Railway sector
Policy developments | Updates

Independence of infrastructure managers and railways undertakings / access to infrastructure and services / licensing / MAIC

Railway safety principles / SMS / certification and authorisation

Certification of train drivers / training, testing, monitorisation & control, evaluation & sanctions /

Public service obligation (PSO)

Rail passengers’ rights and obligations
Railway sector
Policy developments | Main provisions

RAILWAY TRANSPORT CODE NO.19/2022 provides

- Creation of the Railway Authority
- Reorganisation of SOE CFM
- Setting up Market Regulatory Body Functions
- Separation of infrastructure management and railway undertakings

- National safety authority (NSA)
- Setting up accident investigation principles
- Independence of the investigation body
- Independence of the regulatory body (RB)
Railway sector
Policy developments | Further steps

GD NO 1042/2017 & THE ACTION PLAN
approved on April 20th 2022

0. START THE RESTRUCTURING OF SOE CFM
1. APPROVE THE NATIONAL RAILWAY INFRASTRUCTURE PROGRAM
2. DRAFT / SIGN MAIC & ALOCATE RESOURCES
3. DRAFT / SIGN PSC & ALOCATE RESOURCES
4. DRAFT & APPROVE REGULATION ON PAX RIGHT AND OBLIGATIONS

STAKEHOLDERS
MIRD | MF | APP | CFM

ASSISTANCE
EU | IFI`s | USAID | AFD
1075 km of main lines and 648 km of auxiliary lines

**Constraints:**
- Poor condition of the infra
- Expired terms for overhaul.

**Speed Limits**
- Increased fuel consumption
- Accelerated wear of locomotives

**Weight Limits**
- Low efficiency of locomotives
- Increased fuel consumption
The locomotives are between 34-52 years old.
- The operating time has expired for all old locomotives.

The shunting locomotives are between 32 and 46 years old.
- The operating time has expired for all shunting locomotives.
Railway sector
Problem statement | HR

CFM employees by age

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;64</td>
<td>9.53%</td>
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<tr>
<td>51-63</td>
<td>46.54%</td>
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<tr>
<td>41-50</td>
<td>25.12%</td>
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<tr>
<td>31-40</td>
<td>13.95%</td>
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<tr>
<td>18-30</td>
<td>4.86%</td>
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</tbody>
</table>

Average salary per enterprise: 7,600 LEI

CFM employees by type of studies

<table>
<thead>
<tr>
<th>Type of Studies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher education</td>
<td>13.63%</td>
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<tr>
<td>Secondary specialized education</td>
<td>31.92%</td>
</tr>
<tr>
<td>Secondary education</td>
<td>47.18%</td>
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<tr>
<td>Incomplete secondary education</td>
<td>7.26%</td>
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</tbody>
</table>
Dynamics of rail freight transportation for the period 2005 - 2020
Railway sector
Rationale of the intervention

- INFRASTRUCTURE
- ROLLING STOCK
- ORGANIZATION
- MARKET
<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
<th>3–4 ani</th>
<th>5–7 ani</th>
<th>8–15 ani</th>
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<tbody>
<tr>
<td>1</td>
<td>Acquisition of new shunters</td>
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<td>2</td>
<td>Acquisition of freight wagons</td>
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<td>3</td>
<td>Infrastructure modernization</td>
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<td>4</td>
<td>Digitalization and IT integration</td>
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<tr>
<td>5</td>
<td>Infrastructure facilities</td>
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<td>6</td>
<td>Infra maintenance equipment</td>
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<td>7</td>
<td>HR development</td>
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<td>8</td>
<td>New pax rolling stock</td>
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<td>9</td>
<td>Logistic centres</td>
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<td>10</td>
<td>Acquisition of new locos</td>
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</table>
Railway sector

Investment needs

**NORTHERN CORRIDOR**
**UNGHENI-BĂLŢI-OCNIŢA-RĂBNIŢA**
Length – ~392 km | Estimated cost – ~147M euro
Financing – WB|EBRD|EIB
STATUS: IN DISCUSSIONS

**CENTRAL CORRIDOR**
**CHIŞINĂU – UNGHENI**
Length – ~108 km | Cost – ~50M euro
Financing – French Government
STATUS: LETTER OF INTENT SIGNED

**SOUTHERN CORRIDOR**
**TIGHINA – GIURGIULEŞTI**
Length – ~297 km | Cost – 113 M euro
Financing – EBRD/EIB
STATUS: ONGOING

**CHIŞINĂU-CĂINARI**
Length – ~95 km | Cost – ~45M euro
Financing – IN DISCUSSIONS

**ROLLING STOCK**
- 12 LOCOMOTIVES purchased EBRD|EIB|EU
- 25 SHUNTERS in discussions|WABTEC
- 3000+ FREIGHT WAGONS in discussions|POLAND AID CREDIT

**INFRASTRUCTURE**

**CENTRAL CORRIDOR**
- Chișinău – Ungheni

**SOUTHERN CORRIDOR**
- Tighina – Giurgiulești

**NORTHERN CORRIDOR**
- Ungheni – Bălți – Ocnița – Râbnița

**INVESTMENT NEEDS**

- **12 LOCOMOTIVES** purchased EBRD|EIB|EU
- **25 SHUNTERS** in discussions|WABTEC
- **3000+ FREIGHT WAGONS** in discussions|POLAND AID CREDIT
**HERITAGE:**
1. Palace of Culture
2. Palas Iasi
3. Botanic Garden Anastasie Fătu
4. Iasi Historical Center
5. Palas Mall
6. Sfintii Trei Ierarhi Monastery
7. Copou Parc
8. National Theatre Vasile Alecsandri
9. Metropolitan Cathedral
10. Golia Monastery

**POPULATION:**
~ 500 000

---

**HERITAGE:**
1. Milestii Mici
2. Dendriarium Park
3. Valea Morilor Park
4. Stefan cel Mare Park
5. Victory Memorial and Eternal Flame
6. National Museum of Ethnography and Natural History
7. Nativity Cathedral
8. St. Theodor Tiron Convent
9. Triumphal Arch
10. National Art Museum of Moldova

**POPULATION:**
~ 1 000 000

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**ODESDA**

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**HERITAGE:**
1. Odesa Opera and Ballet Theatre
2. Potemkin Stairs
3. Deribasivska Street
4. City Garden
5. Primorsky Boulevard
6. Odesa Passage
7. Archaeological Museum
8. Langeron Beach
9. Port of Odesa
10. Odesa Catacombs

**POPULATION:**
~ 1 000 000

---

**CHISINAU**

---

**HERITAGE:**
1. Palace of Culture
2. Palas Iasi
3. Botanic Garden Anastasie Fătu
4. Iasi Historical Center
5. Palas Mall
6. Sfintii Trei Ierarhi Monastery
7. Copou Parc
8. National Theatre Vasile Alecsandri
9. Metropolitan Cathedral
10. Golia Monastery

**POPULATION:**
~ 500 000

---

**UNGHENI**

---

**HERITAGE:**
1. Milestii Mici
2. Dendriarium Park
3. Valea Morilor Park
4. Stefan cel Mare Park
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6. National Museum of Ethnography and Natural History
7. Nativity Cathedral
8. St. Theodor Tiron Convent
9. Triumphal Arch
10. National Art Museum of Moldova

**POPULATION:**
~ 1 000 000

---

**Railway sector**

**Rail pax opportunities**
Railway sector
Improvement in freight

- Export: 1,100,078 (2021) vs. 1,039,969 (2022)
- Import: 1,298,349 (2021) vs. 864,784 (2022)
- Transit: 1,203,677 (2021) vs. 439,275 (2022)
- Local: 1,205,714 (2021) vs. 500,929 (2022)
Revenue from freight transportation:

1,1 Bil. lei

Railway sector
Freight nomenclature

- Cereale: 27.00%
- Hrană pentru animale: 5.00%
- Ulei vegetal: 2.00%
- Cărbanu Cocs: 1.00%
- Petroliere: 19.00%
- Îngrășăminte minerale: 3.00%
- Materiale construcții: 7.00%
- Materie prima industrială: 9.00%
- Minereuri: 8.00%
- Metale feroase: 8.00%
- Altele: 8.00%
- Ciment: 3.00%
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<tr>
<th>Year</th>
<th>Q1</th>
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<td>Harmonization of railway legislation</td>
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<td>Creation of new railway bodies</td>
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<td>Concluding MAIC and PSO / PSC Contracts</td>
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<td>Delimitation of CFM assets</td>
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<td>2023</td>
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<td>Operational separation plan</td>
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<td>Separation of processes, staff, assets</td>
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<td>Separation of CFM accounts</td>
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<td>Assessment of non-key assets</td>
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<td>Decapitalization of non-key assets</td>
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<td>Development of CFM business plan</td>
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<td>Reorganization of CFM from SE to JSC</td>
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<td>The separation of CFM into 3 JSC</td>
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Railway sector
Reform logic model

**RESOURCES**
- TA for MIDR & CFM
- Corporate managers
- Railway reform experts
- Corporate reorganization experts
- Railway business experts
- Investment project managers - railway

**Financial resources**
- 500 M lei annual allocations
- 10 M lei - Management systems (GIS, ERMS)
- 15-20 M lei delimitation of assets
- ~ 4 M lei cadastral services
- ~ 100 M lei CFM debts

**ACTIONS**
- Elaboration of 9 GD (regulations, methodologies)
- Creation of 3 railway bodies
- Conclusion of MAIC and PSO / PSC contracts
- Internal separation of CFM
- Improving the institutional capacity of CFM
- Delimitation of assets
- Reorganization of CFM in JSC
- Business plans
- Asset sale

**RESULTS**
- Harmonized regulatory framework
- Railway bodies created
- Budget allocations for infra and passengers
- Reliable operational and functional separation of CFM
- Reorganization and separation of CFM

**RAILWAY SECTOR REFORM**
Railway sector
Key actors and measures

- Capitalization
- Non-ops selling authorization
- Strategic and efficient management
- Attracting private capital
- Infra & pax budget allocations
- Stability
- Railway sector reform
- Sustainability
- Investment in infra and passenger trains
- Efficient management
- Increasing market share
- HR
- R&D
- Investments in wagons and locomotives
Railway sector
Reshaping logistics

TOP 10 COMMODITIES EXPORT
135 M MT/YEAR | ~100 TRAINS/DAY

CEREALS 56.6 M T | TO MENA REGION 50% | VIA BLACK SEA 90%

ORE & METALLURGY 57.6 M T | TO CHINA 42% | VIA BLACK SEA 60%

HARVEST 2021 95.8 M T

UKRAINE EXPORT NEEDS

REPUBLIC OF MOLDOVA TRANSPORTATION CAPACITY (RAIL)

ON AVERAGE | 5 TRAINS/DAY | 7.5 M T/YEAR | VIA MOHILYV-PODILSKYI TO DANUBE/BLACK SEA (RENI/GIURGIULESTI/GALATI)

MAXIMUM | 10 TRAINS/DAY | 15 M T/YEAR | VIA MOHILYV-PODILSKYI TO DANUBE/BLACK SEA (RENI/GIURGIULESTI/GALATI)
Railway sector
Reshaping logistics

NEW ROUTES FOR UKRAINIAN COMMODITIES
QUICK INVESTMENTS TO IMPROVE TRANSPORTATION CAPACITY

YARD RAIL
repair the receiving and departure yards in critic stations

MAIN LINE
repair the bad sectors on the main line to increase speed and allowed weight

!FINANCIAL ASSISTANCE NEEDED

!TECHNICAL ASPECTS READY TO BE DISCUSSED WITH EU IFI’s IN TWO WEEKS
Railway sector

Future | Freight

CONNECTING REPUBLIC OF MOLDOVA TO RAIL FREIGHT CORRIDORS
Railway sector
Future Passengers

CONNECTING REPUBLIC OF MOLDOVA TO HIGH SPEED LINES
THANK YOU!