Progress Report

Sustainable and Smart Mobility Strategy in the Western Balkans

TRANSPORT COMMUNITY

Contents

List of Abbreviations

Annex I	Annex I to the Transport Community Treaty
ADM	Excise Customs and Monopolies Agency of Italy
ARA	Albanian Road Authority
BCAs	Border Crossing Agreements
BCPs	Border Crossing Points
ClimaProof	Enhancing Environmental Performance and Climate Proofing of Infrastructure Investments in the Western Balkan Region from an EU integration perspective
CO2	Carbon dioxide
CEFTA	Central European Free Trade Agreement
CONNECTA	Technical Assistance to Connectivity in the Western Balkans
DAC	Digital Automatic Coupler
DG MOVE	Directorate General for Mobility and Transport
DG NEAR	Directorate General for Neighbourhood and Enlargement Negotiations
EBRD	European Bank for Reconstruction and Development
EC	European Commission
eCMR	A digital version of the freight document CMR
ECVVR	European Centralised Virtual Vehicle Register
eFTI	Electronic freight transport information
EIB	European Investment Bank
ERA	European Union Agency for Railways
ERTMS	European Rail Traffic Management System
eTIR	International system aims to ensure the secure exchange of data between national customs systems related to the international transit of goods, vehicles or containers according to the provisions of the TIR Convention
EU	European Union
EUD	Delegation of the European Union
CTC	Counter-Terrorism Coordination
EU Member State(s)	European Union Member State(s)
EVR	European Register of Vehicle
eQMS	Electronic Queuing Management System
GHG	Greenhouse Gas (GHG) emissions
FBIH	Federation of Bosnia and Herzegovina-entity in Bosnia and Herzegovina
ICT	Information and Communications Technology
INTERREG	Interregional cooperation programme co-funded by the European Union
IM(s)	Infrastructure Manager(s)
IPA	Instrument for Pre-Accession Assistance
ITS	Intelligent Transport Systems
IWW	Inland Waterways
JASPERS	Joint Assistance to Support Projects in European Regions
KPIs	Key Performance Indicators
LCs	Level-crossings
MaaS	Mobility as a Service

MoU	Memorandum of Understanding
MoT(s)	Ministry(ies) of Transport
NCTS	New Computerised Transit System
NGO	Non-governmental organization
NIB	National Investigation Body
NSA	National Safety Authority
NSW	National Single Window
NVR	National Vehicle Register
PERS	Public Enterprise Roads of Serbia
PHEV	Plug In Hybrid Electric Vehicle
PIU	Project Implementation Units
PSO	Public Service Obligation
RAMS	Road Asset Management System
R&D	Research and Development
R&I	Research and Innovation
RIAMS	Railway Infrastructure Asset Management System
RES	Renewable energy sources
RISM	Road Infrastructure Safety Management
RP	Regional Parties
RRA	Railway Regulatory Agency
RSC	Regional Steering Committee
RSA	Road Safety Audit
RSI	Road Safety Inspection
RU	Railway Undertaking
S2R	Shift2Rail
S2R JU	Shift2Rail Joint Undertaking
SEED	System for Electronic Exchange of Data
SEE Parties	Southeast European Parties: Albania, Bosnia and Herzegovina, Kosovo*[1], North Macedonia, Montenegro, Serbia
SEESARI	Southeast Europe Strategic Alliance for Rail Innovation
SSMS	Sustainable and Smart Mobility Strategy
SUMP	Sustainable Urban Mobility Plan
TA	Technical Assistance
TC	Technical Committee
TCT	Transport Community Treaty
TCT Secretariat	Transport Community Permanent Secretariat
TEAMS platform	Microsoft Teams business communication platform
TEN-T	Trans-European Transport networks
ToR	Terms of Reference
TODIS	Transport Community Transport Observatory Database and Information System
TSI(s)	Technical Specification(s) of Interoperability
TTF	World Bank Trade and Transport Facilitation Project
UN	United Nations

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* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
USAID	United States Agency for International Development
VAT	Value-added tax
WB	Western Balkans
WBIF	Western Balkans Investment Framework
WBRSO	Western Balkans Road Safety Observatory
WHO	World Health Organisation

1. Executive Summary

The European Union has set a target for all its member states to achieve climate neutrality by the year 2050. However, the Western Balkans region heavily relies on oil-derived fuels for various modes of transportation, including road, sea, and air travel, along with electricity and diesel for railways. Road transport is the dominant mode in the region, but the adoption of electric and hybrid vehicles (plug-in hybrids) is quite limited, accounting for less than 1% of the total vehicle fleet. This is in contrast to the EU, where battery electric and plug-in hybrid vehicles collectively make up over 18% of the fleet. The implementation of energy efficiency measures in the transport sector is still in its early stages. The progress report demonstrates advancement in the implementation of the strategy from year to year and has been divided per three goals: Sustainable, Smart and Resilient Mobility which further cover 10 flagships and actions under them.

Paragraphs below present key findings from each flagship:

Flagship 1 - Boosting Uptake of Zero-Emission Vehicles, Renewable & Low-Carbon Fuels and Related Infrastructure

While each regional partner is working towards integrating alternative fuels into their national energy policies and implementing electric vehicle charging stations, significant variations exist in the number and density of charging stations across the countries. *Albania* has seen substantial growth in electric and hybrid vehicle adoption, resulting from incentives such as exemptions from VAT and registration fees. *Montenegro* continues with incentives to promote electric and hybrid vehicles, including financial incentives, but electric vehicle charging infrastructure remains underdeveloped. *Serbia* has made significant progress in deploying electric vehicle charging stations, and offering subsidies for electric vehicle and hybrid vehicle purchases. None of the regional parties has transposed Alternative Fuel Infrastructure Regulation.

Flagship 2 - Creating Zero-Emission Airports and Ports

In the context of improving the environmental sustainability of ports in the Western Balkans, both the Port of Durres in *Albania* and the Port of Bar in *Montenegro* have undertaken initiatives to enhance their green credentials. The Port of Durres is considering investments in solar panels within the port area, aiming to reduce energy consumption and promote sustainability. It has also actively participated in INTERREG projects, such as the EFINTIS and LA-PIMS projects, to enhance port efficiency, cross-border connections, and harmonization with EU standards. The Port of Bar in Montenegro, on the other hand, has implemented various eco-friendly measures, including the installation of LED luminaires, the purchase of a hybrid bus to replace private cars for port transportation, and upgrading its Port Community System with the support of Interreg projects. These actions align with their commitment to create more sustainable and low-carbon ports in the region.

In the air and waterborne sectors, the adoption of the Alternative Fuel Infrastructure Regulation by the Regional Parties remains pending, and the availability of alternative fuels for aviation is not existing while for ground services varies across the airports in the Western Balkans. Notably, airports in the region have taken significant steps to address CO_2 emissions by participating in the Airport Carbon Accreditation programme, demonstrating their commitment to environmental

sustainability and efforts to reduce their carbon footprint. Prishtina Airport has achieved carbon neutrality, and airports like Belgrade and Tirana have actively worked to reduce their CO2 emissions, while others have assessed and mapped their carbon footprints. These actions reflect a collective commitment within the Western Balkans' aviation industry to promote a greener and more sustainable future.

Flagship 3 - Making Interurban and Urban Mobility more Sustainable and Healthy

To enhance sustainable urban mobility practices in the Western Balkans, Georgia, Republic of Moldova, and Ukraine, the Transport Community, the Open Regional Fund for South-East Europe: Energy, Transport, and Climate Protection (ORF-ETC), in cooperation with JASPERS and city of Belgrade, organised a joint regional workshop "Sustainable Urban Mobility in the Western Balkans". The event included discussions on topics such as integrated transport planning, urban mobility, and improving connections between urban nodes and the Trans-European Transport Network (TEN-T). Major urban centres like Sarajevo, Tirana, Skopje, Belgrade, Pristina, and Podgorica have made progress in implementing SUMPs.

Coordinating international rail traffic in the Western Balkans through collaboration among infrastructure managers is crucial, and the Transport Community Secretariat is actively facilitating communication among Regional Parties. Efforts include the establishment of a Regional Centre for Rail Excellence and working on the transposition of the Fourth Railway Package provisions to improve regional cooperation and market opening. However, challenges related to mutual recognition of licenses and certificates among regional partners persist, while efforts are underway to establish regionally aligned Public Service Obligations for international passenger rail transport, particularly the train link connecting Villach, Ljubljana, Zagreb, and Belgrade. This initiative seeks support from EU cross-border programs.

Flagship 4 - Greening Freight Transport

The European Commission's 2021 proposal for the Revision of TEN-T Regulation emphasized the green and digital transformation of the transport sector. Subsequently, the EU and the Western Balkan Partners agreed on revised Indicative TEN-T maps in the Western Balkans. This includes a Rail Freight Corridor aiming to boost regional economic and transport system cohesion and international freight cooperation.

Multimodality in the Western Balkans is in its early stages, with projects for both passenger and freight transport terminals being planned but not yet operational. While some provisions of the Council Directive 92/106/EEC have been partially adopted, full transposition remains incomplete. A recent rail market assessment in the region found a low modal share for rail in both passenger and freight transport compared to the EU, highlighting the need to improve infrastructure utilisation, punctuality, and reliability. To address these issues, a tender for technical assistance on improving multimodality has been launched, with a focus on expanding terminal capacity, supporting the Trans-European Transport network, and enabling digitalisation for enhanced Multimodality and Supply Chain Flow.

Flagship 5 - Pricing Carbon and Providing Better Incentives for Users

Progress toward the deployment of e-tolling and interoperability of electronic road toll systems in the Western Balkans has been limited, with the transposition of the Directive 2019/520/EC lagging

behind. In June 2023, a study visit in Italy provided insights into EETS market opening, while successful e-tolling interoperability was established in *Bosnia and Herzegovina*. *Montenegro* has developed a Rulebook for its electronic toll collection system, initially in use at the Sozina tunnel, with plans to implement it on the Bar-Boljare highway. Serbia is proposing toll discounts for electric vehicles, and *Serbia and North Macedonia* achieved interoperability, allowing a single tag device for citizens. Furthermore, the establishment of the Transport Community Transport Observatory Database and Information System (TODIS) is progressing, with plans for comprehensive data review and system enhancements in 2024.

Flagship 6 - Making Connected and Automated Multimodal Mobility a Reality

The EU-WB6 Green Lanes initiative, initially successful in the Western Balkans, has expanded into EU Member States since 2022. Several Memorandums of Understanding (MoUs) have been signed, promoting electronic data exchange between Western Balkan and EU countries.

Regarding ERTMS deployment, progress has been slower than anticipated, with limited coverage on the Core and Comprehensive Networks. Plans for implementing ETCS level 1 or 2 are underway in several Western Balkan countries. Efforts should be made to further transpose and implement the interoperability directive. In terms of ITS deployment, various Western Balkan countries are working on strategies and initiatives for traffic management and control centres, but approvals and legal frameworks remain pending in some cases. Additionally, the deployment of digital transport corridors and eFTI Regulation has been the focus of Technical Assistance, revealing significant potential for efficiency gains in the region. However, there has been no progress in transposing the Commission Delegated Regulation on EU-wide multimodal travel information services. There is also an effort to enhance planning capabilities for environmentally sustainable and digital transport, although tangible steps have not been initiated yet. Regarding 5G transport corridors, *Albania, Montenegro, and Serbia* are taking steps to promote the deployment of very high-capacity networks and 5G coverage along transport corridors.

Flagship 7 - Innovation, Data and AI for Smart Mobility

Several initiatives and events have been undertaken to promote research and innovation (R&I) in the field of transport and mobility within the Western Balkans. This includes the Techstars Startup Weekend focused on smart and sustainable mobility, the establishment of a Railway Center of Excellence, the 4th Social Forum of the Transport Community emphasising the role of civil society in creating inclusive and sustainable mobility, as well as the Transport Community Summer School aimed at capacity-building in multimodal transport and trade facilitation. While progress has been made in various aspects of R&I, comprehensive strategic roadmaps for artificial intelligence (AI) in mobility are yet to be developed across the region.

Flagship 8 – Working Towards the Single Market

Several Western Balkan countries are revising their national transport strategies with a focus on incorporating green elements and sustainability. *Albania*, for instance, is in the consultation phase of its Transport Sector Strategy and Action Plan 2025. The objectives include developing a cleaner, safer, smarter, and greener transport system that aligns with European Transport Policy. Similarly, *Kosovo* adopted a Multimodal Transport Strategy for 2023-2030, emphasising sustainable policies, cleaner vehicles, and digitisation to reduce gas emissions and enhance transport efficiency. In *Montenegro*, plans are underway to develop a National Plan of Adaptation

to Climate Change, conduct a feasibility study for alternative fuels, and draft a Strategy for Low Carbon Development with support from the World Bank. *Serbia* is working on a new transport strategy with an emphasis on sustainable and smart mobility, aided by the World Bank.

Efforts to promote green and digital transformation in the Western Balkans also include capacity building initiatives. The Transport Community Secretariat has organised workshops and study visits on topics such as sustainable mobility, alternative fuels for railways, and digitalisation. These events aim to enhance knowledge and awareness among regional partners and improve their ability to implement sustainable and smart mobility strategies. Additionally, the development of cost-effectiveness analysis for the Sustainable and Smart Mobility Strategy in the Western Balkans is ongoing, helping to align actions with climate neutrality goals. Climate resilience planning is another priority, with TCT project addressing road and rail network vulnerability to climate hazards and adaptation measures. Moreover, progress has been made in improving road and rail border crossings, including the introduction of one-stop-shop concepts and joint controls, reducing administrative bottlenecks, and enhancing infrastructure. These actions collectively contribute to the region's sustainable transport development.

Flagship 9 - Making Mobility Fair and Just for All

Action Plan for the Implementation of EU Acquis in the Area of Social Issues and Passenger Rights in Transport has been endorsed by the Regional Steering Committee. This plan focuses on workers' fundamental rights, just transition, passenger rights, and promoting equal opportunities to improve gender balance in the workforce. Key actions include creating a platform for identifying challenges to women's economic empowerment and appointing equality ambassadors. The initiative is also aligned with a declaration on equal opportunities for women in the transport sector.

The European Commission extended an invitation to the regional partners to participate in the EU "Platform for Change" and actively engage in its activities. This platform aims to promote gender balance, strengthen women's employment, and foster equal opportunities, creating a more inclusive and equitable transport industry.

Flagship 10 - Enhancing Transport Safety and Security

While the regional partners are working on identifying and providing inspection reports for dangerous road sections, a lack of financing is impeding the implementation of safety improvements. To address this, the European Commission has initiated the "Safe and Sustainable Transport Programme" in collaboration with the Transport Community and the World Bank, aiming to provide financial support for safety and sustainability projects, particularly in the road and railway sectors. Furthermore, the Western Balkans Road Safety Observatory is operational, offering a user-friendly dashboard for accessing road safety data.

Improvements in domestic legislation for the transport of dangerous goods have faced budgetary and resource challenges, but several regional partners have made progress. This year's focus includes cooperation between Ministries of Transport and Ministries of Interior to enhance the preparedness of emergency services for incidents involving dangerous goods.

2. Introduction

The European Union has set a target for all its member states to achieve climate neutrality by the year 2050. However, the Western Balkans region heavily relies on oil-derived fuels for various modes of transportation, including road, sea, and air travel, along with electricity and diesel for railways. Road transport is the dominant mode in the region, but the adoption of electric and hybrid vehicles is quite limited, accounting for less than 1% of the total vehicle fleet (electric and plug-in hybrid vehicles). In contrast, the EU sees battery electric and plug-in hybrid vehicles collectively making up over 18% of the fleet. Instead, there has been a growing trend in the use of vehicles that combine traditional fuels (diesel and gasoline) with alternative fuels like electricity and Compressed Natural Gas (CNG), constituting more than 15% of the road vehicle fleet. The implementation of energy efficiency measures in the transport sector is still in its early stages, and there is a lack of a unified approach to setting emissions standards across the region, with standards ranging from Euro 3 as the lowest to Euro 6.

When it comes to rail transport, zero-emission vehicles predominantly rely on electric traction due to the absence of infrastructure or vehicles capable of utilizing alternative fuels. In the sectors of waterways, maritime, and air transport, there are currently no zero-emission vehicles available, emphasizing the need for substantial advancements in adopting greener and more sustainable technologies and practices in these areas. Overall, the Western Balkans faces significant challenges in aligning its transport sector with the EU's climate goals, necessitating efforts to reduce emissions, enhance energy efficiency, and promote the adoption of cleaner transport technologies.

According to the CONNECTA study on sustainable and smart mobility, if no action is taken, GHG emissions will substantially increase:

- Under the Do-Nothing (or Baseline) scenario, GHG emissions in the transport sector are expected to almost double by 2050. The projected total GHG emissions are expected to increase from 8.3 million tCO2eq in 2019 to 18.0 million tCO2eq in 2050.
- In the Do Something scenario, GHG emissions in the transport sector would remain stable around 8.3 million tCO2eq, with a small increase in the first ten years and slowly decreasing afterwards, reaching 10.2 million tCO2eq in 2050.
- In the Decarbonisation scenario, GHG emissions in the transport sector would also remain stable during the first ten years around 8.3 million tCO2eq, then decrease in the following 20 years to 7.4 million tCO2eq in 2050, less than half of the Do-Nothing scenario[2].

Monitoring of the strategy

Given all the considerations outlined above, the implementation of the Sustainable and Smart Mobility Strategy in the Western Balkans (SSMS WB) assumes an even more pivotal and prominent role. Ensuring the strategy's implementation and monitoring is crucial and is managed through TCT structures. Given the multifaceted nature of the strategy, its implementation is coordinated through relevant agenda items within existing Technical Committees, complemented by workshops and capacity-building efforts facilitated by the TCT Secretariat as well as source

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[2] CONNECTA, Technical Assistance for the Deployment of Smart and Sustainable Mobility in the Western Balkans, 2023

material from action plan progress reports. The measures presented below are exclusively associated with actions that were scheduled to commence in the previous year or are scheduled to begin within the current year. It is anticipated that the monitoring table will be updated annually to align with the deadlines outlined in the Sustainable and Smart Mobility Strategy for the Western Balkans.

Organization of the Report

The Report is organized in four sections. Following the executive summary and introduction, Chapter 3 presents key findings and progress in the implementation of 10 Flagships. The last chapter comprises conclusions which focus on the way forward and further actions to be taken by regional partners in the upcoming period.

3. Progress by measures

3.1. Sustainable Mobility

Flagship 1 - Boosting Uptake of Zero-Emission Vehicles, Renewable & Low-Carbon Fuels and Related Infrastructure

Achieving a sustainable and climate-neutral transport system encompasses several vital components. These include the integration of zero-emission vehicles, the utilization of renewable and low-carbon fuels, and the establishment of essential infrastructure. These elements are fundamental in the concerted effort to diminish greenhouse gas emissions, improve air quality, and pave the way for a cleaner and more environmentally friendly future within the transport sector. This Flagship includes the following actions:

i.   Transposition of alternative fuel regulation

ii.   Deployment of e-charging stations on busiest corridors

iii.   Encouraging the introduction of incentives for zero-emission vehicles

iv.   Improving emissions testing in roadworthiness checks

Transposition of the Alternative Fuel Directive

None of the regional partners have adopted the Alternative Fuel Infrastructure Directive, which serves as the foundation for the deployment of alternative fuel infrastructure and outlines the minimum requirements for its development, to be integrated into the national policy frameworks of all EU member states. It is crucial to highlight that the Directive has undergone a revision with more robust targets for alternative fuel infrastructure and will transition into a Regulation. This new Regulation for the deployment of alternative fuels infrastructure (AFIR) establishes compulsory deployment goals for electric recharging and hydrogen refuelling infrastructure in the road sector to be met in 2025 or 2030, such as:

- From 2025 onwards, fast recharging stations of at least 150kW for cars and vans need to be installed every 60 km along the EU's main transport corridors, the so-called 'trans-European transport (TEN-T) network'.

- Recharging stations for heavy-duty vehicles with a minimum output of 350kW need to be deployed every 60 km along the TEN-T core network, and every 100 km on the larger TEN-T comprehensive network from 2025 onwards, with complete network coverage by 2030.

- Hydrogen refuelling stations serving both cars and lorries must be deployed from 2030 onwards in all urban nodes and every 200 km along the TEN-T core network.

Additionally, shore-side electricity supply in maritime and inland waterway ports, and electricity supply to stationary aircraft need to be installed as well. On 2 June 2022, the Transport Council of EU reached a consensus on the proposal, and subsequent negotiations with the European

Parliament led to a provisional agreement on the regulation on 28 March 2023[3]. Adoption and implementation are anticipated by the end of 2023.

Albania is actively working to integrate alternative fuels and relevant infrastructure into its national energy policy framework. This effort includes assessing the status and future plans for using alternative fuels in combined transport, setting national objectives, promoting alternative fuels, and ensuring compliance with infrastructure requirements for consumer accessibility. Several parts of this initiative are already reflected in Albanian legal acts, including laws related to natural gas and liquid fuels. In the short term, Albania plans to amend existing legislation to align with European Union directives, approve in national legislation request for appropriate number of refuelling points for LNG and CNG, specify technical requirements for LNG and CNG usage, assess current alternative fuel usage, and enhance human resources capacity. In the mid to long term, the country aims to promote hydrogen as a replacement for fossil fuels and fully transpose the Directive 2014/94/EU while considering related EU regulations and standards.

In *Montenegro*, the Ministry of Capital Investments has initiated activities to prepare a Strategy, Feasibility Study, and Environmental Impact Assessment related to the use of alternative fuels, which should also result in appropriate recommendations for ensuring the transposition of relevant directives. It is expected that these activities will commence in early 2024.

In *North Macedonia*, the Ministry of Economy on the Bilateral Screening has undertaken the obligation for the Regulation for the deployment of alternative fuels infrastructure and have a plan within the provided technical assistance in 2024 to prepare an analysis in order to determine in which law this regulation will be transposed.

Deployment of e-charging stations on busiest corridors

CONNECTA and TCT Secretariat have provided a dedicated Technical Assistance to support this group of measures. This has led to progress in finalising CONNECTA's TA project on e-charging by August 2023, which will help regional partners begin deploying e-charging stations.

The deployment of EVCS on the TEN-T road network in the region is uneven among the RPs: Serbia has already in use 19 EVCS on its TEN-T highways and plans to construct more. Bosnia and Herzegovina has 5 EVCS on its TEN-T, Kosovo has 1 and North Macedonia has 2, while yet there are no EVCS on the TEN-T road network contained in Albania and Montenegro.

The density of EVCS in relation to the overall length of paved roads (including TEN-T roads) in the RPs varies from 0.15 EVCS/100 km (*Kosovo*) to 0.69 EVCS/100 km (*Montenegro*). This is a very low density (considering that in the EU member states the average is 6.5 EVCS/100 km, although also in the EU it varies considerably among the member states); however, due to the still very low penetration of the EVs in the region, there are no acute problems in EVs' charging.

Plans of the authorities for the deployment of EVCS in the territories of the RPs exist in Serbia and are soon expected in *Albania and Montenegro* (because of the relevant studies they have implemented).

Specific legal and institutional frameworks on the deployment of EVCS do not exist in all RPs. The existing EVCS have been developed based on existing general construction, power supply, other

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[3]https://www.consilium.europa.eu/en/press/press-releases/2023/07/25/alternative-fuels-infrastructure-council-adopts-new-law-for-more-recharging-and-refuelling-stations-across-europe/

legal acts, but this existing legal context does not facilitate (on the contrary delays) the deployment of EVCS. However, gradually, the missing legal framework is being developed in some RPs (e.g., *in Serbia*). This also concerns the implementation of the EU Directive 2014/94/EU on alternative fuels' infrastructure.

In some RPs, i.e., in *Albania* (for the EVCS installed by the Municipalities and owned by them), *Kosovo and Montenegro* (only for the 1st year of the new EVs)) e-charging services are free of charge for the EV car owners. In *Bosnia & Herzegovina and in Serbia* e-charging is free on the RP-ned EVCS (on the TEN-T roads). In *North Macedonia* e-charging is upon payment (as only private EVCS exist). The payment method(s) and the level of charges are not the same everywhere (decided by the commercial approach of each provider).

No	Regional Partner	Existing number of EVCS	Density No. EVCS/ 100 km	No. EVCS on TEN-T		Plans for deploym. of EVCS	Approv. technic specs	Specific EVCS legal acts	Payment methods	Incentives for EVs' purchase
				Exist.	Plan					
1	Albania	60	0.46	0	0	No	Yes	No	Free	Yes
2	Bosnia & Herzegovina	93	0.48	5	0	No	No	No	Free at RP-owned EVCS	Yes
3	Kosovo	13	0.15	1	0	No	No	No	Free	No
4	Montenegro	49	0.69	0	0	No	No	No	Free 1st year	Yes
5	North Macedonia	59	0.42	2	0	No	No	No	Unknown	Yes
6	Serbia	85	0.28	19	10	Yes	No	No	Free at RP-owned EVCS	Yes
T	Western Balkans	359	0.39	27	10	N/A	No	No	N/A	Not in all RPs

Table 1 Key findings concerning the current state of play in each of the RPs[4]

The proposal for expanding the Trans-European Transport Network (TEN-T) road network in the Western Balkans (WB6) to accommodate electric vehicle (EV) charging infrastructure until 2030, 2040, and 2050 was developed using a transport model and various methodologies. Traffic demand assessments were conducted, including traffic forecasts under three scenarios (Business as usual, Do Something, and Decarbonisation) for 2025, 2030, 2040, and 2050, aligning with the Sustainable and Smart Mobility Strategy for the Western Balkans (SSMS) targets. The corresponding EV traffic demand was calculated based on the general traffic demand.

In identifying suitable EV charging station (EVCS) locations along the extended TEN-T road network in the WB6, international EV charging trends and practices were reviewed, and EU Directive 2014/94/EU requirements on the maximum distance between adjacent EVCS were considered. A total of 158 EVCS were designated across 134 locations, with 24 locations featuring double EVCS on both sides of the road.

The distribution of these EVCS locations is as follows: 23 in *Albania,* 22 in *Bosnia & Herzegovina,* 9 in *Kosovo,* 14 in *Montenegro,* 19 in *North Macedonia,* and 71 in *Serbia*.

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[4] CONNECTA, Technical Assistance for the Deployment of Smart and Sustainable Mobility in the Western Balkans, 2023

In *Serbia*, the amendments to the Law on Planning and Construction, ratified in July 2023, have introduced the concept of electromobility. This refers to electromobility definition as a form of environmentally friendly transport using electric vehicles, with the charger being identified as a device that can be situated in public spaces or within structures intended for public or private use. The obligation to build e-chargers was introduced when defining the building rules in the spatial plan of the special purpose area, the spatial plan of the local self-government unit and the general and detailed regulation plans. These rules must contain the
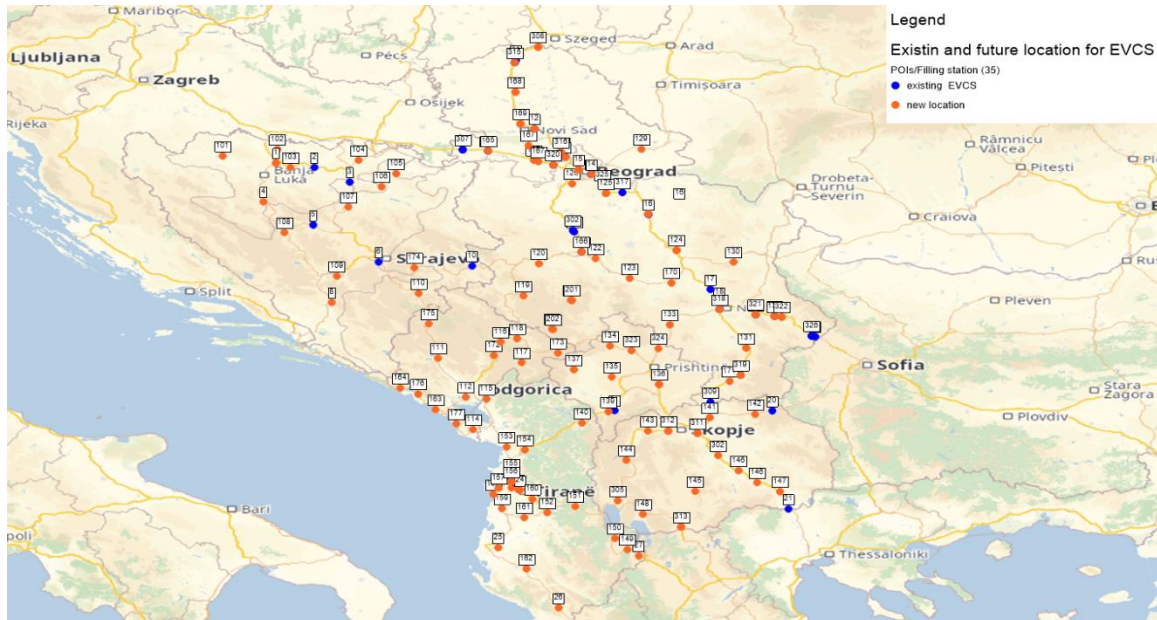

Figure 1 Existing and proposed new EVCS along the extended TEN-T in the WB6[5]

number of garages or parking spaces with a mandatory minimum number of spaces for charging electric vehicles. That number is determined by the minister. Furthermore, in *Serbia*, the amendments to the aforementioned law outline the responsibilities of motor vehicle refuelling station owners, particularly those situated along motorways. They are required to align their operations with the stipulations of this law within a two-year from the date of entry into force of the by-laws regulating the issue of installing electric vehicle chargers.

Encouraging the introduction of incentives for zero-emission vehicles

Albania has introduced an exception from VAT on electric vehicles (in the case of the supply of new electric vehicles not previously registered in any other country) as a form of incentives and there are no fees applied for registration of electric vehicles. These actions have led to an increase in electric vehicles from 175 in 2019 to 1535 in 2022 (777 % increase), while hybrid vehicles registration grew from 494% in period from 2019-2022.

Montenegro has published tender for the purchase of electric and hybrid vehicles for 2023, continuing the initiative since 2021. For each year, the grant fund amounted to 100 thousand EUR (200 th. EUR in total), of which 50 thousand EUR were earmarked for the purchase of electric vehicles and 50 thousand euros for the purchase of hybrid vehicles. The subsidy amounted to 5 thousand EUR for an electric vehicle and 2.5 thousand EUR for a hybrid vehicle

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[5] CONNECTA, Technical Assistance for the Deployment of Smart and Sustainable Mobility in the Western Balkans, 2023

(plug-in and full hybrids). Physical persons could be eligible for a subsidy for the purchase of one vehicle, while legal entities and entrepreneurs could be entitled to a subsidy for the purchase of up to two vehicles.

In *Serbia*, owners of electric vehicles and hybrid vehicles do not pay annual tax on the use of motor vehicles. In March 2020, Serbia adopted the Regulation to subsidize purchase of electric vehicles and vehicles with hybrid drive. Subsidies are available for:

- Hybrid passenger vehicles and hybrid light trucks with CO_2 emissions up to a maximum of 100 g/km – 2.5 thousand EUR
- Plug-In Hybrid Electric Vehicle (PHEV) and light trucks, as well as electric vehicles and light trucks with range extender with CO_2/km emissions up to a maximum of 50 g/km – 3.5 thousand EUR
- Totally electric passenger vehicles and totally electric light truck s– 5 thousand EUR.

Additionally, subsidies and incentives are introduced for public transport and renovation of taxi fleet through adoption of specific Regulation. It defines that taxi carriers have the right for subsidized purchase of new vehicles that meet one of the following criteria:

- Have a fully electric, hybrid or compressed natural gas drive, or
- Meet at least EURO 6 engine standard in terms of exhaust emissions.

Additional criteria are related to the price of the vehicle, which cannot be less than 13 thousand EUR and to the colour of the vehicle, so it must be white, or light/dark colour tone.

The subsidized purchase of new vehicles shall be carried out by payment of the amount of 8 thousand EUR to the legal entity or entrepreneurs who fulfil the conditions. Moreover, the Regulation envisages that the taxi carrier is obligated to perform the activity of taxi transport as public transport with the subsidized vehicle for at least three years. The subsidized purchase of taxi vehicles is foreseen for three years for a maximum of 6000 vehicles per year.

Improving emissions testing in roadworthiness checks

Directive 2014/45/EU of the European Parliament and of the Council of 3 April 2014 on periodic roadworthiness tests for motor vehicles and their trailers is reported as fully transposed by all the regional partners with the exception of *Bosnia and Herzegovina*. This Directive establishes minimum requirements for a regime of periodic roadworthiness tests of vehicles used on public roads.

In reference to the recent legal developments, two important documents are relevant:

- Commission Delegated Directive (EU) 2021/1717: focuses on updating certain designations for vehicle categories and includes the addition of eCall to the list of test items, methods, reasons for failure, and the assessment of deficiencies
- Commission Implementing Regulation (EU) 2019/621: addresses the technical information required for roadworthiness testing of items subject to examination. It also provides guidance on recommended test methods and establishes comprehensive rules concerning data formatting and the procedures for accessing pertinent technical information.

Neither of these more recent legal acts has been transposed by the Regional Partners. The failure to fully transpose these recent legal acts indicates that the relevant changes and updates have not been incorporated into the roadworthiness testing systems and procedures of these regional partners. This may require further action to ensure compliance and alignment with European Union standards.

Flagship 2 - Creating Zero-Emission Airports and Ports

The sustainability of the waterborne and air sectors is a critical aspect of the broader effort to reduce the environmental impact of transportation. In the waterborne sector, which includes shipping and maritime transport, there is an increasing focus on adopting cleaner technologies, improving fuel efficiency, and implementing stricter emission standards. This involves the transition to low-sulfur fuels, the use of alternative fuels such as LNG (liquefied natural gas), and the development of more energy-efficient vessel designs.

Additionally, sustainable practices aim to minimize the ecological impact on oceans and waterways, reduce air emissions, and enhance overall environmental stewardship. In the air sector, sustainable aviation has gained momentum with efforts to develop more fuel-efficient aircraft, use sustainable aviation fuels (SAF), and enhance air traffic management to reduce congestion and emissions. These initiatives align with global goals to achieve more eco-friendly modes of transportation, addressing environmental concerns while ensuring efficient and interconnected global mobility.

This Flagship includes the following actions:

i.   Following up on deliverables of INTERREG projects regarding Action Plans for Greening of e Ports of Bar and Durres

ii. Setting the foundation for the deployment of alternative fuels infrastructure through the transposition of relevant EU Acquis in the air and waterborne sectors.

Following up on deliverables of INTERREG projects regarding Action Plans for Greening of e Ports of Bar and Durres

The alternative fuels infrastructure in both inland waterways core network ports (Brcko, Samac, Novi Sad and Belgrade) and maritime core network ports (Bar and Durres) is currently non-existent due to the lack of demand for this type of infrastructure. However, certain steps have been made towards making ports more environmentally friendly.

The Port of Durres in *Albania* is considering investing in the construction of solar panels sites within the Port area, in order to shift part of the energy consumption. The Port of Durres participated in 2 INTERREG projects aiming to green the port and improve efficiency of the port.

The EFINTIS project, funded by the Interreg Adrion CBC Program, commenced in July 2020 with the goal of increasing coordination and promoting sustainable cross-border connections. This initiative addresses the need for enhanced transport entity connections, alignment with

current ICT requirements, and harmonization with EU standards. Durres Port Authority and the Autonomous Agency for Ho
spitality and Tourism of Termoli developed new ICT systems, fostering lasting actions beyond the EFINTIS project and promoting regional multimodality.

Additionally, a strategic plan known as the "Lower Adriatic Integrated Mobility System-Passengers (LA-PIMS)" project was introduced in 2022, with DPA as a partner. One of its main objectives was to establish a transnational system that fosters collaboration among various stakeholders, aiming to enhance multimodal connectivity, transit efficiency, and user-friendliness. These efforts focused on refining the permit management system, achieving real-time information exchange, centralizing administration for individuals and companies, and improving income reporting and fiscalisation. Furthermore, they have integrated the permit system with global reporting and introduced mobile devices for permit verification, all contributing to an enhanced passenger experience and greater control and security at Durres Port Authority.

Despite substantial improvements, some aspects, such as finalizing the technical aspects of reporting from the Port of Bari, remain pending, and the ongoing efforts aim to address these issues.

The Port of Bar in *Montenegro* has been very active in various EU funded projects aimed at improving the Port Community system and greening of ports. The Port of Bar JSC installed 73 LED luminaires on terminals, as a pilot action of the SMARTPORT project (Interreg IPA CBC Italy-Albania-Montenegro programme). The budget of the pilot action was €76,650. Additionally, the Port of Bar JSC is modernising its fleet by purchasing the hybrid bus, thus the company is taking a big step forward in further greening the port. Tas the bus will replace usage of multiple private cars for transport in the port area .. The purchase of the hybrid bus is in accordance with the Action Plan for a sustainable and low-carbon Port of Bar (Green Plan of the Port of Bar). The services of the hybrid bus will be used by workers, guests and other visitors in the Free zone of Port of Bar. The value of the hybrid bus was €277,000, of which €250,000 was financed through the SuMo project (IPA CBC Italy-Albania-Montenegro programme) and €27,000 was additionally paid by the Port of Bar.

The Port of Bar JSC has finalised two contracts for upgrading of the Port Community System. The upgrades are financed through 2 Interreg projects, namely EFINTIS (upgrade of €155,000) and LASTING (upgrade of €74,000). The projects were financed from the Interreg IPA CBC Italy-Albania-Montenegro programme. The upgrade of PCS through the EFINTIS project aims to connect the PCS information system with the Customs information system (we expect that prepared connection will be operative in 2024 after upgrades of the Custom IT system). In addition, a basic module related to transshipment of dangerous goods and integration with the National Maritime Single Window were prepared (integration will be operative in 2024 as NMSW will start in February 2024). The upgrade through the LASTING project aims to introduce RFID cards for passengers, workers, truck drivers and visitors in the port area (checking at entry/exit), whether entering by vehicle/truck or by foot. This upgrade is needed to comply with the ISPS code. In the LASTING project, equipment worth €19,500 were installed at the main gate of the port (RFID readers and barriers).

Setting foundation for deployment of alternative fuels infrastructure through the transposition of relevant EU Acquis in air and waterborne sectors

As mentioned before, none of the regional partners have adopted the Alternative Fuel Infrastructure Regulation, which regulates this area. As for the availability of alternative fuels, no fixed storage tank facilities for aviation biofuel are reported to be in use in Sarajevo, Podgorica, Belgrade, Skopje, Ohrid, Nis, Kraljevo, or Prishtina. Alternative fuels for airport ground services are available to some extent in Belgrade, Sarajevo, Skopje, Nis and Kraljevo airports.

It is important to note that this criterion is to be applied according to market requirements, and airports need to be prepared to make alternative clean fuels available when the need arises, as cited in the regulation, 'for air transport infrastructure: capacity to make available alternative clean fuels'.

Nevertheless, airports in the Western Balkans have taken significant steps to address their CO2 emissions. They have joined the @AirportCO2 programme, which was developed by the Airports Council International (ACI). This initiative, known as Airport Carbon Accreditation, is governed by ACI EUROPE in collaboration with four ACI regions and with the support of ACI World. Airport Carbon Accreditation is the only institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions through 6 levels of certification: 'Mapping', 'Reduction', 'Optimisation', 'Neutrality', 'Transformation', and 'Transition'.

Currently, there are 34 airports worldwide that have achieved carbon neutrality. Among them is Prishtina Airport (PRN), which has successfully neutralized its carbon footprint. Moreover, 85 airports have actively worked to reduce their CO2 emissions. Notable examples from the Western Balkans include Belgrade Airport (BEG) and Tirana Airport (TIA). Additionally, 71 airports have conducted assessments and mapped their carbon footprints. Noteworthy airports in this regard are Sarajevo International Airport, Tivat Airport (TIV), and Podgorica Airport (TGD). By actively participating in the Airport Carbon Accreditation programme, airports in the Western Balkans are demonstrating their commitment to environmental sustainability and taking concrete actions to mitigate their impact on climate change. These efforts are praiseworthy and contribute to the global aviation industry's collective commitment to a greener and more sustainable future.

Flagship 3 - Making Interurban and Urban Mobility more Sustainable and Healthy

Urban mobility plays a pivotal role in achieving climate neutrality targets, especially concerning air pollution and greenhouse gas emissions. WB region grapples with excessive pollutant concentrations, with eight of 15 Europe's most polluted cities located in the Western Balkans, as per the Air Quality Report 2020. While sustainable mobility planning has been pursued, there is a need for better coordination and joint planning between the government and local levels to achieve not just climate neutrality goals set by the Green Agenda and Green Deal, but also better connectivity. While, to boost interurban passenger transport, that has been underutilized, improvement of the rail system is crucial.

This Flagship includes the following actions:

i. Encouraging regional capitals and assisting in defining sustainable urban mobility solutions for major urban nodes along e core network (last mile solutions)

ii. Better managing and coordinating international rail traffic, including, if necessary, through revised rules for capacity allocation and infrastructure charging in rail

iii. Transposition of Provisions of Fourth Railway Package.

iv. Introduction of regionally aligned Public Service Obligation for international passenger rail transport.

Encouraging regional capitals and assisting in defining sustainable urban mobility solutions for major urban nodes along e core network (last mile solutions)

To enhance sustainable urban mobility practices in the Western Balkans, (as well as in the observing participants of, Georgia, Republic of Moldova, and Ukraine), the Transport Community, the Open Regional Fund for South-East Europe: Energy, Transport, and Climate Protection (ORF-ETC) and in cooperation with JASPERS and the City of Belgrade, organised a joint regional workshop "Sustainable Urban Mobility in the Western Balkans". The workshop took place in Belgrade, Serbia, from 18 to 20 October, and gathered over sixty participants.

During the three-day event, representatives from South-East European municipalities and associations, government officials, and observers from Georgia, Republic of Moldova, and Ukraine discussed and shared knowledge and best practices on Sustainable Urban Mobility Plans (SUMPs) and National Urban Mobility Policies (NUMPs). The workshop strengthened the capabilities of municipal associations in advising local governments on SUMP development and implementation. Furthermore, it provided practical support to selected local self-governments, enabling them to build the organisational and technical capacities necessary for successful SUMP execution. The event also included discussions on topics such as integrated transport planning, urban mobility, and improving connections between urban nodes and the Trans-European Transport Network (TEN-T). The Transport Community played a crucial role in facilitating discussions on the topics. Positive progress is that all major urban centres (Sarajevo, Tirana, Skopje, Belgrade, Pristina, Podgorica) have Sustainable Urban Mobility Plans (SUMP), with progress continuing even in smaller cities.

Better managing and coordinating international rail traffic, including, if necessary, through revised rules for capacity allocation and infrastructure charging in rail

Better managing and coordinating international rail traffic can be achieved only through close cooperation of the infrastructure managers in the Western Balkans. The TCT Secretariat is actively engaged in developing further the communication channels among all regional partners from the rail sector. According to the Memorandum of Understanding for the creation of the Network of Infrastructure Managers, signed during the first Western Balkans Rail Summit in Belgrade on 13 September 2021, the TCT Secretariat facilitated the third meeting of the network in Tirana on 23 March. The main conclusions were related to the continuation of activities on establishing of Regional Centre for Rail Excellence, and preparations for the second phase of the Level Crossing project, related to the technical support. Moreover, all

Infrastructure Managers welcomed three observing participants from Ukraine, Georgia, and the Republic of Moldova.

Transposition of Provisions of Fourth Railway Package

The transposition of Provisions of Fourth Railway Package and the alignment with the Interoperability and Safety Standards is among the key elements that will improve future regional cooperation, regional market opening, and reduce considerably waiting times at the border/common crossing points.

The mutual recognition of operating licences, train driver licences, safety certificates, and vehicle authorisations is a precondition for rail market opening on the regional level. In this regard, the TCT Secretariat, together with DG MOVE and ERA, continued offering its assistance and support in reaching a mutual agreement among all the regional partners. During this reporting period, *Serbia and Bosnia and Herzegovina* have improved the interoperability compliance with new and updated legislative acts. Additionally, no concrete measures were taken in terms of mutual recognition of licences, and certificates by any regional partner. The necessary legislative changes are crucial to improving the current situation.

Introduction of regionally aligned Public Service Obligation for international passenger rail transport

The TCT Secretariat organised a high-level meeting in Zagreb on 24 January 2023 on re-establishing train link (connection) between Villach – Ljubljana – Zagreb - Beograd. Representatives from all railway companies from Slovenia, Serbia, and Croatia attended the meeting and confirmed their willingness to initiate and finalise this initiative - despite the technical and financial challenges that must be addressed. The TCT Secretariat also drafted a cost estimate based on inputs received from the three interested parties and will explore possibilities for the project to be supported by EU cross-border programmes. Letters with a detailed explanation and request for financial support of the initiative/project were addressed to the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR) and the Directorate-General for Regional and Urban Policy (DG REGIO).

Flagship 4 - Greening Freight Transport

Multimodality in freight transport involves the seamless combination of various transportation modes, optimizing the movement of goods. Greening freight transport focuses on environmentally responsible practices to reduce emissions and promote sustainability. Integrating these concepts means combining transport modes efficiently while prioritising eco-friendly initiatives, resulting in a more sustainable and efficient freight transport system. This will help ease the pressure on the Western Balkans' congested transport infrastructure, and make the entire sector more environmentally friendly, safer, and cost efficient.

This Flagship includes the following actions:

i.   Rail Corridor Initiative – Western Balkans to join Rail Freight Corridors

ii.   Assessment of bottlenecks in modal interconnections and the current incentive system in place.

Rail Corridor Initiative – Western Balkans to join Rail Freight Corridors

In December 2021, the European Commission published a proposal for the Revision of TEN-T Regulation[6] which puts more focus on the green and digital transformation of the transport sector. As a follow-up to the proposal, regional partners engaged in discussions with the EC on the extension and modification of the current TEN-T maps in the Western Balkans. A high-level of understanding on revision of the Indicative TEN-T maps in the Western Balkans was reached on 16 May by the EU and the Western Balkan Partners. In addition, the proposed establishment of the new Western Balkans - Eastern Mediterranean Corridor aims to strengthen the region`s economic, social, and territorial cohesion, creating seamless transport systems across borders, without physical gaps, bottlenecks, or missing links.

The new Core Corridor also includes a Rail Freight Corridor traversing through the Western Balkans. Upon the adoption of the new TEN-T package, this Rail Freight Corridor and its accompanying institutional mechanisms are poised to become vital instruments for the synchronized implementation of the Core Network in the region and enhanced collaboration on international freight transportation.

Assessment of bottlenecks in modal interconnections and the current incentive system in place

Multimodality in both passenger and freight transport is in its early stages, necessitating the establishment of regulatory, institutional, and infrastructure frameworks. Numerous projects aimed at developing both freight terminals (such as Batajnica and Makis) and passenger stations are either currently underway or in the planning phase, although they have not commenced operations yet. Generally, progress in the development of multimodal terminals and the adaptation of existing road and rail infrastructure to facilitate multimodal transport has been rather slow-moving.

Regarding the Council Directive 92/106/EEC dated 7 December 1992, which deals with the implementation of uniform regulations for specific forms of combined goods transport between EU Member States, it is worth noting that some regional partners, including *Serbia and Montenegro*, have partially adopted certain provisions of this combined transport directive. However, complete transposition has yet to be accomplished.

The TCT has engaged TA on Rail market assessment, whose objective was to deliver a comprehensive overview of the transport needs, traffic flows, and market situation - assessing the capacities, economic and technical level of development of freight and passenger transport, and thus fulfilling the obligations derived from the Transport Community Treaty signed by South East European Parties, related to Annex 1 of the Treaty, the Rail Action Plan. The study was awarded in September 2022 and completed in July 2023. Some of the key findings are:

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[6] Proposal for a Regulation of The European Parliament and of The Council on Union guidelines for the development of the trans-European transport network, amending Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013

- The modal share of rail accounts for approximately 19% of freight land transport (tonne-km) and 7% of passenger land transport (pax-km). The modal share of rail in the EU is 16% for freight and 6% for passenger transport according to 2020 data.

- Public Expenditure in the SEE Region is six times lower than in the EU. That later reflects the condition, the usage of rail as a modality of choice.

- The tendency to travel by rail in EU is 900km per inhabitant, and 19km in SEE. This fact corresponds to the actual situation in the region and the attractiveness of the passenger rail transport. There is a need act more to create opportunities for qualitative possibilities of rail travel.

- The utilisation of the infrastructure for passenger transport in SEE is significantly lower (44 times) than in the EU, and freight utilisation is 2.8 times smaller than in the EU. This brings us to the conclusion that the infrastructure is less utilised in general.

- Punctuality and reliability constitute a large problem in railway services in the SEEP, with only 43% of trains classified as punctual.

- Infrastructure Managers must agree on financial incentives with the railway undertakings and between the railway undertakings to boost multimodality.

In October 2023, the TCT launched a tender for TA on improving multimodality. The objective of this assignment is to address the need for adequate multimodal freight terminal capacity in the Western Balkans region to support the Trans-European Transport network, particularly catering to traffic flows associated with urban centres, industrial hubs, ports, and logistics facilities. The background of the study is rooted in the TEN-T (Trans-European Transport Network) initiative and the Sustainable and Smart Mobility Strategy for the Western Balkans. An additional objective is to set the foundation for digitalisation needed for enhanced Multimodality and Supply Chain Flow.

Flagship 5 - Pricing Carbon and Providing Better Incentives for Users

Transport serves as a fundamental facilitating service, fostering economic expansion and meeting a nation's mobility demands. However, its operations give rise to adverse external effects on the environment and society. Individuals and business utilizing transport face challenges in obtaining data regarding the carbon emissions associated with their journeys and the accessibility of eco-friendly alternatives. It is imperative to raise awareness among the public regarding the environmental consequences of their travel, consumption, and everyday mobility choices, potentially leading to alterations in travel behaviours. This Flagship includes the following actions:

i. Deployment of e-tolling and achieving interoperability of electronic road toll systems and facilitating cross-border exchange of information;

ii. Establishing the Transport Community Transport Observatory Database and Information System (TODIS).

Deployment of e-tolling and achieving interoperability of electronic road toll systems and facilitating cross-border exchange of information

There has been no progress in the transposition of the Directive 2019/520/EC of the European Parliament and of the Council of 19th of March 2019, in force as of October 2021, on the interoperability of electronic toll systems and facilitating the cross-border exchange of toll non-payment information in the Union

In June 2023, a study visit was organised in Rome, Italy, aimed at gaining insights into the challenges and progress of opening the market to EETS (European Electronic Toll Service). Italy stands as the sole EU member state with EETS providers offered to all vehicle categories, including both light and heavy goods vehicles. Furthermore, by the end of September, the regional partners had the opportunity to engage with their Polish counterparts, learning and exchanging insights on the transposition and implementation of EU Directives related to Intelligent Transport Systems (ITS) and the enforcement of electronic tolling.

In Bosnia and Herzegovina, a notable accomplishment is the successful establishment of e-tolling interoperability across Bosnia and Herzegovina. Starting from June 19th, a single tag is now applicable across the entire road network.

As part of the "Technical Assistance for Capacity Support to the Transport Sector and EU Acquis Alignment in *Montenegro*" project, funded through the IPA fund, a Rulebook has been formulated outlining detailed conditions, technical requirements, particular conditions, and interoperability elements of the electronic toll collection system. Presently, only the Sozina tunnel, which links Podgorica to the coast, operates under a tolling system. The existing tolling system at the tunnel includes both a traditional toll gate and an e-tolling option through a smart card system issued by the operator "Monte-put" d.o.o. Additionally, a tolling scheme is being implemented for the first section of the Bar-Boljare highway.

In *Serbia*, PERS, in collaboration with MCTI, has proposed to the Ministry of Finance to amend the Law on Fees for the Utilisation of Public Goods. This proposal consist of a discount of up to 13% on toll payments for electric vehicles, across all categories, using the ENP. The law amendments are currently in procedure. PERS has facilitated access to statistical data on traffic networks and traffic-related information through the web GIS platform (https://gisportal.rs/portal/apps/sites/#/gis), accessible to all data users.

A Memorandum of Understanding on the interoperability of electronic toll collection was signed between the *Republic of Serbia and the Republic of North Macedonia* on 31 March 2023 in Belgrade. Commencing as of 1 July 2023, the interoperability of the ETC system between *Serbia and North Macedonia* is operational, allowing citizens to use a single tag device.

Establishing the Transport Community Transport Observatory Database and Information System (TODIS)

The Treaty establishing a Transport Community includes a dedicated effort to set up a Transport Observatory as an information system for decision makers to monitor and review the condition and performance of the indicative TEN-T extension of the comprehensive and core networks to the Western Balkans. The Transport Observatory concept, endorsed by the

Regional Steering Committee in October 2020, should fulfil four core functions: a) TEN-T Network performance monitoring; b) TEN-T projects monitoring; c) TEN-T network demand forecasting and modelling; and d) EU Acquis monitoring.

Activities for the Transport Observatory Phase 2 (TODIS) are progressing. The system will be officially handed over by the end of 2023, following extensive testing and fine-tuning, with user training set for completion by year-end. In addition, it is expected that the procedural framework for TODIS will be endorsed by the RSC by the end of 2023, facilitating regular system operations in 2024. Upcoming activities in 2024 include a comprehensive review of TODIS data gaps and the preparation of a multi-year gap-filling plan, development of the TODIS Data Glossary, further system and data model enhancements, and identification of future development needs in line with Regulation 1315/2013 revisions.

3.2. Smart Mobility

Flagship 6 - Making Connected and Automated Multimodal Mobility A Reality

Digitalisation and automation are driving transformative changes in the realm of mobility and transport, presenting a multitude of benefits for the environment and the efficiency of transport systems. In the context of environmental sustainability, the adoption of digitalisation and automation in mobility holds great potential. These technological advancements facilitate more precise route planning, enabling vehicles to take more direct and fuel-efficient paths, thus reducing greenhouse gas emissions and air pollution. Moreover, real-time data and predictive analytics enable better traffic management, mitigating congestion and idling times, which further contributes to lower emissions. The development of smart traffic systems can optimize traffic flow, reduce energy consumption, and enhance overall air quality. In the region, digitalisation is still on the inception level, with specific solutions mostly developed for specific sections and not for entire networks.

This Flagship includes the following actions:

i. Using modern software at border crossing points /common crossing points (such as e-qms, NCTS, SEED, NSW, Galileo app)

ii. Initiating the deployment of ERTMS through the transposition of EU directives, TSIs, preparation of project documentation and deployment

iii. Deploying ITS through the transposition of EU directives, standards, preparation of project documentation and deployment

iv. Deploying Mobility as a Service (passenger and freight) applications and digital transport corridors, smart mobility solutions and multimodal travel information services

v. Assessing needs for setting up agencies or other bodies to support safe, smart and sustainable road transport operations

vi. Initiating the deployment of 5G transport corridors across the region on Core and Comprehensive Network.

Using modern software at border crossing points /common crossing points (such as e-qms, NCTS, SEED, NSW, Galileo app)

Significant progress has been achieved in the implementation of the EU-WB6 Green Lanes initiative. Built on the success achieved across the Western Balkans, the joint initiative carried out by TCT and CEFTA Secretariats, has been expanding to the EU Member States as of 2022. After signing the Memorandum of Understanding (MoU) on the electronic data exchange between *North Macedonia- Greece, Albania-Italy and Montenegro- Italy*, in 2023, two additional MoU were signed by *Croatia*: one with *Bosnia-Herzegovina* and the other one with *Montenegro*. The process of extension is being executed in two phases. The first phase, facilitating export from Western Balkan parties by sending data from them to the EU, has been successfully completed in all pairs of the mentioned partners throughout 2023, with support of CEFTA and the SEED+ project. The second stage, supporting the risk analysis when goods are exported from the EU to the Western Balkans parties, by sharing in advance respective data, is pending the implementation due to the lack of a proper legal framework. This issue has already been brought to the attention of political leaders and reflected in the Joint Declaration "Taking forward the Green Lanes" endorsed at the TCT-CEFTA Connectivity Summit held in Budva on 15-16 May 2023.

Initiation of the deployment of ERTMS through the transposition of EU directives, TSIs, preparation of project documentation and deployment

ERTMS system operations have been initiated in the Western Balkans. For the first time in history, 2.63% of the 2,623 km of Core Network and 1.72% of 4,007 km of the Comprehensive Network is equipped with an ERTMS system due to the inauguration of the newly reconstructed Belgrade – Novi Sad line. Almost all regional partners have partly transposed the interoperability directive (third or fourth rail package). Considering planned and ongoing projects, there are intentions to implement ETCS level 1 or even 2 in *Albania, Kosovo, Serbia and North Macedonia*, which will lead up to 16% of the ERTMS system on the Core network after the completion of these projects by 2027.

ERTMS deployment is the greatest challenge in terms of TEN-T parameters, and progress is slower than anticipated. Plans are in place to address this issue. However, all regional partners should make additional efforts in further transposition and implementation of the interoperability directive.
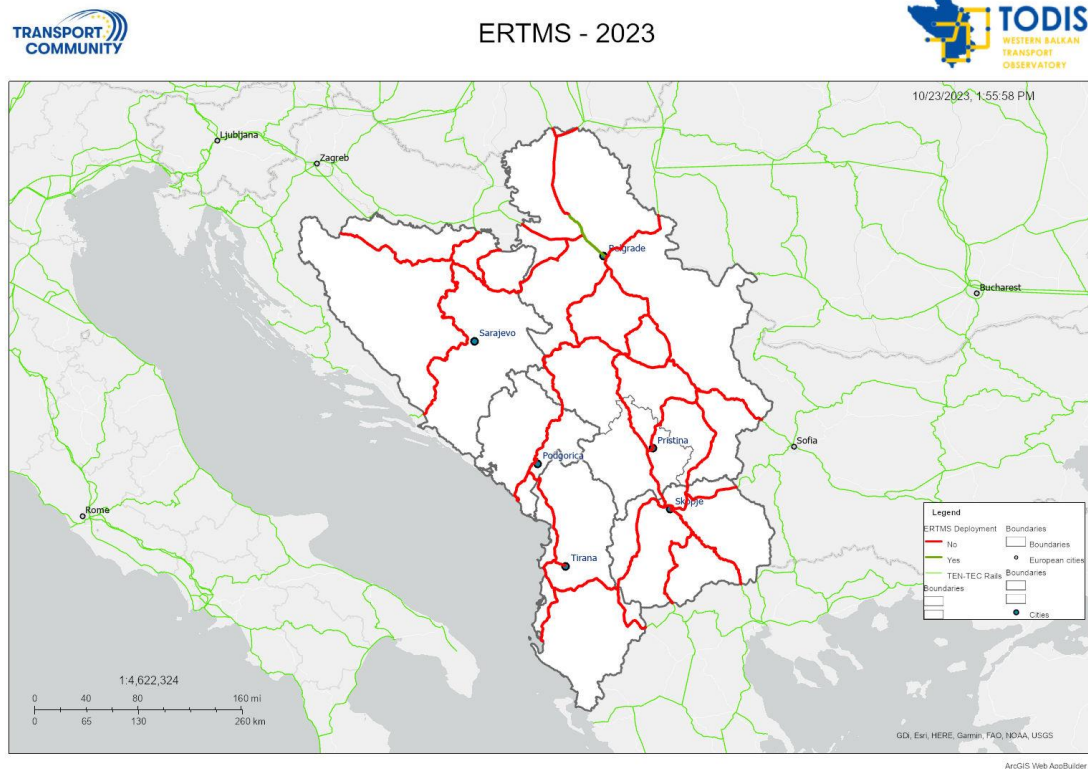
ERTMS - 2023

Figure 2 Map ERTMS deployment [7]

Additionally, on 18-20 April 2023, a training session organised by the Transport Community Permanent Secretariat in cooperation with the European Union Agency for Railways (ERA) on the European Railway Traffic Management System (ERTMS) was held in Luxembourg. Fifteen (15) rail professionals/experts from the South East European Parties and Georgia attended the training supported by Luxembourg Railways (CFL). Training consisted of various topics, including the fundamentals of ERTMS, testing and validation processes, and practical exercises such as train drive observation, as well as discussions to help participants apply their newly acquired knowledge in real-life scenarios.

Deployment of ITS through the transposition of EU directives, standards, preparation of project documentation and deployment

In *Albania*, the Albanian Road Authority (ARA) has allocated a budget of 1.8 million EUR for the implementation of the Albanian National Traffic Operation and Control Center (ANTOCC) and additional 20 million EUR for Intelligent Transport Systems (ITS) for the first 200 km of roads. ANTOCC is expected to be completed in three phases, with ongoing progress. The installation of a WEB - GIS system and stationary traffic measuring devices on the national road network has enhanced data collection and traffic monitoring.

In *Bosnia and Herzegovina*, the finalisation of the ITS Strategy and operational concept for Road Traffic Management Centres has been carried out by CONNECTA in August 2023. However, the approval for these initiatives is still pending.

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[7] Transport Community Transport Observatory Database and Information System (TODIS)

In *Kosovo*, the preparation of ITS Strategy for all modes of transport, and the operational concept for Road Traffic Management Centres were finalised by CONNECTA in August 2023. The approval process is in progress. Approval of the Administrative Instruction on ITS aiming to transpose ITS Directive 2010/40/EU is still pending upon the approval of the Law on Roads.

As part of the "Technical Assistance for Capacity Support to the Transport Sector and EU Acquis Alignment in *Montenegro*" project, funded through the IPA fund, the Programme for the Development and Introduction of Intelligent Transport Systems (ITS) in Road Transport in Montenegro has been prepared for the period 2022-2026. The first section of the Bar-Boljare highway project, Smokovac-Matesevo, has already implemented ITS equipment at a cost of 25 million EUR. For the required investment assessment and concrete ITS investment in the trunk and regional road network, the European Bank for Reconstruction and Development (EBRD) will provide a Loan Agreement to the Transport Administration. The signing of this Loan Agreement is anticipated to take place in 2024.

In *North Macedonia*, the transposition of the ITS Directive is supported by the ongoing project *Support for Policy Reform, Accession and Effectiveness* (SUPRAE). Its aim is to assist the authorities to harmonise the ITS Directive with the national legislation, particularly changes needed in the Law on Public Roads.

The national strategy for ITS has been prepared and it is expected to be adopted by the Government. ITS Deployment on Corridor X south part - Interchange Veles South to Border Crossing Bogorodica - the tender procedure was launched on 31 July 2023. For the northern part, the tender procedure is expected to start in the coming months.

In *Serbia*, the draft version of the ITS Strategy is expected by the first half of September 2023.The regional ITS centre in Niš has concluded its construction phase. The procurement of equipment and installation have been completed, and as of 1 April 2023, the process of relocating staff to the offices and conducting their training has commenced. An ongoing public procurement process is underway for additional equipment. Within the WB-financed Regional Transport and Trade Facilitation Project, a subcomponent includes the deployment of ITS. Approximately $10 million is allocated for installing ITS devices on a section of Corridor X currently in operation. The tender procedure for the activities included in this project is planned to be launched during September – October 2023.

Deployment of Mobility as a Service (passenger and freight) applications and digital transport corridors, smart mobility solutions and multimodal travel information services

Digital transport corridors have been mentioned as a priority in the EU and WB Sustainable and Smart Mobility Strategy (SSMS); they are a part of the Proposal for a Regulation for the development of the trans-European transport network and are directly related to Regulation (EU) 2020/1056 on electronic freight transport information (eFTI).

TCT Secretariat has engaged a Technical Assistance focusing on digital transport corridors, identifying challenges preventing deployment and implementation of the Regulation (EU) 2020/1056 in Western Balkans financed through TCT budget. The TA started in February and was completed by the end of 2022. The study demonstrated that the impact of the electronic freight transport information exchange would be significant, even with conservative

projections. Efficiency gains over five years in the Western Balkans would be between EUR 26.5 million and EUR 163.5 million, depending on the option.

The final result of the TA is a Roadmap specifying in detail the steps towards the full implementation of digital transport corridors and eFTI Regulation. Additionally, a study has proposed three pilot projects to kick-start the implementation of the Regulation. The eFTI gates and platforms can be developed from the beginning or eFTI gates and platforms can be based on the developed solution (such as CEFTA managed SEED system). The rough cost estimation of the entire project would be EUR 17.5 million if a phased approach is applied. While the cost for the pilot in three regional partners related to exchange of information on road transport based on the SEED platform has been estimated at 1.5 million EUR.

At the Connectivity Summit 2023, held on 15-16 May in Budva, Montenegro, Ministers of Transport from the South East European Partners and the Directors of Customs endorsed the Joint CEFTA-TCT Declaration "Taking Forward the Green Lanes", of which an integral part is piloting and deploying digital transport corridors.

No progress has been made in transposing the Commission Delegated Regulation (EU) 2017/1926 of 31 May 2017, supplementing Directive 2010/40/EU of the European Parliament and of the Council regarding the provision of EU-wide multimodal travel information services.

However, *in Albania*, the General Directorate of Road Transport Services has recently invested in the development of the eTransport electronic platform, a national initiative designed for the generation and distribution of intercity transport tickets for bus journeys. This platform focuses on key pillars including services, monitoring, and ticket generation operations. Currently operational for licensing and certification services in intercity transport, the platform ensures the generation of documents with an electronic stamp. Ticket generation will occur through various means, including Passenger Transport Agencies, electronic ticketing devices in vehicles, and online through web and mobile applications. The integration of electronic transaction devices will revolutionize service provision, allowing real-time control and measurement of intercity transport flow for enhanced service levels. The project prioritizes online ticket purchase through the eTransport Platform, offering travelers web and mobile access for information on routes, schedules, vehicle selection, and service assessments. The overarching goal of the eTransport project is a transformative shift in intercity transport services, with implementation expected to conclude soon.

Assessing needs for setting up agencies or other bodies to support safe, smart and sustainable road transport operations

By developing and refining their transport strategies, the regional partners (*including Albania, Bosnia and Herzegovina, Montenegro, Kosovo, and Serbia*) are concurrently evaluating their human and planning capabilities to facilitate the transition toward environmentally sustainable and digital transport. Nonetheless, as of now, no tangible steps have been initiated to enhance this capacity.

Initiating the deployment of 5G transport corridors across the region on the Core and Comprehensive Network

Regarding 5G corridors, *Albania* signed a MoU with Kosovo for 5G corridor Prishtina - Tirana in October 2020. Albania has also signed an MoU on 5G for digital transformation in the Western Balkan Region. During the reporting period, the Ministry of Infrastructure and Energy has initiated the process of drafting a new electronic communication law, aiming to transpose the European Electronic Communication Code (Directive 2018/1972/EU). The new law aims to enhance and promote the deployment of very high-capacity networks, mentioning the coverage of transport corridors with 5G. The draft law was consulted on with a great number of stakeholders and with EC and is currently in the final stage. The new law is expected to be approved within 2023.

In *Montenegro*, the Strategy for the Development of 5G Mobile Communication Networks in Montenegro 2023 – 2027 was adopted (August 2023). In *Serbia*, the implementation of the V2X system is under construction on the E761 highway (Moravian Corridor). This pilot project should meet the preconditions for the further development of the V2X system on the Serbian's highways.

Flagship 7 - Innovation, Data and AI for Smart Mobility

Innovation plays a pivotal role in driving the green and digital transition within the realm of clean transport. As societies increasingly recognise the urgent need to reduce emissions, curb pollution, and enhance the sustainability of transportation, innovation becomes the linchpin for achieving these goals. Innovation not only propels the development of cleaner and more sustainable transport methods but also fosters economic growth, job creation, and a higher quality of life for citizens through reduced pollution, congestion, and energy consumption. Therefore, investing in innovation is paramount for forging a path to a greener, more digitally-driven, and ultimately, cleaner future in the world of transport.

This Flagship includes the following actions:

i.   Developing R&I partnerships within region and with EU bodies

ii.   Encouraging public companies/institutions/universities to establish innovation centres

iii.   Improving coordination between public authorities, universities, NGOs on regional to encourage interdisciplinary research in green and digital mobility

iv.   Increasing awareness and educating young leaders, officials, and other relevant stakeholders on the greening of transport

v.   Undertaking impact assessment and preparing a roadmap for AI for mobility.

Developing R&I partnerships within the region and with EU bodies

From November 18-20, the Techstars Startup Weekend Western Balkans (Mobility Edition) took place in Prishtina. The regional event was led by the Innovation Centre Kosovo during the 2022 Global Entrepreneurship Week Kosovo and was supported by the Transport Community Permanent Secretariat. The Startup Weekend Western Balkans gathered 80 people (participants and mentors) who addressed pressing challenges in reducing transport

emissions, improving passenger access and interconnectivity between modes under the theme 'Smart and sustainable mobility. Better connectivity.' Additionally, as a part of the hackathon, the Transport Community Permanent Secretariat organised a kick-of roundtable on Boosting innovation and digitalisation in the transport sector in the Western Balkans with the regional ICT hubs to discuss main challenges and possible solutions to improve innovation in the mobility sector. As identified in the Sustainable and Smart Mobility Strategy for Western Balkans, innovation is crucial to enabling the green and digital transition in transport.

Encouraging public companies/institutions/universities to establish innovation centres

Based on the needs expressed on the Rail Infrastructure Managers Network for the Western Balkans, the TCT Secretariat and EU-Rail committed to cooperate on establishing a Railway Centre of Excellence for the WB. On 21 February 2023, the TCT Secretariat organised the Rail Excellence Summit in Pristina. The key objective of the Rail Excellence Summit was to create job opportunities and attract young people to railway companies and administrations. This can be achieved by bringing together rail experts, universities, and representatives from public institutions to discuss faced challenges, aligning with the TCT Secretariat aim to attract and keep individuals in the region with sector talent. This initiative will be followed with the establishment of a Regional Centre for Rail Excellence in cooperation with universities, rail companies, and administrations. This initiative was set in motion by the signing the Memorandum of Cooperation by educational institutions and railway companies from South East Europe. The centre will identify and execute knowledge transfer to improve the quality of rail systems, with the ultimate goal of speeding up the development of rail transport systems in Southeast Europe in line with state-of-the-art EU rail systems. In the same week in Pristina, on 23 February, together with ERA, we organised training devoted to the train driver licensing. It was attended by twenty participants from the region. More efforts are needed to promote innovation for transport overall and for specific modes such as road and waterborne transport.

Improving coordination between public authorities, universities, NGOs in the region to encourage interdisciplinary research in green and digital mobility

In 2023, TCT Secretariat hosted the 4th Social Forum of the Transport Community in Pristina, focusing on the Role of Civil Society in Creating Sustainable, Smart, and Inclusive Mobility. The forum gathered approximately fifty influential stakeholders from diverse organizations, including NGOs, government bodies, and youth associations. Discussions explored ways to make mobility in the Western Balkans more affordable, accessible, attractive, and inclusive by enhancing engagement with civil society. The Forum had two panels, the first panel focused on Inclusive Mobility – how to make Mobility Accessible for Everyone, and the second panel focused on Sustainable Mobility – on the role of Civil Society and the Green Agenda in the Western Balkans. It concluded that regional partners need to actively involve NGOs in transport policy and project preparation and strive for accessible mobility as it enables everyone to participate in social, cultural, and economic activities.

The 4th Social Forum discussed with the Regional Partner and the European Commission the Action Plan for the Implementation of EU Acquis in the area if Social Issues and Passenger Rights. The Regional Partners and the European Commission supported the Action Plan as an appropriate commitment and a good monitoring and reference tool for the implementation and enforcement of social and passenger rights in the region. It has been concluded that the

Action Plan will be a crucial document for the region to improve social standards, job security, attractive and fair working conditions, and passenger rights. The Regional Steering Committee has endorsed the Action Plan on the 28 March 2023.

Increasing awareness and educating young leaders, officials, and other relevant stakeholders on the greening of transport

The traditional Transport Community Summer School took take place in the period from 3-7 July 2023 in Ohrid, North Macedonia. The Summer School aimed to offer a capacity-building programme in the development of efficient multimodal transport connections and corresponding modern infrastructure, digitalised services on the network, and integrated border controls, allowing the participants to gain sound knowledge and understanding of the most important transport and trade facilitation instruments, as well as to build up their capacities in implementing such measures. Furthermore, the Summer School provided a forum to exchange knowledge and best practices within the region and with EU MS on one stop BCPs, synchronised/joint controls, exchange of information and coordination of border authorities, recognition of inspection certificates, etc.

The learning platform targeted the national administrations, i.e. civil servants in the Western Balkans partners, as well as observing participants dealing with issues related to transport facilitation and/or performing daily tasks at border-crossings.

Undertaking impact assessment and preparing a roadmap for AI mobility

All regional partners have been actively developing their ITS strategies (for all modes) and deploying of ITS on motorways, railway, inland waterways. AI has been used in certain projects sporadically. However, none of the regional partners has developed strategic roadmaps at the national level.

3.3. Resilient Mobility

Flagship 8 – Working towards the Single Market

The establishment and maintenance of a single market for transport are of paramount importance for fostering economic growth, enhancing efficiency, and ensuring seamless connectivity across borders. A unified and integrated transport market allows for the free movement of goods, services, and people, reducing trade barriers and improving accessibility. It encourages healthy competition among transport providers, leading to increased innovation, higher service quality, and lower prices for consumers. Additionally, a single transport market supports sustainability efforts by promoting the use of greener and more energy-efficient modes of transport. It plays a vital role in creating jobs, stimulating economic development, and strengthening the overall competitiveness of a region. Furthermore, a well-functioning single market for transport facilitates cross-border cooperation and harmonization of regulations, ensuring that the movement of goods and people is as smooth and efficient as possible. A single market still needs to be developed in the Western Balkans, and Transport Community Treaty is fostering the development of the

region's Single Market and aims at creating a Transport Community comprising road, rail, inland waterway, and maritime transport.

This Flagship includes the following actions:

i. Revisiting national transport strategies and prioritising green elements

ii. Capacity building for administration on the green and digital transformation of transport

iii. Development of cost effectiveness analysis of Sustainable and Smart Mobility Strategy Western Balkans Perspective and elaboration of detailed action plans per each regional partner

iv. Adopting guidelines to assess climate change and natural hazards of road network

v. Developing and implementing climate resilience plans for RPs transport networks

vi. Establishing efficient road maintenance through multiannual road maintenance plans and Road Asset Management Systems

vii. Electrification of rail core network and implementation of Flagship 1, 2, 3

viii. Reforming the railway sector through the transposition and implementation of market opening, passenger rights, interoperability, border crossings/common crossings legislation

ix. Reviewing transport-relevant State aid rules

x. Improvement of road and rail border crossings /common crossings (removal of administrative bottlenecks, additional parking lanes, construction of joint BCPs/CCPs).

Revisiting national transport strategies and prioritising green elements

Albania is developing a new Transport Sector Strategy and Action Plan 2025 (in consultation phase) whose objectives are:

o Further develop the national transport system on the basis of cleaner, safer, smarter, greener, more flexible and competitive mobility; and

o Significantly improve sustainability, interconnection, interoperability or wider integration with international and European transport system and the region.

The Strategy and Action Plan are in full compliance with the strategic vision of the Albanian Government and the main concepts of the European Transport Policy, ensuring the development of an efficient, sustainable, and smart system, as well as sensitive to the transport environment, which supports the main objectives of economic and social development of Albania and the future integration of the country into the European Union.

Bosnia and Herzegovina has revised its Framework Transport Strategy by the end of 2022 through an EUD financed TA. The revised document includes actions related to sustainability. However, the official adoption of the TA results is still pending.

In January 2023, *Kosovo* adopted the Multimodal Transport Strategy for the years 2023-2030, which aims to increase mobility, reduce the cost of transport and reduce gas emissions. The strategy is a plan to build a better, smarter and greener transport system, addressing the problems of creating sustainable policies, raising capacities through management reforms, raising transport safety, a cleaner environment using vehicles with zero gas emissions and digitisation in the transport sector.

Montenegro is actively working on its National Plan of Adaptation to Climate Change (NAP), which is currently under development. In line with the EU Directive, a Feasibility Study for the use of alternative fuels is scheduled for preparation in 2024. Addressing the negative impacts of climate change is mandated by the Law on Protection against the Negative Impacts of Climate Change. As a result, a Strategy for Low Carbon Development with an Action Plan is being drafted, with support from the World Bank. The World Bank also completed a study titled "Policy Instruments for Managing Road Vehicle Emissions in The Western Balkans" in May 2023. The Ministry of Capital Investments, with the support from GIZ, is preparing Montenegro's first National Energy and Climate Plan. In 2024, the main Transport Development Strategy for Montenegro will undergo an update, incorporating green elements. Additionally, efforts are underway to develop LNG terminals, especially in the vicinity of the Port of Bar.

As for *North Macedonia*, Ministry of Economy is planning a revision of the National plan for Energy and Climate which includes measures for energy efficiency in the transport. Additionally, Ministry of Transport and Communications is conducting TA on development of Implementation plan under the National Transport Strategy 2018-2030 which will address sustainability issues.

Serbia is developing a new transport strategy with the assistance of a World Bank project. The strategy is envisaged to include sustainable and smart mobility elements.

Capacity building for administration on green and digital transformation of transport

The Transport Community Treaty has organized several events to support capacity building on green and digital transformation, namely:

- The fifth and sixth workshops on the CONNECTA project's series on "Technical Assistance for the Deployment of Smart and Sustainable Mobility in the Western Balkans" took place in Podgorica on 29 and 30 March. The first workshop, "Sustainable Mobility - Vehicle development and charging/fuel infrastructure," centred on the placement of electric vehicle charging stations on the TEN-T network, energy savings, and CO2 emission reductions. The second workshop, "Sustainable mobility - Energy, greenhouse gas emissions, and finance issues," discussed activities needed for the implementation of the Sustainable and Smart Mobility Strategy for the Western Balkans, the transport sector's role in reducing GHG emissions, decarbonisation scenarios, and financing sustainable development in collaboration with key stakeholders and beneficiaries.
- A virtual workshop focused on promoting Cycling as a Sustainable Mode of Transport was successfully held on 3 July 2023. The event brought together 27 participants from

the Ministry of Transport, municipalities, and non-governmental sectors to discuss the benefits and potential of cycling as a sustainable transportation solution.

- IPA Study Visit related to alternative fuels for railways (hydrogen fuel cells) and battery electric trains. In partnership with the European Union Agency for Railways (ERA) and the Association of the European Rail Supply Industry – UNIFE, the Transport Community organised a study visit for railway experts from the Western Balkans, the Republic of Moldova, and Türkiye, in Germany from 10 to 12 October, focusing on alternative fuels for railways, with a specific emphasis on hydrogen fuel cells and battery electric technologies. The participants explored pioneering technologies, such as hydrogen fuel cells and battery electric systems, which have the potential to revolutionise rail travel by significantly reducing its environmental impact.

- To enhance sustainable urban mobility practices in the Western Balkans (as well as the observing participants from Georgia, Republic of Moldova, Ukraine),, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH within the Open Regional Fund for South-East Europe: Energy, Transport, and Climate Protection (ORF-ETC) and the Transport Community, organised a joint regional workshop "Sustainable Urban Mobility in the Western Balkans". The workshop took place in Belgrade, Serbia, from 18 to 20 October and gathered over sixty participants.

- Several workshops/study visits on the topic of digitalisation such as e-tolling and e-freight have been held during 2023.

- Technical Committees (TC) where Sustainable and Smart Mobility was in focus and the implementation of the Strategy and Green agenda was discussed. Prominent expert speakers were invited to raise awareness and capacity of our RPs for the green and digital transformation.

Development of cost effectiveness analysis of Sustainable and Smart Mobility Strategy Western Balkans Perspective and elaboration of detailed action plans for each regional partner

The Technical Assistance was constituted aiming to promote/support the Smart and Sustainable mobility in the Western Balkans. The project's kick-off meeting took place on 9 March 2022. While the official project completion date was 30 June 2023, the duration was extended to accommodate stakeholder feedback and to ensure the formulation of deliverables tailored to the requirements of each regional partner. This iterative process of addressing comments and refining the document continued until August 2023. The TA had following deliverables:

- Deliverable 1 - Baseline scenario and analysis of the Sustainable and Smart Mobility Strategy for the Western Balkans roadmap. The Final version was approved on 08/06/2023.
- Deliverable 2 - Impact scenarios of the Sustainable and Smart Mobility Strategy (SSMS) for the Western Balkans. The Final version was approved on 19/07/2023.
- Deliverable 3 - Action Plans and National Targets for each regional partner of the Western Balkans. The Final version was approved on 18/07/2023.

- Deliverable 4 - Final Report – Component 1 - Impact assessment and cost-effectiveness analysis of the Sustainable and Smart Mobility Strategy for the Western Balkans. The Final version was approved on 18/08/2023.

A CONNECTA study outlines three scenarios for greenhouse gas (GHG) emissions in the transport sector. Under the "Do-Nothing" scenario, emissions are projected to double by 2050, reaching 18.0 million tCO2eq. In the "Do Something" scenario, emissions stabilize around 8.3 million tCO2eq, with a slight increase in the first ten years and a gradual decrease to 10.2 million tCO2eq by 2050. In the "Decarbonisation" scenario, emissions remain stable for the first decade and then decrease to 7.4 million tCO2eq by 2050, less than half of the "Do-Nothing" scenario.

Under the Do Nothing scenario, a heavy focus on energy from petrol and diesel is anticipated (over 90% of consumption) – and an increase in total energy consumption from 31.4 TWh per year in 2019 to 60.9 TWh per year in 2050. The most positive impact is expected with the Flagship No.1 - Boosting the Uptake of Zero-Emission Vehicles, Renewable & Low-Carbon Fuels and Related Infrastructure, followed by the Flagship No.4 – Greening freight transport.

Several key actions were identified, which when combined, would have a significant impact on the projected GHG emissions and energy consumption of the transport system in the WB6 region. These include actions to:

- Improve the infrastructure for alternative fuels (electric vehicle charging, potentially hydrogen refuelling, etc.)

- Encourage the transition of the fleet from internal combustion engines to zero-emission vehicles and / or sustainable fuels,

- Dramatically shift modal shares towards public transportation, rail, IWW and maritime transport, and multimodal – this would need to happen within urban areas, in between, and across the TEN-T network – and would involve better rail connections, improved multimodal transport, etc.

In achieving the targets, the key results would be:

- A reduction of GHG from 18.1 million tCO2eq/year in 2050 in the Do Nothing scenario to 7.4 million tCO2eq/year in the Decarbonisation scenario

- A reduction of final energy consumption from 60.9 TWh per year in 2050 in the Do Nothing Scenario to 15.6 TWh per year in the Decarbonisation scenario

- Reductions in fuel cost of over EUR 7 billion in 2050 (per year) and cumulative savings of almost EUR 100 billion through 2050.

The total costs for implementing all 67 SSMS actions is estimated at about EUR 68 billion across all RPs through 2050, with the heaviest investments from the private sector, followed by public investments[8]. To advance on the path towards climate neutrality, it is crucial to incorporate these findings into national planning documents and action plans.

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[8] CONNECTA, Technical Assistance for the Deployment of Smart and Sustainable Mobility in the Western Balkans, 2023

Developing and implementing climate resilience plans for RPs transport networks and adopting guidelines to assess climate change and natural hazards of road network

Transport was one of the main sectors affected showing how vulnerable the entire region is to climate change, due to lower resilience and adaptive capacity. Climate resilience importance, when it comes to transport infrastructure, has been recognised, however none of the regional partners have prepared nor approved any targeted adaptation strategy to climate change for the transport sector.

On 26 January 2023, the TCT Secretariat initiated the Technical Assistance to prepare a risk assessment and a Resilience Plan for the road and rail network. The Inception Report has been prepared and the project objectives and tasks were discussed with the road and rail stakeholders in Technical Committees. The project is expected to be completed by the end of 2023. The main deliverable of the project will be:

- o Vulnerability analysis based on the sensitivity and exposure to climate hazards for Core/Comprehensive Road and rail network
- o Criticality assessment of the road and rail network
- o Adaptation measures and strategies for mitigation of climate hazards on the road and rail network
- o Institutional capacity building on climate resilience.

The World Bank's project "Construction of Resilient Bridges in *Albania"* has reached its final approval stage and is set to commence in 2023. The Consultant conducted a thorough assessment of the national road network, identifying 100 bridges requiring intervention out of a total of 803 bridges. This year, the focus will be on the construction or restructuring of the 27 most critical bridges, including five entirely new constructions. All necessary documentation, including the draft loan agreement, has been compiled, and negotiations have been successfully concluded. The next steps involve securing parliamentary approval and signing the loan agreement between the World Bank and the Ministry of Finance, expected to take place by September. Once these formalities are completed, the project can move forward, addressing the infrastructure needs for building resilient bridges in Albania.

During the design phase of road investments, resilience issues are taken into account in accordance with the relevant design standards. *Montenegro* has received support from the European Bank for Reconstruction and Development (EBRD) to develop the "Road Infrastructure Climate Resilience Strategy for Montenegro and Action Plan." Additionally, with the assistance of the United Nations Environment Programme (UNEP), a "Regional strategy for climate resilient infrastructure" has been prepared.

As part of the Smart and Sustainable Programme, proposals have been put forward to include National Resilient Strategies for Roads, Railway, and Maritime sectors. Furthermore, every grant application for available EU funds requires a mandatory risk assessment and the incorporation of appropriate mitigation measures.

In *North Macedonia*, resilience considerations are included in the preparation of the detailed design for road infrastructure. There is recognition of the need to include in the legislation provisions addressing the natural hazards and adaptation to climate change. While in *Serbia*,

PERS has successfully completed the installation of 54 Road Weather Information Systems (RWIS), contributing to a total of 81 RWIS units now operational across the entire network.

Establishing efficient road maintenance through multiannual road maintenance plans and Road Asset Management Systems

In *Albania*, there is progress in maintaining the road network until 2026, with substantial contracts for primary and secondary roads. The Road Asset Management System (RAMS) faces challenges, with a terminated contract with a consulting firm, and a pending decision on its continuity.

Bosnia and Herzegovina maintains the multiannual maintenance plans – 3-year planning and 4-year maintenance contracts. However, it faces issues with RAMS and service level agreements.

In *Kosovo*, maintenance contracts are in place, and a draft Law on Roads is progressing, seeking support for RAMS from the World Bank.

Montenegro's existing maintenance contract expires in 2023, and a new plan is under development, with RAMS integration into highway projects.

North Macedonia focuses on prioritising key transport routes, establishing service level agreements, and liberalising the maintenance sector.

In *Serbia*, plans include expanding road network databases, multi-year maintenance programmes, and the establishment of a RAMS unit. However, SLA contracts are pending. These efforts collectively aim to improve road maintenance and management in the region.

Electrification of rail core network and implementation of Flagship 1, 2, 3

Electrified railways stand out as one of the most sustainable modes of travel and transport. Within the Railway Comprehensive Network, which spans a total length of 4,007 km, 3,819 km are currently operational. Among these, 52.1% of the network is electrified. Similarly, the Core Rail Network, covering a length of 2,623 km, features 2,570 km in active operation, with an impressive 71.57% electrification rate as of 2023. Some segments, primarily within the Corridor VIII in Albania and North Macedonia, are currently under construction and are not included in this analysis. Notably, there are no significant discrepancies in electrification compliance rates when comparing data from 2023 to the previous year, 2022.
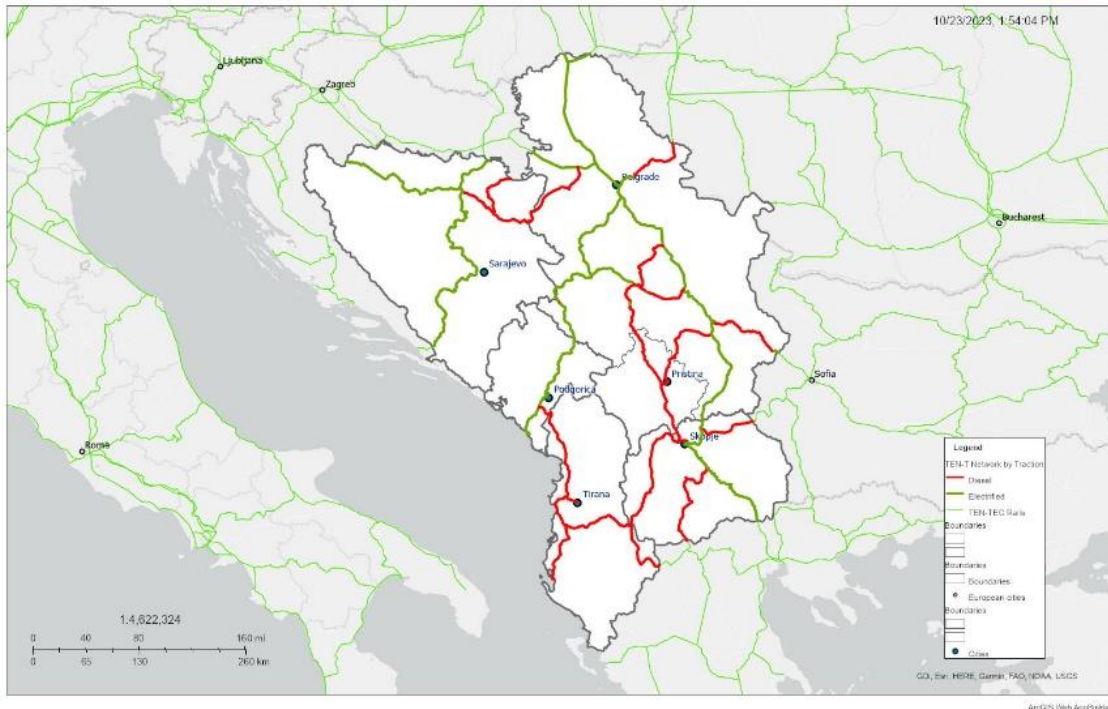
Figure 3 Map of electrified lines[9]

Reforming the railway sector through the transposition and implementation of market opening, passenger rights, interoperability, border crossings/common crossings legislation

The rail market in the Western Balkans has gradually opened to private railway undertakings over the past seven years, mainly due to Connectivity reforms driven by the Berlin process. Despite progress at the domestic level, aligning with EU standards remains a challenge. The region now hosts twelve private railway undertakings in freight but none in passenger transport. To promote sustainable transport and better services, the regional partners prioritise overcoming market opening challenges, full EU interoperability legislation implementation, and enhancing railway sector governance.

Market opening at the regional level offers distinct advantages compared to domestic efforts. *North Macedonia* has made significant strides, amending its Railway System Law to allow domestic and foreign rail operators, becoming part of the open railway market. *Bosnia and Herzegovina*, however, has not made progress in opening its rail market domestically. *Montenegro* witnessed its first private railway company's launch, and *Serbia* aligned its laws with EU directives and published technical specifications for interoperability.

While passenger rights measures for all transport modes have been taken by all regional partners, little progress has been made in 2023 regarding legal grounds for operating common rail border crossing point controls. Rail bilateral framework agreements between regional partners and their neighbouring EU Member States have stagnated, with slow or

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[9] Transport Community Transport Observatory Database and Information System (TODIS)

absent responses from the EU Member States. There have been positive developments related to rail border stations in WB, like the modernization of the rail border station in Montenegro, and the pending start of joint rail operations in certain areas. Discussions between *Bosnia and Herzegovina and Serbia* for an agreement on joint rail border crossings have also commenced.

Reviewing transport relevant State aid rules

In the reporting period, there was no progress by the regional partners on this measure.

Improvement of road and rail border crossings /common crossings (removal of administrative bottlenecks, additional parking lanes, construction of joint BCPs/CCPs)

In 2023, notable progress has been achieved in enhancing the functioning of road Border Crossing Points (BCPs) on the extended TEN-T Network in the Western Balkans. A significant milestone is the introduction of the one-stop-shop concept at the Qafe Thane/Kjafasan BCP between *Albania and North Macedonia*. This BCP, located on Corridor VIII, has transitioned into a one-stop operation as of 1 August 2023, allowing vehicles to undergo border controls once, facilitating faster passenger and goods transport. The BCP is also undergoing modernization and expansion, with support from the Albanian and Macedonian Governments and financing from the World Bank Transport and Trade Facilitation Project.

Furthermore, a bilateral agreement between Kosovo and North Macedonia for joint controls on road BCPs has been successfully signed on 18 September 2023, following year-long discussions and negotiations. Furthermore, there have been certain improvements made on the one- stop functioning at the border crossing point Tabanovce-Presevo between *North Macedonia and Serbia*, which was introduced in 2022. Various pairs of regional partners, such as *Albania-Montenegro* and *Kosovo-North Macedonia*, have actively discussed models for joint controls in 2023. However, there are still some ongoing discussions and formal agreements pending, indicating continued efforts to enhance road BCPs in the Western Balkans.

Additionally, there has been notable progress in the construction and modernization of BCPs, along with infrastructure and equipment improvements, contributing to transport facilitation. Several BCPs have seen construction, expansion, and equipment upgrades, such as the Gostun BCP between *Serbia and Montenegro*, the Rance BCP in *Montenegro*, and the Tabanovce-Presevo BCP. Preparatory activities are also underway for future joint BCPs, including the Scepan Polje BCP in *Montenegro* and the Kula BCP between *Montenegro and Kosovo*.

Flagship 9 - Making Mobility Fair and Just for All

The transport sector plays a significant role in the Western Balkans' economies, supporting jobs and driving connectivity in the region. In 2018, the sector accounted for approximately 5 percent of the Western Balkans' workforce. However, certain developments pose challenges to social standards and rules. These challenges include the economic downturn, an uneven

level playing field amid growing international competition, the erosion of traditional social structures, and demographic changes. To maintain a highly skilled workforce, protect workers' and passengers' rights, and ensure that the green and digital transitions are inclusive and equitable, it is crucial to address these issues.

The Transport Community Permanent Secretariat is committed to promoting fair and accessible mobility while making the transport sector more attractive. Ensuring available mobility for all encompasses accessibility for individuals with reduced mobility and those with disabilities. Last year, the Transport Community Permanent Secretariat published its first Passenger Rights Report, with a specific focus on enhancing transport accessibility and inclusivity in the Western Balkans.

The report's primary objective was to identify the obstacles and barriers to accessibility at central rail and bus stations in the region. It offers a set of concrete measures, categorized as short-term, mid-term, and long-term solutions, to be addressed by various stakeholders. These measures aim to improve the accessibility of transport services and facilitate mobility for all individuals in the Western Balkans.

This Flagship includes the following actions:

i.   Playing an active role in assisting regional institutions to remove legal barriers to women's economic empowerment opportunities

ii. Encouraging IFIs, Ministries in charge of transport and Transport Departments within Universities across the region to develop grant schemes for women internships in the transport sector

iii. Reviewing guidelines on Land PSO Regulation and providing guidance on freight PSOs

iv. Setting up a Platform for Change and removing legal barriers to women's economic empowerment.

Playing an active role in assisting regional institutions to remove legal barriers to women's economic empowerment opportunities

The Social Forum of the Transport Community serves as a platform for a social dialogue between key transport stakeholders from the European Union and the South East European Parties. One of the forum's key topics is gender inequality and making the transport sector more appealing to youth and women. To address these issues, the Transport Community Permanent Secretariat prepared an Action Plan for the Implementation of EU Acquis in the Area of Social Issues and Passenger Rights in Transport. The plan received endorsement from the Regional Steering Committee. The plan is structured around four essential working groups: workers' fundamental rights, just transition for transport workers, passenger rights, and promoting equal opportunities to improve gender balance and contribute to a more diverse workforce in the transport sector. To reduce the gender balance gap, the plan includes two significant actions: establishing a platform dedicated to identifying challenges to women's economic empowerment and appointing equality ambassadors. Additionally, there is a commitment to the declaration on equal opportunities for women in the transport sector.

Encouraging IFIs, Ministries in charge of transport and Transport Departments within Universities across region to develop grant schemes for women internships in transport sector

As part of the Roundtable on Advancing Skills in the Western Balkans, a panel entitled "Skills for the Green and Digital Transition in Transport" focuses on exploring the evolving skill sets needed in the transport industry to adapt to the green and digital transformation. The panel, held in November 2023, aimed to identify key competencies and training needs for a sustainable and technologically advanced transport sector. In addition to these goals, the panel engaged universities and other educational institutions to discuss the development of grant schemes for young graduates, both men and women, to facilitate internships in the transport sector. This inclusive approach contributes to the development of a diverse, skilled, and innovative workforce in the industry.

Reviewing guidelines on Land PSO Regulation and providing guidance on freight PSOs

No progress was made by the regional partners on this measure during the reporting period, and it is awaiting an update.

Setting up a Platform for Change and removing legal barriers to women's economic empowerment

The establishment of a "Platform for Change" is a pivotal action under our equal opportunities' initiatives highlighted in the Action Plan for the Implementation of EU Acquis in the Area of Social Issues and Passenger Rights in Transport. During the Regional Steering Committee meeting in March, the European Commission extended an invitation to the regional partners to participate in the EU "Platform for Change" and actively engage in its activities. This platform is strategically designed to strengthen women's employment and promote equal opportunities for women and men within the transport sector. It serves as a dynamic forum for discussions on key matters and the exchange of best practices, ultimately leading to a more inclusive and equitable transport sector.

Flagship 10 - Enhancing Transport Safety and Security

All Regional Parties have embraced Vision 0 in line with that of the UN and EU for introducing the Safe System approach in their new Road Safety Strategies, committing to aspirational targets of zero fatalities. Additionally, Railways, through the transposition and implementation of the safety laws, are dedicated to improving safety on railways, with special attention given to level crossings as connecting points between road and rail.

This Flagship includes the following actions:

i.   Improving road safety management, enabling safer infrastructure a better protection of road users

ii.   Preparing and adopting a Road Safety Strategy and setting road safety targets for next decade (2021-2030)

iii.   Improving domestic legislation by transposing the transport of dangerous goods Acquis.

Improving road safety management, enabling safer infrastructure and a better protection of road users

Improving infrastructure is a cornerstone of road safety and will play an important role in achieving the EU's new road safety targets for the year 2030. Regional partners are continuously working on identifying and providing inspection reports for the dangerous road sections; however, lack of financing is affecting the implementation and improvement of the safety on roads.

The European Commission has initiated the "Safe and Sustainable Transport Programme", following two years of discussions and agreement with Transport Community and the World Bank. This programme's primary goal is to offer financial support to small-scale projects that promote safety and sustainability, particularly in the road and railway sectors, aligning with the goals outlined in the Green Agenda.

Continuous yearly financial planning is necessary to improve current road infrastructure conditions in those sections identified as high-risk. Currently, only the Public Road Authority of *Serbia* has adopted three-year plans for RSA and RSI, while *Albania* included it under the World Bank maintenance project which was recently terminated. Regional partners should persist in their efforts to fully transpose and implement the Directive 2008/96/EC on Road Infrastructure Safety Management. As for enforcement, each regional partner has an internal mechanism between the police and the judiciary to enforce road safety legislation. However, cross-border information exchange between regional partners and EU Member States is not yet in place.

The lead Road Safety Agency plays a key role in mobilising resources coordinating multisectoral partnerships in the pursuit of agreed targets, and consulting with a wider group of stakeholders.[10] There is still only one operational road traffic safety agency in the region (only in *Serbia*). The adoption of the draft law for establishing a Road Safety Agency in *North Macedonia* is waiting to pass the government approval, while in *Kosovo,* drafting the new Law on Roads is yet ongoing. The transfer of some of the existing departments in the Ministry to a new road safety agency will be proposed in the law. Both *Albania and Montenegro* have taken the first steps towards reviewing their institutional structure and are starting an EU Technical Assistance. In *Bosnia and Herzegovina*, there are activities to revise the Rulebook on internal organization and systematization of workplaces to establish section/department for road safety. It is important to mention that the establishment of such agencies should have high political support from all stakeholders to achieve success.

The Western Balkans Road Safety Observatory, inaugurated at the Ministerial Council of Transport Community held in Brdo pri Kranju in July 2021, is now operational, and its key feature is an Information System with a user-friendly dashboard. This dashboard provides a centralised platform for accessing annual road safety indicators for the Western Balkans, offering dynamic and aggregated data in an easily understandable format. It enables stakeholders to set and monitor regional road safety targets, promoting the enhancement and standardization of road safety data across the region. This development represents a significant step in making road safety information readily available and accessible online in one place.

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[10]https://ec.europa.eu/transport/road_safety/specialist/knowledge/rsm/the_road_safety_management_system/multi_sectoral_co_ordination_en

Preparing and adopting a Road Safety Strategy and setting road safety targets for next decade (2021-2030)

Regional partners are making efforts in the process of finding solutions for developing a new road safety strategy for the period 2021-2030. The strategy shall be in line with the fatality and injury targets set by the EU and UN.

Albania finalised the Terms of Reference for drafting the Road Safety Strategy. The Technical Assistance is supported by EU DEL. The same project foresees the restructuring of the Authority of Roads in Albania. *Bosnia and Herzegovina* has made no progress in this regard. The draft Road Safety Framework Strategy and Action Plan for 2021-2025 are still pending the approval of the Road Safety Council before the adoption. *Kosovo* drafted and adopted the Multimodal Transport Strategy which includes, in a separate chapter, the Road Safety Strategy. This work is supported by input from the TCT Secretariat. For *North Macedonia*, there are no reported developments. Drafting of the Road Safety Strategy is planned under the tasks assigned to the new Leading Road Safety Agency. *Montenegro* had already in place a Road Safety Improvement Programme and Road Action Plan for the period 2020-2022. Drafting of the Road Traffic Safety Strategy (2023-2030) with a two-year action plan (2023-2024) is finalised and is adopted. The new strategy is expected to be completed and adopted later in 2022. For the reporting period October 2022 - September 2023, Serbia had a proactive approach. Three meetings of the High-Level coordination body were held where the Draft Road Safety Strategy and its Action Plan were approved.

Improving domestic legislation by transposing the transport of dangerous goods Acquis

All regional partners and observing participants have made progress in the transport of dangerous goods, but budgetary and human resources challenges have made only a part of them successful in this endeavour. The focus this year has been on the cooperation between the Ministries of Transport and Ministries of Interior, in particular, regarding the preparedness of the fire and rescue departments to handle emergencies – accidents and incidents during the transport of dangerous goods.

The successful ongoing implementation of assistance programmes via the European Union's instrument for capacity building instrument, TAIEX, in *Montenegro and Albania*, has paved the way for enhanced cooperation on these two areas and highlighted the need for further cooperation in addressing emergencies involving chemicals. As a result, a concept note for further developments on 112 and eCall was presented to the RSC Committee on its 18 October 2023 session, with a view to follow-up activities in the future.

As for the progress per specific regional Partner, *Albania* developed and received assistance for its emergency services from Sweden and Finland. An IPA project for a Multifunctional Training Centre for the Rapid Intervention and other Structures of the State Policies are being developed. The TC Permanent Secretariat is actively supporting the maturation of the project.

Bosnia and Herzegovina is the regional partner with the least progress, as no general legal framework was ensured. *Kosovo* received assistance to support development of human resources and is the first regional partner to have started the translation of ADR and RID into its language. *Montenegro* is receiving assistance for fire and rescue services from Poland and Germany via TAIEX and is in the process of translating ADR into Montenegrin within an IPA funded project for a Technical Assistance in the implementation of the EU Acquis. *North*

Macedonia is currently planning IPA assistance for the translation of ADR and for classification of tunnels according to ADR. *Serbia* informed TC about its intention to restart discussions on digitalisation of examinations of dangerous goods safety advisor's and ADR driver's examinations.

The Transport Community Permanent Secretariat continues to support the regional partners at all levels to facilitate cooperation and exchange of know-how with EU Member States and relevant international organizations active in the field. Further details on the transport of dangerous goods can be found in the Progress Report dedicated to the Guidelines.

4. Conclusions and the way forward

The Sustainable and Smart Mobility Strategy for the Western Balkans (SSMS WB) aligns with the EU's strategy to steer the region towards green mobility, encompassing zero-emission vehicles, renewable fuels, and essential infrastructure development to cut emissions significantly by 2050. This move contributes to the EU's climate neutrality goal, as emphasized in the Western Balkans Green Agenda and the Economic and Investment Plan. Progress varies among regional partners (RPs), but the European Commission support has spurred green and digital transition efforts.

Regarding the **sustainable mobility**, some RPs, like *Serbia and Montenegro*, continued incentivizing electric and hybrid vehicle purchases. Adoption of alternative fuel infrastructure regulation remains pending, which is crucial for laying a proper foundation for the deployment of alternative fuel infrastructure and outlines the minimum requirements for its development. Improved coordination is crucial across ministries (e.g. the Ministry of Transport, the Ministry of Energy and the Ministry of Economy for electromobility) and administrative levels to facilitate the shift to sustainable mobility. Efforts are also needed to enhance multimodal transportation, namely through the construction of terminals and operationalization of ongoing projects, and the establishment of digital corridors along the supply chain. Additionally, close cooperation between the central and local levels through integrated planning is necessary to achieve better urban connectivity with the TEN-T Network, while cities need to work towards the implementation of SUMPs.

In the realm of **smart mobility**, some RPs have made headway in transposing the Intelligent Transport System (ITS) directive and developing ITS strategies, particularly along newly constructed motorway sections. However, ERTMS deployment in the rail sector lags behind, as well as multimodal digital mobility services deployment, while some progress has been made for interoperable electronic freight information exchange and e-tolling systems. However, the region must strive for concrete implementation of these initiatives and better data exchange interoperability and promote innovation.

For **resilient mobility**, resilience projects are underway, primarily in the road sector, and capacity building initiatives have covered a wide range of topics. Additional efforts are required to enhance the resilience of railways, and it is essential to incorporate resilience measures into regular maintenance plans for both road and rail networks. Focused training and assistance are needed for transposing the EU transport Acquis, with an emphasis on cross-sectoral areas like sustainable mobility and a single market creation. The railway reform and EU rail Acquis transposition are progressing but require accelerated action. Developing a new Road Safety Strategy and aligning legislation with EU directives are necessary for ensuring safer transport.

The implementation of SSMS WB actions entails substantial financial components, and external financial aid, such as the €2 billion earmarked through the Western Balkans Investment Framework (WBIF), will be vital. However, it is necessary to ensure that new projects include sustainable and smart elements. The approval of the Sustainable and Safe

Transport Programme (SSTP) managed by World Bank is a positive development, supported by €80 million to enhance border crossings, road safety, and sustainable and smart mobility. The Transport Community Permanent Secretariat will facilitate and support these efforts, guiding RPs towards sustainable and smart mobility.