

**Standard Summary Project Fiche**  
**IPA Decentralised National Programmes**

**Project number: 07 02 27**

**1. Basic Information**

- 1.1** CRIS Number:
- 1.2** Title: Reform of the Turkish Railways
- 1.3** Sector: Transport
- 1.4** Location: Turkey, Ankara

**Implementing arrangements**

- 1.5** Implementing Agency: CFCU

The Central Finance and Contracts Unit (CFCU) will be the Implementing Agency and will be responsible for all procedural aspects of the tendering process, contracting matters and financial management, including payment of project activities. The Director of the CFCU will act as Programme Authorizing Officer (PAO) of the project.

Muhsin ALTUN (PAO-CFCU Director)

Central Finance and Contracts Unit

Phone: +90 -312- 295 49 00

Fax: +90 -312- 286 70 72

E-mail: [muhsin.altun@cfcu.gov.tr](mailto:muhsin.altun@cfcu.gov.tr)

Address: Eskişehir Yolu 4.Km. 2.Cad. (Halkbank Kampüsü) No:63 C-Blok  
06580 Söğütözü/Ankara Türkiye

- 1.6** Beneficiary (including details of SPO):

Ministry of Transport (MoT)

Bosna Hersek cad. 90. sok. No: 5

Emek Ankara TURKEY

*Contact Person:*

Suat Hayri AKA

*Deputy Undersecretary*

Phone : (90-312) 550-1416

Fax : (90-312) 550-1130;

E-mail : [aka@ubak.gov.tr](mailto:aka@ubak.gov.tr)

General Directorate of Turkish State Railways (TCDD)

Gar 06330 Ankara TURKEY

*Contact Person:*

İsa APAYDIN

*Deputy Director General*

Phone : (90-312) 309-0515 ext. 4220

Fax : (90-312) 310-9623

E-mail : [isaapaydin@tcdd.gov.tr](mailto:isaapaydin@tcdd.gov.tr)

- 1.7** Overall cost : € 3.600,000  
**1.8** EU contribution : € 3.600,000  
**1.9** Final date for contracting : 2 years after the date of signing the Financial Agreement  
**1.10** Final date for execution of contracts : 4 years after the date of signing the Financial Agreement  
**1.11** Final date for disbursement : 5 years after the date of signing the Financial Agreement

## **2. Overall Objective and Project Purpose**

### **2.1 Overall Objective:**

To restructure and reform Turkish railways for opening up the sector for competition in line with the EU acquis.

### **2.2 Project Purpose:**

To establish framework conditions for restructuring and reforming the rail sector for competition, including systems for infrastructure allocation, charging, safety and interoperability at TCDD.

### **2.3 Link with AP/NPAA/EP/SAA**

#### **AP**

The followings are defined as short-term and medium-term priorities by the Council Decision 2006/35/EC of 23 January 2006 on the Accession Partnership of 2005 with the Republic of Turkey:

#### Short-Term Priorities

- Continue the alignment with the transport *acquis* in all transport modes.

#### Medium –Term Priorities:

- Complete the legislative and administrative alignment on all modes of transport. For road transport aim in particular at market access, road safety, road worthiness

tests, road side inspections as well as social, fiscal and technical rules. Maritime transport should include maritime safety.

- Ensure implementation and enforcement of transport legislation in road, maritime and air transport (particularly air safety and air traffic management). To this end, improve implementation and enforcement capacity of related institutions for all aspects of civil aviation, road transportation and railways.
- Complete the restructuring of the national railway company and open up the railway market in conformity with the requirements of the acquis.

### **NPAA**

Rail Transport is included in Section 4.10.22 of Turkey's National Programme for the Adoption of the Acquis (NPAA) and includes the following actions:

Modifications should be made to the following Turkish legislation:

- No 3348 on Establishment and Duties of the Ministry of Transport
- Statutory Decree No 233 on State Economic Enterprises
- Incorporation Statute of Turkish State Railways Authority

#### c) Necessary institutional changes

A new institutional structure is necessary for railways.

For the management of the railway infrastructure by a single authority, the units of the Directorate General of the State Railway Administration related to infrastructural activities and the Railway Department of the Directorate General for the Construction of Railways, Ports and Airports should be merged, and a new separate institution should be established.

#### e) Additional Staffing and Training Requirements for the Implementation of Amendments and Modifications

Personnel are required for the Railways Regulatory Authority to be established. The number and qualifications of the necessary personnel will be determined during the legal arrangement studies.

#### d) Additional Requirements Stemming From Entry Into Force of the New Legislation

In the event that Turkey becomes a member of the EU, the legal arrangements that allow foreign carriers to act within the borders of Turkey should be enforced gradually throughout a transition period (3-5 years), so as to grant a specific period of time to strengthen the competitiveness of the Turkish transport sector, which consists mainly of small scale enterprises.

#### f) Necessary investments

Investments for training, hardware and software will be made in line with paragraph (e).

New investment is not required for the regulatory authority except in respect of buildings and hardware supply. However the personnel who will work in the regulatory authority should be trained in economic regulation.

The management and the personnel of the Directorate General for the State Railway Administration will be trained so as to realize a transition from the concept of public services to commercial services.

The costs of training will be determined during the realization of the legal arrangement studies.

Furthermore, excessive employment should be minimised during the restructuring process of the Directorate General of the State Railway Administration.

## **2.4 Link with MIPD**

Multi-annual Indicative Planning Document (MIPD) concludes that Turkey should make considerable further efforts to adopt the relevant acquis by aligning its legislation in many areas. The followings included in Section 2.1 “Component I - Transition Assistance and Institution Building” are also related to transport policy:

### *Major areas of intervention in Section 2.1.3*

For 2007-2009, one of the main areas of intervention for the Institution Building component, in accordance with the Commission’s pre-accession strategy for Turkey, is:

- Assistance for the transposition and implementation of the acquis, including the strengthening of the administrative and institutional capacity;

### *Main priorities in Section 2.1.4*

#### *Addressing the Copenhagen political criteria*

Depending on project maturity and on the outcome of projects under on-going programs, assistance may be provided in the following area:

- Reform of public administration, and in particular implementation of recently adopted legislation on decentralization;

#### *Transposition and implementation of the acquis*

- The focus of assistance in this area will be also on: transport policy (alignment of legislation in all transport modes).

## **2.5 Link with National Development Plan**

In the 9<sup>th</sup> Development Plan (2007-2013) of Turkey the followings are included:

### Improving the Energy and Transport Infrastructure in Section 7.1.5

#### Transportation

#### Railways

423. Transport of goods by rail is a strategic aim in the transport sector. In this regard, private train operations will be promoted. Freight transport will be liberalised to make use of operational advantages offered by private sector and TCDD will be restructured, thereby its financial burden on public will be brought to a sustainable level.

## **2.6 Link with national/sectoral investment plans**

An Enterprise Resource Planning (ERP) Project is included in the investment plan of TCDD planned to be realised from 2007 to 2010. ERP project aims for putting together all resources (real assets, accounting, budget, supplies, human resources, rolling stock etc.) to facilitate the control, enhancing the productivity and helping Top Management in decision-making process. ERP project will also help TCDD keep its costs and revenues for each business unit and ensure accountancy separation. Knowing real costs in relation to infrastructure allocation including maintenance and services provided to RUs will help TCDD to set up a better charging system for use of the infrastructure.

### **3. Description of Project**

#### **3.1 Background and justification:**

##### **BACKGROUND**

This project is designed to address issues critical for full and timely implementation of the rail market reform in Turkey.

Turkish State Railways (TCDD) as a State Economic Enterprise (SEE) affiliated to the Ministry of Transport (MoT) with monopoly powers operates rail transport services (suburban and inter-city passenger and freight) in Turkey.

MoT is responsible for setting transport policy in Turkey, including rail policy. In terms of TCDD, the MoT provides subsidies to TCDD for the repair and maintenance of track. However, at present there no explicit objectives and targets set by MoT for TCDD's performance. MoT is not performing a regulatory function at present.

TCDD is organized on a functional basis and is highly vertically integrated It is responsible for both train operations, and infrastructure construction and maintenance. There is a single set of accounts and no accountancy separation of infrastructure and operations or of services provided under public service obligations.

TCDD's relationship with Government is complex and not well defined. The role and objectives that Government expects TCDD to perform, particularly in relation to social services and financial performance, are not very clear or explicit.

In common with many rail companies throughout Europe, TCDD's performance and market share has declined both in freight and passenger traffic. At the same time TCDD's financial position is unstable. TCDD is totally reliant upon Government funding.

Currently there is neither open rail market nor commercial approach in railway sector. To meet the requirements in the area of opening rail market, TCDD and MoT will have to identify their regulatory and supervision activities. This must involve

significant regulatory work, building administrative and legal institutions, increasing staff capacities and developing more efficient operations procedures.

In particular, TCDD capacities will have to be further strengthened. The development of a strategy within this project focusing on establishing the framework conditions will constitute a basis for ensuring access to rail infrastructure, full separation of rail infrastructure management from the operations and the development of the competitive environment in the rail transportation.

TCDD and MoT carried out an EU funded project, namely “Turkish Railway Sector Restructuring and Strengthening-TR 0303.07”, the purpose of which is to establish the legislative and institutional framework of the Turkish rail sector in accordance with the EU acquis.

Within Twinning component of the above-mentioned project, the General Railway Framework Law and TCDD Law together with four implementing regulations on Railway Safety, Interoperability, Licensing and Access to Railway Infrastructure (Allocation and Charging) have been drafted so as to establish the legislative basis for the rail sector in Turkey in compliance with EU legislation and submitted to the MoT by the end of January 2007.

However, no considerable progress, in particular with regard to implementation, has been ensured yet. Certain studies related to implementation of legislation should be done both before and after the draft laws come into force. TCDD and MoT, therefore, need a roadmap, including a strategic framework, regarding what should be carried out in the light of the relevant legislation given in Annex IV.

The proposed project to reform and to build an institutional capacity for Turkish rail sector with the help of the results of the previous restructuring study aims to provide technical assistance, trainings and management tools necessary for the successful implementation of the drafted legislation in line with the *acquis communautaire*.

## **JUSTIFICATION**

The big challenge for the nation as a whole and for the rail sector in particular is to consider outputs of these completed studies and improve the financial and operational performance of the rail sector by increasing institutional capacity.

In the 2006 Progress Report (November 08, 2006) stated that “no progress has been made in the rail sector” in the areas of especially:

- Legislative alignment and administrative capacity are limited

- TCDD, the state railway company, has a monopoly and depends heavily on public subsidies.
- Alignment with the acquis in this area is lagging behind, and shows major shortcomings concerning the required separation of essential functions, safety certification, management independence of the incumbent operator and the administrative and institutional set-up necessary to allow a rail market to emerge.

Besides, during the screening process, the Commission has stated that the necessity of establishing of the Railway Authority, Accident Investigating Body and Infrastructure Manager, and improving institutional and administrative capacity.

In order to realise the requirements concerning the rail acquis, stated both in 2006 Progress Report and during the Screening Process, further studies shall be done for establishing a regulatory framework, building the institutional capacity, improving staff capabilities, and developing more efficient operational procedures, taking into consideration the EU legislation given in Annex IV.

The proposed project to reform and to build an institutional capacity for Turkish rail sector with the help of the results of the previous restructuring study aims to provide technical assistance, trainings and management tools necessary for the successful implementation of the drafted legislation in line with the acquis communautaire.

Besides, it is essential that a regulatory structure for rail sector should be set up and full separation, including accounts, of infrastructure management from the train operations should be ensured to achieve a commercially based system and to increase the share of railways in transportation market. In addition, relevant staff should be trained so that TCDD in a new structure and regulatory bodies to be established should function properly. The activities in this project will be the first step to establish such a system.

### **3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)**

The following factors will confirm the sustainability of the results of the project:

- Adoption of an Action Plan regarding the railway sector reform strategy at the end of the project,
- Implementation of the charging and allocation system under the current TCDD structure in 2010, ready to be fully implemented as soon as the draft framework law is adopted,
- Use of Safety Management Systems (SMSs) at the current TCDD structure in 2010,
- A 25% reduction in railway accidents and incidents until 2015,
- Establishment of Infrastructure manager, regulatory authority, safety authority and accident investigation authority before 2012.



### **3.3 Results and measurable indicators:**

**Result 1.** An approved strategy and action plan for establishing framework conditions of restructuring and strengthening of Turkish rail sector are outlined.

Indicator 1. An action plan regarding the sector reform strategy has been identified and approved by the MoT at the end of the project

**Result 2.** A system for infrastructure capacity allocation and charging is established.

Indicator 2. A charging and allocation system established at TCDD by the end of the project and ready to be implemented as soon as the draft framework law is adopted.

**Result 3.** Safety Management Systems (SMSs) of Business Units (BUs) of New TCDD are established.

Indicator 2. Safety Management Systems of BUs established at the TCDD by the end of the project and ready to be operational at new TCDD as soon as the draft framework law and TCDD law are adopted.

### **3.4 Activities:**

The following is a description of activities leading to achieving the results described in subsection 3.3.

**Activity 1 (TA):** Setting a strategy for establishing framework conditions in order to realise railway reform in line with the draft Law Package.

- a) The draft Law Package and relevant documents referred to in Annex 4 together with the existing organizational structure of TCDD and MoT will be analysed and elaborated.
- b) A strategy defining framework conditions of Turkish railway reform taking into consideration the best practises of railway reforms in EU member states will be defined.
- c) A detailed action plan giving the best course of actions to be taken for restructuring and strengthening of Turkish rail sector, including setting up Necessary Bodies, re-organisation of TCDD and improving their administrative capacity will be drawn up. The action plan will also include measures to tackle risks associated with the reform.
- d) The action plan will then be summarised and submitted to the Ministry of Transport for approval. (including the sector opening strategy, impact, regulatory institutional framework)

**Activity 2 (TA): Strengthening Capacity of Prospective Infrastructure Manager at New TCDD on Infrastructure Allocation and Charging**

- a) The available software for train path allocation at TCDD will be analyzed and identified.
- b) A charging system will be established and fees for use of the infrastructure capacity will be determined.
- c) The use of allocated capacity will be monitored and charges according to the level of use will be determined.
- d) A network statement will be developed.
- e) Personnel on infrastructure allocation issues and on charging issues will be defined and trained.
- f) The relevant documents of EU acquis and their implementation in EU member states will be translated.

**Activity 3 (TA): Strengthening Capacity of Prospective Infrastructure Manager and Railway Undertakings at New TCDD on Safety and Interoperability.**

- a) All relevant legislation on Safety Rules and Interoperability and their implementation in EU member states will be examined.
- b) A ‘gap analysis’ will be conducted to identify differences between EU member states and Turkey and measures to be taken to eliminate the differences.
- c) National Safety Rules will be prepared.
- d) Personnel on Safety and Interoperability within the Infrastructure Manager and Railway Undertakings will be defined and trained.
- e) The relevant EU acquis on Safety and Interoperability and their implementation in EU member states will be translated.
- f) Safety Management Systems will be developed in Infrastructure Manager and Railway Undertakings at New TCDD.

**3.5 Conditionality and sequencing:**

The following conditions shall be declared before the signing of the contract by the Beneficiaries or included in the contract to be fulfilled for successful implementation of the project:

- 1) Full time staff will be assigned by project beneficiary to implement the project with the TAT.
- 2) Any supply investment required after the development of the software under Result 2 will be purchased by TCDD
- 3) TCDD will provide organisational flexibility to undertake the some activities in accordance with the railway model defined in the draft laws.

### **3.6 Linked activities**

TCDD and MoT carried out an EU funded project, namely “Turkish Railway Sector Restructuring and Strengthening-TR 0303.07”, the purpose of which is to establish the legislative and institutional framework of the Turkish rail sector in accordance with the EU acquis.

Within Twinning component of the above-mentioned project, the General Railway Framework Law and TCDD Law together with four implementing regulations on Railway Safety, Interoperability, Licensing and Access to Railway Infrastructure (Allocation and Charging) have been drafted so as to establish the legislative basis for the rail sector in Turkey in compliance with EU legislation and submitted to the MoT by the end of January 2007.

The supply component of that project has provided technical assistance to TCDD with regard to the establishment of main business units and sub-sectors at TCDD, rearrangement of the financial relations with the Government and installation of a Financial Management Information System (FMIS) for measuring and monitoring financial performance of business units and sub-sectors within TCDD.

The World Bank (WB) is financing “The Railways Restructuring Project” in support of the policy of Turkish Government to improve the railway network and make rail transport more effective and safe. The overall objective of the project is to improve the financial viability, productivity and effectiveness of railway operations. The project consists of the following six components:

- 1) Railway infrastructure modernisation.
- 2) Staff adjustment and social plan.
- 3) Advisory services to TCDD.
- 4) TCDD staff training and re-training.
- 5) TCDD public communication and periodic surveys.
- 6) Project Implementation Costs.

It is expected that the WB project will contribute to increase the competitiveness of the Turkish economy by reducing the logical costs associated with the inefficiencies of the railway and to support Turkey’s accession process to the European Union.

Both World Bank Project and the proposed project were prepared and will be coordinated by Research, Planning and Coordination Department. Activities in both projects were elaborated diligently so that they will not overlap and shall be complementary to each other.

### **3.7 Lessons learned**

The following lessons learned from the “Turkish Railway Sector Restructuring and Strengthening” Project will be taken into account during the implementation of the proposed project:

- Project implementation staff should not be overloaded since this undermines efficiency. Beneficiary institutions should assign full-time staff for starting and implementation of the project.
- Although official language of the project is English, Turkish version of all reports should be delivered together with English versions.
- Personnel who will be in charge of sustainability of outputs of the project should be dedicated.

The TCDD has gained good experience in the field of Project management financed from EU sources, including practice in tendering and contracting procedures and project implementation. We have become familiarized with the best practices in this field through international consultancy to our work.

#### 4. Indicative Budget (amounts in €)

	<u>TOTAL PUBLIC COST</u>	<u>SOURCES OF FUNDING</u>										
		<u>EU CONTRIBUTION</u>					<u>NATIONAL PUBLIC CONTRIBUTION</u>					<u>PRIVATE</u>
<u>Activities</u>		<u>Total</u>	<u>% *</u>	<u>IB</u>	<u>INV</u>	<u>Total</u>	<u>Type of co-financing (J/P) **</u>	<u>% *</u>	<u>Central</u>	<u>Regional</u>	<u>IFIs</u>	
<u>Activity 1</u>												
<u>Activity 2</u>												
<u>Activity 3</u>												
<u>Technical Assistance</u>	3,600,000	3,600,000	100	3,600,000								
<b><u>TOTAL</u></b>	3,600,000	3,600,000	100	3,600,000								
<b>** compulsory for INV (minimum of 25 % of total EU + national public contribution) :</b>												
<b>Joint co-financing (J) as the rule, parallel co-financing (P) per exception</b>												
<b>* expressed in % of the Total Public Cost</b>												

#### 5. Indicative Implementation Schedule (periods broken down per quarter)

<u>Contracts</u>	<u>Start of Tendering</u>	<u>Signature of Contract</u>	<u>Contract Completion</u>	<u>Duration of The Project</u>
Technical Assistance	December 2007	September 2008	September 2010	24 months

All projects should in principle be ready for tendering in the 1<sup>ST</sup> Quarter following the signature of the FA

#### 6. Cross cutting issues (where applicable)

##### 6.1 Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed. Male and female participation in the project will be based on the relevant standards of the EU and will be assured by official announcements published to recruit staff needed for the project. The main criteria for staff recruitment will be appropriate qualifications and experience in similar projects, not sex or age. Both men and women will have equal opportunities and salaries.

## **6.2 Environment**

The project has no negative effect on the environment. Improving the competitiveness of TCDD will help to constrain levels of road traffic, reducing levels of congestion, atmospheric pollution and road accidents.

## **6.3. Minority and vulnerable groups:**

According to the Turkish Constitutional System, the word minorities encompasses only groups of persons defined and recognized as such on the basis of multilateral or bilateral instruments to which Turkey is a party. This project has no negative impact on minority and vulnerable groups. It will apply the policy of equal opportunities for all groups including vulnerable groups.

## **ANNEXES**

- 1. Logframe Planning Matrix**
- 2. Contracting and disbursement schedule by quarter**
- 3. Institutional Framework**
- 4. Relevant Documents**
- 5. Details per EU Funded Contract**
- 6. Detailed Implementation Schedule of Activities**

<b>Annex No. 1 to the Project Fiche</b>			Programme name: and number:	
<b>LOGFRAME PLANNING MATRIX FOR “Reform of the Turkish Railways”</b>			Contracting period expires: <b>2 years after the date of signing the FA</b>	Disbursement period expires: <b>5 years after the date of signing the FA</b>
<i>Project Number</i>			Total Budget: <b>€3,600.000</b>	EU: <b>€3,600.000</b>
<b>Overall Objective</b>	<b>Verifiable Indicators*</b>	<b>Sources of Verification</b>		
To restructure and reform Turkish railways for opening up the sector for competition in line with the EU acquis.	<ul style="list-style-type: none"> <li>•</li> <li>• Railway sector is opened up for competition before 2012.</li> <li>• Infrastructure manager, regulatory authority, safety authority and accident investigation authority are established and operating before 2012.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reports for TCDD, Ministry of Transport and other relevant ministries</li> <li>• EC Regular Reports</li> </ul>		
<b>Project Purpose</b>	<b>Verifiable Indicators*</b>	<b>Sources of Verification</b>	<b>Assumptions and Risks</b>	
To establish framework conditions for restructuring and reforming the rail sector for competition, including systems for infrastructure allocation, charging, safety and interoperability at TCDD.	<ul style="list-style-type: none"> <li>•</li> <li>• An action plan regarding the sector reform strategy has been identified and approved by the MoT at the end of the project.</li> <li>• The charging and allocation system established by the end of project and implemented under</li> </ul>	<ul style="list-style-type: none"> <li>• Legal documents</li> <li>• TCDD Annual Report</li> <li>• TCDD Organogram</li> <li>• The Railway Authority Organogram</li> <li>• The Accident Investigating</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of Government will</li> <li>• Lack of Sustainable Implementation Capacity</li> <li>• Lack of co-operation and coordination between beneficiaries involved in the implementation of the program</li> </ul>	

	<p>the current TCDD structure in 2010, ready to be fully implemented as soon as the draft framework law is adopted.</p> <ul style="list-style-type: none"> <li>• Safety Management Systems (SMSs) are established at the current TCDD structure by the end of the project and in use in 2010.</li> <li>• Railway accidents and incidents decreased by 25% until 2015.</li> </ul>	<p>Body Organogram</p> <ul style="list-style-type: none"> <li>• EC Regular Reports</li> </ul>	
<b>Results</b>	<b>Verifiable Indicators*</b>	<b>Sources of Verification</b>	<b>Assumptions and Risks</b>
<ul style="list-style-type: none"> <li>• An approved strategy and action plan for establishing framework conditions of restructuring and strengthening of Turkish rail sector are outlined.</li> </ul>	<ul style="list-style-type: none"> <li>• An action plan regarding the sector reform strategy has been identified and approved by the MoT at the end of the project</li> </ul>	<ul style="list-style-type: none"> <li>• TCDD Annual Report</li> <li>• EC Regular Reports</li> <li>• Action Plan</li> </ul>	
<ul style="list-style-type: none"> <li>• A system for infrastructure capacity allocation and charging is established.</li> </ul>	<ul style="list-style-type: none"> <li>• A charging and allocation system established at TCDD by the end of the project and ready to be implemented as soon as the draft framework law is adopted.</li> </ul>	<ul style="list-style-type: none"> <li>• Network statement</li> </ul>	
<ul style="list-style-type: none"> <li>• Safety Management Systems of BUs of New TCDD are ready to be operational as soon as they are set up.</li> </ul>	<ul style="list-style-type: none"> <li>• Safety Management Systems of BUs established at the TCDD by the end of the project and ready to be operational at new TCDD as soon as the draft framework law and TCDD law are adopted.</li> </ul>	<ul style="list-style-type: none"> <li>• SMS Documents</li> <li>• TCDD Annual Report</li> </ul>	
<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions and Risks</b>



<p><b>Component 1 – Setting a strategy for establishing framework conditions in order to realise railway reform in line with the draft Law Package.</b></p>		<p><b>€800,000</b></p>	
<ul style="list-style-type: none"> <li>The draft Law Package and relevant documents referred to in Annex 4 together with the existing organizational structure of TCDD and MoT will be analysed.</li> </ul>			
<ul style="list-style-type: none"> <li>A strategy defining framework conditions of Turkish railway reform taking into consideration the best practises of railway reforms in EU member states will be defined.</li> </ul>			
<ul style="list-style-type: none"> <li>A detailed action plan giving the best course of actions to be taken for restructuring and strengthening of Turkish rail sector, including setting up Necessary Bodies, re-organisation of TCDD and improving their administrative capacity will be drawn up. The action plan will also include measures to tackle risks associated with the reform.</li> </ul>			
<ul style="list-style-type: none"> <li>The action plan will then be</li> </ul>			

<p>summarised and submitted to the Ministry of Transport for approval.</p>			
<p><b>Component 2 - Strengthening capacity of prospective Infrastructure Manager at new TCDD on Infrastructure Allocation and Charging</b></p> <ul style="list-style-type: none"> <li>• Analysis, identification of software for train path allocation and charging at the TCDD</li> <li>• Establishment of a charging system and determination of fees for use of the infrastructure capacity</li> <li>• Monitoring the use of allocated capacity and determination of charges according to the level of use</li> <li>• Development of a network statement</li> <li>• Training of Personnel on infrastructure allocation issues</li> <li>• Training of Personnel on charging issues</li> <li>• Translation of the relevant documents of EU acquis and their implementation in EU member states.</li> </ul>	<ul style="list-style-type: none"> <li>• Training Programmes</li> <li>• Training Programmes</li> </ul>	<p style="text-align: right;"><b>1,000,000 €</b></p>	

**Component 3- Strengthening capacity of the prospective Infrastructure Manager and Railway Undertakings at new TCDD on Safety and Interoperability**

- Examination all relevant legislation on Safety Rules and Interoperability and their implementation in EU member states.
- Conducting a ‘gap analysis’ for identification of differences between EU member states and Turkey and measures to be taken to eliminate the differences
- Preparation of National Safety Rules.
- Training of personnel on safety and Interoperability within the Infrastructure Manager and Railway Undertakings.
- Translation of the relevant EU acquis on Safety and Interoperability and their implementation in EU member states.
- 
- Development of a Safety Management System in

- Training Programmes

- 

€1,800,000

<p>Infrastructure Manager and Railway Undertakings at New TCDD.</p>			
			<p>Pre-conditions</p>
			<p>Declaration by the Beneficiaries before the signing of the contract or inclusion in the contract of the following conditions to be fulfilled for successful implementation of the project:</p> <ol style="list-style-type: none"> <li>1) Full time staff will be assigned by project beneficiary to implement the project with the TAT.</li> <li>2) Any supply investment required after the development of the software under Result 2 will be purchased by TCDD.</li> <li>3) TCDD will provide organisational flexibility to undertake the some activities in accordance with the railway model defined in the draft laws.</li> </ol>