APPENDIX 11

TERMS OF REFERENCE
Terms of Reference

Transport Infrastructure Regional Study (TIRS) in the Balkans

I. STUDY AREA

- The focus of this study is South-Eastern Europe. The study area therefore encompasses the following countries: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and the Federal Republic of Yugoslavia.

- Bulgaria and Romania should also be considered as part of this study. However, for these two countries, the study will take the Transport Infrastructure Needs Assessment (TINA) results as given, but the study will incorporate the two countries in all the steps beyond TINA.

- The study should also take account of links to neighbouring countries, which are outside the main focus of the study, but which have an important influence on transport flows.

II. OBJECTIVES

(1) To establish, from a multimodal perspective taking environmental considerations into account, the basic interregional transport infrastructure networks needed in the Balkan region, in line with the TINA exercise.

(2) To identify major international and regional routes in the region.

(3) To begin to define a coherent medium term network to be used as a framework for planning, programming and co-ordinating infrastructure investments.
These objectives require a substantial amount of work and political consensus that can only be achieved through a rather lengthy process. Given the importance of immediate action in the region, there is a fourth parallel objective, to be realized in a shorter period:

(4) To define short-term (i.e. immediate) priority projects suitable for international financing.

(5) To define the second phase of this exercise, due to be financed at the end of this project, by the European Commission.

III. TASKS

To achieve the objectives, the tasks indicated below should be undertaken.

(1) To describe the existing situation and establish a diagnosis of the main problems affecting the transport system in the region.

(2) To identify the existing major routes for international and regional transport in the Study area and define a coherent medium term network that would adequately serve the economic, social and political needs in the region. The multi-modal transport network should take into account the Pan-European Corridors in the region and the need to interconnect with the TENs and the TINA network. Analysis of the multi-modal networks should concentrate on surface transport (particularly road and rail systems, but also the important inland waterways in the region), but should also examine viable alternatives to surface transport (particularly short-sea shipping) and the links between modes (trans-shipment points, ports, airports...) as well as access routes to important axes.

(3) To identify the immediate and urgent investment measures that are coherent with the medium term network and that can bring the existing major long-distance routes to an acceptable level (i.e. to cope with the traffic that can be foreseen over the next 18 months), particularly as regards the removal of bottlenecks, including a description of concrete projects, which could immediately be considered for financing.

(4) A fourth Task will be the preparation of a second phase of this exercise, which is due to be financed by the European Commission once this project has finished.

IV. BACKGROUND MATERIAL

To fulfil efficiently the set objectives and tasks, the Study must –inter alia- review and properly use the information, conclusions and recommendations, which are provided by the following basic Studies and Reports:

- “Western Balkans Transport Infrastructure Inventory”, June 2000, EIB
• “Basic infrastructure investments in South-Eastern Europe”, Regional Project Review, EIB March 2000

• “Transport Infrastructure Needs Assessment” – TINA – Final Report, October 1999

• “Pan-European Transport Corridors and Areas Report” – TINA Office, January 2000

• “ Updating of Transport Unit Costs in Accessing Countries”, COWI, October 1999

• “Study on the Conditions for the Progressive Integration of European Inland Transport Markets; Identifying Obstacles in the Fair Access to European Transport Markets”, BCEOM, March 1998

• “Traffic Forecast on the Ten Pan-European Transport Corridors of Helsinki”, PHARE contract No.: 98-0225 for NEA-INRETS-IWW

• “Guidance for TINA projects appraisal”, Leeds University October 1999

• “Balkan Transport Study”, Gibb, May 1997

• “The Road to Stability” (The World Bank, 2000)

• Trade and Transport Facilitation Project (World Bank)

• Material from SECI and ECMT reports as well as CETIR

This Study should also take account of other projects that are under execution – or will be during the duration of this Study. Mention can be made of a planned “Study on Transport Infrastructure Needs of the Province of Kosovo” which may be launched by the EU before the end of 2000 as well as the Quick Start projects under the Stability Pact

Throughout the work close contacts should be maintained with the IFIs, EU, ECMT and other international actors.

V. WORK PACKAGES

For each of the tasks, the following work packages are required:

Task 1: Description of the existing situation

WP1: Collection of geographical, social, economic and political information. The information should be collected at country and regional level and include time series data. Review the existing regional, national and international studies, in particular those mentioned above.

Presentation and analysis of past and likely future economic trends (for those variables affecting the flows of goods and people) based on realistic economic and political scenarios. In this context, at least three basic scenarios will be developed,
relating to the region’s economic and political outlook. The analysis should include estimates of the existing and future availability of funds for transport infrastructure development in the region.

**WP2:** Transport system. Infrastructures: description of the existing major transport infrastructures and inclusion in a GIS. The results, available in a GIS, of the relevant EIB’s “Western Balkans Transport Infrastructure Inventory”, June 2000, will be used. The study might have to complement or adapt these results in order to ensure that all relevant information is provided. The inventory should consider the main infrastructures in the region’s complete multimodal networks. Whilst concentrating on surface transport facilities (particularly road and rail networks, but also the important inland waterways in the region, as well as the intermodal nodes), the inventory should also examine viable alternatives to surface transport (particularly short-sea shipping) and the links between modes (transshipment points, ports, airports...). Access routes to the major axes should also be included.

**WP3:** Transport system: management and use of infrastructures. Description of each country’s administrative and institutional framework for managing infrastructure (including investment and maintenance). Assessment of its capacity to ensure the long-term development of existing infrastructure, through a programme of maintenance and selective works. Should assess the ability to get the best use out of infrastructure and to ensure that the accompanying measures to infrastructure investment are also undertaken.

This analysis should also consider the issues relating to the management of regional infrastructures, and the possible need to reinforce and develop co-operation between countries to ensure the management of infrastructures of common interest to a number of countries.

**WP4:** Undertake an analysis of traffic trends and traffic projections for all modes on the routes/terminals where data and forecasts are available, making distinctions between different types of traffic where possible. The consultant should be prepared to assess and cross-check the reliability of transport statistics provided by countries themselves.

The consultant is expected to provide traffic projections that should be compatible with the scenarios and the method used in the PHARE Study “Traffic Forecast on the ten Pan-European Transport Corridors of Helsinki”, by NEA, IWW, INRETS, 1999. Once validated by the supervisors of the study, traffic projections (according to the scenarios) will be included in a database that can be easily integrated in the GIS.

**WP5:** Establish a diagnosis of the situation of major transport infrastructure management and use in the region, including maintenance aspects and issues of appropriate financial management of investment and maintenance. Analyse the ability of the present system to cope with the expected traffic evolution and determine where major problems exist or are likely to appear.
Task 2: Identification of major regional and international routes in the Study area and definition of a medium term system

WP6: Compile the plans and expectations of the international actors and the various countries and regions in the study area. This should include explicit identification of the objectives of these plans. Provide a clear indication on how regional (Balkan) and international trade, transit traffic and tourism are treated and on the proposals to develop intermodal transport (in particular, combined transport). Examine coherence and synergy of national objectives and plans and their compatibility with those defined at international level.

Develop, with the contribution of the countries and regions, a set of common planning principles for the multimodal Balkan network. This should facilitate the determination of some basic objectives to be used and accepted by all parties in the following steps.

This political exercise is to be supported by the international institutions. The consultant is expected to provide expertise and guidance and contribute to organising workshops, with national and regional experts, that contribute to the process of arriving at a consensus.

WP7: Identification of the key routes for international and transit traffic. The Study will analyse the required conditions for uninterrupted access.

WP8: Definition of the envisaged transport system (with horizons 2005, 2010, 2015) to be used as a framework for planning. This will be the result of discussions with the administrations of the various countries and regions in the area\(^1\), based on the information available, the agreed objectives and the expected financial resources to be used in its development\(^2\). A multimodal perspective should be adopted, i.e. consider how selected investments in infrastructure (particularly investing in the rehabilitation of existing infrastructure) could improve the balance between modes in order to ensure that more environmentally-friendly modes of transport are used to their best potential. The final result, to be included in the GIS, will be the definition of the main technical characteristics of the different types of infrastructure, a calendar for their construction (including possible phasing) and their corresponding costs. Relevant information, such as the principles of environmental integration, will also be included.

Obtaining a political consensus on these networks is essential to ensure the validation of the study. This is foreseen to be an iterative process whereby national, regional and international priorities are discussed and revised. The Consultant will be responsible for channelling the discussions and for presenting the findings of the study to a Conference of the concerned parties, where agreement on the networks should be obtained.

\(^1\) This will include discussions with the UNMIK in Kosovo.

\(^2\) The TINA exercise foresees investments of some 1.5% of GDP per year during the implementation period.
Task 3: Identification of the immediate and urgent investment and other measures that can bring the existing major international and regional multi-modal routes to an acceptable level

This task is to be carried out in a way that is consistent with the longer-term objectives.

WP9: Inventory of severe problem areas, including bottlenecks, which exist already or which can be foreseen to exist by 2002, on the major routes for long-distance transport defined in Task 2) above.

WP10: Definition of a simple methodology for identifying which of these problems could realistically be expected to be solved or substantially alleviated in the short-term (i.e. implementation within 24 months) and for prioritising projects. on the basis of a realistic estimation of costs and benefits. Most of these short-term actions should probably be based on rehabilitation-only measures to existing infrastructures, as capacity increases will require a strong justification at this stage. A first list of priority actions will be produced which should form a consistent short term investment programme. They should all form part of the longer term strategy. Non-infrastructural measures should be included, notably the need to resolve certain practical problems, for example border crossings, security and transport authorisations.

WP11: Cost estimation for every identified measure. These cost estimations should take account of the need to incorporate into any investment a full programme of infrastructure management (particularly maintenance) to ensure the least possible deterioration of infrastructure investments.

WP12: Analysis of the implementation capability of each beneficiary country to finance, execute and manage each investment should be included.

The assessment of the capacity of the country to finance each project should take account of the national budgetary possibilities, capacity to raise loans as well as alternative financing (including Public-Private Partnerships, concessionary financing, etc.).

As well as recommendations on strengthening the capacities in each country, specific recommendations should be formulated as regards measures to accompany each investment to ensure the longest possible life of each investment project. The costs of such measures (both in terms of generally strengthening the capacity to manage infrastructures as well as the specific costs related to each project) should be included in the costs of each project.

Task 4: Preparation of a second phase of the TIRS exercise

WP13: The European Commission intends to finance the next phase of this exercise when the current project has finished.

During the lifetime of this project, the consultants will have to assess continuously the progress that the project is making in defining the region’s transport network.
requirements, and to suggest the next steps to identify, assess, evaluate and promote specific investment projects needed to improve the transport networks.

The consultants will have to work particularly closely with the Steering Group in order to define the next stage of the TIRS exercise. It is expected that the final output of this Work Package will be detailed and operational terms of reference and project specifications for the project to be launched by the European Commission.

VI. OUTPUTS

The following outputs in English and French are expected:

1. Inception report (in response to the call for tender)
2. Interim report on completion of Tasks 1 and 2 (within 4 months after inception)
3. Presentation of preliminary proposals at a Conference with all interested parties including representatives of the beneficiary countries, the members of the Steering Group (see below, point 7), and interested donors.
4. Final report, including supporting materials (maps etc.) with executive summary and summary of recommendations (within 14 months after inception)
5. Brief monthly reports on progress made and problems encountered
6. Detailed and operational terms of reference for the project to be launched by the European Commission
7. A CEMT website. This is to be developed throughout the project’s execution, and should include information on the project, (where appropriate) the possibility of downloading finalised versions of the other outputs and links to other (relevant) activities of the Stability Pact and of other donors activities

*The attention of tenderers is drawn to the importance of these outputs. They are invited to provide details as to these outputs in their bid.*

VII. STUDY COORDINATION AND PRACTICAL ARRANGEMENTS

The study is being undertaken in the context of the Stability Pact under the lead of the EIB and EU.

The first Phase is being financed by the Agence Française de Développement (AFD). ECMT is responsible for the conduct of this Phase which will be supervised by a Steering Group consisting of ECMT, EIB, European Commission and the AFD.

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Drafts of the outputs mentioned above in point 6 (apart from the brief monthly progress reports and the website) shall be submitted to the Members of the Steering Group, who will have no more than 2 weeks to comment on these drafts.

In addition, meetings of the Steering Group shall be called:

- at the inception of the project,
- to discuss the draft interim report
- to discuss the draft final report

New versions of these outputs shall be prepared which take account of written comments and those comments formulated at meetings of the Steering Group.

These versions shall also be circulated to the beneficiary countries, who will also be invited to formulate their comments on the draft. Where appropriate, and under the supervision of the Steering Group, these comments shall be taken into account in subsequent versions of the outputs or in the execution of the rest of the project.

In addition, given the importance of co-ordination with other donors and interested parties, the consultant shall circulate copies of the final versions of the project outputs (as listed in point 6 above), with the exception of the monthly progress reports.

These shall be circulated to interested parties and donors. A full list of these and the contact persons shall be established by the Steering Group.

If pertinent comments are formulated as a result of this exercise, these may be taken into account in the execution of the rest of the project.