balkan parties that would help speed up the transposition and implementation of EU's key legislation and improve the efficiency of the transport system as a whole, with a clear priority given to multimodal solutions. In addition, together with other important actors, such as the World Bank, the Secretariat works to identify and remove progressively administrative and infrastructure obstacles at border/ common crossings points, preventing the free flow of traffic on transport corridors linking the Western Balkans to the EU. Through this targeted action, a reduction of the cost of transport and logistics is expected (**bearing in mind that the cost of every truck queuing at a border crossing points represents 2 Euro per minute**) leading to a loss of several hundreds of million Euro both for the Western Balkans and for EU Member States' companies. This action will also make the region more attractive for investments and tourism.



3 – Aligning infrastructure planning and implementation with the EU approach

The way infrastructure planning and project preparation are carried out in the region remains sub-optimal. This situation often leads to abnormal delays in implementing transport projects, with - as a direct consequence - a potential cost increase. To improve the situation, the Permanent Secretariat started working on these **three** key aspects:

- **improving the definition of the key infrastructure priorities in the Western Balkans.** This will be done in close cooperation with the European Commission through the TEN-T planning exercise;
- **fostering – where needed - the planning cooperation between WB6 partners and EU Member States** to avoid that missing connections or uncoordinated planning could jeopardize investments already carried out by either partner.
- **contributing to improving the project life cycle and reducing projects' cost** (in close cooperation with the International Financial Institutions), by identifying **unnecessary administrative burden or overlapping procedures** during the preparation stage.

Improving the quality of the infrastructure planning definitely requires that the same principles guiding the implementation of projects in the EU apply in Western Balkans for all projects. Projects must be valued according to their economic, social and environmental sustainability and be compliant with interoperability standards, transparency and aligned with EU public procurement rules.

More broadly, it is of key importance to ensure that together with the construction (or the renewal of existing infrastructure) the conditions to operate the network are improved. Strengthening the transport market(s) in Western Balkans can only be effective through the **transposition of the EU acquis and its implementation**. The full alignment of the transport legislation in each sector is the pre-condition – set by the Transport Community Treaty - to give to Western Balkan partners the access to the EU transport market. In 2020, Western Balkan partners are still far away from that target but the Transport Community, also benefiting from the support of the European Commission and of EU bodies such as the European Rail Agency comes timely to fill this gap.

4 – Breaking the rhetoric that only new construction matters

Developing a high quality network, starting by the extended TEN-T “core” and “comprehensive” is - and will remain - a priority for Western Balkans. However, the construction of new and costly infrastructure can only partly solve the connectivity gap affecting the region.

It would be a dramatic illusion to believe that **sole the construction of isolated transport infrastructure projects can compensate the overall unsatisfactory quality of the network**. The issue here is not to put in competition new projects versus old infrastructure but to choose between a “**patchwork**” approach and a **network one**.



One of the lessons learnt from the recent experience is that beyond investments on new projects more attention – **as well as appropriate financial resources** - must also be devoted to the rest of the (existing) network. Approximately **40%** of the core TEN-T road network in Western Balkans is in **medium or poor condition**, while **speed restrictions apply to 60%** of the rail TEN-T (core and comprehensive) networks. If this elementary need is not properly considered, the foreseen actions to reduce fatalities on road or to make rail “great again” will remain vain.

The implementation of **realistic multi-annual maintenance plans**, in rail and road identified five years ago in the framework of the “connectivity reform measures” as critical actions still has not taken place. **The poor quality (and performances) of the overall transport networks in the Western Balkans can easily jeopardize the time savings deriving from the implementation of the new projects.** Implementing these plans must therefore be considered as a key priority in the year(s) to come.

5 – Common solutions and shared responsibilities

There is a new paradigm in the transport relations between the Western Balkans and the EU. The objective is not only to set up a regional cooperation. The Transport Community Treaty offers, in essence, the possibility **to integrate** – at a certain time horizon and potentially **before the full accession takes place - the EU and Western Balkan transport markets.**

The Permanent Secretariat’s main mandate is to accompany this process by assisting the partners in implementing the actions described above, by monitoring the results, and proposing corrective measures when the expected targets are not reached. The Permanent Secretariat therefore supports the process but it does not have the responsibility of its success or its failure.

The success of the Transport Community, the possibility for Western Balkan partners to have access of the EU transport market, relies above all on the steady commitment of the all parties involved to fulfil the Treaty’s obligations. The conditions, for a success, are of administrative and political/financial nature:

- Regarding the **administrative responsibility**, appropriate administrative capacity must be allocated to ensure that the transposition of the *acquis* is followed by its operational implementationⁱⁱ. Too often this is not the case and the work carried out to approximate the EU legislation does not generate the expected positive effects;
- Regarding the **political aspects**, priorities in transport infrastructure must correspond to real needs and projects guided by sound and sustainable management principles. Furthermore, the above-mentioned priorities can only be implemented if fair choices in the allocation of financing resources are made. Investing in the “**human factor**” to achieve the objectives is as important as investing in new infrastructure or maintenance plans.



- In the more long run, it would be wise to re-assess the conditions of access to EU funding – in addition to the facilities already in place such as the Western Balkan Investment Framework – to make the EU’s financial contribution more attractive and more competitive with respect to the current offers, coming from abroad and often disconnected from the real needs and priorities of the region.

However, beyond these aspects, one should remember that a large number of issues affecting transport in the region are **shared ones** – from the planning of long distance corridors to the removal of bottlenecks at borders. The **positive – and welcomed - participation** of EU Member States will be key to develop a more inclusive and fair connectivity, corresponding to the aspiration of the Western Balkan partners to join the European family.

Last but not least, the setting up of the Transport Community does not only impact the parties. It also changes the game for the other actors in the region: International Financial Institutions and bilateral donors. Western Balkans receive from them, a significant amount of **Technical Assistance** aiming at improving in particular the administrative capacity (see also above) of the regional partners. Often, however, this Technical Assistance is not properly coordinated; programmes are also overlapping and not always followed by a real transfer of experience. This should change: the Transport Community offers the possibility to clarify the priorities for the years to come. The Permanent Secretariat should have the responsibility to “steer” the Technical Assistance offer and, in particular, to guide the donors on the key Technical Assistance needs, fostering the synergies and avoiding the overlaps between the different programmes. With the same amount of Technical Assistance, it should be possible to cover more needs, with a stronger focus on the priorities defined under the Transport Community’s aegis.

Let us remain *together connected!*

Happy and successful new year
to all of you!
Alain Baron
Director (interim)

ⁱ Please consider that all views / comments made are strictly the ones of the interim Director and do not represent the official position of the European Commission.

ⁱⁱ Often requiring the implementation of bylaws and decrees.