

SEETAC Second Ministerial Conference Tirana, 16 November 2010

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Background

The recovery from the economic crisis is gradually becoming an evidence across the region, despite the fact that it is still fragile, the Western Balkan (WB) countries are expected to show positive, though limited, growth this year. As a matter of fact, while the exports in most countries are growing rapidly, the domestic demand shows low performances. Most vital signs are coming from the external sector, where export are increasing partially reflecting a new impetus of the global demand and recovery of global trade.

According to a recent EBRD's study, recent figures on FDI from WB countries show a fall vis-à-vis 2009. Some countries, however, are benefiting from global demand for key metal commodities and some pilot programme in infrastructure development are underway, helping to support growth.

The path towards sustainable growth will depend more on structural reforms and long term investments as much as macroeconomic reforms coupled with microeconomics measures for improving productivity. Infrastructure development, in particular transport, should play a crucial role in the recovery strategy.

For many traditional activities, the economic recession represents a threat to the organisation and response to the actual market needs, but it also represents a real opportunity for those who can bring new answers to the demands launched by society.

Rationale of the SEETAC project

SEETAC – South East Europe Transport Axis Cooperation is a project funded under the South East Europe Programme. Among its partners, SEETAC gathers institutions in the field of transport and environment in the region, such as the Ministries of transport of Austria, Bulgaria, Greece, Italy, Romania, Slovenia, the Ministry of Environment of Italy as well as EU candidates and potential candidates countries: Albania, Croatia, the former Yugoslav Republic of Macedonia, Montenegro and the South East Europe Transport Observatory (SEETO).

The project aims at analysing possible integration between the Western Balkans and the EU transport systems in order to generate transport continuity and infrastructure development in the European area and beyond, thus implicitly leading to a rising competitiveness and economic development with the ultimate aim of integrating the WB countries in the European single market. Moreover, the project contributes to the solution of the cross-border bottlenecks and the lack of harmonization among the participating countries. It tackles both the administrative problems, such as missing institutional and legal transnational framework, as well as common safety, security and environmental standards and harmonisation of transport modes.

The SEETAC project works in line with existing EU policies (i.e. EU Transport acquis, EU transport network, negotiations of the EU-Western Balkan Transport treaty, Green Paper on Future TEN-T Networks,

conditions within the Stabilisation and Association Process, EU environmental policy and the list of existing priority projects developed by SEETO).

Within the context of the aforementioned policies and institutional processes, the SEETAC project aims at feeding the discussion on possible synergies between the TEN-T Priority Projects and their extension to the Western Balkan countries. In particular, the 'SEETAC exercise' will provide a consistent point of view about the cohesion between the strategic infrastructure of the EU candidate/potential candidate countries of the Western Balkans with the EU most relevant projects.

Moreover, it aims at offering significant advantages to all the partners in terms of spatial planning and regional cooperation and integration, and contribute to solving the existing problems in the traffic sector. A close cooperation among the main actors will facilitate to match investments, plan cross-border projects and agree on measures for the elimination of non-physical barriers, thus raising awareness of political decision makers and public opinion on the aims and priorities in the region.

Through the SEETAC project, important industrial and/or population centres will be identified, where important logistics centres or terminals could be located in future. Such terminals should also be considered at the crossroads of important axis or at the junctions of different transport subsystems (road/rail, water/road/rail, etc). In addition, the motorways of the Sea identified in the region should be analyzed through the aspect of the sustainable transport system in SEE.

SEETAC Second Ministerial Conference, Tirana 15-16 November 2010

This conference in Tirana is jointly organised by the Central European Initiative and the Ministry of Public Works and Transport of Albania. The conference gathers ministerial representatives, EU officials (DG Mobility and Transport and DG Enlargement) and financial institutions (EBRD/ World Bank).

The SEETAC conference will fully take into considerations the conclusions and the recommendations of the Conferences on Donor Co-ordination in the Western Balkans and Turkey held in Brussels in October 2008 and in Tirana in April 2009, as well as other relevant events about development in the transport systems in the region.

In this regard, the purpose of the conference is twofold: one the one hand, to brief on the state of art of the financial coordination between the commitments by the EU and other financial institutions in the region regarding transport projects, and on the other hand matching these priorities with the projects envisaged by the countries involved in the SEETAC project, in the light of the EU enlargement policy, EU Transport policy for the South East Europe and the current debate on TEN-T revision.

In particular the Conference aims to draw the attention and to link the following two aspects :

a) **Coordinating mechanism track** (EU, EBRD)

The role of the EU an other players for the financing of the inter-modality development of the region (focus on railways and maritime).

Is there any workable permanent structure for coordination among different actors (i.e. IFI, Donor Institutions) and among the different instruments (i.e. grants, loans, other financial tools)? What are the next steps in terms of coordination ? The role of the EU an other players for the financing of the inter-modality development of the region (focus on railways and maritime). What are the expectations from the countries and from the technical organisations?

b) Intergovernmental level track (SEETAC Ministries)

- The SEETAC ministries will discuss their priorities, by explaining the rationale and highlighting the transport effect in terms of EU added value in the context of the EU network. The countries are asked to present their short-term plans (3-5 years), in particular by focusing on the upgrading of the existing infrastructure (rail and maritime focus) and also medium-long term priorities by singling out some difficulties as well as deadlocks from the institutional, cross-border or financial point of view.
- Review strengths and weaknesses of existing projects at national and regional level and make recommendations for next steps. What has been achieved so far? What is the progress made at the national and regional level? What are the shortcomings and drawbacks in enhancing coordination mechanisms?
- Analyse and understand the possible impact of the upgrading of the existing infrastructures on the network development in the short term;
- What are the horizontal measures that the countries intend to implement in order to improve cross border procedures, regulatory and administrative procedures, namely traffic management systems for all transport modes, measures to develop an interoperable railway network, especially for freight railway lines, and measures to promote maritime and inland waterway transport;
- Understanding the national co-financing of the priority projects;
- The SEETAC ministries will present two projects that they intend to co-finance (one short term and one long term), indicating also the possible budget lines and other financial mechanisms.

c) Explore new forms of financial cooperation between donors (i.e. Public-Private Partnership and other financial tools)

Panels of the Conference

The meeting takes place on 16 November 2010 in the morning. It is divided into two panels and a final discussion:

- The First Panel: “*SEETAC : integrated transport development of accessibility in South East Europe, an institutional and donor perspective*” will mainly focus on the strategy of the EU, in particular the current debate of the TEN-T revision, the Enlargement Policy as well as the EU transport policy for South East Europe. The main instruments of funding will be presented with a specific focus on the mechanisms of coordination of donors, as well as types of assistance (i.e. grants vs loans) in the region. Expected financial commitments in the region by the EU and by major financial institutions will also be presented.
- The Second Panel will illustrate the main achievements of the SEETAC Project: by highlighting the integration of South Eastern Europe transport system - medium term priorities and coherence with the EU strategy. Moreover, the representatives of SEETAC Transport Ministries will discuss their priorities and investment programmes with the international organisations, the importance of planning at regional level, and outline the difficulties of implementing reforms. In particular the representatives will discuss possible transnational and long distance traffic generator projects and their inclusion in the EU strategy.
- Conclusion: discussion regarding common strategies