

PD - ARY - 130
120068

Trade and Transport in Southeast Europe Program

PROGRESS REPORT #5 AND #6 FOR THE VIDIN-CALAFAT TRUST FUND

Date of this Report: April 30, 2003

For the quarters ended December 31, 2002 and March 31, 2003

I. Basic Project Information

A. Main Project

Name of Activity: Investment in the Vidin-Calafat Ferry Crossing and TTFSE Support

Trust Fund Number: TF029811

B. Sub-Project

Name of Activity: Regional Rail Study, Sopron Quality Circle

Sub-Trust Fund Number: TF029814

[note figures on disbursement to IBRD are for the parent TF, TF029811]

Closing Date: December 31, 2003

Date Approved: July 20, 2001

Amount Allocated: At Approval: US\$ 1,000,000

Total Grant Amount: US\$ 1,000,000

Actual Disbursements to Date from USAID: US\$ 551,180

Remaining Funds Expected: US\$ 448,820

Task Manager: Anca Dumitrescu, TTL (Michel Audige, PTL)

Telephone: 202 458 9754

Backup Contact Luisa Velardi

Telephone: 202 473-4964

Submitted by: 

Anca Dumitrescu, TTL/TTFSE

II. Progress Report

A. Activities, Main Project

2.1 This progress report covers the respective progress in the preparation of grant agreements for Bulgaria and Romania during the fourth quarter of 2002 and the first quarter of 2003 for collaborative actions by these two countries under the Vidin-Calafat Ferry Crossing Improvement Project. During this period the operational plans and procurement plans for the grant agreements with the two respective governments were completed, the grant agreements were cleared by the Bank and signed by the representatives of the governments of Bulgaria and Romania.

2.2 Upon the signing of the grant agreements, the special accounts for each government were established. The Bank has transferred the opening US\$ 100,000 into each of the special funds and the countries are preparing requests for withdrawal against these accounts.

2.3 In view of the extended time required for the signature of the grant agreements by the governments, the procurement process has been delayed. The Bank will review the ability of the grantees to disburse the funds needed for their respective parts of the project before the current closing date of December 31, 2003. The Bank would advise USAID of the probability of a need for an extension in the next quarterly report.

B. Activities, Regional Rail Sub-project

2. The grant agreement initially signed between the Bank and USAID provided for funding for a regional rail study, the dimensions and terms of reference for which were to be determined by the Bank. Based on consultations with other donors active in the area, the Bank contracted with Vienna Consult for the provision consulting services focused on Sopron Rail following the "quality circles" approach this firm had used for traffic facilitation with other railways in the region. The total value of the contract with Vienna Consult was US\$ 46,922.00 for a period not to exceed 12 months.

The kick-off session for the sub-project began in September, with site contacts running through the last quarter of 2002 and into 2003. A copy of the inception report prepared at the end of November is attaches as is the System Report (with Annex 1 and Annex 2) prepared at the end of February, 2003. The final workshop is expected to be held in June of 2003. Representatives of the Bank and USAID would be welcome at this session.

In addition to the Program Task Leader (PTL), Michel Audige and the Team Task Leader (TTL), Anca Dumitrescu, the Bank designated a Senior Rail Specialist, Luisa Velardi, to provide support to the review of the work of the consultant.

**Regional Rail Study:
Improving the quality of dispatching of international trains
from Sopron to Romania and Bulgaria and to further destinations**

TERMS OF REFERENCE

Timeframe 12 months

Tasks for the consultant:

a. Field trip at the beginning of the project

The consultant shall inspect the dispatching facilities at Sopron terminal. The inspection includes a brief study of the present operational and commercial procedures which are employed to prepare the dispatching of trains to Romania and Bulgaria and the reception of such trains from the two destinations as well as talks with major operators using the Sopron facilities. This shall be, in particular, the operators of the direct block trains, Schenker and Proodos as well as Intercontainer of Basel.

The major findings shall be summarised into a synopsis and be a guideline for the moderation and technical support during the quality circles.

Product: Brief report on the findings
--

b. Quality circles (quality colloquium)

The consultant shall carry out a maximum of eight quality circles which are internally subdivided into quality circles for high level representatives and operators, technical dispatching and commercial dispatching.

QC for high level representatives and operators:

In such quality circles, the major challenges shall be defined (objectives and activities), by the decision-making personnel of Sopron Terminal and the major customers. Based on the activities determined by the high level group, the other two quality circles shall help to detail the activities and elaborate suggestions for improvement.

Operational QC:

The participants of the operational quality circle are composed of personnel involved in the train formation, shunting, and technical dispatching personnel. In great detail, they shall define the activities necessary to improve the technical dispatching and implement the activities themselves. Of course, it is necessary that the high level participants support such implementation.

Commercial dispatching:

Major attention at the QC of commercial dispatching shall be the flow of documentation, minimisation of internal railway documentation and improvement of communication.

Product: Preparation and implementation of the QC's, writing and distributing the minutes; monitoring the implementation whenever required.

Accompanying implementation

As far it is necessary and requested, the experts shall accompany the participants in the implementation of certain activities resp. consult them whenever experience from similar implementation processes in Europe is required. However, it is assumed that the participants shall be able to implement the activities on their own.

Product: Meetings with the respective personnel.

c. Monitoring system

The consultant shall propose an easy-to-handle monitoring system for keeping the time schedules on the corridors between Sopron and the final destinations. This monitoring system shall be in accordance with other monitoring systems already introduced at Romanian and Bulgarian cross-borders.

Product: Monitoring system in its initial form

d. Tracking & tracing

The consultant shall propose to the top level management tracking & tracing systems which can be introduced in the corridor. However, the consultant shall not develop such tracking & tracing systems. He will rather establish the contacts between providers of tracking & tracing systems and invite the high level representatives and operators to get into contact with such providers. The T+T systems must be easily adaptable for international transport.

Tendering, bidding, selection and installation of such a system shall not be part of the project.

Product: Presentation of T+T systems, establishment of contacts, advice.

e. **Status of Results**

The consultant shall present, at the end of the eighth QC, the results of the circle, the status of the implementation of the activities.

The results shall be presented to the high level participants and operators at Sopron as well as other representatives, for example, from the ministries, World Bank, GTZ. In particular the participation of government officials might be required if the result of the QC is that government action is necessary. This might in the realm of commercial dispatching (documentation).

Product: Synopsis of results achieved, presentation, plan for further action.

f. **Final Report**

The consultant shall produce a final report that includes the final results of the respective QC and of the presentation of the results. The final report shall be understood as a final list of activities that still have to be implemented (finalised activity plan) and a critical evaluation on why certain results might not have been achieved or might have been partially achieved.

Product: Final report with critical evaluation of QC's, results and recommended further action, if required.



The World Bank Group



Improving the Quality of Dispatching of International Trains between Sopron and Southeast Europe

Inception Report (15.09.02 – 31.10.02)

29 November 2002

Copyright © by Vienna Consult, 2002.
This report is solely for the use of client personnel. No part of it
may be circulated, quoted, or reproduced for distribution outside
of the client organization without prior written approval from
Vienna Consult.

TABLE OF CONTENTS

1. SHORT SUMMARY

2. PROJECT STATUS

2.1 Introduction

2.2 Work Progress

2.2.1 Resource Utilization

2.2.2 Expenditure

3. PROJECT STATUS VERSUS PROJECT PROPOSAL

3.1 Project Relevance

3.2 Necessary Interventions

3.3 Implementation

3.3.1 Work plan

3.3.2 Resources

4. PLANS FOR THE NEXT REPORTING PERIOD

ANNEX 1 KICK-OFF PRESENTATION

ANNEX 2 IMPLEMENTATION PROGRAMME

ANNEX 3 PRESENTATION - QUALITY CIRCLES

ANNEX 4 MONITORING SYSTEM

1. SUMMARY

In the framework of the regional rail studies the project "Improving the quality of dispatching of international trains between Sopron and Southeast (SE) Europe" was launched on September 15, 2002 (See Annex 1 and 2).

This inception report gives the status of the activities of the project till the end of October 2002.

The Gyor-Sopron-Ebenfurth Railway Corp. (GySEV) participated in the elaboration of the Inception Report.

This inception report is based on the findings of various visits by Vienna Consult railway experts in September and October 2002 to the Terminal Sopron and contacts with the major rail operators using Sopron as a turning plate for their rail products to Southeast Europe.

For the next period Quality Circles (QC) shall take place with high level representatives of GYSEV and the operators, as well as with the technical and commercial dispatching staff. The participants will define the activities necessary to improve the technical and commercial dispatching and implement the activities, supported by Vienna Consult as far as it is necessary.

A Monitoring system has already been presented and will be introduced in November 2002 (See Annex 4). The first quality circle will take place on 11 November, 2002.

Based on the current status there are no deviations in the project compared to the proposal that could form a risk for the execution of the project, or cause a delay of the total project (completion date).

The content of this report is as follows: Chapter 2 describes the work progress and the main findings at this stage of the project. Chapter 3 describes the final project model and Chapter 4 enumerates the activities for the next reporting period.

2. PROJECT STATUS

2.1 Introduction

Based on the current status there are no deviations in the project compared to the proposal that could form a risk for the execution of the project, or cause a delay.

The main items to be undertaken in the inception stage are the following (they are based on the original proposal or are a result of the work already undertaken) :

1. In the inception phase the exact scope and working procedure of the project is determined
2. Work processes at Terminal Sopron are analysed
3. A first scan of the fields that have to be improved is carried out: Brief study of the present operational and commercial procedures which are employed to prepare the dispatching of trains to/ from Southeast Europe - Sopron
4. The Monitoring system is presented and discussed and is introduced as of November 2002
5. First assessment of the present Tracking and Tracing Systems.
6. The main results which shall be dealt with in the quality circles are summarized
7. Challenges and possible solutions are proposed by the top management of GySEV at Sopron
8. Possible effects from the improvement of the quality of dispatching of international trains are defined
9. Relation with other ongoing projects

2.2 Work Progress

Ad 1. In the inception phase the exact scope and working procedure of the project is determined

The exact scope of the project work has been determined. The overall objective is to improve, together with GySEV, the quality of the dispatching of the international block trains.

Since such trains are customer oriented products, the improvement of quality has to be directed to concrete rail products. Together with GySEV it was decided to improve the quality of the existing international block trains of Proodos-Schenker and Intercontainer-Interfrigo (ICF) in particular the **new products**:

- ◆ Romtrain with the operators GySEV - Proodos - Schenker to and from Romania.
- ◆ ICF products between Sopron and Southeast Europe.

By using the instrument of quality circles (with the method of KAIZEN), potential quality improvements will be identified, and their implementation continuously supported. Thus, the project will contribute not only to an improvement of quality but also to a better marketability of existing international block trains with the aim of increasing the revenues of the operators and the terminal of Sopron as well as to improve the rail market share in the Southeastern European corridors.

The idea is to organise separate quality circles for the following three specific areas:

1. Operational, technical dispatching at the terminal
2. Commercial dispatching (preparation, documentation) at the terminal
3. Joint quality circles with the top management of the terminal Sopron and the Operators

Ad 2. Work processes at Terminal Sopron are analysed

The following major rail and terminal operations are carried out at Sopron Terminal:

- ◆ Freight train formation
- ◆ Technical inspection and rolling stock acceptance
- ◆ Customs clearance of all trains (border procedures)
- ◆ Commercial dispatching (documentation, in particular for **re-expedition**)

Current situation: Freight traffic

All freight trains arriving at Sopron terminal are split up, technically and commercially treated, and newly formed (composed).

Since most trains arrive from or go to Austria, all operational and commercial procedures are closely coordinated between GySEV and the Austrian state rail operator ÖBB (Rail Cargo Austria). Each party's involvement is structured according to agreed tasks and the direction in which the train travels (arriving at or outgoing from Sopron).

Customs, phyto-sanitary, sanitary services and border police of Austria and Hungary closely cooperate together.

The average stopping times at Sopron Terminal are between 75-255 minutes, depending on the types of goods.

Condition of Sopron Terminal infrastructure and handling installations:

- Rail infrastructure and terminal installations are in good condition
- Signalling installations and technology meet international standards

Conclusion:

By and large, all border procedures for trains are organised jointly with the Austrian authorities at Sopron Terminal. The terminal is spacious and has sufficient capacity to carry out present and future operations. The Sopron Terminal accommodates terminal facilities for conventional and container traffic.

Ad 3. A first scan of the fields that have to be improved is carried out: Brief study of the present operational and commercial procedures which are employed to prepare the dispatching of trains to/ from Southeast Europe - Sopron

The Rail product: ROMTRAIN, Operator GYSEV - PROODOS – SCHENKER

- ⇒ Three international trains per week are dispatched at Sopron Terminal for Romania
- ⇒ Three international trains per week are received from Romania

- ⇒ GySEV is the operator of the trains
- ⇒ GYSEV and Schenker Proodos carry out the product marketing and acquisition of cargo

Based on the field trip and the contacts with the operators and the terminal personnel the following issues have been identified:

- ⇒ **The stopping time of the wagons at Sopron is approximately 31 hours**
- ⇒ **The train information systems are not compatible**
 - Direction West-East: ÖBB automatically transmits ARTIS-Information (internationally agreed operational information system among various Western European countries) with data about the wagons
 - Direction East-West: Information is received by telecommunication and classic wagon lists by CFR (Romanian cargo railway). From MAV (Hungarian State Railways), the basic operational data are transmitted electronically.

The Container products: Operator Intercontainer – Interfrigo (ICF). The following products are offered:

- ⇒ There are 2 trains per week and direction via Romania (Product "Danubia")
- ⇒ 1-2 trains per week and direction with Greece
- ⇒ 2-3 trains per week and direction with Turkey via Romania or Yugoslavia

Based on the field trip and the contacts with the operators and the terminal personnel the following issues have been identified:

- ⇒ **The train information systems are not compatible**
 - Direction West-East: the data are regularly transmitted from the North Sea port terminals.
 - Direction East-West: Documents are missing, there is a big potential for improvement.
- ⇒ **Extremely long stops and delays at the Hungarian border crossing Kelebia**
 - Frequent opening of containers in transit to European Community by the Hungarian customs whenever highly valued goods are transported (cigarettes, alcohol)
 - Complicated control of seals (with partial non-acceptance of seals)
 - Theft
 - Long lasting transmission of customs and railway information by the state railways JZ and MAV

Ad 4. Monitoring system is presented, and discussed and introduced as of November 2002

Present status:

South-North: The monitoring of train movements is performed by the offices of GySEV at Curtici (Hungarian – Romanian Border) and Episcopia (Romania). In other words: if GySEV did not have their own offices at the respective border stations, they would not receive the necessary information on the train movement.

North-South: A special monitoring system has been introduced by ICF for their own wagons and trains.

The monitoring system designed by Vienna Consult for international trains between Sopron and Southeast Europe would be introduced in November 2002 (see Annex 4).

Since the Vienna Consult monitoring system has already been introduced at the border stations Russe (Romanian-Bulgarian) border and Dragoman (Bulgarian-Serb border), and Dimitrovgrad (Serb-Bulgarian border) the first step to monitor train movements between Sopron and Bulgaria will be effective.

Since Vienna Consult will introduce the same system at the Hungarian-Romania and the Yugoslav-Hungarian border in the realm of Project of the Deutsche Gesellschaft für technische Zusammenarbeit (GTZ) 'Improving Border stopping times in Southeast Europe', it can be expected that the chain of monitoring will be completed at the beginning of next year and **the train delays could be analyzed on the basis of realistic data.**

Result: the monitoring system has been installed and shall be tested as of November 2002. This results will form an important basis for the work of the quality circles.

Ad 5. First assessment of the present tracking and tracing systems

The border stations and the rail operators of the international block trains transmit information to Sopron in case of delays. There are scanners in Gyor (Hungarian city, network border point between the Hungarian state railway (MAV) and GySEV in order to facilitate the re-expedition procedures at Sopron Terminal (Pre-clearance information).

The tracking and tracing system will be dealt in more details in the activity 'I' at a later stage.

Ad 6. The main results which shall be dealt with in the quality circles are summarised

- ◆ Re-loading, respectively re-fixing of timber loads on wagons from Western Europe and round wood on wagons from Romania – 75% of all wagons are delayed for at least 24 hours.
- ◆ Transmission of preliminary information on wagons coming from Western European network and destined for Romtrains.
- ◆ Missing documents necessary for customs clearance.
- ◆ Organisation and control of the weighing of the wagons going to Southeast Europe. So far the international agreement CIM-COTIF does not allow penalties for overload (5 to 10 tonnes of overweight!).
- ◆ The transport of wagons that have been loaded according to the route classification "D" (very high axle loads) are not admitted to the railway networks of various Southeastern European railway administration, leading to re-loading at Sopron Terminal
- ◆ Seals from shippers are only accepted by the customs authorities if such shippers are registered as customs dispatching agents
- ◆ The organisation of the veterinary control at Sopron terminal causes delays due to the lack of local veterinary inspectors. Veterinary inspectors have to be called from Deutschkreuz (Austria) and the surroundings of Sopron whenever animal products arrive at Sopron.

Ad 7. Challenges and possible solutions are proposed by the top management of GySEV at Sopron

Gysev wishes co-operation in the following fields:

1. The feeder trains coming from Mannheim (Rhine region) and Nürnberg (Bavaria) in Germany, would need scanning at Mannheim and Nürnberg shunting station in order to transmit documentation in advance, thus speeding up commercial dispatching at Sopron terminal

2. Private shippers shall seal the wagons according to the international regulations (PIM) and note the seal numbers in the consignment notes
3. Assist GySEV in speeding up the dispatching processes in Kelebia (Hungarian-Serb border crossing) and Curtici (Hungarian-Romanian border crossing)
4. Seek a solution for weighing timber in Episcopia, Romania
5. Help solving the problem to optimise scrap metal handling
6. Adjust/ adapt compatible freight train information

Ad 8. Possible effects from the improvement of the quality of dispatching of international trains are defined

The following improvements are expected:

- ◆ Improve the transmission of commercial and technical data between the dispatching terminals and Sopron Terminal
- ◆ Minimise the internal flow of railway documentation
- ◆ Decrease the stopping times of the international trains – Proodos Schenker Romtrain and ICF trains at the terminal Sopron
- ◆ Decrease border dispatching procedures for the international trains between Sopron and Southeast Europe, in particular as far as the products Romtrain, Proodos-Schenker and ICF are concerned

Ad 9. Relation with other on-going projects

Vienna Consult is simultaneously working in the project of Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) 'Facilitating Railway Border-crossing in Southeast Europe'

During the reporting period the following activities have been carried out in the GTZ Project::

1. Quality circle at Ruse in September 2002;
2. Quality circle at Dragoman – Dimitrovgrad in September 2002.

3. Preparation of new border agreement Bulgaria – Yugoslavia for the border crossing Dragoman - Dimitrovgrad
4. Preparation of a new Border agreement Bulgaria-Turkey for the border crossing Svilengrad (Bulgaria) – Kapikule (Turkey)
5. Introduction of monitoring system (parallel to that at Sopron) as of 1 October, 2002 at the border crossing stations Russe and Dragoman
6. Meetings with the Hungarian Ministry of Economics (incorporating the Transport Ministry) with the aim of building up common Hungarian-Romanian and Hungarian-Serbian quality circles at Curtici and Kelebia.

PROJECT STATUS VERSUS PROJECT PROPOSAL

3.1 Project relevance

The Top management of GYSEV as well as the rail operators wish to see this project as an especially product oriented project. It is therefore important to improve the products in the international rail traffic, in particular, the products Romtrain and ICF.

It is only in this way that all the participants see an added value in the project .

The product improvement shall be carried out by means of quality circles at Sopron as well as by influencing ("lobbying and pressing") the respective ministries and all authorities that deal with border crossing.

It is the "lobbying and pressing" that the participants consider as a significant contribution of this project by using Vienna Consult as a means to influence the respective authorities in Hungary and the adjacent countries. (in the realm of the project, the consultant does not have to follow the hierarchical procedures state railways have to follow!)

The terminal at Sopron shall continue to be a turning plate for international railway products and will improve its position as a result of the future membership of Hungary in the European Union.

An important point for the project relevance is the fact that it is not only the improvement of the quality but also the collateral effects on earnings for the terminal and rail operators that are of paramount importance. GYSEV, the rail operator and Vienna Consult see a direct relationship between quality improvement, the project objective, and the business improvement for GYSEV and the rail operators. **This is the driving force.**

3.2 Intervention

The objectives and results of the Project are still realistic and attainable.
Therefore, no intervention is necessary.

3.3 Implementation

3.3.1 Work Plan (Status 31.10.2002)

The timeframe of the project activities was presented and discussed at the Kick-off meeting on September 24, 2002 (see attachment 1-3).

TIMEFRAME / ZEITPLAN

	What to do?	Who? Wer macht es?	When? Wann?	Was ist zu tun?
A	Kick-off Meeting	Vienna Consult	*KW 39	Startsitzung
B	Inception Report	Vienna Consult	KW 39/40 2002	Einführungsbericht
C	Field trip at the beginning of the project	Uhl/ Velkova Windisch and/or Hendrich	KW 41 2002	Vorort Untersuchung zu Projektbeginn
D	Monitoring system	Hendrich	KW 41/42 2002	Monitoring System (Lenkung und Überwachung)
E	QC 1 - high level representatives and operators	Uhl/ Velkova Windisch Hendrich	KW 43 2002	**QZ 1 – Führungskräfte und Operateure
F	QC 2 - technical and commercial dispatching	Uhl Windisch	KW 44 2002	QZ 2 – Technische und kommerzielle Abfertigung
G	Systems Report	Vienna Consult	KW 43-44 2002	System Bericht
H	QC 3 - technical and commercial dispatching	Uhl/ Velkova Windisch	KW 49 2002	QZ 3 - Technische und kommerzielle Abfertigung
I	Tracking and tracing	Uhl Hendrich Windisch	KW 49-51 2002	Sendungsverfolgung
J	Systems Report	Vienna Consult	KW 02-03 2003	System Bericht
K	QC 4 - high-level representatives and operators, technical and commercial dispatching	Uhl/ Velkova Windisch	KW 03 oder KW 04 2003	QZ 4 - Führungskräfte und Operateure und Technische und kommerzielle Abfertigung
L	QC 5 - technical and commercial dispatching	Uhl/ Velkova Windisch	KW 03 oder KW 04 2003	QZ 5 - Technische und kommerzielle Abfertigung
M	QC 6 - technical and commercial	Uhl/ Velkova	KW 07 oder	QZ 6 - Technische und

	dispatching	Windisch	KW 09 2003	kommerzielle Abfertigung
N	QC 7 - technical and commercial dispatching	Uhl/ Velkova Windisch	KW 12 oder KW 13 2003	QZ 7 - Technische und kommerzielle Abfertigung
Q	QC 8 - high-level representatives and operators, technical and commercial dispatching, finalisation	Uhl/ Velkova Windisch and/ or Hendrich	KW 19 oder KW 20 2003	QZ 8 - Führungskräfte und Operateure und Technische und kommerzielle Abfertigung, Abschlußbesprechung
P	Synopsis of QC results	Vienna Consult	KW 21 2003	Zusammenfassung der QZ Ergebnisse
Q	Final Report	Vienna Consult	KW 26 2003	Schlußbericht

- * KW – Kalender Woche (Calendar Week)
- ** QZ - Qualitätszirkel (Quality Circle)
- **Activities already carried out**

3.3.2 Resources

No changes in respect to the January 2002 proposal.

3.3.3 Organisation

No changes in respect to the organisation proposed in the March 2002 proposal

4. PLANS FOR THE NEXT REPORTING PERIOD (STATUS 31.10.2002)

- ◆ In this section the timeframe for the next period will be highlighted.

D	Monitoring system	Hendrich/ Windisch	KW 41/42 2002	Monitoring System (Lenkung und Überwachung)
E	QC 1 - high level representatives and operators	Uh/ Velkova Windisch Hendrich	KW 43 2002	**QZ 1 – Führungskräfte und Operateure
F	QC 2 - technical and commercial dispatching	Uh/ Velkova Windisch	KW 44 2002	QZ 2 – Technische und kommerzielle Abfertigung
G	<i>Systems Report</i>	Vienna Consult	KW 43-44 2002	System Bericht

- ◆ The expected project status per result and activity is indicated in the tables below. It shows the situation after the inception stage.

Activities	Objective of the activities	Sub activities / Project results	Status
1. Quality circle 1: Carry out Quality circle for high level representatives and operators	Define the major challenges (objectives and activities), by the decision-making personnel of Sopron terminal and the major rail operators	As far it is necessary and requested, the experts shall support the participants in the implementation of certain activities resp. consult them whenever experience from similar implementation processes in Europe is required. However, it is assumed that the participants shall be able to implement the activities on their own. this is the concept of the quality circles.	1. Elaborate activities and suggestions for improvement 2. Preparation and implementation of the QC's, writing and distributing the minutes; monitoring the implementation whenever required

<p>2. Quality circle 2: technical and commercial dispatching</p>	<p>1. Technical dispatching: Define the activities necessary to improve the technical dispatching</p> <p>2. Commercial dispatching: Define the activities necessary to improve the commercial dispatching</p>	<p>As far it is necessary and requested, the experts shall accompany the participants in the implementation of certain activities resp. consult them whenever experience from similar implementation processes in Europe is required. However, it is assumed that the participants shall be able to implement the activities on their own.</p>	<p>1. Elaborate activities and suggestions for improvement</p> <p>2. Preparation and implementation of the QC's, writing and distributing the minutes; monitoring the implementation whenever required</p>
<p>3. Monitoring system</p>	<p>Test the Monitoring system</p> <p>Analyse the results from the monitoring system</p> <p>Discuss the results in the quality circles and seek improvement of the monitoring system as well as remedy the quality deficiencies detected by the monitoring system</p>	<p>A Monitoring system for the keeping of time schedules on the corridors between Sopron and the final destination in Turkey/ Greece and vice versa has been presented and proposed , allowing for the identification of major dispatching errors and causes.</p>	<p>Monitoring system in its initial form introduced as of November 2002.</p>



The World Bank Group



Improving the Quality of Dispatching of International Trains between Sopron and Southeast Europe

System Report (01.11.02 – 31.01.03)

28. February 2003

Copyright © by Vienna Consult, 2003.
This report is solely for the use of client personnel. No part of it
may be circulated, quoted, or reproduced for distribution outside
of the client organization without prior written approval from
Vienna Consult.

REPORT STRUCTURE

1. EXECUTIVE SUMMARY

2. THE BASE QUALITY CIRCLE

2.1 Quality Circles and Joint Meetings

2.2. Quality Circle Findings

2.3 Problems Raised by the Participants

2.3.1 Documentation

2.3.2 Communication

2.3.3 Border Dispatching

2.3.4 Loading

2.3.5 Security

2.3.6 Seals

2.3.7 Shortage of Locomotives

2.4 Results to be Achieved

3.4.1 Result 1

3.4.2 Result 2

3.4.3 Result 3

3. RESULTS OF THE MONITORING SYSTEM

4. HERMES

5. TRACKING AND TRACING SYSTEM

6. CONCLUSIONS FROM THE QCS AND JOINT MEETINGS

7. PLANS FOR THE NEXT REPORTING PERIOD – FROM THE INCEPTION REPORT

ANNEX 1 MINUTES FROM THE BASE QUALITY CIRCLE

ANNEX 2 MINUTES FROM THE SECOND QUALITY CIRCLE

ANNEX 3 RESULTS FROM THE MONITORING SYSTEM

1. EXECUTIVE SUMMARY

In October 2002 Gyor – Sopron - Ebenfurth railway Corp. (GYSEV) and Vienna Consult elaborated the first Inception Report. The report was the outcome of field trips, meetings and analyses of the current situation and procedures at Sopron terminal.

Besides the findings, the Inception Report also suggested recommendations for initiatives and proposals for the next report period. One of those initiatives was the planned **quality circle** with high level representatives and operators. It took place on 11 November 2002 and was of high value for the project. In the present System Report we have included its results, activities and results as far as they could be achieved in the brief period of time.

It is worth mentioning that the participants were impressed by the method of quality circles. They all agreed to use it as an instrument for the project.

Moreover, the operator Proodos will apply it at its meetings at the cross border point Kelebia at the end of March. GYSEV will use it for its regular customer relations meetings.

Furthermore we have also analyzed the first results of the implementation of the **Monitoring System** proposed by Vienna Consult and implemented by GYSEV.

Lastly, we have analyzed the present situation of the **Tracing and Tracking System**.

Our Project aims at improving the quality of the international block trains between Sopron and Southeast Europe. According to our method of quality circle the initiative comes from the participants who define what to implement, who is responsible for the implementation, with whom to do it, and till when. Vienna Consult supports them as far as it is necessary as moderator, with its Best practice experience and as "door opener" whenever certain hierarchical obstacles have to be overcome. In order to ensure a wide promulgation of the project goals and the method as well as actively involve the government authorities Vienna Consult also presented the project at meetings with the Hungarian Ministry of Economics (which incorporates the Ministry of Transport) where representatives from the Railway Directorate, European Integration Directorate and the state railway MAV participated.

2. THE BASE QUALITY CIRCLE (11.11.2002)

The first quality circle (QC) was the base QC where the participants defined the basic activities which shall lead to the further improvement of the dispatching quality of international trains between Sopron and Southeast Europe (For Minutes see Annex 1).

The subsequent meetings and the second quality circle had as their aim to:

- ◆ Detail the suggested activities
- ◆ Revise them according to expert advice of the specialists of GYSEV, the Operators, and Vienna Consult
- ◆ Define new or more urgent activities
- ◆ Start with the implementation

2.1 QCs and Joint Meetings

2.2.1 In Sopron with GYSEV and the operators:

- 11.11.2002 – Quality Circle 1
- 17.11.2002 – Implementation of the QC activities
- 29.11.2002 - Implementation of the QC activities
- 04.12.2002 - Implementation of the QC activities
- 31.01.2003 – Quality Circle 2

2.2.2 In Vienna with the operators only and Austrian ministries:

- 10.12.2002 – Schenker - Implementation of the QC activities
- 18.12.2002 – Fertrans - Implementation of the QC activities
- 24.02.2003 - Ministry of Transport (Infrastructure and Research)
- 25.02.2003 - Ministry of Finance (Customs General Directorate)
- 26.02.2003 - Proodos - Implementation of the QC activities

2.2.3 In Budapest with the Ministries

- 15.10.2002 - Implementation of the QC activities
- 20.02.2003 - Implementation of the QC activities
- 24.02.2003 - Implementation of the QC activities

Participants

The participants in the quality circles were the railway operators Schenker, Proodos, Fertrans, Intercontainer-Interfrigo as well as the top management and commercial/operational staff from GYSEV and Vienna Consult.

2.2. Quality Circle Findings

The quality circles, carried out so far, showed that adequate measures should be undertaken to render the formation of the block trains and the dispatching technology more efficient.

2.3. Problems, raised by the Participants

2.3.1 Documentation

2.3.2 Communication

2.3.3 Border Dispatching

2.3.4 Loading

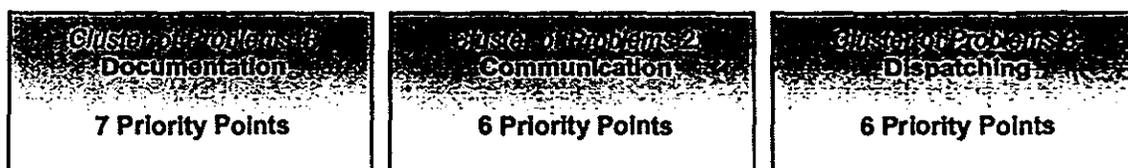
2.3.5 Security

2.3.6 Seals

2.3.7 Shortage of Locomotives

For further details, see **Annex 1 and Annex 2.**

Remark: Although problem clusters were defined during the base QC, the participants decided to limit themselves to solving the three most important problems according to a priority list, which are:



2.4 Results and Activities to Achieve the Results, as Defined by the Participants

The detailed and the updated activities can be found in the Operation plans in **Annex**

Remark: The activities were defined on the assumption that their implementation is **feasible** i.e. the participants are able to take action by themselves. No killing activities i.e. activities that are beyond the competence of the participants or require major changes beyond their control are allowed to be defined.

The major results and activities defined by the participants, including some brief comments, are:

Result 1:

The precise and correct processing of transport documents has been improved, as well as their completion with the required documents which have to be attached in conformity with the international requirements.

Activities:

Prepare a catalogue – Border crossing guide for the shippers and freight forwarders per type of goods and per type of routes including all the transport, fiscal, customs, and other requirements necessary to correctly dispatch goods. The catalogue shall be published on the website.

We have left open the timeframe of the activity due to the complexity of work. The intention is to integrate the Border crossing guide in the GYSEV web site. The required information will be collected from the different ministries and respective authorities. All the participants in the quality circle expressed their support. GYSEV has already supplied us with the legal documentation requirements for the transit goods passing through Hungary.

Install scanners in Nürnberg and Mannheim (Germany) for sending preliminary information to the border authorities at Sopron.

After discussions with GYSEV it has been decided to organize a meeting in Nürnberg in order to find out the feasibility of the activity.

There was an additional request from Fertrans to install a scanner at the Sopron terminal and to appoint contact persons for the processing of documentation.

A further QC on RIV regulations (rules on how to dispatch wagons in international transport) is required together with the shippers and another one with the railway personnel only (see also Result 3).

Result 2:

The communication between the Operators and the railways as well as the information flow and customer relationship services have been improved

Open representative offices at the Border crossing points (BCPs)

Results: The Intercontainer – Interfrigo operator will open a representative office in Kelebia in 2003.

The operators Schenker and Proodos do not plan to make investments at the Border crossing points (BCPs).

Organize a joint border dispatching at the Serb – Hungarian BCPs.

This is an initiative proposed by Vienna Consult. It will be achieved in co-operation with the ministries of transport in Budapest and Belgrade. This option has already been discussed at the first interministerial meeting organised by the Department for European integration at the ministry of transport in Hungary and Vienna Consult.

Result: Proodos has taken up the activity and will carry out the QC in the realm of the project. Vienna Consult will moderate.

Result 3:

The rules and regulations for the loading of open space wagons and RIV have been established and well communicated

Discuss RIV regulations at the Quality circles with the technical staff from MAV (The Hungarian state railways), JZ (The Yugoslavian state railways), CFR (The Romanian state railways) and BDZ (The Bulgarian state railways).

A special quality circle will be organised by GYSEV and Vienna Consult by latest April 2003. GYSEV has already found out who are the persons to participate in this quality circle and has send the contact details to Vienna Consult. The operators Proodos Schenker would like to take part in this QC as well.

3. MONITORING SYSTEM

The Monitoring system proposed by Vienna Consult (see Inception Report, Annex 4) was introduced by GYSEV as of December 2002. Furthermore Schenker Proodos made their existing monitoring system available to the QC participants.

The proposed monitoring system is destined to the Sopron terminal only. The monitoring results of the sections to the final destinations in Bulgaria, Romania, Serbia, Turkey are carried out in the realm of the GTZ Project.

The Schenker-Proodos monitoring system only covers the section Hungary – Romania/Serbia-Macedonia

4.1. Results from the Schenker Monitoring system:

For reasons of confidentiality the detailed data and analysis cannot be made available.

Major reasons for delays are:

1. Customs: Incorrect documents
2. Customs: Missing seals
3. Customs: Control of the transported goods
4. Loading: Dislocated cargo
5. Train routing: Derailment of the train
6. RID document: (No further specification was contained in the system)

4.2. Results of the monitoring system implemented by Vienna Consult (in order of their importance). GYSEV agreed to publish the results in the present report.

The detailed results are in **Annex 3**

1. Type of locomotive: Planned type of traction not available
2. Lacking wagons: Wagons reporting in wagon list but not in train
3. Loading: Dislocated cargo
4. Train routing: Occupied path
5. Obstacles: Snow
6. Superstructure of wagon: Damaged wagon
7. Train formation not according to plan: Extension of the break checks

First result:

The results of the Monitoring system confirm the problems raised in the quality circles. Therefore it is essential to implement the activities defined in the QCs.

4. BRIEF EXPLANATION OF HERMES SYSTEM AND ITS APPLICATIONS

The Hermes system is an attempt by the European state railways to render an international data transmission system possible which is based on national transmission systems. Its aim is form the basis for a future international monitoring system. Due to its complexity, a brief description of HERMES.

HERMES:

HERMES is the data transmission network of the European state railways.

H – Handling through

E – European

R - Railways

M - Message

E - Electronic

S – System

Geographical Application:

The state railways of the EU member states with the exception of Portugal and Ireland, and the Norwegian state railway participate.

Eastern-European railways that are members of HERMES: Polish state railway, Czech state railway, Slovakian state railway, Hungarian state railway, Slovenian state railway and GYSEV.

Conclusion:

Only the Hungarian state railway, including the GYSEV, are members of the HERMES system. All other railways in the South-eastern-European corridor are not members.

The reason for not being member of HERMES is the fact that the data transmission systems of the state railways in the South-eastern-European corridors do not respond to the minimum qualitative requirements of the HERMES system.

Brief description of the HERMES system:

The HERMES system consists of two primary components:

- ◆ data transmission network
- ◆ applications by the member railways

Applications

Application 30 UIC – FICHE 404 V

- ◆ Pre-announcement of data from a freight train (train number, timetable data, number of wagons, wagon registration numbers, loaded/ empty breaking position, other technical data of the respective wagons, other transport data such as origin and destination, weight, type of good)

Note: Such information is not always given by each of the state railways.

Application 34/37

- ◆ General functions:
- ◆ Networking of the timetable data of the member railways
- ◆ Information about the time of transport
- ◆ Supervision of the transport per section, comparison between the planned and actual time
- ◆ Corrective measures

Such functions are detailed further into subfunctions.

Application 38:

Note: Intercontainer – Interfrigo is also actively involved in this application

- ◆ Localisation of the wagon
 - by request it is possible to find out the actual localisation of the wagon

Application 39 – Groupement Organisé des Echanges du Travail des Wagons par HERMES pour l'Europe - UIC FICHE 404-3 V

- ◆ Registration number of vehicle
- ◆ Time when the transport begins in the respective transport section
- ◆ Station at the beginning of the transport in the respective transport section
- ◆ Entry into a new state infrastructure network
- ◆ End of time when the transport section has been left
- ◆ Empty/ Loaded wagon
- ◆ Type of good (according to the international NHM code)
- ◆ Weight of good
- ◆ Total weight of vehicle
- ◆ Length of transport section in kilometres
- ◆ Number of shunting movements

- ◆ Speed in the respective transport section (below 90 km/h, below 100km/h, over 100 km/h)

Application 40

ORFEDIUS (Open Rail Freight Electronic Data Interchange User System)

The general functions:

- ◆ Electronic transmission of consignment notes
- ◆ Pro-active information on transport
- ◆ Exit and entry of state railway networks

Application 70 – ENEE – ‘Enregistrement Normalisé des Etablissements Européens’ UIC 920-2V

- ◆ Building up a detailed databank for HERMES data

5. TRACKING AND TRACING SYSTEM

The above-described HERMES system was necessary in order to internationalize the monitoring systems operated by each state railway with different software and conceptions. It is nothing else but a "translator system".

The HERMES system of the state railway has been reduced to pure operational data transmissions between the railways that do not satisfy the information requirements of the shippers and freight forwarders.

Due to the failure of the state railways to introduce a workable and customer-oriented international monitoring system for the international block trains in South-eastern Europe, the major operators and GYSEV have been forced to develop their own tracking and tracing system which they offer as part of their services to their customers.

The work on an internationally acceptable tracking and tracing system run by state railways has been going on at least for thirty years with no big success – between two railways for example.

General conclusion for our project:

The project as such cannot force the member railways of HERMES to admit acceptance of the other South-eastern European railways.

Private and state operators have conceived their own tracking and tracing systems with the result, that there already is, and in the future will be, a multitude of systems. It would not be very sensible to start proposing one or more tracking and tracing system.

6. CONCLUSIONS FROM THE QCS AND JOINT MEETINGS

The QC have shown that all the participants are interested in improving the quality of the railway transport between Western and Southeast Europe.

In the preparation stage, before signing the contract with the World Bank, we sent the proposed scope of work to the four major operators asking them for their opinion and comments. The reaction was very positive. They communicated their support for the project, to us and to the GYSEV. The unique product of international block trains for conventional transport and container transport requires a high level of quality. Quality is closely linked with cost and cost with rates.

The particular interest of the operators lies in the fact that they have realised that quality improvement can only be done when all partners are involved. That is by means of quality circles or joint meetings.

They have further realised that a neutral moderator is needed to strictly separate between questions of quality improvement and "improvement" of commercial rates (pricing negotiations). There is only a small path between the two items that can spoil any positive initiative to improve quality.

As a result of the first QC, the operators have been impressed by the method of quality circles and have invited Vienna Consult to be a moderator at one of their meetings in Kelebia at the Hungarian-Serb border.

7. PLANS FOR THE NEXT REPORTING PERIOD (FIRST REVISION)

The plans for the next reporting period are based on the project work carried out so far. We propose the following modifications of the timeframe, using a mix of dates and calendar weeks for the reasons explained in the email report dated 9 January 2003.

	What to do?	Who? Wer macht es?	When? Wann?	Was ist zu tun?
A	Kick-off Meeting	Vienna Consult	*KW 39	Startsitzung
B	Inception Report	Vienna Consult	KW 39/40 2002	Einführungsbericht
C	Field trip at the beginning of the project	Uhl/ Velkova Windisch and/or Hendrich	KW 41 2002	Vorort Untersuchung zu Projektbeginn
D	Monitoring system	Hendrich	KW 41/42 2002	Monitoring System (Lenkung und Überwachung)
E	QC 1 - high level representatives and operators	Uhl/ Velkova Windisch Hendrich	11.11.2002	**QZ 1 – Führungskräfte und Operateure
F	QC 2 - technical and commercial dispatching	Uhl Windisch	31.01.2003	QZ 2 – Technische und kommerzielle Abfertigung
G	Tracking and tracing	Uhl Hendrich Windisch	28.02.2003	Sendungsverfolgung
H	System Report	Vienna Consult	28.02.2003	System Bericht
I	QC 3 - technical and commercial dispatching	Uhl/ Velkova Windisch	KW 12-13 2003	QZ 3 - Technische und kommerzielle Abfertigung
J	QC 4 - high-level representatives and operators, technical and commercial dispatching	Uhl/ Velkova Windisch	KW 16 oder KW 17 2003	QZ 4 - Führungskräfte und Operateure und Technische und kommerzielle Abfertigung
K	QC 5 - technical and commercial dispatching	Uhl/ Velkova Windisch	KW 21 oder KW 22 2003	QZ 5 - Technische und kommerzielle Abfertigung
L	QC 6 - technical and commercial dispatching	Uhl/ Velkova Windisch World Bank – Teilnahme/ Participation??	KW 25 oder KW 26 2003	QZ 6 - Technische und kommerzielle Abfertigung
M	System Report	Vienna Consult	KW 28 2003	System Bericht

N	QC 7 - technical and commercial dispatching	Uhl/ Velkova Windisch World Bank Teilnahme/ Participation???	KW 30 oder KW 31 2003	QZ 7 - Technische und kommerzielle Abfertigung
O	Synopsis of QC results	Vienna Consult	KW 33 2003	Zusammenfassung der QZ Ergebnisse
P	QC 8 - high-level representatives and operators, technical and commercial dispatching, finalisation	Uhl/ Velkova Windisch and/ or Hendrich	KW 35 oder 2003	QZ 8 - Führungskräfte und Operateure und Technische und kommerzielle Abfertigung, Abschlußbesprechung
Q	Final Report	Vienna Consult	KW 36/37 2003	Schlußbericht

- * KW – Kalender Woche (Calendar Week)
- ** QZ - Qualitätszirkel (Quality Circle)

7.1 Resources

No changes in respect to the January 2002 proposal.

7.2 Organisation

No changes in respect to the organisation proposed in the March 2002 proposal :



The World Bank Group



First Quality Circle - Sopron

November 11th2002

Annex 1

Vienna Consult Verkehrsberatungsgesellschaft m.b.H.

P02004/048 eng -12.11.02 - kju/v

- 
- Problems raised during the quality circle
 - Operation plan for Result 1
 - Operation plan for Result 2
 - Operation plan for Result 3



Cluster of problems 1:
Documentation
7 priority points

Cluster of problems 2:
Communication
6 priority points

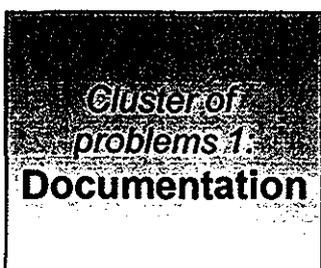
Cluster of problems 3:
**Border
Dispatching**
6 priority points

Cluster of problems 4:
Loading
4 priority points

Cluster of problems 5:
Security
3 priority points

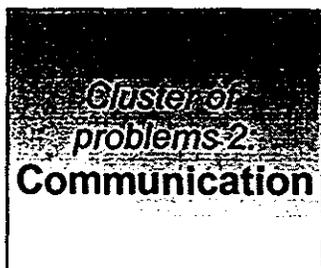
Cluster of problems 6:
Seals
5 priority points

Cluster of problems 7:
Shortage of Locs
2 priority points

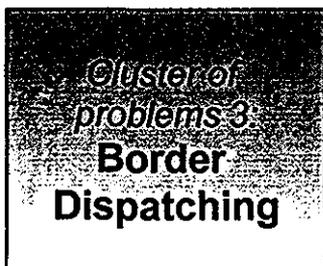


- The full set of documents is not complete.
- Sometimes documents are missing
- Insufficient and inadequate qualified personnel
- Invoice problems by re-expedition

- Incorrectly filled in CIM bill of lading
- Difficulties with copying CIM bills of lading and other documents
- Commercial dispatching is performed on both border stations
- The attached documents are not in conformity with the respective
- legislation
- There are problems with disappearing invoices
- Problems with the utilisation of axle load 'D' cause partial unloading
- of the wagons in Sopron

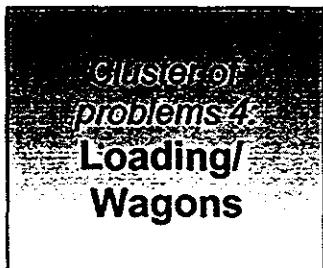


- There is a lack of communication between the
- railways and the customers
- Inadequate communication between the border
- authorities on both sides of the border
- Bad communication because of language problems
- Long-term confirmation of orders should be organised
- Lack of customer relationship services
- Lack of regular feedback what happens at the border (Monitoring)
- Preliminary information is not provided for all Border points
- Kelebia-Ljokoshaza: The Operators do not have a respective partner
- for receiving information from the customs etc.
- In case of incidents, emergency or problems there is no responsible
- authority to inform the Operators accordingly



- In order to reduce the border-stopping times a
- joint border dispatching should be performed
- Inadequate communication between the border
- authorities

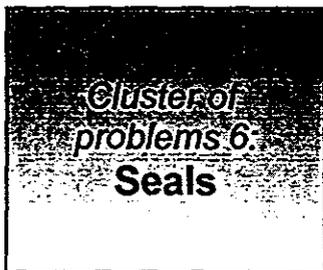
- The Operators do not receive information about train delays, shunting
- etc. from the railways
- There is a need of opening representative offices at the cross border
- points
- Harmonisation of the customs and veterinary procedures is required
- The documentation control is repeated e.g. by MAV/ JZ
- The Hungarian customs authorities perform dispatching of the transit
- container trains at Kelebia/Lökoshaza (24-48 hours dealys)



- The wagons with timber are regularly overloaded
- The brakes of the wagons need often to be
 - repaired at Sopron Terminal
- Foreign wagons to SE Europe are returned empty
 - instead of being loaded (RIV2000 as instrument ?)
- There is a need of rules to be established for the transportation of
 - timber, as it seems that the western railways are trying to save money or reduce personnel for loading safety
- No rules and regulations for the loading of open wagons transporting
 - machinery
- The technicians at the Border points should get acquainted with RIV
- The lashings of the load often loose the tension and cause the load to
 - move during transportation



- There is a need of accompanying and supervision of the trains
- in Bulgaria
- Lack of police authorities responsible for the safety of the trains
- passing through Bulgaria
- Evidence of thefts of the transit container trains passing through
- Hungary



- Seal numbers are not written in the consignment note
- Wagons coming from western Europe (in particular Germany and Austria) have no seals at all
- Seals from shippers who are private companies are not accepted by the customs unless the shipper is a nominated customs agent
- Special seals for the most often stolen goods

Result 1:The precise and correct processing of transport documents has been improved, as well as their completion with the required documents which have to be attached in conformity with the international requirements

ACTIVITY	TIMEFRAME	RESPONSIBILITY	IN CO-OPERATION WITH
1.1. Prepare a catalogue – Border crossing guide, for the customers per type of goods and per type of routes	Open due to the complexity of work	Vienna Consult as initiator	Railways and competent ministries Chambers of commerce
1.2. Install scanners in Nürnberg and Mannheim for sending preliminary information	30.08.2003	Vienna Consult, Schenker Proodos	DB Cargo

Result 2: The communication between the Operators and the railways as well as the information flow and customer relationship services have been improved

ACTIVITY	TIMEFRAME	RESPONSIBILITY	IN CO-OPERATION WITH
1.1. Open representative offices at the Border crossing points (BCP)	2002/03	Operators (Schenker, Proodos, ICF)	
1.2. Undertake train supervision in Serbia, Romania, Bulgaria and Macedonia	to be agreed after further consultation	Railog	Railways in the respective countries
1.3. Organise a joint border dispatching at the Serb - HungariarBCPs	to be agreed after further consultation	Vienna Consult	Ministry of transport in Budapest and Belgrade

Result 3: The rules and regulations for the loading of open space wagons and RIV have been established and well communicated

ACTIVITY	TIMEFRAME	RESPONSIBILITY	IN CO-OPERATION WITH
1.1. Discuss RIV regulations at the Quality circles with the technical staff from MAV; JZ; CFR; BDZ	latest April 2003 end of GTZ – project Phase 1	Vienna Consult	GySEV
1.2. Discuss the train supervision in Bulgaria with the respective authorities	latest April 2003	Vienna Consult, Schenker Proodos	BDZ Ministry of transport in Sofia



The World Bank Group



Results of the Second Quality Circle - Sopron

31 January 2003

Annex 2

Contents

- Problems raised during the quality circle
- Operation plan for Result 1
- Operation plan for Result 2
- Operation plan for Result 3

Problems raised during the QC

Cluster of problems 1.
Documentation

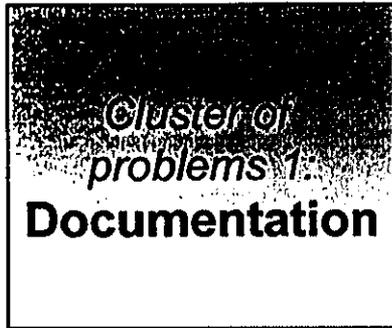
Cluster of problems 2.
Communication
Customer relations

Cluster of problems 3.
Border
Dispatching

Cluster of problems 6.
Seals

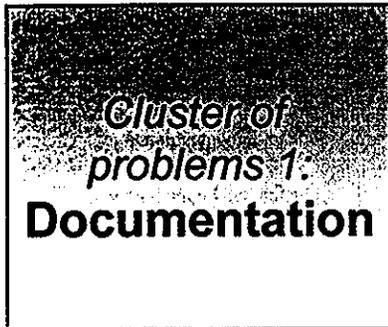
Cluster of problems 4.
Loading

Aspects raised by the participants

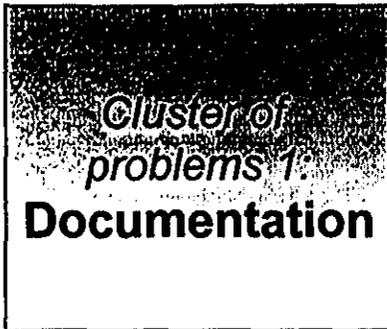


- For the outgoing trains in direction South-eastern Europe the following steps have to be performed:
 1. Collecting orders of goods coming from North-West Europe to Sopron:
 - preliminary commercial information about the wagons
 - commercial documents (consignment note, certificates etc.)
 - the wagon arrival

Aspects raised by the participants



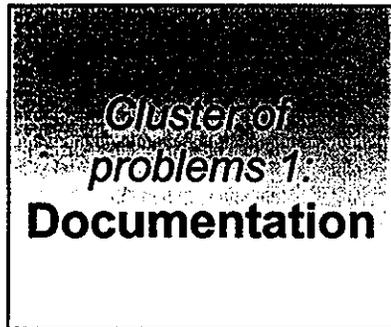
2. Forming trains on a separate track in the shunting station at Sopron in the respective direction for South-eastern Europe:
 - it takes 1-3 days depending on the traffic volume;
 - preliminary information from the operators to GYSEV is not available;
 - during waiting time a technical check of the wagons are undertaken;
 - the loading is checked according to the RIV regulations



3. Preparation for the departure of trains in direction for South-eastern Europe:

- timetabling order and order of traction to the neighbouring railways
- commercial preparations of the new consignment note (Re-expedition), customs clearance, invoice and tariff calculation
- when both procedures are successfully completed, the train is ready for departure

Aspects raised by the participants



4. Information management about the departure of trains in direction for South-eastern Europe:

- sending current train data to the operators, neighbouring railways and customers, who have applied to receive such information;
- the data are usually sent by email or fax, and internal railway system

Aspects raised by the participants

Cluster of problems 1: Documentation

5. Information management about the arrival of trains at the Hungarian-Serb border and Hungarian-Romanian border:
- sending arrival information data from the Hungarian-Serb border to the operators but not to GYSEV;
 - sending arrival information data from the Hungarian-Romanian border to GYSEV by Rail Cargo Spedition Ltd. (a subsidiary company of GYSEV).

Aspects raised by the participants

Cluster of
problems 2
**Communication
Customer
relations**

- Long-term confirmation of orders should be organised
- Lack of customer relationship services
- Lack of regular feedback what happens at the border (Monitoring)
- Lack of knowledge from the customers of the requirements for filling-in a consignment note and the importance of the correct data in the invoice for the customs clearance
- The customers are not applying the RIV regulations for loading the wagons

Aspects raised by the participants

Cluster of problems 3: **Border Dispatching**

- The process of customs clearance is in the process of changing since Hungary will join the European Union in 2004;
- Sopron will not be anymore an EU external border;
- Austrian and Hungarian border authorities are closely working together;
- 90 % of all consignments from ICF come from Hamburg, Rotterdam, Mannheim with incomplete documentation.
- The seals' data are not filled in the consignment note
- Very often the seals are missing on the wagons

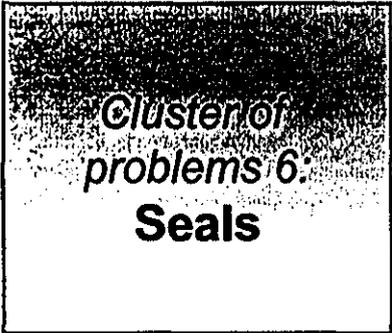
Aspects raised by the participants

Cluster of problems 4 Loading/ Wagons

Two main issues have been discussed in the quality circle: mode of loading sawn timber; and mode of loading machinery

- 75 % of the incoming consignments with sawn timber on flat wagons do not comply with the RIV regulations
- The lashings of the load are often loose and cause the load to move during transportation
- The sawn timber is not properly loaded
- The used lashings do not comply with the RIV regulations
- The loaded machinery is not correctly mounted
- The technicians at the Border points should get acquainted with RIV regulations

Aspects raised by the participants



Cluster of
problems 6:
Seals

The discussion with the commercial staff has brought the same results like in the discussions with the operators:

- Seal numbers are not written in the consignment note
- Wagons coming from Western Europe (in particular Germany and Austria) have no seals at all
- Seals from shippers who are private companies are not accepted by the customs unless the shipper is a nominated customs agent
- Special seals for the goods which are most often stolen

Operation plan to achieve Result 1

Result 1: The precise and correct processing of transport documents has been improved, as well as their completion with the required documents which have to be attached in conformity with the international requirements

ACTIVITY	TIMEFRAME	RESPONSIBILITY	IN CO-OPERATION WITH	INTERMEDIATE RESULTS
1.1. Prepare a catalogue – Border crossing guide, for the customers per type of goods and per type of routes	Open due to the complexity of work	Vienna Consult as initiator	Railways and competent ministries Chambers of commerce	Discussions and presentation at the Hungarian embassy on 14.11.2002 First discussions at GYSEV on 12.12.2002
1.2. Install scanners in Nürnberg and Mannheim for sending preliminary information	30.08.2003	Vienna Consult, Schenker Proodos	DB Cargo	Meeting in Nürnberg on 14.01.2003
1.3. Appoint contact persons at the Terminal of Sopron	Open	Proposed by Fertrans	GYSEV	
1.4. Install a scanner in Sopron (Proposal from Fertrans 17.12.02)	30.08.2003	GYSEV	Vienna Consult	Meeting on 17.01.2003
1.5. Organise the supply of five special printers for the commercial department (to be able to print the bill of lading (7 pages all together)	Open	GYSEV	^World Bank	To organise the funding with the World Bank
1.5. Organise a workshop with customers in order to improve their knowledge in RIV regulations and correct fill in of the consignment papers	30.08.2003	GYSEV	Vienna Consult	

Operation plan to achieve Result 2

Result 2: The communication between the Operators and the railways as well as the information flow and customer relationship services have been improved

ACTIVITY	TIMEFRAME	RESPONSIBILITY	IN CO-OPERATION WITH	INTERMEDIATE RESULTS
1.1. Open representative offices at the Border crossing points (BCP)	2002/03	Operators (Schenker, Proodos, ICF)		ICF plans to open a representative office in Kelebia (Hungary) in 2003. Schenker Proodos do not plan such investments (as of December 2002)
1.2. Undertake train supervision in Serbia, Romania, Bulgaria and Macedonia	to be agreed after further consultation	Raillog	Railways in the respective countries	The trains are not supervised in Macedonia only.
1.3. Organise a joint border dispatching at the Serb - Hungarian BCPs	to be agreed after further consultation	Vienna Consult	Ministry of transport in Budapest and Belgrade	
1.4. Moderate a quality circle organised by Proodos in Kelebia (Hungarian – Serb border)	30.03.2003	Proodos Schenker	Vienna Consult	

Operation plan to achieve Result 3

Result 3:The rules and regulations for the loading of open space wagons and RIV have been established and well communicated

ACTIVITY	TIMEFRAME	RESPONSIBILITY	IN CO-OPERATION WITH	INTERMEDIATE RESULTS
1.1. Discuss RIV regulations at the Quality circles with the technical staff from MAV; JZ; CFR; BDZ	latest April 2003 end of GTZ – project Phase 1	Vienna Consult	GySEV	In the process of organisation
1.2. Discuss the train supervision in Bulgaria with the respective authorities	latest April 2003	Vienna Consult, Schenker Proodos	BDZ Ministry of transport in Sofia	Meetings at the Bulgarian ministry of transport are planned for the beginning of March
1.3. Discuss the loading regulations according to RIV with the customers of the operators	30.07.2003	GYSEV	Vienna Consult	
1.4. To identify and train the customers whose wagons are most often incorrectly loaded	30.08.2003	GYSEV	Vienna Consult	

62



The World Bank Group



First Results of the Monitoring System

December 2002 - January 2003

Annex 3

Examples about the Trains operated by Proodos

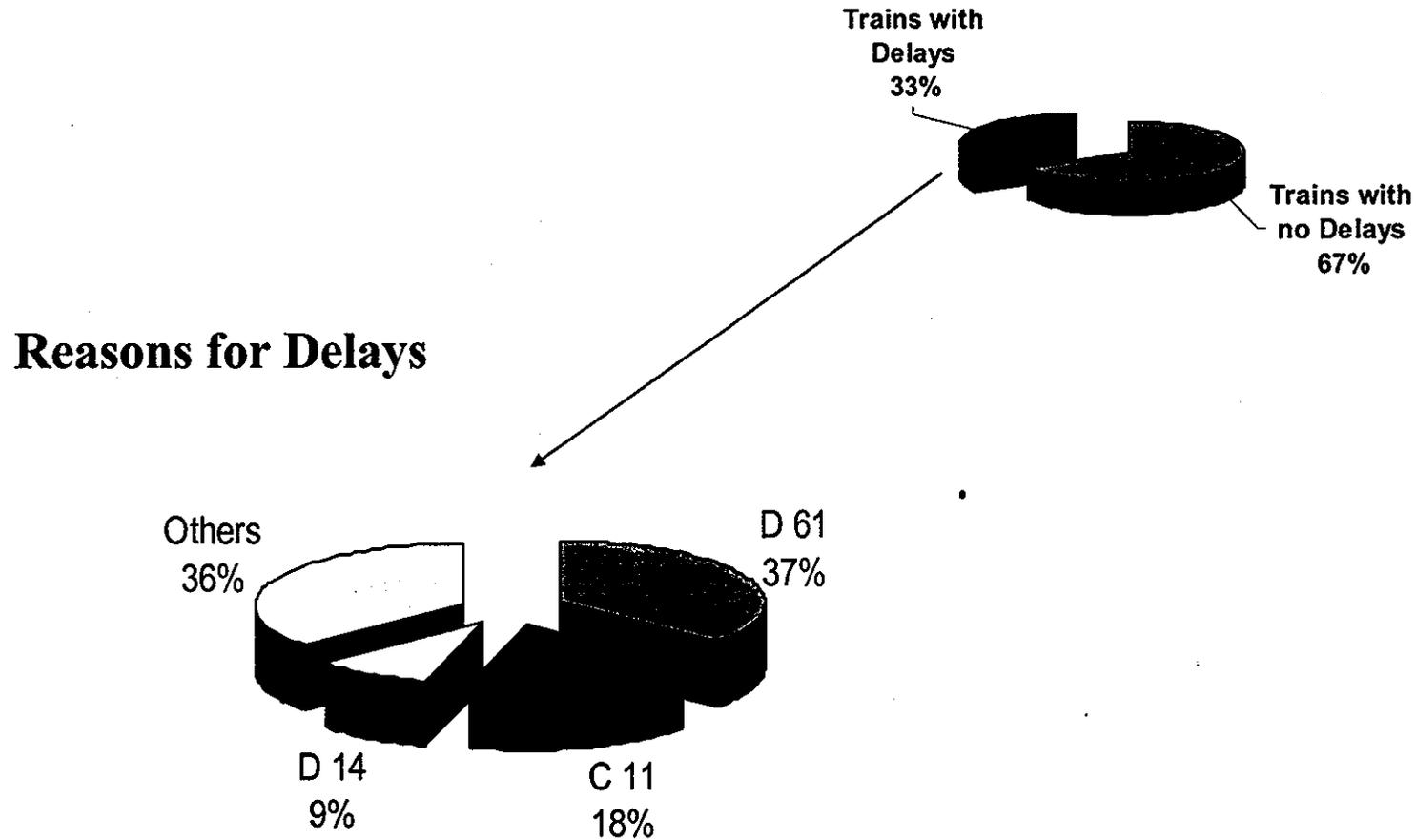
Below, you will find an example of the Monitoring evaluation sheet as it is compiled by GYSEV:

Győr Ankunftszeit /SCLL/	Győr Ankunftszeit /IST/	Fahrplanmäßig	Verspätung	Ungarische Benennung	Codierung	Benennung
2003.01.02 23:27	2003.01.02 23:04	-23				
2003.01.04 23:27	2003.01.04 22:41	-46				
2003.01.06 23:27	2003.01.06 22:12	-75				
2003.01.09 23:27	2003.01.10 00:37		70	hiányzó kocsi	D61	Fehlende Waggons / in Zugliste angeführt
2003.01.10 23:27	2003.01.11 00:44		77	vonatátvétel/vasútor	*	Bewachung/Übernahme durch Bewachungspersonal
2003.01.11 23:27	2003.01.12 02:33		186	késlett vonatgép	C11	Loktyp / Loktyp nicht nach plan
2003.01.12 23:27	2003.01.12 23:33	6				
2003.01.13 23:27	2003.01.13 23:10	-17				
2003.01.14 23:27	2003.01.15 03:13		226	hiányzó kocsik	D61	Fehlende Waggons / in Zugliste angeführt
2003.01.15 23:27	2003.01.16 01:03		96	vonatátvétel/vasútor	*	Bewachung/Übernahme durch Bewachungspersonal
2003.01.16 23:27	2003.01.17 01:29		122	hiányzó kocsizár/vasútor	*	fehlende Verschlüsse
2003.01.17 23:27	2003.01.17 23:00	-27				
2003.01.18 23:27	2003.01.18 22:18	-69				
2003.01.19 23:27	2003.01.19 23:40	13				
2003.01.20 23:27	2003.01.21 00:58		91	hiányzó kocsizár/vasútor	*	fehlende Verschlüsse
2003.01.21 23:27	2003.01.21 23:30	3				
2003.01.22 23:27	2003.01.22 23:05	-22				
2003.01.23 23:27	2003.01.23 23:13	-14				
2003.01.24 23:27	2003.01.24 23:11	-16				
2003.01.25 23:27	2003.01.25 23:12	-15				
2003.01.28 23:27	2003.01.28 23:27	0				
2003.01.30 23:27	2003.01.30 22:03	-84				

Notes on the Monitoring Evaluation sheet

- The monitoring only takes place for the outgoing international block trains either to Turkey, Romania, Bulgaria or Greece
- The evaluation sheet is written in German and Hungarian, the two working languages of GYSEV
- Translation of the columns:
 - *GyőrAnkunftszeit /SOLL/ - Gyor Arrival Time Planned (the trains are monitored as of Gyor interchange station where the trains are taken over by the Hungarian state railways (MAV))*
 - *Győr Ankunftszeit /IST - Gyor Actual Arrival Time Planned*
 - *Fahrplanmäßig -Difference between planned and actual time*
 - *Verspätung - Delay*
 - *Benennung - Remarks in Hungarian*
 - *Kodierung - Codification (as used in the Monitoring system, see Annex 4 of the Inception report)*
 - *Benennung - Remarks in German*

Diagram of the First Results



Evaluation of the First Two Months

- The graph clearly shows that more than 60 % of the trains have no delays
- Delays concentrate on three items:
 - *C 11 - Type of locomotive not according to plan.
This is to say that the right locomotive is not available which has to be used according to weight, type of wagon and length of train*
 - *D 14 - Break percentage too low.
If the train formation is not according to plan, it is sometimes necessary to carry out more than one break control since the break controls written in to the break sheet do not correspond to the values*
 - *D 61 - Wagons reported in the wagon list cannot be found in the train.
This is the most common mistake.*
 - *Others - Reasons for delay that are not codified in our monitoring system are the seals, that are lacking or the security guards that are protecting the goods with high value cause also delays.*

Final Remarks

- After two months of monitoring no statistical conclusions can be derived
- In Annexes 1 and 2 (QCs) the problems with seals and theft have already been mentioned and measures have been suggested to solve the problems
- Further actions based on the results of the Monitoring system:

In one of the next quality circles the first results of the monitoring system will be presented by GYSEV and Vienna Consult and concrete activities defined in order to diminish or minimise such delays.