



Promotion of the policy paper:

“RECOMMENDATION FOR DEVELOPMENT OF THE ROAD AND RAILWAY INFRASTRUCTURE OF REPUBLIC OF MACEDONIA”

June 11, 2009

Through the initiative of the OHRID Institute for Economic Strategies and International Affairs, Skopje experts and eminent engineers elaborated exhaustive research and analysis in the area of transport infrastructure, which lead to the successful, well-developed book, “Recommendation for development of the Road and Railway Infrastructure of Republic of Macedonia”. The OHRID Institute had the honor of publishing and promoting this book.

On Wednesday, June 10th, the OHRID Institute hosted a book promotion for **“Recommendation for development of the Road and Railway Infrastructure of Republic of Macedonia”**. The Executive Director of the OHRID Institute, Ms. Biljana Janeva opened the book promotion to the public, where there were more than 200 people in attendance. The book’s success was visible through the attendance and popularity of the information and material covered. Media from all over Republic of Macedonia witnessed the event interviewed one of the book’s experts for one of the private television stations.

Ms. Janeva stressed that Republic of Macedonia, with its extremely vantage central point on the Balkans, represents a crossroad for the Balkans, but because of the insufficient development of the infrastructure covering Republic of Macedonia from east to west, there has been no such benefit as of yet.

“The improved transport system will stir the economic growth, will improve the personal mobility of the citizens, decrease the transactional business costs and will make the state more competitive and more attractive for foreign investments” – said Ms. Biljana Janeva, Executive director of the OHRID Institute, Skopje.

The book gives recommendation and calls for developmental changes in the finance, technology and management areas of the transport system. The study concludes that the changes are essential for the progress of the Macedonian economy as a whole.

According to the OHRID Institute, the road and the railway infrastructure are of great importance for the overall development of the country. In that regards, the Institute initiated this project, which provides the public with one cross-section of the current situation in the transport infrastructure, as well as expert recommendation for improvement of the current situations.

Moreover, this book analyzes the current status of the transport system of Republic of Macedonia, develops a long-term vision for improvement of that system and what the state should do to turn this strategy into reality.

For the time being, in Republic of Macedonia the OHRID Institute is the first organization to elaborate on the importance of this topic and formulate it into an extensive publication.



According to the OHRID Institute the answers to policy creators questions can be found within the report and within the following principles.

To begin, the basic goal of our transportation system should be to support economic development. Moreover, the OHRID Institute believes that the initiative of the transport system's management should be oriented towards the users of the roads and railway.

The easiest way to develop this type of system would be to direct the development towards the needs of the users of the road and railway, which will support the economic growth through a market oriented customer's driven system. This type of market system will help create a new form of transportation system within Macedonia, promote economic development, and allow road and railway users who are prepared to pay an easy access alternative.

Another thing, which is equally important, is utilizing new technological potentials and identifying management and institutional changes that will help overcome serious consequences of the transport policy.

Also, the transport system should be examined as a whole not as individual parts; at the same time, it is necessary to implement a system which will identify the private sector entities which will assist in tracking carriers, determine logistics, allow for new development of companies and also provide experts with the ability to participate in the planning and financing of the system.

The increased competition and input of the interested parties will create incentive for change within the transport infrastructure and create public private partnerships, which will be in contrast to the current tendency consisting of beginning an endeavor and failing to maintain or failure to follow through with the investments.

The OHRID Institute and the authors of this policy paper would like to acknowledge and dedicate this book to Dr. Aleksandar M. Lepavcov- Former Minister for Planning, Architecture, Transport and Ecology, the first government of independent Republic of Macedonia.

The first expert and author of this policy paper to speak at the book promotion was Mr. Ljupco Todorovski. During his speech, he emphasized that the idea for making this policy paper was provided by the late Former Minister, Dr. Aleksandar M. Lepavcov. Mr. Todorovski provided a historical review of the road development in Republic of Macedonia, and highlights the historical presence within the road corridors that passed through the territory of Macedonia, dating back to ancient times.

"We should keep in mind," stressed Mr. Todorovski, "that the development of the road and railway infrastructure in Republic of Macedonia must not be seen partially, only on local level, because the development of the road and railway infrastructure here in Macedonia is in constant interaction with the neighboring countries."



"In that regard, we can conclude that the development of the road and railway infrastructure represents one of the basic factors for further development of Republic of Macedonia" - concluded Mr. Todorovski.

Dr. Krakutovski in his address speech, paid attention to the current situation and the recommendation for the development of the railway infrastructure in Republic of Macedonia.

"Within the past 51 years of the traffic system in Republic of Macedonia there has been discrepant developments of certain traffic areas that have negatively affected the road and railway transport."

"If we compare both transport systems, namely the road and the railway, we can see that the road transport traffic has increased from about 8 percent in the 50's to 92 percent today."

"The success in the commercial growth of one country is in direct correlation with the development and modernization of the traffic systems, as well as mutual compactness of the separate traffic areas, and also compactness of the capacity carriers and traffic infrastructure" – stated Dr. Zoran Krakutovski.

During Mr. Goran Mijoski presentation, he concentrated mainly on roads and displayed road development in Republic of Macedonia, as well as portions of the current situation, recommendation and conclusions for sustainable growth of the roads and the road infrastructure.

Special review was dedicated to one of the most dominant questions in regards to the roads –safety. Namely it was stressed that in the cybernetic model driver-road-vehicle, the factor "road" was the cause of one third, or 33 percent, of accidents.

According to the data of the World Health Organization, the overall material financial lost in 2007 in the EU is estimated at 180.000.000.000 €, and accidents as agents of the human mortality is estimated to raise from 9th position as recorded in 1990 to 3rd position in 2020.

Another interesting point was road construction under concessions. It was said that the use of the concessions are a result of the dissatisfaction of the public monopolies, aiming towards their destruction and strengthening of potential competition (primary goal), with which large budget amounts are released (secondary goal).

In contrary to other countries in development, similar to that of Republic of Macedonia, the secondary goal can obtain primary meaning because of the financial resources, which can be intended for the realization of other priority project. On the other hand, the experiences of the other countries' practice showed that the concessions were not the best solution.



In regards to the road in Republic of Macedonia, Mr. Mijoski stressed the need for additional construction of the two international road corridors (the Corridor 8 and the Corridor 10) compared to the competitive corridors surrounding us, and the need for their additional construction. This can cancel out the danger of their marginalization and avoid becoming i.e. "blind gut" on the international map.

The OHRID Institute believes that with this project and this policy paper will contribute to the development of the road and railway infrastructure in Republic of Macedonia but is opening space for further discussions and expert brainstorming in this area, which should represent leader of the economic rebirth in Macedonia.

Conclusions and recommendations

1. Bringing essential and quality changes in the Law for public roads, making it in accordance with the EU regulation
2. Precise and legally regulated financing of the law entity, which will direct the road sector.
3. Transformation of the road sector, adding new system for directing and maintaining of the roads.
4. Correction of already adopted technical books of regulations in the road area as well as adoption of all books of regulations foreseen in the Law for public roads.
5. Reconstruction of the international road corridors 8 and 10, in both direction "North – South" and "East – West" as well as alternative and possibility for connection and exit on other sea ports (Burgas, Varna, Drach, Valona)
6. Increasing of the level of sustainable safety in the traffic, as well as urgent solving of the "black spots" on the roads.
7. Acquiring sophisticated equipment for tracking the situation on the roads.
8. Creating and engaging professional expert team, with which the professional capacities in the institutions will be drastically increased.
9. Creation of data bank by tracking of the basic indicators of the road situations and installation of appropriate softer technique.
10. Respecting the expert opinion of the engineers and utilizing their experiences, as well as cooperation with the road unions.



11. Implementation of complete technical documentation and visibility studies for roads not constructed yet.