

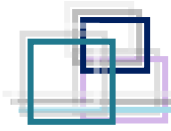


Republika e Kosovës-Republika Kosova-Republic of Kosovo
Autoriteti Rregullativ i Hekurudhave
Regulativni Autoritet Železnica
Railway Regulatory Authority



Annual Report 2016





Achievements of Railway Regulatory Authority during 2016
Achievements of Railway Regulatory Authority during 2016



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■ ■ ■ Abbreviations

| | |
|------------------|---|
| RRA | Railway Regulatory Authority |
| MI | Ministry of Infrastructure |
| MF | Ministry of Finance |
| INFRAKOS | Infrastructure of Kosovo Railways |
| TRAINKOS | Train Operator of Kosovo Railways |
| RAILTRANS | Operator for freight transport |
| J.S.C | Joint Stock Company |
| IRG-Rail | Indenpedent Regulatorys Group-Rail |
| EU | European Union |
| CPA | Central Procurement Agency |
| PPRC | Public Procurement Regulatory Commission |
| KCB | Kosovo Consolidated Budget |
| BO | Budgetary Organization |
| ERA | European Railway Agency |
| SEETO | South-East Europe Transport Observatory |
| OTIF | Intergovernmental Organisation for International Carriage by Rail |
| IPA | Instrument for Pre-Accession Assistance |
| SMS | Safety Managment System |
| NVR | National Vehicle Register |
| UIC | International Union of Railway |
| ECM | Entity in Charge of Maintenance |
| CSM | Common Safety Method |
| EC | European Commission |
| TAIEX | Technical Assistance and Information Exchange Instrument |
| TCDD | Turkiye Cumhuriyeti Devlet Demiryllari (Turkish Railways) |
| STI | Technical Specification for Interaperability |
| NVR | Nacional Vehicle Register |
| VKM | Vehicle Keeper Marking |
| CSI | Common Safety Indicator |



| | |
|-------------|--|
| NSA | Nacional Safety Authority |
| PPRC | Public Procurement Regulatory Commission |
| CPA | Central Procurement Agency |
| PRB | Procurement Review Body |
| RU | Railway undertakings |
| KR | Kosovo Railways |



■ ■ ■ Executive summary



This Annual Report was issued by RRA management, as an independent regulator. Through this document we present RRA's achievements during January - December 2016, aiming to provide an overview of the developments in this regard. It extensively describes RRA's activities at the core of its functioning chains (Licensing, Safety, Interoperability and Market Regulation), including the accompanying challenges throughout this year.

RRA is an independent body established by the Assembly of the Republic of Kosovo, which is tasked for regulation, supervision and organization of the railway sector in the Republic of Kosovo. RRA provides qualitative, safe, transparent and non-discriminatory services to Railway Undertakings and Infrastructure Manager in the railway sector in the Republic of Kosovo and other competencies that are given pursuant to the Law No. 04/L-063 on Kosovo Railways, which is fully compliant with EU applicable legislation and directives.

The report in its entirety provides information on: the legal basis, description and institutional organization, description of RRA's scope, the performance during the previous year, financial report, report on the recommendations of the Office of Auditor General and the annexes.

Given the fact that RRA acts as a body for: Licensing, Safety, Interoperability and Market Regulation, the content of the report elaborates specifically on the progress and achievement of the objectives mainly in these fields. During 2016, RRA continued to exercise its regulatory functions in four main fields:

Licensing: As a body responsible for issuing licenses for train drivers, railway undertakings, as well as amending, suspending and revoking them, has carried out a number of activities with maximum dedication and commitment such as: review of new applications for train drivers' licenses, review and response to requests for License for freight rail transport, monitoring of issued licenses, including inspections for licensed drivers, drafting of the Regulation on Fees and Penalties, drafting of special reports on the above mentioned activities, update of

the license register and other activities in accordance with the legislation that regulates this field.

Safety - The body responsible for railway safety was established under the supervision of RRA to ensure that railway safety was maintained and improved after the reconstruction of the rail system in Kosovo. Based on this, with devotion carried out the following activities:

We concluded the process of supervising the implementation of the Safety Management System (SMS) by the Train Operator "Trainkos" and Infrastructure Manager "Infrakos", the preparation of the Annual Safety Report for 2015, issued the authorizations for putting into service railway rolling stock, the accomplishment of inspections of all railway lines managed by Infrakos and the inspections of all the rolling stock owned by Trainkos and Ferronikel, followed by reports with safety recommendations. During 2016 for the first time issued the safety certificate for the private operator - Railtrans, as well as other activities as foreseen by the Law on Railways.

Safety is a core value and key to the success of the rail network.


Interoperability: An independent, responsible body in Kosovo to ensure that the rail sector complies with the interoperability requirements as defined by the EU directives and regulations, in order for Kosovo to be part of the European railway interoperability field. As a result of high accountability and maximum commitment we present achievements in this report as follows:

During 2016, the registration and modification of the rolling stock was carried out by the infrastructure manager and the railway undertakings, inspection of registration of all railway rolling stock which are registered from 2012 until the end of 2016 followed by reports of NVR inspections. Also, the inspection of the register of unspecified ownership of rolling stock was carried out, the registration of the VKM code for the private operator Railtrans, updating of the list of international agreements and other activities presented in the section dedicated to the field of interoperability.

However, achieving the interoperability in terms of its complexity still remains challenging to RRA. We are focused on our efforts to create the conditions through which interoperability can be achieved.

Regulation of the Railway Market: The body responsible for ensuring conditions for opening of the railway market in Kosovo developed activities that are assessed in this field:

Organizing the Network Statement Process by ensuring that the Network Statement does not include non-transparent discriminatory clauses, reviewing the



complaints received, ensuring that access to tracks, stations, warehouses of operators that meet the necessary conditions to be fair transparent and non-discriminatory. The work and engagement of market regulation has been focused on the continued readiness to take action when it is necessary to achieve this. Monitoring of the railway market has also been conducted and an Annual Market Monitoring Report was prepared and sent to IRG-Rail. Market Regulation has cooperated with other regulatory bodies of the rail market, particularly with regard to the Transport Community Agreement between SEETO and IRG-Rail partners in order to facilitate and coordinate the regulatory conditions of the rail market with other countries.

At the normative level, in accordance with the work plan for 2016, RRA has prepared sub-legal acts for the implementation of the Law on Railways and in line with EU standards in the field of railways.

RRA during 2016 has benefited from three projects of technical assistance programs supported by the European Commission through the TAIEX instrument: "Workshop on Railway Market Regulation" in the regional level, "Expert Mission for granting authorization for the putting into of service the rolling stock and infrastructure, and the Mission of Experts for the Transposition and Implementation of Technical Specifications for Interoperability for the Infrastructure Subsystem,,

During June 2016, the Office of the Auditor General of Kosovo (OAG) published the Audit Report (document no. 24.22.1-2015-08) for RRA's financial statements for the year ended 31 December 2015. OAG as a general conclusion has shown that some aspects of governance within RRA can be improved, particularly with regard to risk management and quality of managerial reporting.

Initial budget allocations of RRA for 2016 were 293,623.00 € , but later according to central budget needs this budget had budget cuts whereby after the cuts the final budget was 203,348.52 €.

During this year RRA spent 201,251.50 €, meaning that 98.9% of the final budget-expenditure ratio (information, budget cuts were reflected as a result of the expectations of the Board members approved at the end of the year), while during 2017 RRA is expected to realize revenues from the fees and fines foreseen under the Law on Railways.

Objectives

RRA will continue to be an active and very important regulator in developing the sector of railway transport in the country, ensuring the continuity of engagements of RRA for the following years. We are convinced that due to our common efforts, we will have better results in the railway transport sector in the Republic of Kosovo during the next year.

RRA continues to pursue this key goal "Developing an efficient and safe rail transport system, integrated in the region and on the EU network, which promotes the economic development and quality of life of citizens".

Respectfully,
Shkelzen Qorri
Acting General Director

RRA is an independent body regulating and supervising the railway sector in accordance with the applicable legislation of Kosovo and applicable legislation of EU, appropriate for Kosovo in this sector.

2.1. Existing legal basis that regulates the RRA and its scope

- Law No. 04/L-063 on Kosovo Railways.
- RRA Internal Regulation on Internal Organization and Functioning and Systematization of Workplaces
- Administrative Instruction No. 02/2012 on Licensing the Railway Undertakings
- Administrative Instruction No. 03/2012 on Licensing the Railway Infrastructure Managers
- Administrative Instruction No. 04/2012 for issuing Safety Certificates and Safety Authorization for Railway Undertakings and Infrastructure Managers
- Regulation No. 01/2012 on Licensing the Railway Managers and Undertakings
- Regulation No. 03/2012 on Safety Certificates
- Regulation No. 04/2012 on Safety Authorization
- Regulation No. 05/2012 on National Vehicle Register, and
- Regulation No. 06/2012 on Infrastructure Registration.
- Regulation No. 01/2013 on Network Statement
- Regulation No. 02/2013 on Licensing the Train Drivers.
- Regulation No. 01/2014 on the Model of Declaration of Conformity for the Authorized Type of Railway Vehicle.

[ANNEX I - EU legal framework applicable for the Railways sector](#)

2.2. Improvement of the legal basis in the reporting period

During 2016 , RRA drafted the following Regulations:

- Draft Regulation on RRA Revenues and Fines
- Draft Regulation on the Rights of Passengers in Railway Transport
- Draft Regulation on the Reporting of Monitoring the Railway Market
- Draft Regulation on Construction, Improvement, Renovation, Conformity Assessment and Authorization for Placement of the Vehicle in Service, and
- Draft Regulation on the Common Safety Methods (CSM), for Risk Assessment and Calculation.

2.3. Legal difficulties encountered by RRA in fulfilling its mission

During 2016, RRA faced legal difficulties in fulfilling its mission due to the fact that until 28.10.2016 lacked a Supervisory Board. Pursuant to the Article 38, paragraph 2 of the Law on Kosovo Railways, RRA Board approves all bylaws of the institution. RRA management prepared several Draft Regulations related to the professional work of the institution and the same did not come into effect due to the lack of the Board. It is impossible for RRA to approve and implement the legal framework related to the professional work and fulfilment of the mission of the institutions due to the lack of the Board.

RRA identifies and reports the difficulties for which it considers that they can have an impact in the effective implementation of the Law on Railways. During the implementation, we have encountered some ambiguities about the inter-institutional competencies, with particular emphasis between the Railway Regulatory Authority and the Ministry of Infrastructure and the non-compliance with some of the European Union Directives in the field of rail transport.

RRA reports that up to this time there has been no change in railway legislation which would have had an impact on increasing or decreasing the efficiency of RRA's institution.

2.3.1. Legal and procedural barriers

One of the difficulties faced by ARH during this year is the completion of Chief Executive Officer's mandate on 15.07.2017 and the inability to reach a new decision by the Board, as this process was not yet completed by Assembly of Kosovo. The resolution of this issue took place shortly after the establishment of the new Board. This circumstance has also influenced the developments in the institution processes in the absence of credible decision-making.



Description of the RRA

Railway Regulatory Authority was established pursuant to the Law No. 03/L-076 and it is functional since April of 2010, whereas now RRA functions according to the Law No. 04/L-063 on Railways of Republic of Kosovo. RRA is an independent body that regulates and supervises the railway sector in compliance with the applicable legislation in Kosovo and applicable legislation in EU, appropriate for Kosovo in this sector. This law is implemented for the functioning, maintenance and using the Kosovo Railways and its infrastructure, as well as for all train operations that use this infrastructure.

3.1. Mission/Vision

MISSION

The mission of RRA is to regulate, supervise and organize the railway sector in the Republic of Kosovo in these fields: Licensing, Safety, Interoperability and Market Regulation and other Competencies given according to this law.

VISION

The vision of RRA is to provide qualitative, safe, transparent and non-discriminatory services for Railway Undertakings and Infrastructure Manager in the railway sector in the Republic of Kosovo.

3.2. RRA competencies according to the law

According to the Law on Railways, the Railway Regulatory Authority regulates and supervises the following fields:

Licensing

Independent department responsible for issuing licenses to train drivers, railway undertakings and amending, suspending and revoking them

Safety

Independent Department responsible for railway safety to ensure that railway safety is maintained and improved after the reconstruction of the railway system in Kosovo, also responsible for issuing, amending, suspending and revoking the Safety Authorization and Safety Certificate.

Interoperability

Independent department, responsible in Kosovo to ensure that the railway sector complies with interoperability requirements as defined by EU directives and regulations, in order for Kosovo to be part of the European railway interoperability area.

Market Regulation

Independent Department responsible for ensuring the conditions for the opening of the rail market in Kosovo.

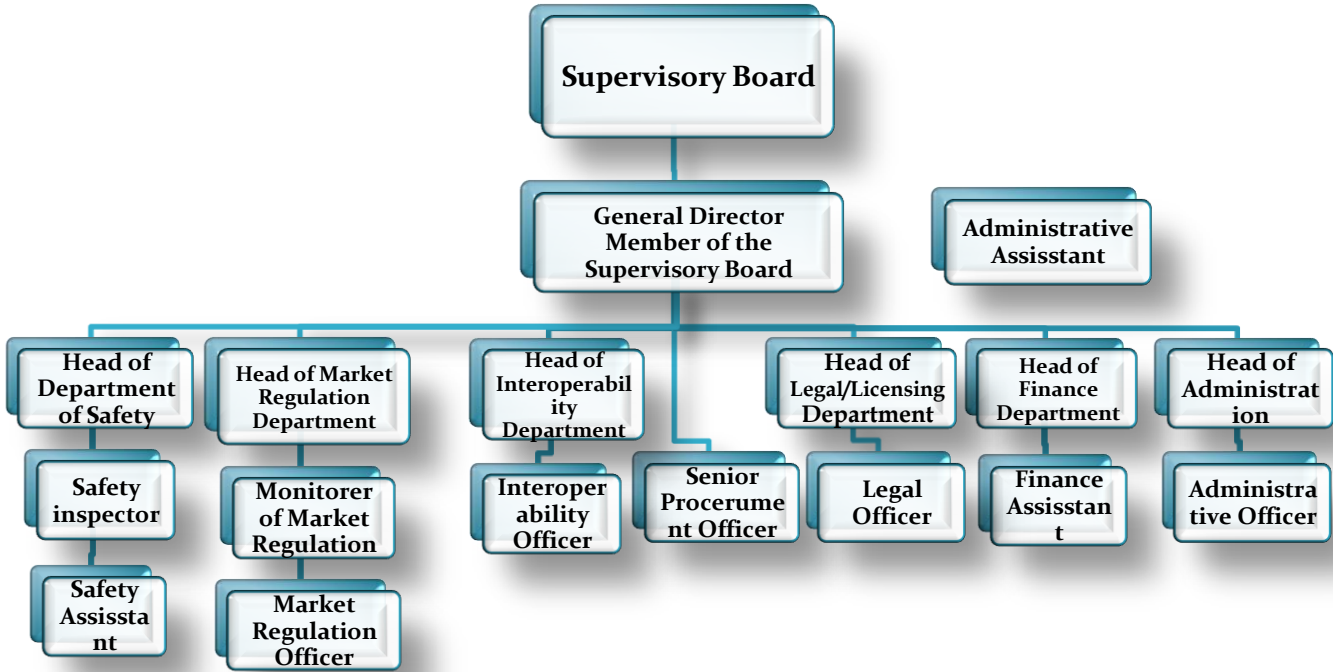

 **Institutional organization****4.1. RRA's organizational structure**

RRA structure shall be approved by the Board and includes: Management, Departments and Supporting Personnel. RRA's organizational structure based on the Law on Railways and the Regulation on Internal Organization and Functioning and Systematization of Workplaces, consists of:

- a) Supervisory Board;
- b) General Director;
- c) Legal/Licensing Department;
- d) Department of Safety;
- e) Department of Interoperability;
- f) Department of Market Regulation;
- g) Department of Administration;
- h) Department of Finance;

Based on the Regulation on Internal Organization and Functioning and Systematization of Workplaces, the organizational structure of RRA is figuratively presented below

RRA Organizational scheme



4.2. RRA Supervisory Board

RRA's activity is supervised by the Supervisory Board, elected by the Assembly of the Republic of Kosovo.

RRA Board is composed of five (5) members and one of them is elected as the Head, and the fifth member of the Board is the General Director of RRA.

The meetings of the Board will be chaired in compliance with the internal procedures approved by the board and at least one (1) time per month. Meetings of the Board cannot be held if there is no quorum. Decisions of the Board are taken with the majority of votes. Every Board member has one (1) vote each and when the number of votes in favour is equal to the number of votes against, the vote of the Chairperson is decisive.

4.2.a. Mandate

The Assembly appoints four (4) members, one of whom is appointed as the Head of the Board proposed by the Government with the recommendation of the Ministry. Every Board member is appointed for a five (5) year mandate, who may be appointed for a maximum of one (1) additional mandate.

4.2.b. Competencies

Supervisory Board is responsible to supervise and review the RRA activities and decisions regarding administrative, executive, regulatory and licensing issues such as: licensing, safety, interoperability as well as market regulation and financial management aspects, RRA revenues and expenditures. RRA Board, approves all sub-legal acts of departments that are under its framework.

4.2.c. Functioning

In October 2016, the Assembly of Kosovo appointed four (4) members of the Supervisory Board of RRA. Since then, RRA's Supervisory Board is operational in carrying out its duties and responsibilities.

4.3. Executive

4.3.a. General Director of RRA

The General Director is responsible for managing and administering the daily works in compliance with the policies and instructions issued by the Board. The General Director is elected by the Supervisory Board in accordance with the legislation in force for civil service. The person who is not entitled to be part of the Board cannot be appointed as the General Director as well.

4.3.b. Middle management

The RRA's middle management consists of Heads of Departments and office managers, who are responsible for their activity within scope and competencies described in their job description. The General Director tasks the managing structures with competences described according to the internal regulation, and the General Director may delegate his competencies or RRA's competencies to a structure or an employee outside the scope of duties of this structure, if he considers it necessary.

4.3.c. Mandate

The General Director holds an employment contract with definite period of time. The officials that consists the RRA structure hold the Acts of Appointment with indefinite period of time, whereas the appointment type is career appointment.

4.4. Human resources

4.4.a. Number of employees

RRA has 17 employees - civil servants, all with Acts of Appointment of career, excluding the four (4) Board members who are not civil servants.

4.4.b. Needs for new employees

RRA needs new additional employees in order to accomplish its legal mandate.

4.4.c. Number of trainings and training needs

During 2016, RRA officials attended training and meetings financed by donors, as well as training financed by RRA's budget. RRA invests in the professional development and updating of the specialized knowledge of its staff, in compliance with international recommended practices. RRA officials mainly attended training provided by the Joint Railway Authorities, the Kosovo Institute for Public Administration (KIPA), the Ministry of Public Administration and the Ministry of Finance.

The conferences, training, workshops and study visits attended by RRA officials are presented in the table below.

4.4.d. Table of trained staff and types of training

Table 1: Training, workshops, conferences during 2016

| NO | POSITION | NUMBER OF PARTICIPANTS | TRAINING | PLACE AND DATE | TRAINING INSTITUTION |
|----|--|------------------------|--|---------------------------------------|----------------------|
| 1 | <ul style="list-style-type: none"> ▪ General Director ▪ Head of Safety Department | 2 | Third international conference "Research on transport and transfer of knowledge on road safety" | Prishtina 22-23 January 2016 | |
| 2 | <ul style="list-style-type: none"> ▪ General Director ▪ Head of Security Department | 2 | Working group for the development of the ERTMS/ETCS training module | 27-31 January 2016 | UIC-Deutsche Bahn |
| 3 | <ul style="list-style-type: none"> ▪ Administration officer | 1 | Regular property declaration | Prishtina 09 February 2016 | AKK |
| 4 | <ul style="list-style-type: none"> ▪ Head of Procurement Division ▪ Executive officer | 2 | Government's communication with the public | Prishtina 18-20 February 2016 | KIPA |
| 5 | <ul style="list-style-type: none"> ▪ Senior Officer for Market Regulation ▪ Budget and Finance Officer | 2 | General management, topic of Organizational Behavior | Prishtina 23 - 24 February 2016 | KIPA |
| 6 | <ul style="list-style-type: none"> ▪ Safety Inspector ▪ Budget and Finance Officer | 2 | E-property | Prishtina 23 February 2016 | MPA |
| 7 | <ul style="list-style-type: none"> ▪ General Director | 1 | Meeting of the Stabilization and Association Process Dialogue (SAPD) on Infrastructure, which included the environment, energy, transport and regional development sectors | Brussels 24-27 February 2016 | |

| | | | | | |
|----|---|----|--|--|------------|
| 8 | <ul style="list-style-type: none"> Head of Safety Department | 1 | Visit to the Inspectorate Directorate in Durres | Albania 24-25 February 2016 | |
| 9 | <ul style="list-style-type: none"> General Director, Head of Safety Department, Executive Officer | 3 | Eurasia Rail 2016 6th International Rolling Stock, Infrastructure & Logistics | Istanbul 02-06 March 2016 | TCDD |
| 10 | <ul style="list-style-type: none"> Officer for Interoperability Safety Department Assistant | 2 | MICROSOFT VISIO DHE MICROSOFT LYNC | Prishtina 17-18 March 2016 | KIPA |
| 11 | <ul style="list-style-type: none"> Legal Officer Market Regulation Officer | 2 | Approximation of domestic legislation with European legislation | Prishtina 22-25 March 2016 | KIPA |
| 12 | <ul style="list-style-type: none"> General Director | 1 | Participation in the information conference <i>Stabilization and Association Agreement between Kosovo and EU, and its implementation</i> | Prishtina 29 March 2016 | MEI |
| 13 | <ul style="list-style-type: none"> RRA staff | 10 | Expert Mission, authorization for putting into service | Prishtina 30-31 March 2016 | TAIEX -RRA |
| 14 | <ul style="list-style-type: none"> Head of Procurement Division, Executive Officer | 2 | Leadership and management | Prishtina 29-31 March 2016 | KIPA |
| 15 | <ul style="list-style-type: none"> Head of Finance Department | 1 | Seminar - Financial Management and Control and Role of CFO | Prishtina 6 April 2016 | MoF |
| 16 | <ul style="list-style-type: none"> General Director | 1 | Track Access Charges Summit | Bern 11-14 April 2016 | |
| 17 | <ul style="list-style-type: none"> General Director, Head of Department for Market Regulation, Executive Officer | 3 | Plenary meeting of IRG-Rail member states. | Poland 12-13 April 2016 and 26-30 April 2016 | IRG |
| 18 | <ul style="list-style-type: none"> Head of Finance Department. Administration Officer | 2 | Establishment and reorganization of organizational structures of Public Administration institutions | Prishtina 12-13 April 2016 | MAP |
| 19 | <ul style="list-style-type: none"> Head of Safety Department Safety Inspector | 2 | National Safety Rules and Training on Regulation No. 402/2013 | France 12-16 April 2016 | ERA |
| 20 | <ul style="list-style-type: none"> Administration Officer | 1 | Management of archived documents | Prishtina 26-27 April 2016 | MPA |
| 21 | <ul style="list-style-type: none"> General Director | 1 | Participation in the information session on the twinning instrument | Prishtina 06 May 2016 | |
| 22 | <ul style="list-style-type: none"> Head of Procurement Division, Executive Officer | 2 | Right to access public documents and to personal data protection | Prishtina 04-05 May 2016 | KIPA |
| 23 | <ul style="list-style-type: none"> Head of Department for Market Regulation | 1 | Working group railway and intermodality (regulatory and competition aspects), | Podgorica 7-8 May 2016 | SEETO |

| | | | | | |
|----|--|----|---|---|---------------------|
| 24 | <ul style="list-style-type: none"> Officer for Interoperability | 1 | Microsoft Office Power Point and Outlook 2010" | Prishtina 10 - 11 May 2016 | KIPA |
| 25 | <ul style="list-style-type: none"> Head of Safety Department Head of Department for Market Regulation | 2 | 41 st plenary meeting of National Safety Authorities | France 18-19 May 2016 | ERA |
| 26 | <ul style="list-style-type: none"> Head of Safety Department | 1 | Authorization on putting into service of rolling stock in accordance with the 4 th railway package | France 19-20 May 2016 | ERA |
| 27 | <ul style="list-style-type: none"> Head of Procurement Division | 1 | Basic training on public procurement - (10 modules) | Prishtina 12-13 May and 23 June 2016 | KIPA & KRPP |
| 28 | <ul style="list-style-type: none"> Head of Finance Department. Head of Procurement Division | 2 | Strategic management - Training | Prishtina 24-25 May 2016 | KIPA |
| | <ul style="list-style-type: none"> Legal Officer Head of Department for Market Regulation | 2 | Ethics, integrity and transparence in Public Administration | Prishtina 20-21 June 2016 | KIPA |
| 30 | <ul style="list-style-type: none"> General Director | 1 | 16th International Multidisciplinary Scientific Conferences & EXPO-SGEM 2016 | Bulgaria 30.06- 05.07.2016 | |
| 31 | <ul style="list-style-type: none"> RRA staff | 10 | Expert Mission on Interoperability Technical Specifications (EU Regulation No. 1299/2014 INF): RRA) | Prishtina 19-20 July 2016 | TAIEX-ARH |
| 32 | <ul style="list-style-type: none"> Administration Officer | 1 | HRMIS | Prishtina 2-5 August 2016 | MPA |
| 33 | <ul style="list-style-type: none"> General Director. Head of Department for Interoperability | 2 | Round table on Current situation of Kosovo railways and their integration in the European railway network | Prishtina 26 August 2016 | Tempulli College |
| 34 | <ul style="list-style-type: none"> General Director. Head of Safety Department | 2 | International conference on Development of the Railway System in Southeast Europe | Prishtina 15 September 2016 | |
| 35 | <ul style="list-style-type: none"> General Director Head of Safety Department Officer for Market Regulation | 3 | Innotrans 2016 | Germany 19-24 September 20 16 | Innotrans |
| 36 | <ul style="list-style-type: none"> Head of Safety Department Officer for Interoperability | 2 | 42 nd plenary meeting of National Safety Authorities | France 27-28 September 2016 | ERA |

| | | | | | |
|----|---|---|---|---|-------------------|
| 37 | <ul style="list-style-type: none"> ▪ Officer for Market Regulation | 1 | Proposal of measures under the Economic Reforms Program 2017-2019 related to energy, transport and telecommunication | Prishtina 19-20 October 2016 | MI |
| 38 | <ul style="list-style-type: none"> ▪ General Director ▪ Head of Safety Department | 2 | European Network of Rail Regulatory Bodies (ENRRB), Directorate- General for Mobility and Transport | France 19-22 October 2016 | ARAFER- DG Move |
| 39 | <ul style="list-style-type: none"> ▪ Head of Department for Market Regulation ▪ Head of Finance Department | 2 | Financial reporting of budget organizations and Action Plan on implementation of auditor's recommendations | Turkey 21-25 October 2016 | |
| 40 | <ul style="list-style-type: none"> ▪ Head of Procurement Division | 1 | Personal data protection in institutions and public enterprises | Montenegro 20-24 October 2016 | KMI |
| 41 | <ul style="list-style-type: none"> ▪ Head of Department for Interoperability ▪ Head of Safety Department ▪ Head of Procurement Division ▪ Head of Finance Department | 4 | Regulatory impact assessment and drafting of concept documents | Prishtina <ul style="list-style-type: none"> ▪ 12-14 November 2016 | KIPA & World Bank |
| 42 | <ul style="list-style-type: none"> ▪ Head of Procurement Division ▪ Head of Safety Department | 2 | Public-private partnerships, Level I: Introduction to PPP | Prishtina <ul style="list-style-type: none"> ▪ 16-17 November 2016 | KIPA & MoF |
| 43 | <ul style="list-style-type: none"> ▪ Head of Department for Interoperability ▪ Executive Officer, ▪ Legal Officer | 3 | Common Assessment Framework (CAF) | Prishtina 24 - 25 November 2016 | KIPA |
| 44 | <ul style="list-style-type: none"> ▪ Head of Administration Department ▪ Head of Legal Department ▪ Senior Officer for Market Regulation ▪ Safety Inspector ▪ Safety Assistant | 5 | Drafting of official documents, communication, management and circulation of administrative and financial documents, and implementation of electronic procurement in Kosovo | Bulgaria 18 -24 December 2016 | LMC & ITA |
| 45 | <ul style="list-style-type: none"> ▪ RRA Board | 5 | Financial reporting of budget organizations and Action Plan on implementation of auditor's recommendations | Turkey, December | CDT |
| 46 | <ul style="list-style-type: none"> ▪ Head of Procurement Division ▪ Executive Officer | 2 | European Integration School | Prishtina | KCSF |

| | | | | | |
|----|--|----|---|-----------------|-----------|
| 47 | <ul style="list-style-type: none"> RRA staff and participants from the region | 18 | Multi-beneficiary Workshop on Market Regulation of Railways | Prishtina | TAIEX-RRA |
| 48 | <ul style="list-style-type: none"> RRA Board | 5 | Visit to relevant railways sector authorities of Albania | Albania 2016 | |

4.5. Assets

4.5.a. Assets in the institution's ownership

RRA has in use 286 assets with a purchase value of 106.572.95 €. These assets are mainly vehicles, office furniture and technological equipment. Depreciation and assessment of assets is conducted at the end of each year according to the provisions of the Regulation MF-No. 02/2013 on Management of non-financial assets by budget organizations and according the Administrative Instruction No. 01/2012 on Asset Management of RRA. According to the report of the committee for inventorying and assessing the value of assets of RRA for 2016 in compliance with the rules envisaged in the abovementioned regulation, the value of RRA's assets amounts to € 23,145.86.

4.5.b. Plans for new assets

For operationalization needs, RAA plans (depending on budget possibilities) to secure permanent office facilities, as the building we are currently using does not meet minimum area requirements for its number of employees and scope of work. In addition, the rent we pay is a burden to the budget.

Another necessary investment is the supply with information technology equipment, as well on movable resources for RRA needs, etc.

The Office of RRA is located in Prishtina, St. "Rrustem Statovci", No. 29. The area of the RRA institution is 250 m². The RRA continuously requests from the Ministry of Public Administration to provide a governmental building, since the current building is a private property and the rent is paid by the RRA.

4.6. RRA staff salaries

The Railway Regulatory Authority of the Republic of Kosovo gives priority to the supervision and safety of the railway sector. RRA ensures that railway operations in the Republic of Kosovo are carried out in compliance with the Law No. 04/L-063 on Kosovo Railways and EU standards. To achieve this, the Railway

Regulatory Authority needs qualified and experienced staff to draft standards, procedures and regulations, and to ensure their implementation by operators through continuous supervision and inspections. Despite this, the salary level of RRA's staff since its establishments remain low compared to the salaries of the staff of the railway industry and other independent regulators. The RRA staff does not enjoy any additional compensation, besides the base salary, from the consolidated budget of the Republic of Kosovo. Consequently, RRA is at risk of losing its professional staff, especially at this time of serious investment in this sector.

4.7. Quality management system

4.7.a. General

RRA has set up a Quality Management System (QMS), which is described in the Quality Manual, to demonstrate our capacity for continuous performance of tasks in meeting our regulatory obligations and to operate efficiently and efficiently. RRA's Quality Management System supports the approach to work processes and principles contained in the ISO 9001:2008 Standard and requires our continued readiness to improve this system. The Quality Management System is part of the overall management system in RRA, through which documents are drafted and quality policy is implemented and work processes are implemented to provide services that meet the requirements of users and the requirements of ISO 9001:2008.

RRA has a system that defines all work processes, including key management and ancillary ones. Processes and their realization are managed by precisely defining the input, the process bearer, the interconnection between the processes and the output of the process. This enables achieving efficiency and effectiveness as well as synergy of work processes. Work processes are processes directly related to the services we offer. Some of the processes relate to resource management, which serve to support key processes, and are known as "supportive" processes. Processes related to "management" are the processes that take care of the specific management needs towards achieving the requirements of ISO 9001:2008 and other applicable RRA requirements as a regulator. All work processes are described in the internal manuals of RRA.

4.7.b. Quality documents system and structure

RRA's internal documents are divided into three levels: Quality Manual is a first level document; manuals developed within organizational units along with

processes and procedures are second level documents; while third level documents are job instructions, various forms and checklists, which for practical reasons are provided at RRA as appendices to the internal manuals.

Document levels clarify the hierarchy and reference in case of discrepancies between documents. In all cases, the highest level of the document prevails that of the lowest level.

4.7.c. Quality standards

The document "ISO 9001:2008, Quality Management System - Requirements" contains the requirements under which the foundations of this manual and our quality management system have been established.

4.7.d. Quality Policy

The policy of the Railway Regulatory Authority of the Republic of Kosovo (RRA) is to establish, implement and maintain a quality management system within the organization through which is ensured the complete implementation of RRA duties, in order to guarantee a safe and competitive railway environment in the Republic of Kosovo. For us, the users of our services are very important, therefore we try to provide quality services by measuring their level of satisfaction, by regularly improving the effectiveness and efficiency of our operation, by monitoring our performance towards objectives and by promoting the inclusion of employees in all work processes.

4.7.e. Quality manual

Quality manual is one of the main criteria of ISO Standard 9001:2008. The purpose of this manual is to establish and emphasize the policies of Quality Management System in RRA. These policies define the commitments of the management to manage the actions and activities in compliance with ISO Standard 9001:2008. These policies of highest level represent the plans or protocols to guarantee the implementation of the obligations defined with the legal and regulatory applicable framework, as well as enable the acceptance of qualitative services and customer satisfaction. In the manual, depending on the request it is described how are regulated different areas of activity in this authority, including the method of managing the organization, its policies as well as capacities and its organizational structure.

RRA has established such structure of documentation, where each department in RRA has created a document, whereby described in details the works, work processes, procedures and all other accompanying documents.

Since ISO 9001: 2008 has been amended with the new ISO 9001:2015 standard, in the following period we will make efforts to engage a consulting company to update Quality Management from ISO 9001:2008 to ISO 9001:2015 and work harder for purposes of the application of the new version and to be certified.

Description of scope covered by RRA

5.1. Brief description of RRA's scope and comparison with three last years

RRA is an independent body that regulates and oversees the railway sector in compliance with applicable legislation in Kosovo and applicable EU legislation appropriate for Kosovo in this sector.

RRA is an independent body established by the Assembly of the Republic of Kosovo, which is mandated with the regulation, oversight and organization of the railway sector in the Republic of Kosovo. RRA acts as the body for licensing, safety, interoperability and market regulation. RRA provides quality, safe, transparent and non-discriminatory services to railway enterprises and the railway sector infrastructure manager in the Republic of Kosovo, as well as performs other competencies granted by the Law No. 04/L-063 on Kosovo Railways, which is in full compliance with the applicable EU legislation and directives.

No comparison to the previous three years in financial terms is required, since RRA is not an income generating entity. On the other hand, in terms of efforts to enhance the legal infrastructure, despite its work and the drafting of several regulations, there has been no decision from the Board for approval, since the Board was not functional from March 2014 until the end of October 2017. Therefore, this component, which is among the main areas of commitment by RRA, cannot undergo any comparison at the moment.

5.2. Work panning and implementation 2016

The Work Plan for 2016 serves to coordinate the activities of RRA and its relevant departments, in order to enable the effective and timely fulfilment of goals and objectives. The Work Plan is drafted by identifying necessary annual objectives towards implementation of legal obligations, which are devised at management level. Priorities and operational goals set by this plan are consistent with the RRA mission and its strategic objectives arising from authorisations and legal responsibilities of RRA defined in the Law No. 04/L-063 on Kosovo Railways. Implementation of the annual Work Plan is reviewed by the RRA management. The Work Plan for 2016 and its implementation are shown in tabular form.

Table 18: Work planning 2016 and implementation

| IMPLEMENTATION OF THE WORK PLAN 2016 | | | | | | | |
|--------------------------------------|---|--------|------|-------|------|---------------|---------------------------------------|
| Planned activities | | Period | | | | Status | Completed Ongoing Not completed |
| | | Q I | Q II | Q III | Q IV | | |
| 1 | Regulation on Common Safety Methods | | | | QIV | Ongoing | |
| 2 | Finalization of the draft regulation, "Railway subsystems and essential requirements" | | | | QIV | Ongoing | |
| 3 | Preparation of annual financial statements according to LPFMA | QI | | | | Completed | |
| 4 | Regulation on Reporting and monitoring the railway market | | | | QIV | Ongoing | |
| 5 | Preparation and drafting of necessary RRA bylaws according to the law on railways in accordance with the principles of EU Directive | QI | QI I | QIII | QIV | Ongoing | |
| 6 | Review of applications for train drivers licenses and applications for license of operations for new and existing companies | | QI I | QIII | | Completed | |
| 7 | Inspection of licensed train drivers as well as preparation of inspection reports of train drivers | QI | Q II | QIII | QIV | Completed | |
| 8 | National safety rules | | | | | Not completed | |
| 9 | Review of applications for certificates/authorizations, authorizations for putting into service for new and existing companies | QI | QI I | QIII | QIV | Completed | |
| 10 | Supervising the implementation of recommendations from the inspection of railway rolling stock and infrastructure during 2015 | Q I | QI I | QIII | QIV | Completed | |
| 11 | Supervising the implementation of railway infrastructure after providing the reports with recommendation for 2015 | Qi | QI I | QIII | QIV | Completed | |

| | | | | | | |
|----|--|-----|------|-------|------|---------------|
| 14 | Registrations of new vehicles for maintenance after issuance of authorization for putting into service | Q I | Q II | Q III | Q IV | Completed |
| 15 | Reviewing complaints for railway market in freight transport as well as passenger rights | | | | Q IV | Completed |
| 16 | Monitoring the agreements for compensation of "Public Service Obligations" | Q I | Q I | Q III | Q IV | Completed |
| 17 | Monitoring and controlling the "Agreement on access" between the Infrakos JSC and Trainkos JSC | Q I | Q I | Q III | Q IV | Completed |
| 18 | Cooperation and coordination of all signed agreements with local and international regulators and in particular with IRG-Rail Europe | | | | Q IV | Completed |
| 19 | Preparation of Annual Balance Sheet as well as preparation and submission of Budget Circular | Q I | Q I | Q III | Q IV | Completed |
| 20 | Development and management of procurement procedures for all the needs of RRA, according to the procurement plan | Q I | Q I | Q III | Q IV | Completed |
| 21 | Updating the Registry of Licensed train drivers | Q I | Q I | Q III | Q IV | Completed |
| 22 | Preparation of the brochure for level crossings | | | | Q IV | Ongoing |
| 23 | Regulation for revenues and fines | | | | Q IV | Ongoing |
| 24 | Supervision of safety performance for MI and RU | | Q I | Q III | Q IV | Completed |
| 25 | Supervising the implementation of SMS - Safety Management System - Infrakos - Trainkos | Q I | Q I | Q III | Q IV | Completed |
| 26 | Regulation on common safety targets | | | | | Not completed |
| 27 | Finalization of technical specifications for interoperability of Infrastructure 2011/275/EU | | | | Q IV | Ongoing |
| 28 | Technical Specifications for Interoperability, "Operation & Traffic Management", for Railways | | | | Q IV | Ongoing |
| 29 | Preparation of the document „Drivers Rule Book,, | | Q I | Q III | Q IV | Ongoing |
| 30 | Preparation of the document „Book of roads,, | | | | | Ongoing |
| 31 | Monitoring the railway market in Kosovo, and the preparation of report for monitoring the railway market | Q I | Q I | Q III | Q IV | Completed |
| 32 | Inspection of all level crossings and assessment of safety parameters | Q I | Q I | Q III | Q IV | Completed |
| 33 | Regulation on Authorisation for putting into Service of Infrastructure | | | | Q IV | Ongoing |
| 34 | Inspection of railway infrastructure | | Q I | Q III | Q IV | Completed |
| 35 | Ensuring that fees set by Infrastructure Manager are transparent and non-discriminatory | Q I | Q I | Q III | Q IV | Completed |
| 36 | Preparation of the annual safety report | | | Q III | | Completed |
| 37 | Inspection of signalling in all existing railway lines which are in use and assessment of safety parameters | | Q I | Q III | Q IV | Completed |
| 38 | Listing of contractual agreements for operation and maintenance of railway companies with companies inside and outside the country. | Q I | Q I | Q III | Q IV | Completed |

| | | | | | | |
|----|---|----|---------|------|-----|---------------|
| 39 | Monitoring the Licenses issued to TRAINKOS, INFRAKOS, RAILTRANS from RRA, in particular insurance of the companies | QI | QI I | QIII | QIV | Completed |
| 40 | Inspection of rolling stock and assessment of safety parameters | | | QIII | QIV | Completed |
| 41 | Preparation of inspection reports, submission to Infrakos and Trainkos | | | | QIV | Completed |
| 42 | Organizing an international workshop on level crossings or signalling | | | | | Not completed |
| 43 | Marking of VKM with Europe number in the rolling stock for vehicles of INFRAKOS, TRAINKOS and FERRONIKELI | | | | QIV | Completed |
| 44 | Inspection of national registration of rolling stock (compatibility of operational rolling stock with the national registry of rolling stock) | | | | QIV | Completed |

Unplanned activities during 2016

| No. | Activity | General explanation |
|-----|---------------------------------|---|
| 1 | Stocks with undefined ownership | Registration and inspection of rolling stocks with undefined ownership was conducted by the working group consisting of RRA-TRAINKOS-INFRAKOS. The registration which included modifications of the 2015 Registry of rolling stocks with undefined ownership was conducted on 17.06.2016. The inspection process of rolling stocks with undefined ownership started on 28.06.2016 and lasted total twelve days across 4 months and ended on 14.09.2016. The final report on this inspection was submitted to the Assembly of Kosovo, MTI, MED, etc. |

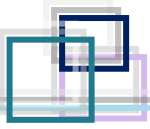
5.3.RRA's actions for improvement/monitoring of the scope of work

Monitor the railway market;

Advance railway safety through inspections and issuance of recommendations;

Complete the legal framework with sub-legal acts for approximation with European directives

License train drivers, issue security clearances for RUs, etc.



5.4. Challenges of the reporting year and planning for next year

- Prepare and implement Interoperability Technical Specifications;
- Oversee the professional development of train drivers;
- Complete legal framework with sub-legal acts by RRA and MTI, and European directives
- Ammend/supplement the Law No. 04/L-063 on Kosovo Railways and align it with practical needs and requirements;



Work during the reporting period

6.1. DEPARTMENT OF LICENSING

6.1.1. Duties and responsibilities

Pursuant to the Law No. 04/L-063 on Kosovo Railways, the Department of Licensing is responsible for:

- | Licensing the Infrastructure Managers
- | Licensing the Railway Undertakings
- | Licensing the Train Drivers, and
- | Amend, Suspend and Revoke the issued licenses.

6.1.2. Activities of Department of Licensing

During 2016, the Department of Licensing of the Railway Regulatory Authority had some priorities pursuant to the Law No. 04/L-063 on Kosovo Railways, bylaws and the annual work plans, such as review of new application for licensing of train drivers, monitoring the licenses issued to the infrastructure manager and railways enterprises, responding to requests for new licenses, and inspection and monitoring of train drivers licensed by the RRA.

In order to fulfil these objectives, the Department of Licensing drafted a specific agenda for their implementation during 2016.

6.1.2.1. Market liberalization

Taking account of the fact that the Law No. 04/L-063 on Kosovo Railways has liberalized the railway market in the Republic of Kosovo, during 2016 two companies, one of which local and one international, expressed their interest of obtaining a license and other relevant documentation for operating in Kosovo.

On 21.01.2016, we received in a meeting at the Railway Regulatory Authority the representatives of the company Top Logistic, who wanted information about the requirements for obtaining a license for railway goods transport. At the meeting, we as the RRA explained briefly to them RRA's role and mission, and provided them with the necessary information on the regulation of this issue in the legal aspect. We also informed them about the legal procedures and timelines, including requirements to be met in order to obtain a license. After receiving the


necessary information and understanding the requirements provided for by the Law and sub-legal acts for obtaining a license, the company did not express any further interest or apply formally for licensing.

In addition, during 2016 there was interest for the recognition of a European license from the Czech company e Loko Trans.¹ On 09.05.2016 we held a meeting with representatives of the Loko Trans railway company in the Railway Regulatory Authority. Representatives of Loko Trans were interested in knowing the procedures and legal requirements for licensing freight transport, particularly the procedures and legal requirements for the recognition of a European license in rail transport. We have provided all the necessary information, based on the Law No. 04/L-063 on Kosovo Railways, Administrative Instruction 02/2012 and the Regulation 01/2012 on Licensing. Since Loko Trans has expressed interest in obtaining a license, we as ARH have informed that this competence does not pertain to the Authority, but to the Ministry of Infrastructure. Article 10, paragraph 4 of the Law No. 04/L-063 on Kosovo Railways clearly stipulate that the recognition of permits in railway transport is within the competence of this Ministry. Based on the RRA's recommendation, representatives of the company Loko Trans expressed interest to the Ministry of Infrastructure for the recognition of a European license. The Ministry with a short response dated 30.08.2016 stated that RRA is competent for licenses in the railway sector. On 20.09.2016 the company Loko Trans requested from ARH an explanation about the procedures and the competent institution regarding the recognition of the European license. After reviewing this request along with the response of the Ministry of Infrastructure on 10.10.2016 RRA has provided the following answer:

"After receiving the request from Loko Trans for clarification of the procedures and the decision-making institution for the recognition of the License and Part A of the Security Certificate, RRA has carefully analyzed your application and have come to the following conclusions:

First, neither the Law No. 04/L-063 on Kosovo Railways nor Administrative Instruction No. 02/2012 clearly defines the criteria for recognizing the License and Part A of the Safety certificate; they only provide the opportunity for these two documents to be valid in Kosovo as well if they are in accordance with Kosovo legislation.

¹ Loko Tran is a Railway Company from the Czech Republic. This enterprise is also active in Slovakia, and operates in several European countries and beyond. Also, it has its own registered branch in Kosovo, based on the records of the latter sent to RRA.



Secondly, the only legal provision referring to the competent institution for the recognition of a license is Article 10 paragraph 4 of the Law No. 04/L-063 on Kosovo Railways, which states: *After consultation with the licensing body and the interested parties, the Ministry may agree with the ministries of other countries for the mutual recognition of licenses issued to the railway sector.* From the legal provision above, it is clearly seen that the duty and responsibility of the Ministry is to recognize or not the licenses in the railway sector issued by EU countries or any other state. Consequently, the determination of the criteria and procedures for the recognition of licenses falls on this institution.

Thirdly, the Law No. 04/L-063 on Kosovo Railways has assigned certain tasks to the licensing body, which are set out in Article 22, paragraph 1, relating to the issuance, amendment, suspension and revocation of licenses. Likewise, Article 92 similarly states that the licensing body makes the issuance, modification, suspension and revocation of licenses as appropriate. However, there is no mention or duty on the licensing body from the law in question, the recognition of licenses. Normally, such a responsibility has not been given to the licensing body because it has been given it to the Ministry pursuant to Article 10, paragraph 4. Moreover, RRA has established licensing procedures over the years, including application forms for new licenses, but no step has been made in this regard in relation to the recognition of licenses, for the fact that it was not its legal competence.

Fourth, the Administrative Instruction no. 02/2012 on Licensing of Railway Transport Operators and its provisions should be considered and relevant only within the meaning of Article 10, paragraph 4 of the Law on Railways concerning consultations between the Ministry, the RRA and the interested parties on whether or not to recognize the license. RRA is willing to provide consultation and cooperation at any time, if requested by the Ministry. However, in the end it remains to the Ministry that, after consultations with the licensing body and other parties, as determined by the law, decide whether to recognize or not the license for which recognition is required.

Following this clarification, we also held joint meetings between the Ministry of Infrastructure, Railway Regulatory Authority and the representative of Loko Trans, where after the discussions all parties agreed that the request for recognition should be done at the Ministry in accordance with Article 10 paragraph 4 of the Law.



6.1.2.2. Licensing of train drivers

During 2016, the Department of Licensing has received several drivers license applications, which are based on the provisions of the Law on Railways and the Regulation on Licensing of Train Drivers. Specifically, on 10.02.2016 RRA received from Trainkos a train driver licencing application. The review of the application by RRA was carried out in accordance with the procedures and legal requirements in force, as foreseen by the Law on Kosovo Railways and the Regulation No. 02/2013 on Train Driver Licencing. RRA during the review of applications focused on the conditions that the Law and the Regulation obliges a driver to fulfill in order to obtain a license. These conditions were: the driver's certificate issued by the railway undertaking, the medical examination in accordance with the requirements set forth in the Law and the Regulation No. 02/2013 on Train Driver Licensing , as well as school qualification. Based on the documentation provided by Trainkos, the driver met the basic criteria for obtaining the driver's license. In addition, n 31.08.2016 RRA received from Railtrans an application requesting the licensing of two train drivers. Similarly to the above application, RRA reviewed the Railtrans applications in accordance with the applicable legal procedures and requirements provided by the Law on Kosovo Railways and the Regulation No. 02/2013 on Train Driver Licensing . Based on the documentation providedby Railtrans, drivers met the basic criteria for obtaining drivers license.

Table 2: Applications of train drivers in 2016

| Train driving license | Applications | Issued | Rejected | Revoked | Year |
|-----------------------|--------------|--------|----------|---------|------|
| Trainkos | 1 | 1 | 0 | 0 | 2016 |
| Railtrans | 2 | 2 | 0 | 0 | 2016 |

6.1.2.3. Inspection of train drivers

Among the foreseen activities for 2016 was the inspection of train drivers who operate trains within the territory of the Republic of Kosovo. The purpose of these inspections was to verify whether trains in Kosovo are directed only by licensed drivers. From all the inspections conducted during 2016, including Prishtina-Peja, Fushë Kosovë-Hani Elezit railway lines, it resulted that trains are always run by drivers licensed by RRA. An additional activity that is related to drivers and carried out during 2016 is the receipt of periodic medical reports for drivers over the age of 55. Based on the Regulation 02/2013 on Train Driver Licensing, every

driver on this age should each year bring to RRA a medical report that demonstrates their health status.

6.1.2.4. Registry of licenses

The Law No. 04/L-063 on Kosovo Railways, Article 10.3, 23.4 and 92.23 obliges the Department of Licensing to establish and update the registry of licensed railway undertakings and infrastructure managers licensed in the Republic of Kosovo, and this registry shall be published on the RRA website. The Department of Licensing established and updated the registry of licensed railway undertakings and infrastructure managers licensed in the Republic of Kosovo. Thus it is observed the Law on Kosovo Railways and any legal or natural person who needs and has the interest to have information for railway sector in Kosovo, can easily access these information on the RRA website. Moreover, the Department of Licensing was very careful during establishing the registry. This registry does not contain confidential data of the licensed entities, which might be exploited by business rivals and it is in accordance with the international standards used for the type of these registries.

Table 3: Registry of licenses

| No | Company name and address | License no. | License issuance date | Types of services | Territory | License expiration | Remarks |
|----|---|-----------------|-----------------------|--|--------------------|--------------------|---------|
| 1 | TRAINKOS J.S.C Sheshi i Lirisë n. n 12 000 Fushë Kosovo | KS 01/2012 0001 | 15.11.2012 | Train operations | Republic of Kosovo | 15.11.2012 | |
| 2 | IINFRAKOS sh. a. Sheshi i Lirisë n. n 12 000 Fushë Kosovo | KS 02/2012 0001 | 15.11.2012 | Infrastructure Manager | Republic of Kosovo | 15.11.2012 | |
| 3 | Railtrans LLC Dardania BL9 LB4 n.n 10 000 Prishtina | KS 01/2014 0001 | 10.03.2014 | Train operations for freight railway transport | Republic of Kosovo | 11.12.2015 | |

6.1.2.5. Monitoring of licenses

The Department of Licensing is obliged to review the validity of the licenses on a regular basis at least every five (5) years, in order to ensure that the licences of railway undertakings and infrastructure managers fulfil the obligations laid down with the Law on Kosovo Railways. During 2016, the Department of Licensing monitored the issued licenses, in compliance with the applicable legal provisions. Mainly, monitoring of licenses for 2016, similarly as in the previous years was focused in proper third parties liability insurance of licensed entities. Thus, we requested from Trainkos and Infrakos to renew their insurance policies, because they have an expiration of one (1) year. This request of RRA and at the same time legal obligation is fulfilled by Infrakos and Trainkos. Thus, the Department of Licensing is committed to adequately apply the Law on Kosovo Railway and in case of any accident, the railway undertaking and infrastructure manager to be covered with proper insurance.

6.2. LEGAL DEPARTMENT

6.2.1. Duties and responsibilities of the Legal Department

Basic responsibilities and duties of the Legal Department are:

- | To support all RRA departments regarding legal matters,
- | To verify legal documents issued by RRA,
- | To participate in various working groups for drafting primary and secondary legislation in the rail transport sector,
- | To draft bylaws within the RRA by considering the EU legislation in the relevant field, when it is necessary and possible,
- | To represent RRA in legal disputes, etc.

6.2.2. Activities of the Legal Department

The Legal Department in 2016 has finalized RRA's draft Regulation on Taxes and Fines. This draft Regulation has passed all stages of consultations within the institution, as well as public consultations with stakeholders. Regarding the draft of the above mentioned Regulation, within the legal deadline for stakeholders, Infrakos has given some comments and has also requested a meeting. Based on the request by Infrakos for a consultative meeting regarding the draft Regulation, we held one such meeting on 22.04.2016, as part of the consultation process. At this meeting organized at RRA, representatives of Infrakos raised as a concern the high fees foreseen in the draft Regulation, with particular emphasis on the safety part and fines listed in Annex II, especially the part for natural persons. During 2016 this draft Regulation was not preceded for approval because the RRA Supervisory Board was absent, as a body competent for adopting RRA sub-legal acts. The Board was appointed at the end of 2016 and started work, so this draft Regulation has been sent to the Board for consultation and approval.

In addition, as a Legal Department during 2016, we prepared a legal framework for RRA, the purpose of which was to reflect the factual situation regarding the sub-legal acts in force, both those that are already drafted and those that are expected to be drafted. Part of this legal framework was also a list of specific sub-legal acts to be adopted according to the priorities and the drafting of those that were not prepared. At this point it is worth mentioning the fact that we have had an enormous challenge, which also reflected in RRA's work regarding the issuance of sub-legal acts, as there has been a conflict of competences between the two institutions on who has right and duty to issue sub-legal acts. RRA has always insisted that it should be competent for the areas it covers, such as Licensing, Safety, Market Regulation and Interoperability, pursuant to Article 38.2 of the Law on Kosovo Railways.

Similar to previous years, the Legal Department has been engaged in RRA activities related to the European integration process of the Republic of Kosovo. These activities were mainly focused on:

- Prepare quarter reports on the implementation of the National Plan for the Implementation of the Stabilization and Association Agreement and the obligations deriving from this agreement in Kosovo's path towards European integration;
- Prepare and submit the narrative for the SAPD meeting in Brussels to the European Commission for direct reporting on the railway sector in the Republic of Kosovo;



- Complete the necessary documentation related to the Vienna Summit to take soft measures in the railway sector in South East Europe, part of which is the Republic of Kosovo as well. With particular emphasis we have explained the legal basis and procedures for obtaining a license for railway undertakings, infrastructure managers and train drivers, as we were requested to report on this at the Vienna Summit;
- Prepare narratives along with subsequent actions for 2016, within the integration process, foreseen by the Stabilization and Association Agreement between Kosovo and the European Union.
- We have also coordinated and supervised the short-term legislative measures for 2016 foreseen in the 2016 Matrix, where this has been done in full coordination with the Minister of Integration and the European Commission.
- Throughout year 2016 we have been in direct contact and engaged in SEETO activities and requirements for the rail sector in South East Europe.

Another important activity of the Legal Department during 2016 was the implementation, commenting on and provision of legal advice regarding draft regulations of other professional departments within RRA. Among the draft regulations that were analyzed and commented during 2016 were:

- Draft Regulation on Market Monitoring Reporting;
- Draft Regulation on Common Safety Methods (CSM) for Risk Assessment and Computation; and
- Draft Regulation on Improvement, Renovation, Conformity Assessment and Authorization for putting into Service the rolling stock.

During 2016 the Legal Department has followed closely the enforcement of the following sub-legal acts issued by RRA in previous years, such as:

- Administrative Instruction No. 02/2012 on Licencing of Railway Transport Operators
- Administrative Instruction No. 03/2012 on Licencing of Managers for Railway Infrastructure;
- Administrative Instruction No. 04/2012 for Issuing of Safety Certificates and Safety Authorization for Railway Undertakings and Infrastructure Managers

- Regulation No. 01/2012 on Licensing of Railway Managers and Undertakings;
- Regulation No. 03/2012 on Safety Certificate;
- Regulation No. 04/2012 on Safety Authorization;
- Regulation No. 05/2012 on National Vehicle Register;
- Regulation No. 06/2012 on Infrastructure Registration;
- Regulation No. 01/2013 on Network Statement; and
- Regulation No. 02/2013 on Train Driver Licensing .

The Legal Department will continue to provide the utmost commitment in implementing the legality of all acts issued by RRA, in order that the railway sector in the Republic of Kosovo to be regulated and supervised in alignment with the best regional and European Union practices. For 2017, we have foreseen a concrete and dynamic agenda in drafting and issuing the sub-legal acts necessary for regulating and supervising the railway sector by RRA. Such a thing will be possible since the ARA Board as the competent body for issuing sub-legal acts is functional.

6.3. DEPARTMENT OF SAFETY


This annual report is the fifth report prepared by the Department of Safety. It presents the main activities and achievements during 2016.

Based on the Law No. 04/L-063 on Kosovo Railways, Article 20 and the European Directive No. 2004/49/EC, Article 18, the Department of Safety is the responsible body for railway safety, respectively the Department of Safety, within the RRA compiles an annual report about safety, describing the main achievements during the previous year.

6.3.1. Duties and responsibilities

Pursuant to Law No. 04/L-06 on Railways, Department of Safety is responsible for:

- | Authorization for putting into service of the structural subsystems,
- | Supervising if constituents of interoperability of railway subsystems are in compliance with the essential requirements required by interoperability directives,

- 
- | Authorization for placing into service of new rolling stocks,
 - | The issue, renewal, amendment and revocation of certificates/safety authorizations
 - | Monitoring, promoting, implementing and where appropriate making proposals to develop close working relations with the ministry and other market stakeholders;
 - | Supervising whether the rolling stock is duly registered and that safety-related information in the national registry is accurate and is kept up-to-date;
 - | Supervising whether the registry of the owners of railway transport vehicle is maintained and regularly updated,
 - | Supervising whether the infrastructure registry is properly kept and updated.

6.3.2. Activities of the Department of Safety

The Department of Safety has carried out its work and activity during the previous year based on our annual work plan, which focused on the following main pillars:

- Development of a part of secondary legislation (sub-legal acts);
- Revision of application for safety certificate to the private operator Railtrans;
- Organization of expert mission for reviewing the application for safety certificate by the company Railtrans;
- Revision of applications for authorization to put into service rolling stock by companies Infrakos, Trainkos and Railtrans;
- Organization of expert mission for procedures of granting authorization to put into service the rolling stock and infrastructure;
- Preparation of the annual safety report for 2015;
- Inspection of railway infrastructure under the management of Infrakos;
- Inspection of rolling stock under the management of Infrakos;
- Inspection of rolling stock under the management of Trainkos;
- Inspection of rolling stock under the management of Ferronikel;
- Participation in training organized by local institutions and European partners;

6.3.2.1. Preparation of the annual work plan

The Law No. 04/L-063 on Kosovo Railways, Article 20, paragraph 1 stipulates that: the Body responsible for railway safety shall prepare the annual report on safety and submit it to RRA.

The work report of the previous year covered almost all activities undertaken by the Department of Safety as foreseen in the work plan for the reporting year.

6.3.2.2. Development of a part of secondary legislation

Another task we have tried to fulfill to a considerable extent is the development of a part of the secondary legislation (sub-legal acts) during the reporting period. During this time, based on our priorities, we managed to prepare two draft regulations that we thought were important for the operation of the railway sector in Kosovo. These two regulations are available for approval by RRA's Supervisory Board.

1. Draft Regulation No. Xx/2016 on Construction, Improvement, Renewal, Conformity Assessment and Authorization for putting into Service of rolling stock, and
2. Draft Regulation No. Xx/2016 on Common Safety Methods (CSMS) for Risk Assessment and Computation.

As regards the preparation of regulations on national safety rules, it has been a request from the last meeting held in the European Union Railway Agency that they once review all the regulations that were used in the former Yugoslavia based on this To create a working group from all IPA countries in order to prepare national safety rules that would apply to all countries included in the IPA program, as well as the regulations that are in use In these countries are roughly the same.

6.3.2.3. Revision of application for safety certificate to the private operator Railtrans and organization of expert mission for reviewing the application for safety certificate by the company Railtrans;

One of the items on the agenda for the previous year was the review of applications for obtaining a safety certificate from railway companies that possess

a valid license issued by the Department of Licensing. As this process lasted longer than it is foreseen by Law No. 04/L-063 and Regulation No. 02/2012, we find it reasonable to clarify the cause of the delay in issuing the safety certificate parts A and B for the company Railtrans. The railway company for freight transport Railtrans on 02.02.2016 applied for safety certificate part A and B to the Railway Regulatory Authority.

Railtrans L.L.C on 02.02.2016 applied for Security certificate Part A and Part B

The

company Railtrans, with the purpose of preparing the documentation for obtaining the safety certificate parts A and B, held several preliminary meetings with the Department of Safety prior to applying for a safety certificate. These meetings were held at RRA on 08.01.2016, 18.01.2016 and 01.02.2016, where the Railtrans representative was informed of all the necessary documentation that should be attached to the application for the safety certificate.

Based on the Law No. 04/L-063 on Kosovo Railways, the RRA Regulation No. 02/2012 on the Criteria for the Issuing of the Safety certificate and the European Directive No. 2004/49/EU on Railway Safety, the Department of Safety commenced reviewing the documentation provided by the railway company Railtrans.

Assessing this application as very important and sensitive issue, considering it was the first time that we had an application from a private operator, we estimated that it would be necessary to make a request to TAIEX for sending a expert who would help us evaluate this application.

On 10.02.2016, the head of the Department of Safety made an official request to TAIEX to have an expert from the European Union to assist during the document evaluation process, in order to eliminate eventual errors. We also requested that at the end of the process the expert issue a recommendation on the application of the private operator.



TAIEX Expert Mission on Evaluation of Certificate Application for a New Entrant



Given the sensitivity of the application and the need for an assessment in accordance with the applicable legislation in Kosovo and the EU, the European Commission within a short term (15 days) evaluated and decided to support the request by the Department of Safety and on 24.02.2016 we received confirmation that our request was accepted.

After several attempts by TAIEX to find an expert we asked for, on 04.05.2016 we received confirmation that an expert from the United Kingdom or ORR (Office of

On 09.06.2016, draft Decision on issuing Security certificate parts A and B

Rail & Road) would come to assist us. After some efforts and communications with the ORR expert, we

managed to find a suitable date for the expert, namely 6 and 7 June 2016.

On the dates mentioned above we received the expert from ORR (Russell Keir), with whom for two days we analyzed the application of the private operator Railtrans. At the end of the second day and after a detailed analysis of the safety certificate application, we came to the conclusion that the private operator has fulfilled the conditions for obtaining the safety certificate parts A and B, but on conditional basis.

The Railtrans company is obliged, within one year after become operational, to bring to RRA an updated SMS system (Safety Management System) to prove that the company is implementing the SMS. If Railtrans fails to meet this requirement within one year from the start of operation, then RRA will consider revoking the safety certificate (parts A and B).

In the past practice, all decisions of professional department for safety authorization and certification had to be approved by the Supervisory Board and then signed by the department. In our case we did not have a Supervisory Board since April 2014, so the issue of issuing a safety certificate for Railtrans seemed more complicated.

Following the legal opinion of RRA's legal office regarding whether we are entitled to provide a safety certificate without the approval of the Supervisory

Board, we decided to issue only a draft Decision on issuing the Safety certificate parts A and B.

On 04.10.2016 we issued the Security certificate parts A and B to the company Railtrans.

At a meeting organized with Railtrans, we explained in detail the reason we issued a draft decision. Taking into account the seriousness of the situation, the Department of Safety proposed to request, through the General Director of RRA, interpretation by the legal office of the Ministry of Infrastructure as well as that of the Assembly of Kosovo, with the question: What does the supervision of the Supervisory Board of RRA imply and can the Department of Safety, without the approval of the RRA Supervisory Board, continue with the issuance of the Decision and the Safety certificate to the Railtrans company.

On 07.09.2016 we received the reply that: the General Directorate for Legal and Procedural Affairs of the Assembly of the Republic of Kosovo has no competence to interpret the provisions of the law.

On 03.10.2016 we received the reply from the Ministry of Infrastructure that: the Railway Regulatory Authority is an independent body established by the Assembly of Republic of Kosovo regulating and supervising the railway sector in accordance with the legislation in force in Kosovo and the legislation in force in the EU, with the RRA Board appointed by the Assembly of Kosovo. Therefore, we suggest that you address your request to the competent body.

Based on the above three legal interpretations (opinions), the Department of Safety, acting pursuant to the Law 04/L-063, Article 18 paragraph 3.4 as well as

On 06.09.2016 we requested legal interpretation from the Ministry of Infrastructure and the Assembly of Kosovo

Article 104, paragraph 6 and Article 38, paragraph 6, decided on 03.10.2016 to issue the Security certificate to the Private Operator

Railtrans, according to the conditions foreseen in the Draft Decision dated: 09.06.2016. On 04.10.2016 we provided the Security certificate to the company Railtrans.



Republika e Kosovës- Republika Kosova- Republic of Kosovo
Autoriteti Rregullativ i Hekurudhave
Regulativni Autoritet Železnica
Railway Regulatory Authority



CERTIFIKATA E SIGURISË-PJESA A

Certifikata e Sigurisë që konfirmon pranimin e Sistemit të Menaxhimit të Sigurisë në përputhje me Ligjin Nr. 04/L-063 për Hekurudhat e Kosovës, udhëzimin përkatës administrativ 04/2012 dhe rregulloren 03/2012, në përputhje me Direktiven 2004/49/KE

Nr. Identifikues: **KS 11 2016 0001**

1. NDËRMARRJA E CERTIFIKUAR HEKURUDHORE

| | |
|--|-----------------------------|
| Emërtimi Ligjor: "Railtrans" L.L.C. | |
| Emri i operatorit hekurudhor: "Railtrans" L.L.C. | Shkurtesë: Railtrans L.L.C. |
| Nr. i Biznesit: 70487616 | Nr. i Tvsh: 330017469 |

2. CERTIFIKATA E LËSHUAR NGA INSTITUCIONI

| |
|--|
| Institucioni: Autoriteti Rregullativ i Hekurudhave |
| Shteti: Republika e Kosovës |

3. INFORMATAT E CERTIFIKATËS

| | | | |
|---|--------------------------|-------------------------------------|--|
| Kjo është një: | -Certifikatë e re | <input checked="" type="checkbox"/> | |
| | -Certifikatë e rinovuar | <input type="checkbox"/> | Numri i identifikimit të Certifikatës së më parshme: |
| | -Certifikatë e ndryshuar | <input type="checkbox"/> | |
| E vlefshme nga: 04.10.2016 | | Deri: 03.10.2021 | |
| Lloji i shërbimeve: Transporti i mallrave: Duke përfshirë shërbimet për mallra të rrezikshme (2.10) | | | |
| Vëllimi i transportit: Me pak se 500 milion ton-km për vitë (2.12) | | | |
| Madhësia e ndërmarrjes hekurudhore: Ndërmarrje e vogël (2.17) | | | |

4. LEGJISLACIONI NACIONAL NË FUQI

| |
|---|
| Ligjislacioni në fuqi: Ligji Nr. 04/L-063, Udhëzimi Administrativ Nr. 04/2012 dhe Rregullores Nr. 02/2012 |
|---|

5. INFORMATAT SHITESË

| |
|---|
| Operatori hekurudhor "Railtrans" L.L.C. obligohet që ne afat prej 12 muaj, nga data e fillimit të operimeve të punojë dhe sjell në ARH, Sistemin e detajuar për Menaxhimin e Sigurisë (SMS) |
|---|

Data e lëshimit

04.10.2016

Numri i brëndshëm i referencës

CER 01/2016



Kuvendi i Kosovës
Skupština Kosova
Assembly of Kosovo

Rr. Brestovci Strazici nr.29
Prishtinë, Kosovë
Tel:+381 38 22 00 40
Fax:+381 38 22 33 40
www.arh-ks.org



Republika e Kosovës- Republika Kosova- Republic of Kosovo
Autoriteti Rregullativ i Hekurudhave
Regulativni Autoritet Železnica
Railway Regulatory Authority



CERTIFIKATA E SIGURISË-PJESA B

Certifikata e Sigurisë që konfirmon pranimin e dispozitave të miratuara për ndërmarrjet hekurudhore me qëllim përbushjen e kërkesave specifike për operim të sigurt në rrejtin përkatës në përputhje me Ligjin Nr. 04/L-063 për Hekurudhat e Kosovës, udhëzimin përkatës administrativ 04/2012 dhe rregulloren 03/2012, në përputhje me Direktiven 2004/49/KE

Nr. Identifikues: **KS 12 2016 0001**

1. NDËRMARRJA E CERTIFIKUAR HEKURUDHORE

| | |
|--|-------------------------------|
| Emërtimi Ligjor: "Railtrans" L.L.C. | |
| Emri i operatorit hekurudhor: "Railtrans" L.L.C. | Shkurtesë: "Railtrans" L.L.C. |
| Nr. i Biznesit: 70487616 | Nr. i Tvsh: 330017469 |

2. CERTIFIKATA E LËSHUAR NGA INSTITUCIONI

| |
|--|
| Institucioni: Autoriteti Rregullativ i Hekurudhave |
| Shteti: Republika e Kosovës |

3. INFORMATAT E CERTIFIKATËS

| | | | |
|---|--------------------------|-------------------------------------|--|
| Kjo është një: | -Certifikatë e re | <input checked="" type="checkbox"/> | |
| | -Certifikatë e rinovuar | <input type="checkbox"/> | Numri i identifikimit të Certifikatës së më parshme: |
| | -Certifikatë e ndryshuar | <input type="checkbox"/> | |
| E vlefshme nga: 04.10.2016 | | Deri: 03.10.2021 | |
| Lloji i shërbimeve: Transporti i mallrave: Duke përfshirë shërbimet për mallra të rrezikshme (3.10) | | | |

4. CERTIFIKATA E SIGURISË-PJESA A (Pranimi i Sistemit për Menaxhimin e Sigurisë)

| |
|---|
| Numri i Identifikimit: KS 11 2016 0001 |
|---|

5. LINJAT E OPERIMIT

| |
|---|
| Te gjitha linjat ekzistuese në territorin e Republikës së Kosovës |
|---|

6. KUSHTET E VEÇANTA DHE DETYRIMET

| |
|--------|
| Nuk ka |
|--------|

7. LEGJISLACIONI NACIONAL I APLIKUESHËM

| |
|---|
| Ligjislacioni në fuqi: Ligji Nr. 04/L-063, Udhëzimi Administrativ Nr. 04/2012 dhe Rregullores Nr. 02/2012 |
|---|

Data e lëshimit

04.10.2016

Numri i brëndshëm i referencës

CER 01/2016



Kuvendi i Kosovës
Skupština Kosova
Assembly of Kosovo

Rr. Brestovci Strazici nr.29
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6.3.2.4. **Review of applications for granting authorization for putting into service of rolling stocks of Infrakos, Trainkos and Railtrans**

During 2016 we have worked and reviewed several applications for obtaining authorization for putting into service the rolling stocks under ownership of Infrakos, Trainkos and Railtrans. All procedures for granting the authorization for putting into service the rolling stock described below are performed based on Law no. 04/L-063 on Kosovo Railways, Article 18, Article 109, Article 110, as well as European Directives: No. 2004/49/EU, 2008/57/EU in this field.

Below are 10 rolling stocks authorized to be put into service during this year by the Safety Department:

1. On 15.12.2015 Infrakos has applied for obtaining the authorization for putting into service 5 (five) light trolleys, LMD-9 type, "Light Track Motor Car", manufactured by MINDIV-Svrljig, which are used for transport of employees and tools at work sites, as well as for inspections carried out by the Department of Maintenance-Infrakos.
2. On 15 December 2015, Infrakos has applied for obtaining the authorization for putting into service 3 Valter "ZTK-10", which are used for loading, unloading and transport of rails by the Department of Maintenance-Infrakos.
3. On 11.03.2016 Trainkos has applied for obtaining the authorization for putting into service 1 (one) diesel-electric locomotive for combined passenger-freight transport.
4. On 22.06.2016 Railtrans has applied for obtaining the authorization for putting into service 1 (one) diesel-hydraulic locomotive with serial number 55-230, for freight transport.

Since the beginning of 2016 we have started analyzing all the documentation provided by Infrakos for 5 (five) light trolleys, LMD-9 type, and after a detailed examination we concluded that all legal requirements are met, and thus on: 26.02.2016, we issued the authorization for putting into service 5 (five) light trolleys, LMD-9 type.

Parallely, we continued with the evaluation of all documentation provided by Infrakos for 3 (three) Valter "ZTK-10", and after a detailed review we concluded that all legal requirements have been met and thus on 26.02.2016 we issued the authorization for putting into service 3 Valter "ZTK-10".

Upon receipt of the request by Trainkos for obtaining the authorization for putting into service the diesel-electric locomotive on 11.03.2016, which is foreseen to be used for combined passenger-freight transport, we started with the preliminary assessment of the submitted documentation by Trainkos train operator. Since we concluded that all legal requirements for obtaining authorization for putting into service of the locomotive for combined passenger-freight transport have been met, on 06.05.2016 the Safety Department has issued the authorization to put into service the locomotive mentioned above.

On 06.05.2016, we issued the authorization for putting into service the diesel-electric locomotive

Also the Safety Department on: 22.06.2016, has received an application for obtaining the authorization for putting into service of 1 (one) diesel-hydraulic locomotive with serial number 55-230 for freight transport owned by Railtrans. Immediately upon receiving

the application from the Railtrans, we started reviewing all the documentation provided by

On 06.10.2016, we issued the authorization for putting into service the diesel-hydraulic locomotive

making a preliminary assessment of the application and we checked all the documentation provided by the private operator. On 25 July, 2016, we requested additional documentation to be provided to us for some tests, which we have estimated to be necessary for completing the evaluation of the application as a whole. Railtrans company on 28.09.2016 submitted the documentation required by us, and upon reviewing it, it was concluded that all the conditions have been met for issuing the authorization to put into service the diesel-hydraulic locomotive owned by the private operator Railtrans and on 06.10.2016 we issued the authorization for the locomotive mentioned above.

On 26.02.2016, we issued the authorization for putting into service 3 (three) Valter "ZTK-10"

On 26.02.2016, we issued the authorization for putting into service 5 (five) light trolleys, LMD-9 type

6.3.2.5. **Organization of the expert mission on the procedures for granting authorization for bringing into service of the rolling stock and infrastructure**

Based on our need to gain new knowledge from competent persons, on 01.09.2015 we applied to TAIEX for an expert mission including a study visit to one of the EU member states on the topic "Authorization for bringing into service of the rolling stock and infrastructure". This request was supported and funded by the European Commission and on 30-31.03.2016 we held two-day training with TAIEX mission experts, Pierre Desfray of the Railway Safety Agency (EPSF) as well as Christian Weber from French Railways (SNCF). The subject of the training was the authorization for putting into service of the rolling stock and infrastructure, based on the practices and legislation in force in Kosovo and European legislation. The main topics addressed in this training were: safety principles, interoperability, practical examples of authorizations for putting into service the rolling stock and the infrastructure, changes to the fourth railway package, railway systems and subsystems, documents required to apply for obtaining authorization for putting into service.

6.3.2.6. **Preparation of the annual safety report for 2015**

The safety report is an annual report, which should be prepared by the body in charge for railway safety. Based on Law no. 04/L-063, Article 20, paragraph 1 *The body in charge of railway safety shall produce an annual report about railway safety to be presented to the RRA.*

According to the Law no. 04/L-063, Article 103, paragraph 6 also states: *Each year all infrastructure managers and railway undertakings shall submit to the body in charge of railway safety before 30 June an annual safety report concerning the preceding calendar year.* The preparation of the annual safety report is also foreseen in the Directive no. 2004/49/EC, Article 9, paragraph 4.

The annual report prepared by the railway safety authority is based on the data submitted to MI and NH safety reports as well as by the activities of the body in charge of safety from the previous year.

This report describes safety information regarding the developments related to railway safety, changes in legislation, developments related to safety certificate and safety authorization, supervision reports of the infrastructure manager and railway undertakings, maintenance of infrastructure and rolling stock etc.

Taking into account the legal deadlines set by the Law on Railways and the Safety Directive; the Safety Department has prepared the Annual Safety Report and submitted to the General Director of RRA within the legal deadlines, respectively on 30.09.2016.

6.3.2.7. **Inspection of the railway infrastructure under management of Infrakos**

Inspection of the railway infrastructure under management of Infrakos railway infrastructure manager started in April and finished in November 2016. During the inspection process we tried to cover almost all factors that directly or indirectly relate to railway safety. Stations, signaling, switchers, sleepers, ramps, level crossings, bridges, tunnels, lighting, ballast, maintenance near railroad etc. have been inspected. The inspected lines are:

1. Prishtine-Fushe Kosove (29.04.2016)
2. Freight terminal in Miradi (05.05.2016)

On 30.09.2016 we completed and submitted the annual safety report for the previous year

3. Fushe Kosove-Magure (06.05.2016)
4. Fushe Kosove-Hani i Elezit (30.08.2016)
5. Prishtine-Podujeve (21.09.2016)
6. Fushe Kosove-Mitrovice (23.09.2016)
7. Kline-Prizren (26.09.2016) and
8. Fushe Kosove-Peje (21.11.2016)

After the inspection of each line we prepared reports regarding the findings during the inspection, where we focused on highlighting not only the shortcomings that exist on each line separately, but we have also highlighted the works that have been carried out by Infrakos. Regarding the lines, the part related to line geometry, ballast, switchers, signaling in stations and sleepers is mainly maintained by Infrakos, and work remains to be done on providing level crossings which still remain a concern for railway safety. Many level crossings are located in settlements and are largely used by residents and vehicles, but there is a lack of signaling with traffic signs or traffic lights or barriers (ramps) in some of the dangerous points identified by us.



6.3.2.8. Inspection of the railway rolling stock under management of Infrakos

Inspection of railway rolling stock under management of Infrakos as infrastructure manager, started and finished in October 2016.

The Safety Department based on the legal duties and responsibilities and in conformity with the work plan has foreseen the inspection of rolling stock based in Article 104, paragraph 5 of the Law no. 04/L-063 on Kosovo Railways.

During the inspection process we have covered almost all the rolling stock used by Infrakos, such as:

- Pllaser&Theurer (6 pieces)
- Robeli (1 piece)
- Excavator (1 piece)
- Wagon meter (1 piece)
- Atlas 1404ZW (1 piece)
- Iveco Daily Palfinger Kran (1 piece)
- Workplace Wagon (1 piece)
- Wagon Bot (1 piece)
- Light railway engine - trolley (10 pieces)
- Walter (6 pieces) and
- Trailer (4 pieces)

These safety parameters have been inspected: wheel thickness, wheel profile dimensions, braking system, brake pedals, door opening and closing, lighting system, horn and radio equipment, air connectors, hook etc.

A report was prepared for all these railway rolling stock, in which we presented the findings during the inspection process. During 2017, we will oversee the implementation of the recommendations we have presented in the reports.

The inspection report of two railway lines maintenance equipment is presented below.

The presented data were provided by the Infrakos representatives, as well as by the inspection we conducted, respectively Safety Department within RRA.

6.3.2.9. Inspection of the railway rolling stock under management of Trainkos

The inspection of the railway rolling stock under the management of the railway company Trainkos was conducted during the period October-November 2016.

The Safety Department has carried out the inspection of all railway rolling stock which is in the National Vehicles Register, owned by Trainkos, such as:

- Locomotives (11 pieces)
- Shunting locomotives (17 pieces)
- Motor trains (7 pieces)
- Passenger wagons (21 pieces)
- Freight wagons and (6 pieces)
- Freight wagons out of function (45 pieces).

This inspection was carried out in accordance with Law no. 04/L-063 on Kosovo Railways.

For each inspected vehicle we have prepared reports regarding the main findings during the inspection, and it includes only some of the findings that we considered to be more important.

We have identified with photographs and comments the main findings as well as given some recommendations (comments) on what should be undertaken for improving the existing situation.

During 2017, we will monitor the implementation of the recommendations we have presented in the reports.

Below we will present the inspection report for only one type of each inspected rolling stock.

Presented data have been provided by Trainkos representatives, as well as by the inspection carried out by us - the safety department within RRA.

6.3.2.10. Inspection of the railway rolling stock under management of Ferronikel

The inspection of the railway rolling stock under the management of the railway company Trainkos was conducted during the period November-December 2016.

The Safety Department has carried out the inspection of all freight wagons which are in the National Vehicles and are owned by Ferronikel.



This inspection was carried out in accordance with Law no. 04/L-063 on Kosovo Railways.

For each inspected freight wagon we have prepared reports regarding the main findings during the inspection, and it includes only some of the findings that we considered to be more important.

We have identified with photographs and comments the main findings as well as given some recommendations (comments) on what should be undertaken for improving the existing situation.

During 2017, we will monitor the implementation of the recommendations we have presented in the reports.

6.4. DEPARTMENT OF INTEROPERABILITY

In order to develop the national railway interoperability framework, the Department of Interoperability was engaged maximally and with high responsibility, in accordance with the Law on Railways and the Directive on Interoperability. As a result, following achievements and activities presented in this report have been carried out.

Legal ground for preparation of Annual Report 2016 is provided in Article 29 (6) of the Law No.04/L-063 on Kosovo Railways, which aims to provide an overview of developments in the field of railway interoperability.

This report covers data for 2016 in a summarized form, on activities and outcomes that the RRA Interoperability Department developed during this period.

Interoperability

Interoperability is an initiative of the European Union to promote a single market in the rail sector. This European initiative is designed to improve the competitive position of the rail sector so that it can compete more effectively with other forms of transport. This is done through a regulatory framework that promotes technical harmonization and standardization of European railways.

→ *It provides for Common Technical Standards called Technical Specifications for Interoperability TSI, to be applied throughout the rail system*

6.4.1. Duties and Responsibilities

In order to fulfill its responsibilities, the Department is regulated by the legal framework determined by the Law No.04/L-063 on Kosovo Railways and according to the provisions of the Directive (EU) 2016/797/EU on Interoperability, and Directive 2004/49/EC on Safety.

As a Department within the RRA, it is responsible to determine the conditions that need to be met by the railway system in Kosovo in order to achieve interoperability with EU railway system in order to create an interoperable European railway area, an area which Kosovo wants to join.

The conditions for interoperability concern the design, reconstruction, putting into service, upgrading, renewal, operation and maintenance of the parts of the system as well as the professional qualifications and health and safety conditions of the staff who contributes to its operation and maintenance.

Department is tasked to draft secondary legislation in the field of railway interoperability, which shall be in accordance with European standards and regulations set by the Directive on Interoperability.

6.4.2. Activities of the Department of Interoperability

Legislation in force requires:

Harmonization of legislation, regulations and standards in railway sector with those of EU that is suitable for Kosovo in the field of interoperability.

The report presents the following activities in detail:

6.4.2.1. Rolling Stock with Undefined Ownership RSUO

6.4.2.1.1. Control of RSUO and NVR registry

The Department of Interoperability at the beginning of 2016 conducted a control which included the register of rolling stocks with undefined ownership, conducted in 2015, including the regular NVR. This because Trainkos same as Infrakos, administer rolling stock of undefined ownership category, who for the needs of the company possess railway rolling stock of such category. The control aimed to include all rolling stock with undefined ownership administered by Trainkos and Infrakos in the register of rolling stock from this category. The control which included the comparability of two registers showed that the register of rolling stocks with undefined ownership, conducted in 2015, requires corrections.

RRA has two registration categories available:

1. NVR Regular registration conducted in 2012
 2. Registration of RSUO (rolling stocks with undefined ownership) conducted in 2015
-

Based on the results of this control (NVR register and RSOU register), RRA in cooperation with Trainkos and Infracos have systematized and clarified the positions of rolling stock from the two above mentioned categories, to commence then with the inspection which should be based in an accurate register of rolling stock with undefined ownership.

As a result, the register of rolling stock with undefined ownership conducted in 2015 saw some changes, making a number of rolling stock from the NVR register be transferred to the register of rolling stock with undefined ownership (RSUO) and vice versa. After the control process of the register of rolling stocks with undefined ownership, including NVR, RRA specifies the systematization of railway vehicles and the number of rolling stock subject to registration. On 17.06.2016, the working group consisting of RRA, Trainkos and Infracos conducted the registration/modification of rolling stock with undefined ownership for a number of vehicles in this category.

6.4.2.1.2. Inspection process of rolling stock with undefined ownership

Based on the 2015 registration and the recordings/modifications carried out in June 2016, the Department of Interoperability on 28.06.2016 commenced the inspection of the rolling stock of this category, including the comparability with the regular registry NVR.0

The inspection was led by RRA, namely the Department of interoperability, through a working group consisting of RRA- Trainkos-Infracos. The inspection process of rolling stock with undefined ownership lasted for a total of twelve days during the 4 months and ended on: 14.09.2016. In total **509 rolling stock with undefined ownership were inspected**, which were arranged in different locations within the territory of the Republic of Kosovo.

All inspected RSUO's are presented below in a summary tabular form, including the inspection date and location ([table 1](#))

Table 1: Inspection dates and location

| No. of days | Inspection date | Quantity | Location of RS |
|-------------|-----------------|------------|---------------------|
| 1 | 28.06.2016 | 72 | Fushë Kosovë |
| 2 | 29.06.2016 | 17 | Fushë Kosovë |
| 3 | 06.07.2016 | 69 | Bardhë i Madh |
| 4 | 11.07.2016 | 2 | Fushë-Kosovë |
| 5 | 13.07.2016 | 114 | Miradi |
| 6 | 15.07.2016 | 43 | Miradi |
| 7 | 22.07.2016 | 73 | Miradi |
| 8 | 26.07.2016 | 41 | Miradi |
| 9 | 15.08.2016 | 48 | Miradi |
| 10 | 17.08.2016 | 2 | Miradi |
| | | 1 | Fushë Kosovë |
| 11 | 18.08.2016 | 6 | Obiliq, KEK |
| | | 11 | Mitrovicë, (Trepçe) |
| 12 | 14.09.2016 | 10 | Fushë Kosovë |
| | Total | 509 | |

6.4.2.1.3. Marking the ordinal identification number

The large number of rolling stock with undefined ownership, and difficulties in finding the identification number have driven us, this year, to undertake the process of marking an identification number in each rolling stock with undefined ownership. We estimate that such action will facilitate the inspection of the rolling stocks of this category, at the same time it will be more accurate.

Marking of an ordinal identification number (green in colour) includes each rolling stock with undefined ownership and which is part of the registry of such category (RSUO) (fig.12)



Fig. 1 Ordinal identification number

Special emphasis should be put on the adverse impact that such out of use rolling stock have in environment. Rolling stocks that are constructed on certain occasions by materials proven to be carcinogenic, rolling stock constructed of unclearly defined materials and rolling stocks that have been corroded or damaged by other factors which pose a potential risk to the health of residents of those neighbourhoods and railway workers. Therefore, the responsible institutions should take the necessary steps to move such rolling stocks as soon as possible from those neighbourhoods and make a solution that would be above all in the benefit of the environment and people's lives.

Based on its legislation and competencies, RRA does not hold any liability in the event of misuse of any kind or inaction in relation to the concerns raised.

With the results deriving from the RSUO Inspection, RRA drafts and has available the report and the register of rolling stocks of this category with sufficient information to identify each rolling stock. The report was sent to: the Assembly of the Republic of Kosovo, the Ministry of Infrastructure, the Ministry of Economic Development, Infrakos and Trainkos.

6.4.2.2. National Vehicle Registration

According to the Law No. 04/L-063 on Kosovo Railways, Article 28, paragraph 7, RRA, respectively the body for interoperability shall be responsible for numbering of rolling stock put into service in Kosovo and for keeping the ad hoc register with all required information as described in this Law, through Article 18, paragraph 3.6 that obliges the RRA to supervise whether the rolling stock is duly registered and that safety-related information in the National Vehicle Register is accurate and kept up-to-date.

During 2016, RRA has registered the rolling stock applied by Train Operator - Trainkos. The registered rrolling stock are attached to the National Vehicle Register

(NVR) (table 2). We have also received and implemented applications for modification of a passenger wagon and two freight wagons applied by Trainkos (Table 3). This year we have conducted the first registration of a locomotive of the private operator Railtrans with European number 99 00 2740 001-8 (Table 2).

The following railway vehicles presented in tabular form were subject of registration: (Table 2).

Table 2: Railway rolling stock registered in 2016

| | Rolling stock | Company | Year of production | Prior number | European number | |
|---|----------------|-----------|--------------------|---------------|-------------------|------------|
| 1 | Locomotive | TRAIKOS | 1981 | 98782044010-3 | 92 00 2620 016-1, | Registered |
| 2 | Locomotive | RAILTRANS | 1988 | 55230-7 | 99 00 2740 001-8 | Registered |
| 3 | Freight wagone | TRAIKOS | 1970 | 31725952821-2 | 31 00 59 52 049-7 | Registered |
| 4 | Freight wagone | TRAIKOS | 1970 | 82725965808-2 | 82 00 5965 050-8 | Registered |
| 5 | Freight wagone | TRAIKOS | 1970 | 31725959438-8 | 31 00 5959 051-6 | Registered |

Table 3: Railway rolling stock modified in 2016

| No | Rolling stock | Company | Year of production | Prior number | European number | |
|----|-----------------|---------|--------------------|---------------|------------------|----------|
| 1 | Passenger wagon | TRAIKOS | 1978 | 51805940046-6 | 51 00 5940 021-6 | Modified |
| 2 | Freight wagon | TRAIKOS | 1960 | 31721901785-0 | 31 00 1901 037-3 | Modified |
| 3 | Freight wagon | TRAIKOS | 1978 | 31721900388-4 | 31 00 1900 038-2 | Modified |

Department of Interoperability reviewed all registration forms in accordance with applicable law and within the time limit specified in the regulation No. 05/2012 for registration. Registration of rolling stocks including “registrations” and “modifications” is regulated by Law No.04/L-063 on Kosovo Railways, Directive 2008/57/EC on Interoperability and Regulation 05/2012 on National Vehicle Register approved by RRA.

6.4.2.3. Updating the National Vehicle Register -NVR

The Department of Interoperability, in addition to keeping the National Vehicle Register (NVR), is responsible to keep it up-to-date. In 2016, as a result of new rolling stock registrations and modifications we have updated the NVR register.

6.4.2.4. Vehicle Keeper Marking- VKM

VKM (Vehicle Keeper Marking) is a reflection of the full name or abbreviation of the vehicle keeper marking. Vehicle Keeper Marking is an alpha numeric code consisting of 2 to 5 characters which must be marked on each rolling stock, next to the rolling stock number.

RRA is responsible for interoperability, and determines the VKM codes in agreement with Vehicle Keeper.

In 2016, RRA on 01.11.2016 received an application for registration of the VKM code by the operator- Railtrans. Pursuant to Regulation No. 05/2012 for Registration and Decision 2011/314/EU, we conducted the procedures for reviewing the application of the railway operator Railtrans for VKM code. After reviewing the application on: 08.11.2016 the Department of Interoperability accepted the VKM code for Railway Operator Railtrans, which is the abbreviation of RT Company.

Table 5: Alphabetical Register of Vehicle Keeper Marking (VKM)

| | VKM | UNIQUE | STATUS | | |
|-----------------|----------------------------------|----------------------|---------|--------|---------|
| Clarifications: | Code that appears on the vehicle | Unique codes control | Blocked | In use | Revoked |

| VKM | UNIQUE | VKM Name | Country | Status | Webpage |
|-------|--------|---------------------------------|---------|--------|--|
| IHK | IHK | INFRAKOS | KS | In use | www.kosovorailway.com |
| NCF | NCF | NEWCO FERRONIKELI COMPLEX L.L.C | KS | In use | www.cunicoresources.com |
| TRKOS | TRKOS | TRAINKOS | KS | In use | www.trainkos.com |
| RT | RT | RAILTRANS | KS | In use | www.railtrans.biz |

6.4.2.5. Update of international and local agreements on KR

Based on the international railway agreements reached between institutions and companies in the railway sector, RRA has established a list of cross-border agreements which is updated through new agreements or modified agreements. The list also includes local agreements of the infrastructure manager and railway undertakings on operation and maintenance. The contracting parties notify RRA of the signed agreements, which are attached to the list of these agreements.

The last update was conducted in March 2016 as a result of the signing of two agreements between the Kosovo Railways Infrastructure INFRAKOS, Train Operations TRAINKOS, Macedonian Railway Infrastructure and Macedonian Railways Transport.

1. Implementing Agreement for the interconnection of railway networks between Kosovo Railways (KR) and Macedonian Railways (MZ) and
2. Common official provisions on regulating the border railway traffic at the border railway line Volkovo - Hani i Elezit.

These agreements were signed on 15.02.2016 in Fushe Kosovo as a result of the Agreement between the Government of the Republic of Kosovo and the Republic of Macedonia on Regulation of the Railway Border Transport signed on: 15.09.2011.

Detailed information on the agreements can be found in the table below (table 6).

Table 6: International and local agreements on KR

| No. | Agreements | Contracting parties | Date of signature | Comments |
|-----|---|--|---------------------------------|---|
| 1 | Interim Agreement between NHT "BEOGRAD" and UNMIK RAILWAYS | UNMIK RAILWAYS -NHT "BEOGRAD" | 31.05.2002 (not implemented) | It is not implemented since 03 March 2008, as a result of the measures taken by the local entities of the northern part of the country after the declaration of independence of the Republic of Kosovo. |
| 2 | Interim Agreement between MACEDONIA RAILWAYS AND UNMIK RAILWAYS | UNMIK RAILWAYS - MACEDONIA RAILWAYS | 30.08.2002 | Railway transport between the two respective countries, the Republic of Macedonia and the Republic of Kosovo still operates under this Agreement. The outcome of the Framework Agreement of 15.09.2011 is the Implementing Agreement for the Joint Interconnection of the Railways Network between the Macedonian Railway - Infrastructure and Kosovo Railways signed on 15.02.2016 for which no basis for implementation has yet been established. |
| 3 | Agreement on Border Railway Traffic, between the Government of the Republic of Kosovo and the Government of the Republic of Macedonia | Government of the Republic of Kosovo - Government of the Republic of Macedonia | 15.09.2011 | This is a framework contract and is based on the Transport Treaty. The finalization of the parties' agreements is expected in specific areas: railways, police, customs and phytosanitary services. |
| 4 | Agreement on maintenance of industrial track | NEW CO FERRONIKELI COMPLEX LLC - "INFRAKOS" JSC | 27.02.2012 | The contract signed on 27.02.2012 has the precise timing of the notice of the contract termination and has been implemented. |
| 5 | International Agreement on Cross-Border Crossing between "INFRAKOS" JSC - Kosovo and H.M."INFRASTRUKTURA" - Macedonia | "INFRAKOS" JSC - H.M."INFRASTRUKTURA" | Finalized | This agreement was finalized and signed by "INFRAKOS" JSC - Kosovo and H.M."INFRASTRUKTURA" - Macedonia It's not being implemented since for its implementation are necessary the signatures of other stakeholders, such as: Border Police, Phytosanitary Bodies of both countries. Upon meeting these requirements the implementation is ready to commence. |
| 6 | Agreement on Joint Services, between TRAINKOS JSC and INFRAKOS JSC | TRAINKOS JSC - INFRAKOS JSC | 24.08.2015 | The contract signed on 24.08.2015 specifies the time of the notice of the contract termination and other points/issues necessary can be added as an annex. |
| 7 | Agreement on Track Access, between "INFRAKOS" JSC and "TRAINKOS" JSC | TRAINKOS JSC - INFRAKOS JSC | Un-finalized | This Agreement at the time of reporting is in mutual review to be signed soon. |
| 8 | Agreement on the transport of mines and coal between NEW CO. | "NEW CO FERRENKELIN COPLEX LLC" - | Signed (30.12.2016) | A contract with "New Co Ferronikeli Coplex LLC" was signed for the period October - |

| | | | | |
|----|---|---|------------|---|
| | FERRENIKELIN COPLEX LLC and Kosovo Railways | Former Kosovo Railways | | December 2016. The contract for 2017 was signed for six months, respectively for the period January - June 2017 with the possibility of extension depending on the circumstances created. |
| 9 | Agreement on Rolling Stock Maintenance, between TRAINKOS JSC and NEW CO FERRENIKELIN COPLEX LLC | TRAINKOS JSC - NEW CO FERRENIKELIN COPLEX LLC | 30.12.2016 | It is part of the Annex of the six-month contract signed on 30.12.2016. |
| 10 | Implementing Agreement on Railway Network Joint Interconnection, between Macedonian Railways - "Infrastruktura" and Kosovo Railways | H.M. "INFRASTRUKTUR A" H.M. "TRANSPORTI" - "TRAINKOS" SH.A. "INFRAKOS" SH.A. | 15.02.2016 | It is signed between the relevant railway companies of both countries and further coordinated actions are expected from MI. |
| 11 | Common provisions on regulation of border railway traffic in line Volkovo - Hani i Elezit | H.M. "INFRASTRUKTUR A" H.M. "TRANSPORTI" - "TRAINKOS" JSC "INFRAKOS" JSC | 15.02.2016 | It is signed between the relevant railway companies of both countries and further coordinated actions are expected from MI. |

From all these agreements, it is concluded that Infrastructure Manager - Infrakos and Train Operator - Trainkos, regarding the operation and maintenance, in addition to agreements between domestic institutions and with Macedonia, did not conclude such contractual agreements with other countries. The agreements concluded and those in process to be concluded with Macedonia derive as a result of the Agreement on Border Railway Traffic between the Government of the Republic of Kosovo and the Government of the Republic of Macedonia, signed on: 15/09/2011.



6.4.2.6. Expert Mission on TSI Infrastructure organized by TAIEX

RRA is responsible for the preparation and issuance of Technical Specification for Interoperability for all railway subsystems that should be based on TSI prepared at EU level. In order to assist this process, the Department of Interoperability in March 2016 submitted a request to TAIEX for an expert mission which would assist in the transposition of EU Regulation no. 1299/2014 INF STI for the Infrastructure subsystem) into national legislation. The request was received by TAIEX in March this year.

The Expert Mission on "Technical Specification for Interoperability for the Infrastructure Subsystem - Implementation and Transposition Method" was organized under TAIEX Technical Assistance and Information Exchange. The mission took place in the two-day period 19-20/07/2016, led by French experts from SNCF (French Railways Holding) and SNCF Réseau (French Infrastructure Manager).

Within the two-day period in which this mission was conducted, it was contributed to the transposition method of the EU Regulation on Technical Specification for Interoperability for the infrastructure subsystem in national legislation, always considering and evaluating the conditions of the railway sector in the Republic of Kosovo. The possibility to implement TSI Technical Specifications for Interoperability also included a detailed discussion considering it important. The implementation practices of TSI in other countries presented by experts were a good opportunity to give more clarity to Interoperability requirements.

Particular importance was also given to the railway rout 10 modernization project. RRA officials presented in a generalized form a background of the project to evaluate afterwards its connection to TSI, certainly only in terms of formal discussion. Experts during the presentation presented their ideas and experiences in the best way by combining them with practical and concrete examples. Such ideas and experiences explained the necessity of implementing EU legislation through transposition into national legislation. This would make it easier to connect and integrate our railroad with that of the EU.



6.4.2.7. **Driver's Rule Book**

Driver's Rule Book is a document (manual) in which all information, procedures and rules for train operation should be clearly described and known to the driver (based on Article 106 of the Law on Railways and Point 4.2.1.2 of Regulation (EU) 2015/995). This information should take into account the operation in normal, degraded and emergency situations for the roads operated and the rolling stock used in these roads.

The Interoperability Department has prepared basic information on the basis of which this document should be prepared. Responsible for the preparation of the "Driver's Rule Book" is the railway undertaking.

Train Operator Trainkos based on general information prepared by RRA during March 2016 has initiated the preparation of the "Driver's Rule Book" conducted through the working group within Trainkos, responsible for drafting this document.

On 05.10.2016 Trainkos submitted the first draft of the "Driver's Rule Book". Although in a generalized form, there is content referring to Regulation 2015/995/EU OPE TSI (Operations and Traffic Management). Since it is a document being prepared for the first time, Trainkos takes its time to accomplish its preparation and therefore it remains in process for 2017.

6.4.2.8. **Technical Specifications for Interoperability TSI**

Technical Specifications for Interoperability have been prepared and issued at EU level in order to prepare the single railway area and as such should present the main railway safety base in Kosovo.

According to the Law on Railways for each railway subsystem, the Technical Specifications for Interoperability in Kosovo should be issued by RRA and must meet the essential requirements, and in particular the safety requirements.



6.4.2.9. Technical Specifications for Interoperability (TSI)

6.4.2.9.1. TSI for the infrastructure subsystem

RRA responsible for the area of interoperability, obliged to ensure the fulfilment of its obligations vested by the law, on: 22.09.2016 starts with the preparation of the TSI for the Infrastructure subsystem, which will be based on the EU Regulation No. 1299/2014 TSI INF. Since the procedures for assessing conformity and suitability for the use of the interoperability constituents as well as the procedures for the verification assessment of railway subsystems with TSI regulations are carried out by the Notifying Bodies (in EU countries), we are initially analyzing the two possible transposition alternatives carefully.

- Amendment of the Regulation on TSI for the Infrastructure Subsystem, adapted to the conditions of our railway sector, or
- Adoption of the Regulation no. 1299/2014 on TSI for the EU Infrastructure subsystem

RRA will analyze in detail both alternatives so that the transposition is carried out in the best and most suitable way for the opportunities of our railway sector.

6.4.2.9.2. Technical Specifications for Interoperability for the subsystem Operation and Traffic Management.

At the end of 2016 we have also begun with the preparation of the TSI for the subsystem Operation and Traffic Management (OPE). This sub-legal act will also be based on the EU's TSI Regulation no. 2015/995 for this subsystem. The transposition manner will be the same as the TSI Regulation for the Infrastructure subsystem.

The preparation and implementation of the TSI will have an integral role of our railway system in that of the EU, facilitating the transition from old national railway systems governed mainly by national rules, to a common European railway area governed mainly by EU common rules.



6.4.2.10. Inspection of the rolling stock registry

The body in charge over the matters of railway interoperability shall be responsible for numbering of transport vehicles placed into service in Kosovo and for keeping the ad hoc registry with all required information as described in the Law on Kosovo Railways (Article 28, paragraph 7)

Based on the work and responsibilities that the Interoperability Department has, it has conducted the inspection of rolling stock register (NVR), which are owned and administered by all railway companies. The purpose of the inspection was to check whether all the rolling stock within the territory of Kosovo is part of the National Vehicle Register. This implies the compliance of railway rolling stock with NVR. We estimate that through inspection to prevent operation with unregistered vehicles which would be in contradiction with the Regulation 05/2012.

Infrakos rolling stock (inspection date 26-27/10/2016), Trainkos rolling stock (inspection dates 31/10/2016, 01-03/11/2016 and 10/11/2015) NewCo Ferronikeli Complex LLC rolling stock (inspection date 21/11/2016) and Railtrans rolling stock (inspection date: 18/11/2016) were subject to rolling stock registration inspection.

This year, the inspection proved to be successful, since all the rolling stock operated by the railway companies were part of the NVR. With the results of the inspection, reports were prepared for the four companies that included all railway vehicles owned and administered by Infrakos, Trainkos, Newco Ferronikeli Complex and Railtrans.

6.4.2.11. Marking of European Vehicle Number

The NVR inspection also includes checking the European number marking. Each railway vehicle which is part of the NVR shall be marked by the European twelve-digit number identifying each vehicle. Marking of European Vehicle Number is required by the Law No.04/L-063 on Kosovo Railways, Article 110, paragraph 8.1.

This year, the inspection of the marking of European vehicle number proved to be more successful compared to the previous years, because all the vehicles that were part of the NVR had their registration number marked.

- INFRAKOS has implemented the process of marking the European number in all the railway vehicles that are part of the NVR.
- TRAINKOS has implemented the process of marking of European number on all railway vehicles that are part of the NVR, with the exception of 4 freight wagons that were subject to registration before commencement of inspection. Trainkos justifies with the insufficient time for marking the European number inscription in these vehicles as well.
- NEWCO FERRONIKELI COMPLEX has implemented the process of marking of European number on all railway vehicles (freight wagons) that are part of the NVR.
- RAILTRANS has implemented the process of marking of European number on all railway vehicles (freight wagons) that are part of the NVR.

6.4.3. Objectives of Department of Interoperability

The overall objective of the Department of interoperability remains the development of the national railway interoperability framework, which implies achieving interoperability within the railway system through the implementation of the Law on Railways and the Interoperability Directive.

Pursuing of this objective shall lead to technical harmonization (TSI) and enable the improvement and development of railway transport services, making railway transport compliant with other forms of transport.

A figurative definition of the objectives of interoperability would appear as in the following figure.

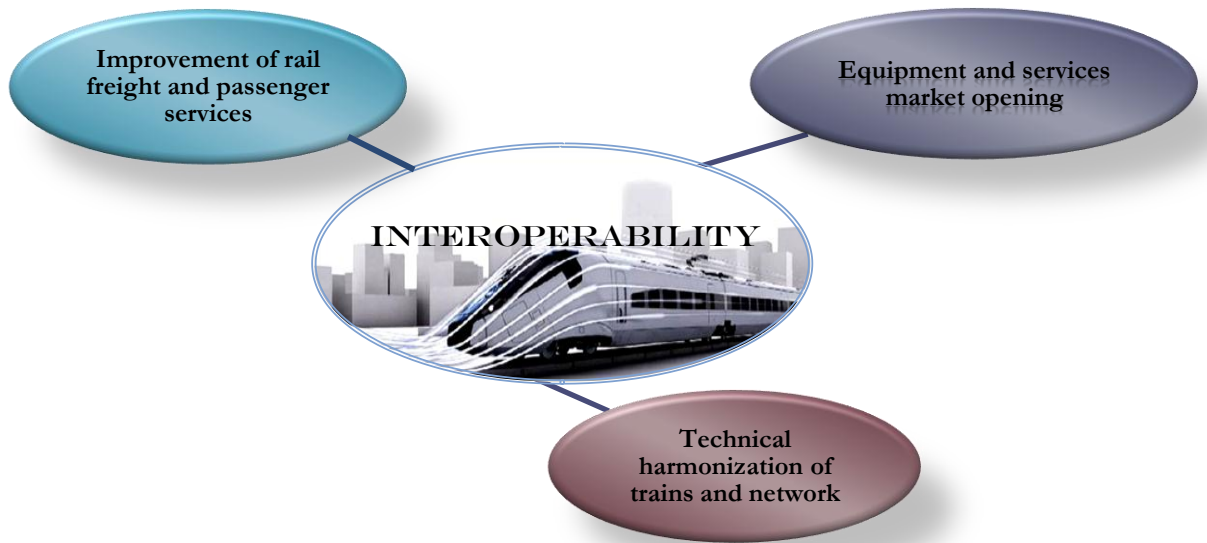
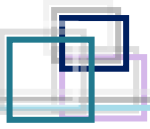


Fig.1 Objectives of the Department of Interoperability.

6.5. DEPARTMENT OF MARKET REGULATION

The market regulation department report is the report prepared in accordance with Article 26 paragraph 11 of the Law 04/L-063 on Kosovo Railways.

6.5.1. Duties and Responsibilities

Department of Railway Market Regulation is tasked to provide the conditions for the opening of the railway market in Kosovo, within this a wide range of duties and legal responsibilities arise, such as:

To ensure that fees charged by the manager of infrastructure or entity levying charges are not discriminatory.

To ensure that access to rail, access to station, access to warehouses of operators who meet the requirements necessary shall be fair, transparent and non-discriminatory.

Supervision of negotiations between applicants and managers of railway infrastructure of common use regarding the payment levels for infrastructure. These negotiations should be allowed only if they are carried out under the supervision of the railway market regulatory body.

To intervene if such negotiations are likely to be contrary to the requirements of this law.

To ensure whether the network statement contains discriminatory clauses or creates discriminatory competences, for railway infrastructure managers, of common use, that could be used by them to discriminate the applicants.

Analyzing and monitoring of competitiveness and quality service in rail services market as well as in domestic and external market competitiveness. All this is done on its own initiative and in order to prevent discrimination among applicants.

To act as an authority for complaints about railway market; each applicant should have the right to appeal if he/she believes that they have been treated unfairly, discriminated against and in particular against decisions approved by the infrastructure manager, the operator of the services facility or where possible by the railway undertaking concerning:

Monitoring of the entire railway market in Kosovo, in this regard, the railway market department shall prepare an annual report which after its approval the RRA will present it to the Assembly of Kosovo.

Contributing to policies that provide sustainable development, environmental transport services and contributing for its implementation. Contribute in developing integrated transport system for passengers and freight.

Contributing to allow the process for allowing the closure of public passenger services of general economic interest, the closure of tracks and stations.

6.5.2. Activities of the Department of Market Regulation

The department of Market Regulation under the work plan and under the legal duties and responsibilities has carried out these activities during 2015:

- Analyzing and organizing the consultation process for the Network Statement,
- Review of complaints by railway operators
- Monitoring the Railways Market, Preparation of the Monitoring Report and Preparation of the Draft Regulation for Monitoring and Reporting
- Organizing a regional workshop on market regulation

6.5.2.1. Network Statement

The department of Market Regulation has accepted the draft Network Statement by the Railway Infrastructure Manager Infrakos JSC, on: dt:xxx. Upon receipt of the Draft Network Statement, we started an intensive consultation process including all stakeholders such as: RRA, Infrakos, Trainkos, MI, MED.



6.5.2.2. Network Statement consultation process

The Department of Railway Market Regulation held a formal meeting with Infrakos, Trainkos, MI, MED, where intensive consultations were held regarding the drafting of the Network Statement. A specific topic was the sixth chapter of the Network Statement with the description, the fees included, the principles of obligations calculations, respectively the manner of calculating fees by Infrastructure Manager - Infrakos.

We, the Department for Railway Market Regulation, after this meeting started working on the facts regarding Trainkos complaint concerning railroad infrastructure operation price and comparison with neighbouring countries such as: Macedonia and Montenegro. The Department for Railway Market Regulation following a comprehensive process of stakeholder consultation, on 13.06.2016 took a decision by presenting its opinion on certain points from the draft Network Statement such as:

- Whether the infrastructure manager respected the legal procedures during the drafting of the Network Statement and the consultation process.
- Based on the Law on Railways, Article 61.3, which deals with determination of fees for railway services, RRA has analyzed the draft Network Statement, respectively chapter 6 regarding the charging system, the overall level of payments for the use of services provided by the infrastructure manager.

RRA has come up with the recommendation as follows:

Since according to Article 7.1 and Article 45.5 of the Law on Railways, Infrakos is required to run on commercial basis under the network conditions, it is necessary to ensure that the reductions of revenues deriving from the changes are offset by other revenues according to Article 45.15 of the Law on Railways. In addition, these requirements may also be fulfilled under Article 63.3.

During 2016, all complaints and requests addressed to rail operators were treated by RRA on the basis of the competencies and the Law on Kosovo Railways.



6.5.2.3. Market monitoring

The Department of Market Regulation during 2016 has permanently monitored the Railway Market within the Republic of Kosovo. Part of the Railway Market monitoring has been the transport of goods imported and exported by railway transport as well as the monitoring of passenger transport. The monitoring results were reported at IRG-Rail, a European institution where RRA is a full-fledged member. Also during 2016, special regulations were drafted for the monitoring and reporting of the Railway Market in Kosovo.

6.5.2.4. Workshop on Regulation of the Railway Market

Railway Regulatory Authority in cooperation with TAIEX and with the support of the European Commission on 29 and 30.09.2016 organized a workshop on Regulation of the Railway Market for Market Regulators in the region, which took place in Prishtina. This workshop was initiated at the request of the Market Regulation Department within RRA presented to TAIEX.

The purpose of this workshop was to provide advice and guidance on railway market regulation issues, mainly focusing on passenger rights, complaint review process, access fees, public service obligations (PSOs) and the nature of public service contracts.

On: 29-30.09.2016 the Railway Regulatory Workshop on regional level was held.

During the two days of the workshop were addressed topics of interest for the issues of Rail Market Regulation, the focus was mainly on the implementation and implications of two European Union regulations

(Regulation No 1371/2007 of the European Parliament and of the Council of 23 October 2007 on rail passengers' rights and obligations and Regulation No 1370/2007 of the European Parliament and of the Council of 23 October 2007 on public passenger transport services by rail and by road) in the area of market regulation and railway sector in general.

A special point was the introduction of the Market Regulatory Status for all participating countries (Albania, Macedonia, Serbia, Montenegro and Turkey) where their representatives presented the current situation of market regulators,

including the legal position and the activities undertaken in the field of railway market regulation.

It was also discussed the impact that the 4th rail package could have on transparency issues and the separation of special accounts for PSOs.

In the capacity of TAIEX experts were 3 participants, Laurent Monjole, Director for European and International Affairs of the French Railway Regulatory (ARAFER), Carl-Friedrich Keding, from the State Railways Agency in Germany (NASA GmbH), as well as Karol Klosowski, Director of the Department of Passenger Rights at the Railway Office in Poland (UTK).

Seeing the development trends of the railway sector/market this workshop was very welcomed for us. From this workshop, RRA, particularly the Department for Market Regulation has gained knowledge about the topics dealt with, as well as an exchange of experiences from the countries of the region regarding the field of market regulation, especially in matters of passenger rights and public service contracts.

It is worth mentioning that this Market Regulatory activity was also featured in several electronic media.

6.5.2.5. Recommendations of the Market Regulation Department for the Network Statement,

Market Regulatory Authority within the Railway Regulatory Authority, based on the legal competencies under Law no. 04/L-063 Article 25.1. is obliged to ensure the conditions for the opening of the railway market in Kosovo, and is responsible for analyzing, monitoring of competitiveness and quality of services in the railway sector of Kosovo, all this is done at the initiative of the Department.

The Network Statement is one of the important documents in the railway sector which has an impact on the development of the railway market, under Article 55. This article requires that any infrastructure manager of common use, after consultation with stakeholders and the Market Regulatory Body, must publish the Network Statement, as it was defined in Article 58, where it should have been published not later than four (4) months before the deadline for submission of requests regarding train tracks.

The NS approval is closely related to the adoption of the charge structure for the users of the rail network. The Law on Railways 04/L-063 in Article 61.3 clearly

defined the proposer and the approver of the establishment of the charges structure for the user of the railway network, where it is stated *“Whereas the structure of the user charging system as well as the general level of the user charges to be proposed by the manager of the State-owned infrastructure of common use shall be approved by the Ministry, in agreement with the Ministry responsible of the Publicly Owned Enterprises. The manager of the State-owned infrastructure of common use determines the charges according to the market situation and the costs while respecting the principle of non discrimination”*.

The phase of access charges proposal has been monitored by the Railway Regulatory Authority in a formal manner and according to legal procedures (although the legal deadline for completion of this phase for adoption of the Network Statement 2017 has passed).

The Market Regulatory Body within the Railway Regulatory Authority as the highest supervisory body of the railway sector invites the bodies responsible for approving the charge structure for the users of the railway network, respectively, the Minister of Infrastructure and the Minister of Economic Development to approve the charge structure for the users of the railway network in order to open the way for the publication of the Network Statement 2017 by the infrastructure manager - Infrakos.

The Publication of the Network Statement 2017 would enable railway operators to analyze the conditions offered by Infrastructure Manager Infrakos for access to infrastructure and to enter into agreements on access under the conditions set out in this document.

6.6. DEPARTMENT OF ADMINISTRATION

6.6.1. Duties and Responsibilities

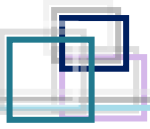
The Department of Administration is responsible for the management and supervision of RRA administrative staff. Human resource activities have to be effectively managed such as: Administering the time and attendance at work, recruitment, publishing job vacancy announcements, performance of staff evaluation within the Department, etc. Department of Administration shall provide administrative support to institutional needs.



6.6.2. Activities of the Department of Administration

The Department of Administration provides comprehensive support for the RRA staff including management of human resource:

- The Department of Administration played a leading role in ensuring optimal administrative functioning;
- Held responsibility for the management and supervision of administrative staff, taking care of their needs.
- Managed and supervised the logistics, personnel, and information technology;
- Has managed an effective use of RRA inventory (barcode marking, tracing property, property transfer etc.);
- Has managed administration and human resource activities such as: Recruitment, job announcements, staff training, time management and attendance at work, RRA staff work assessments;
- Reviewed and managed the appropriateness of office space needs;
- Supervised the identification of office technology needs and maintenance of office equipment;
- Has provided requests, forms, instructions and information on days-off for RRA staff.
- This year, have been developed the recruitment procedures for Interoperability Officers, a vacant position after resignation of staff member, whereby an eligible candidate was selected for this position.
- There were also submitted forms for accepting approval and placement on the payroll list for the three Career Advancement positions, as well as in submitting Retroactive forms for the three Advanced Career Positions at the Ministry of Public Administration;
- This year, the Department of Administration has also prepared all the forms for the classification of jobs according to the Civil Servant Job Catalogue and sent them to MPA for review.
- This year we have also prepared the Personnel Form, where we have systematized all employees from the employment coefficient.
- We have prepared technical specifications for the Procurement Division for RRA requirements.



- We have supervised the contract management plan for rent of the RRA facility as well as insurance and cleaning.
- This year we have also prepared Identification Cards for all RRA staff and we have been equipped with invalid ID Cards.
- The Department of Administration has also recorded the annual and medical leave for RRA staff members under the regulation of Civil Servants and all have been placed in employee files.
- This year we attended various training organized by KIPA where the Department of Administration came up with the recommendation for holding trainings for staff and training requirements have been approved by the General Director.

6.7. DEPARTMENT OF FINANCE

6.7.1. Duties and responsibilities

Considering the need to improve the budgetary, capital and operating expenditure, financial management, accounting, budget responsibilities and financial reporting system, Department of Finance within RRA acts and operates pursuant to the: Law No.03/L-048 on Public Financial Management and Accountability.

6.7.2. Activities of the Department of Finance

6.7.2.1. Financial statements

In tabular form are presented the financial statements and financial transactions of RRA pursuant to budgetary categories.

Table 14. Financial Statement for 2016

| Description | Preliminary-approved budget | Final-approved budget - after budget cuts | Expenditures | Expenditures % |
|--------------------|-----------------------------|---|--------------|----------------|
| Wages and salaries | 167,544.00 | 124,917.77 | 124,917.77 | 100% |
| Goods and services | 114,179.00 | 72,052.86 | 70,337.36 | 97.61% |
| Utilities | 11,900.00 | 6,377.89 | 5,996.37 | 94.01% |
| Total | 293,623.00 | 203,348.52 | 201,251.50 | 98.96% |

Below is provided an overall explanation of a general financial situation and a comparative allocation for all budget categories by submitting data of the prior year which provide us with a better, clear statement and with a vision for RRA future.

Total budgetary allocations from all budgetary categories, variances and comparisons

RRA comparison statement of current and budgetary amounts
For the year ended on 31 December 2016

| | Note | 2015 | | 2015 | 2014 | |
|--|------|--|-------------------------------------|-------------------|-----------------|-------------------|
| | | Preliminary Budget (Appropriation) | Final Budget (Appropriation) | Execution | Execution | |
| | | A | B | C | D=C-B | E |
| | | € | € | € | € | € |
| Cash inflows from Treasury account | | | | | | |
| Taxation | 14 | | | | | |
| Own Source Revenues | 15 | | | | | |
| Donations | 16 | | | | | |
| Capital Received | 17 | | | | | |
| Privatization Fund | 18 | | | | | |
| Borrowings | 19 | | | | | |
| Other | 20 | | | | | |
| Total Receipts collected for KCB | | - | - | - | - | - |
| Cash outflows from Treasury accounts | | | | | | |
| Wages and Salaries | 21 | 167,544.00 | 124,917.77 | 124,917.77 | - | 123,269.94 |
| Goods and Services | 22 | 114,179.00 | 72,052.86 | 70,337.36 | 1,715.50 | 108,659.24 |
| Utilities | 23 | 11,900.00 | 6,377.89 | 5,996.37 | 381.52 | 5,973.68 |
| Transfers and Subsidies | 24 | | | | - | |
| Capital Expenditures | 25 | | | | - | |
| Privatization Fund | 26 | | | | - | |
| Payment of Borrowings | | | | | | |
| Other | 27 | | | | | |
| Total of payments made by BRK through TSA | | 293,623.00 | 203,348.52 | 201,251.50 | 2,097.02 | 237,902.86 |

Attention:1/Final budget amendments from those preliminary derive as a result of budgetary changes from the central level on the review process where we as BO have made some budget cuts to the category of Wages and Salaries (-42,626.23 Euros) as well as to the category of Goods and Services (-47,126.14 Euros), while the category of Utilities(-522.11 Euros)

Wages: We have executed the budget **100 %**

| Description | 2016 | | | | 2015 | 2014 |
|---|----------|-------------------|----------|-------------------|-------------------|-------------------|
| | KCB € | OSR € | DDG € | Total € | € | € |
| Payments | | | | | | |
| Net Salaries | | 106,109.07 | - | 106,109.07 | 104,701.08 | 99,944.59 |
| Payments to unions -0.10% te 0.50% | | | | | | |
| Overtime payments | | | | | | |
| Part time payments | | | | | | |
| Night-shift salaries | | | | | | |
| Net salary for maternity leave | | | | | | |
| Delegates 'and commissions' salaries | | | | | | |
| Contracted Workers | | | | | | |
| Personal Income Tax | | 6,911.76 | - | 6,911.76 | 6,828.38 | 6,492.24 |
| Payment of pension contribution by the employer | | 5,948.47 | - | 5,948.47 | 5,870.24 | 5,602.32 |
| Payment of Pension Contribution by the Employee | | 5,948.47 | - | 5,948.47 | 5,870.24 | 5,602.32 |
| Meals | | | | | | |
| Total | - | 124,917.77 | - | 124,917.77 | 123,269.94 | 117,641.47 |

Goods and Services: We have executed the budget 97.61 %

| Description | 2016 | | | | 2015 | 2014 |
|--|------------------|----------|----------|------------------|-------------------|-------------------|
| | KCB € | OSR € | DDG € | Total € | € | € |
| Wages | | | | | | |
| Travel expenses | 16,247.69 | | | 16,247.69 | 28,469.72 | 35,179.57 |
| Telecommunication expenses | 6,360.00 | | | 6,360.00 | 5,611.00 | 5,300.00 |
| Service expenses | 5,302.70 | | | 5,302.70 | 11,114.94 | 17,902.48 |
| Furniture and equipment under 1000 Euro | 491.70 | | | 491.70 | 40.37 | 5,876.11 |
| Furniture and other equipment under 1000 - 5000 Euro | | | | | | |
| Other goods and services purchases | 3,936.18 | | | 3,936.18 | 10,804.50 | 13,426.59 |
| Derivates and fuels | 7,528.94 | | | 7,528.94 | 7,826.53 | 8,249.40 |
| Financial services | | | | | | |
| Registration and insurance services | 7,261.15 | | | 7,261.15 | 6,865.00 | 9,432.38 |
| Shortages in cash>Returns | | | | | | |
| Maintenance | 4,919.97 | | | 4,919.97 | 10,796.70 | 6,913.71 |
| Rent | 17,683.33 | | | 17,683.33 | 21,125.00 | 19,500.00 |
| Marketing expenses | 462.70 | | | 462.70 | 1,226.30 | 1,843.50 |
| Representing expenses | 143.00 | | | 143.00 | 1,470.30 | 1,124.00 |
| Court decisions | - | | | - | 3,308.88 | |
| Taxation | | | | | | |
| Debt service | | | | | | |
| Total | 70,337.36 | - | - | 70,337.36 | 108,659.24 | 124,747.74 |



Utilities: We have executed the budget **94.01 %**

| Description | 2016 | | | | 2015 | 2014 |
|--------------|-----------------|----------|----------|-----------------|-----------------|-----------------|
| | KCB € | OSR € | DDG € | Total € | € | € |
| Electricity | 3,129.72 | | | 3,129.72 | 2,982.48 | 2,044.22 |
| Water | | | | | | |
| Telephone | 2,866.65 | | | 2,866.65 | 2,991.20 | 3,629.35 |
| Total | 5,996.37 | - | - | 5,996.37 | 5,973.68 | 5,673.57 |

Own source revenues

| Description | Note | 2016 | 2015 | 2014 | % of total | % of deviation |
|--|------|----------|----------|----------|------------|----------------|
| | | € | € | € | | |
| 1 RRA tax 1 revenues | | | | | % | % |
| 2 RRA tax 2 revenues | | | | | % | % |
| 1 RRA fine and penalties 1 revenues | | | | | % | % |
| 2 RRA fine and penalties 2 revenues | | | | | % | % |
| 1 RRA licenses 1 revenues | | | | | % | % |
| 2 RRA licenses 2 revenues | | | | | % | % |
| Sale of assets and services revenues | | | | | % | % |
| Inspection revenues | | | | | % | % |
| Bank interest revenues | | | | | % | % |
| Revenues from changes in foreign rates | | | | | % | % |
| Accreditation fee | | | | | % | % |
| RRA property revenues | | | | | % | % |
| Other RRA received | | | | | % | % |
| Total | | 0 | 0 | 0 | 0% | % |

RRA has not started collecting funds through Taxes, Fines, Licenses, Permits of Safety and other receivables as institutional revenues.

Subsidies and transfers

| Description | 2016 | | | | 2015 | 2014 |
|--|----------|----------|----------|------------|------|------|
| | KCB € | OSR € | DDG € | Total € | € | € |
| Wages | | | | | | |
| Subsidies for public entities | | | | | | |
| Subsidies for cultural entities | | | | | | |
| Subsidies for non-public entities | | | | | | |
| Transfers for other governments | | | | | | |
| Payments for individual beneficiaries | | | | | | |
| Base pensions | | | | | | |
| Disabled pensions | | | | | | |
| Pensions or social assistance | | | | | | |
| Pensions of KPC | | | | | | |
| Pensions of I category (family members) | | | | | | |
| Pensions of II category (family members) | | | | | | |
| Payments for war disables | | | | | | |
| Payments for civil disables | | | | | | |
| Payments for war victims families | | | | | | |
| Trepca provisional pensions | | | | | | |
| Court decisions | | | | | | |
| Total | - | - | - | - | - | - |

During this year there was no support or subsidy by the Government, Donors or any other level for this category.

Capital expenditure

| Description | 2016 | | | | 2015 | 2014 |
|--|----------|----------|----------|------------|------|------|
| | KCB € | OSR € | DDG € | Total € | € | € |
| Wages | | | | | | |
| Buildings | | | | | - | - |
| Road constructions | | | | | - | - |
| Sewage | | | | | - | - |
| Water | | | | | - | - |
| Energy, generators, transfers and supplies | | | | | - | - |
| Equipment over EUR 1000 | | | | | - | - |
| Transportation vehicles | | | | | | |
| Machinery-Purchase of official vehicle | - | | | - | - | - |
| Other capitals | | | | | - | - |
| Land | | | | | | |
| Intangible assets | | | | | | |
| Capital transfers for public entities | | | | | | |
| Capital transfers for non public entities | | | | | | |
| Court decisions | | | | | | |
| Total | - | - | - | - | - | - |



6.7.2.2. Expenses details from category of Salaries, Goods and Services, Utilities and Capital Expenses for 2016 (January-December 2016)

| Ordinary Income/Expense | Initial and final Planning / Allocation | | Execution |
|--|---|-----------------------|-------------------|
| | Initial | Final | |
| Expense | | | |
| 6-11000 · WAGES & SALARIES | | | |
| 6-11110 · Gross salary through Payr | | | 106,109.07 |
| 6-11115- Payment for unions | | | 0.00 |
| 6-11500- Personal income withheld tax | | | 6,911.76 |
| 6-11600 · Employee pension contribution | | | 5,948.47 |
| 6-11170- Employer pension contribution | | | 5,948.47 |
| Total 6-11000 · WAGES & SALARIES | Ini/167,544.00 | Fin/124,917.77 | 124,917.77 |
| | Initial | Final | |
| 6-13000 · GOODS & SERVICES | | | |
| 6-13100 · Travel expenses | 35,165.00 | | |
| 6-13143 · Expenses for travel abroad | | | 5,701.71 |
| 6-13133 · Expenses for trav. within the country | | | 0.00 |
| 6-13142 · Accommodation during official travel | | | 2,794.95 |
| 6-13141 · Wages of official travel abroad | | | 7,751.03 |
| 6-13140 · Expenses for official travel abroad | | | 0.00 |
| Total 6-13100 · Travel expenses | | | |
| 71706 reimbursement (advances) of funds | | | 0.00 |
| 71041 reimbursement (advances reg. Pr NLB) | | | 0.00 |
| 6-13300 · Telecommunication services | 11,000.00 | | 0.00 |
| 6-13310 · Internet | 3,000.00 | | 0.00 |
| 6-13320 · Other telephone expenses | 8,000.00 | | 6,360.00 |
| 6-1320A · Prepaid cards | | | |
| 6-1320B · Roaming | | | |
| Total 6-13320 · Other telephone expenses | | | 0.00 |
| 6-13330 · Other communications | | | |
| 6-13330 - Postal deliveries | | | |
| Total 6-13330 · Other communications | | | |
| Total 6-13300 · Telecommunication services | | | |
| 6-13400 · Contracting services | 46,054.00 | | |
| 6-13480- Membership expenses | | | |
| 6-13460 · Other contractual services. | 8,054.00 | | 1,627.92 |
| 6-13450- Printing - non-marketing services | | | 473.60 |
| 6-13410 · Education and Training expenses | 30,000.00 | | 2,614.98 |
| 6-13430 · Various health expenses | | | |
| 6-13440 · Various intellectual and advisory expenses | 8,000.00 | | 0.00 |
| 6-13470 · Technical services | | | 586.20 |
| Total 6-13400 · Contracting services | | | |

| | | |
|--|-----------|-------------|
| 6-13500 · Purchase of furniture. >1000 | | |
| 6-13501 · Furniture | | 0.00 |
| 6-13502 · Cell phones | | 0.00 |
| 6-13503 · Computers | | 0.00 |
| 6-13509 · Other equipments | | 491.70 |
| Total 6-13500 · Purchase of furniture. >1000 | | 0.00 |
| | | |
| 6-13600 · Other purchases | 15,513.00 | |
| 6-13660 · Accommodation | | |
| 6-13610 · Office supplies | 11,900.00 | 324.18 |
| 6-13620 · Food and beverage supplies | | 3,612.00 |
| 6-13640 · Cleaning supplies | 3,613.00 | |
| 6-13650 · Clothing supplies | | 0.00 |
| Total 6-13600 · Other purchases | | |
| | | |
| 6-13700 · Fuel | 6,447.00 | |
| 6-13780 · Fuel for vehicles | | 2,852.12 |
| 6-13770 · Fuel for generators | | |
| 6-13720 · Heating oil | | 4,676.82 |
| Total 6-13700 · Fuel | | |
| | | |
| 6-13800 · Advance Accounts | | |
| 6-13820 · Advances for official travels | | |
| Total 6-13800 · Advance account | | |
| | | |
| 6-13900 · Financial services | | |
| 6-13950 · Registration of vehicles | | 795.77 |
| 6-13952 · Municipal tax for registration | | 60.00 |
| 6-13951 · Insurance of vehicles | | 139.24 |
| 6-13953 · Insurance of buildings and other | | 6,266.14 |
| Total 6-13900 · Financial services | | |
| | | |
| 6-14000 · Maintenance | | |
| 6-14031 · Maintenance of regional roads | | |
| 6-14010 · Maintenance & reparation of buildings | | 1,258.90 |
| 6-14020 · Maintenance of buildings | | 2,438.65 |
| 6-14030 · Maintenance of road infrastructure | | |
| 6-14040 · Maintenance of information technology | | 1,080.00 |
| 6-14050 · Maintenance of furniture and equipments | | 142.42 |
| Total 6-14000 · Maintenance | | |
| | | |
| 6-14100 · Rent | | |
| 6-14110 · Buildings | | 17,683.33 |
| Total 6-14100 · Rent | | |
| | | |
| 6-14200 · Marketing expenses | | |
| 6-14230 · Expenses for public information | | 462.70 |
| 6-14210 · Marketing and vacancies | | 0.00 |
| 6-14220 · Publication and publishing | | |

| | | | |
|---|------------------|----------------|------------|
| Total 6-14200 · Expenses of marketing | | | |
| 6-14300 · Expenses of representation | | | |
| 6-14310 · Official lunches | | | 143.00 |
| Total 6-14300 · Expenses of representation | | | |
| 6-14400 · Expenses for court decisions | | | |
| 6-14410 · Expenses for court decisions | | | 0.00 |
| Total 6-14400 | | | |
| Total 6-13000 · GOODS&SERVICES | Init/ 114,179.00 | Fin/72,052.86 | 70,337.36 |
| | Initial | Final | |
| 6-13200 · UTILITIES | | | |
| 6-13210 · Electricity | 2,000.00 | | 3,129.72 |
| 6-13220 · Water | | | |
| 6-13230 · Waste | 500.00 | | |
| 6-13240 · Central heating | 5,500.00 | | |
| 6-13250 · PTK Telephone | 3,900.00 | | 2,866.65 |
| Total 6-13200 · UTILITIES | Init/11,900.00 | Fin/6,377.89 | 5,996.37 |
| 6-20000 · Subsidies & Transfers | | | |
| 6-21110 · Subsidies for public entities | | | |
| 6-22200 · Payments for individual beneficiaries | | | |
| Total 6-20000 · Subsidies & transfers | | | |
| 6-30000 · CAPITAL EXPENSES | | | |
| 6-31210 · Construction of Highway | | | |
| 6-31230 · Construction of local roads | | | |
| 6-31220 · Construction of regional roads | | | |
| 6-31700 · Official vehicles | | | 0.00 |
| 6-31910 · Advance for investment | | | |
| Total 6-30000 · CAPITAL EXPENSES | | 0.00 | 0.00 |
| Total Expense | Init/293,623.00 | Fin/203,348.52 | 201,251.50 |



6.8. PROCUREMENT

6.8.1. Duties and responsibilities

Procurement in RRA is responsible for planning procurement activities as well as developing and implementing procurement procedures for purchasing goods, services and works on the basis of requests received from all departments or units of demand of the RRA. It conducts procurement activities in all stages of procurement, ranging from reaching demand until completion (fulfilment) of the contract. All procurement activities and functioning, and procurement procedures for the fiscal year 2016 have started to be implemented according to Procurement Planning and Work Plan for 2016, in full compliance with the provisions of the Law on Public Procurement in Kosovo no. 04/L-042 as well as the regulations adopted by the Public Procurement Regulatory Commission. However, with the amendment and supplement of the Law 04/L-042, with the Law no. 04/L-237, Law no. 05/L-068 and the Law no. 05/L-092, Article 21 A foresees: *For Independent Agencies responding to the Assembly of the Republic of Kosovo, with less than 50 (fifty) employees, procurement procedures are conducted by the Central Procurement Agency.*

From 1 June 2016 the implementation of this Article has started, with the entry into force of the Explanatory Memorandum issued by the PPRC. According to this Memorandum, the completion of the documentation and the request for initiation of the procurement activity is done by the Contracting Authorities, while the development of the procedures until the signing of the contract is done by the CPA, whereas the monitoring and management of the contract as well as all other procedures until the conclusion of the contract remain a responsibility of the Contracting Authorities.

RRA's procurement has consistently followed a close and efficient cooperation with the Public Procurement Regulatory Commission, the Public Procurement Review Body and the Central Procurement Agency.



6.8.2. Procurement activities

According to the Final Procurement Planning for 2016, a standard document approved by the PPRC on the basis of which all the foreseen procurement activities are performed, a total of 10 procurement activities are foreseen to be realized for the purchase of goods and services needed for RRA. Out of all planned activities, based on the request for initiation of procedures sent by the Request Unit, the procurement has conducted procurement procedures for 5 (five) activities foreseen under the Procurement Plan 2016, which have resulted in signing of contracts that have been implemented, or are currently under implementation.

Four of these activities were conducted in an open procedure (Price Quotation), while an activity was carried out by the Invitation for price quotation with minimal value.

The total value for all these planned contracts that have been signed amounts to 12,566.05 €, while the approximate value planned for these contracts was 21,500.00€. The amount of funds saved through the development of procurement procedures amounts to € 8,933.95 or 41.55% of planned budget funds.

Whereas, after the entry into force of Article 21A of Law 04/L-042, amended and supplemented by Law no. 04/L-237, Law no. 05/L-068 and Law no. 05/L-092 we as Contracting Authority have continued to do the preparation and completion of requests with accompanying documentation to request from the CPA the development of other procedures according to the Procurement Planning and requests received from the Request Unit according to the needs of RRA.

As requests submitted to the CPA for the execution of procurement procedures for RRA's needs were altogether nine (9) requests, while the CPA has four (4) activities that have resulted in a contract, two activities have been conducted but in the absence of bids did not result with the signing of contract, while three other activities were not carried out at all by the CPA.

The approximate amount of the planned assets for developed activities that resulted with a contract was 24,940.00 €, while the total value of the contracts for all these contracts was 20,098.82 €

- Preparation of Preliminary Procurement Planning for Fiscal Year 2017
- Preparation of a report on signed public contracts during 2016
- Issuance of Purchase Orders required for all Goods and Services by responsibility under the Law on Public Procurement

6.8.3. Other activities within the scope of responsibilities and for the RRA institution

6.8.3.1. Communication with the public and access to public documents

Within the responsibilities, tasks and duties defined by law in the Procurement Division, with the decision of the General Director of RRA, I have been assigned additional duty as Official for Public Relations and for Access to Public Documents, where by the assigned responsibility we are engaged in performing the following additional tasks or duties:

For the purpose of planning and coordinating Public Communication through the coordination of communication plans with the annual work plan of RRA Departments, the full implementation of Law no. 03/L-215, on Access to Public Documents and Regulation no. 03/2011- For the governmental communication service with the public, the Railway Regulatory Authority is open, transparent and willing to cooperate with any mechanism, institution or organization aimed at raising the level of responsibility in Public Institutions.

6.8.3.2. Duties and Responsibilities

- Planning and coordination of Public Communication of RRA through Coordination of Communication Plans with the Annual Work Plan of RRA Departments;
- Informing the public about the work and decisions of RRA, through the development of relations with the media, and the organization of press conferences, notices and interviews in the media;
- Preparation of printed and electronic publishing and distribution materials that inform the public about RRA activities;
- Provision of accurate reporting to the media by meetings of the Supervisory Board and the General Director with various delegations within the country and abroad;



- Updating the RRA website and publishing of materials as needed;
- Acceptance of requests for access to public documents by natural and legal persons (applicants) as well as their treatment or review based on the Law on Access to Public Documents Nr. 03/L215;
- Preparation of regular reports on monthly, quarterly and annual basis regarding the requests for access to public documents and their submission to the respective unit of the Government of Kosovo/Office of the Prime Minister, which prepares the comprehensive report of public institutions for the implementation of the right on access to public documents;

In order to implement the Law on Access to Public Documents, we as RRA have responded in the best possible form and in full compliance with the law any request we have received for access to public documents. Based on the nature of RRA's professional activity and budget constraints, we as an institution have not been able to organize any activity directly related to the applicability and implementation of the Law on Access to Public Documents. In order to increase transparency and make communication easier with the public RRA has assigned the Responsible Officer for Public Communication and Access to Public Documents, has a functional official website that presents all RRA activities, Annual reports and information of public interest is published which orient the public towards enjoying rights and the manner of access to public/official documents. We have also published on the website data of the official responsible for Public Communication and Access to Public Documents.

As an institution we did not have any notification or invitation to participate in any meeting, rally or event promoting the right to Access Public Documents and implementation of the Law on Access to Public Documents.

Obviously, just like in other fields there are various challenges that arise during the implementation of the Law on Access to Public Documents in this field too, but with a better inter-institutional coordination and with a greater commitment of relevant institutions I consider that even the challenges that arise during implementation of the Law on Public Documents would be overcome.

Part II: Data related to requests

Table 1: Number of requests received

| Number of requests received | | | |
|-----------------------------|----------------|---------|---------|
| Total | Granted access | Refused | Partial |
| 3 | 2 | 0 | 1 |

Table 2: Granted access

| Granted access | Number |
|---------------------------|--------|
| In term, according to law | 3 |
| Paid | 0 |
| Free | 3 |

Table 3: Limited access

| Refused access | Number |
|----------------|--------|
| Full | 0 |
| Partial | 1 |
| No answer | 0 |

Table 4: Requests for review

| Requests for review | Number |
|-------------------------|--------|
| Total number of reviews | 1 |
| Allowed | 0 |
| Refused | 1 |
| Partial | 0 |

Number of rulings issued for refusal: 1

Table 5: Refusals and limited accesses

| Refusals and limited accesses | Number |
|--|--------|
| 1. Exemptions from Article 12 : (specify which point, from the list below) | |
| 1.1. National security, defence and international relations; | |
| 1.2. Public safety; | |
| 1.3. Prevention, investigation and prosecution of criminal activities; | |
| 1.4. Disciplinary research; | |
| 1.5. Inspection, control and supervision by public institutions; | |
| 1.6. Privacy and other legitimate private interests; | x |
| 1.7. Commercial and other economic interests; | x |
| 1.8. Economic, monetary and exchange policies of the state; | |

| | |
|---|--|
| 1.9. The equality of arms in court proceedings and the efficient administration of justice; | |
| 1.10. Environment, or, | |
| 1.11. Discussions within or between public institutions regarding the review of a case. | |
| 2. Article 10. (No answer) | |
| 3. Classified Documents | |
| 4. Personal data, according to the Law on Protection of Personal Data | |
| 5. Other Reasons for Refusals, (Please Specify) | |

Reporting regarding the addressing of recommendations of the National Audit Office

National Audit Office (NAO) has conducted an audit of annual financial statements of RRA for the year ended on 31 December 2015. This audit was focused on the annual financial statements, financial management and internal audit.

In June 2016, it published the Audit Report (document no. 24.22.1-2015-08) on RRA's financial statements for the year ended on 31 December 2015. NAO, as a general conclusion, has shown that some aspects of governance within RRA can be improved, especially with regard to risk management and quality of managerial reporting.

Annexes

ANNEX I

The EU legal framework applicable to the Railways sector

**Licensing:**

- EU Directive 91/440 on EU Railways Development,
- EU Directive 95/18 on the Licensing of Railway Undertakings,
- EU Directive 2007/59 on Licensing and Certification of Drivers.

Safety:

- EU Directive 2004/49 on Railway Safety,
- EU Regulation 653/2017 on Procedures for Obtaining Safety Certificate.

Market Regulation:

- Directive 2011/14/EC on pricing and access to rail,
- EU Directive 2012/34 on the Establishment of a Single European Rail Area,
- EU Regulation 1370/2007 on Public Services Contract.

Interoperability:

- EU Directive 2008/57 on Interoperability,
- Technical Specifications for Interoperability TSI.



Map of Kosovo Railways

