**THE RAILWAYS REVITALIZATION INITIATIVE (RRI)**

**WORKSHOP FOR RAILWAY OPERATORS IN THE SADC REGION –**

**OCTOBER 9-10, 2012**

**JOHANNESBURG, SOUTH AFRICA**

**ACTION PLAN**

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| **RRI Core Element** | **Required actions/ task/ activity** | **Lead/Process** | **Resources required** | **Timeline** |
| **1.Multilateral Railway Business Agreement [MRBA]****[technical, commercial, operational]** | Draft, negotiate and sign a regional multilateral business agreement among railways. The MRBA will replace current bilateral business agreements. Its contents will include - description of the core regional railway network and definition of the regional railway corridors (IRRN), maintenance standards /levels, operating standards and procedures, through running, access, formula / principle of access / trackage charges, principles of assets sharing, joint planning and marketing and regional structure to coordinate and monitor implementation. Dispute settlement. | Lead -TMSA Consultant1. Railways forward to SARA current bilateral business agreements and submits to TMSA
2. Draft MRBA
3. Convene workshop to review draft MRBA
4. Submit to SARA EXCO
 | 1. TMSA Consultant
2. Funding workshop
 | Submit bilateral agreements – 25 OctoberPrepare draft – 15 NovWorkshop /SARA EXCO to review draft- 15 December 2012 |
| **2.Financing model for railway infrastructure-Separation of Infrastructure from Operations** | 1. Railways to create separate accounting cost/business centers where these do not exist.
2. Creation of railway infrastructure funds using approved SARA guidelines.
3. Consultations with Governments or State Owned Railways on the separation of infrastructure and operations.
4. Consultations and renegotiations with concessionaires regarding separation of infrastructure and operations and renegotiation of obligations and rights under current concession agreements.
5. Establishment of the party responsible for track maintenance and upgrade e.g. State Owned Railway Infrastructure Agency / or an Special Purpose Vehicle
6. Development of an agreement on formula and process to compute track user fees to be paid by Railway Operators to cover track and infrastructure maintenance and upgrade
7. Legislative and regulatory reform to facilitate the separation of infrastructure and operations.
8. Review SADC concessioning guidelines to take account of proposed new business models and operating philosophy.
 | 1. SARA to lead research and investigation into outstanding issues
2. SARA to submit ToRs to TMSA through SADC Secretariat on the creation of railway funds.
3. Lead -Each government and railway (SOE and Concessionaire) to initiate reviews and legislative/ regulatory reforms.
4. Workshop to review and approve proposed framework and guidelines on separation of infrastructure and operations.
5. Workshop to adopt revised SARA concessioning guidelines.
 | SARA with support from a Consultant | By Oct 2012 SARA to provide background information for inputs. SARA to consolidate and package by Dec 2012 and submitted to SADC/Tripartite.  |
| **3.Open Access Rules** | 1. Identify concerns on open access.
2. Identify and evaluate open access models and develop a framework / guidelines for the region.
3. Establish the rules covering open access to qualified operators
4. Establish Regional Railway Regulator to license qualified operators
	1. use of all designated intraregional main lines for both freight and passenger trains
	2. Set appropriate track usage fees
5. Facilitate the application of the “Operator pay principle” through track usage feesto the party responsible for track upgrade and maintenance
	1. These fees to be used to establish railway track maintenance and upgrade funds
6. Development of Open access rules
 | 1. Present cost benefit analysis and the case for Open Access
2. Prepare draft open access framework and agreement and draft MoUs between participating railways
3. Review workshop for validation and adoption/approval –SARA/Tripartite
4. Policy, legal and regulatory reforms where necessary.
 | 1. Consultant and working group.
2. SARA and SADC to develop ToRs and submit to TMSA and SATH
 | November 2012- March 2013 |
| **4.Determination of Track Usage Fees and review SARA guidelines on railway costing** | 1. Develop formula for computing track usage / access fees
2. Review SARA guidelines on railway costing and adopt a common business approach to pricing
 | 1. SARA /SADC to develop ToRs and submit to TMSA
2. Develop formula to computing track usage fees
3. Review SARA guidelines on railway costing and adopt a common business approach to pricing
4. Review workshop to adopt of formula and costing model
 | Lead –SARA with support from a TMSA Consultant | October-December 2012 |
| **5.Equipment Provision, sharing, leasing** | 1. Create database of railway assets owned by railways and availability of such for leasing.
2. Examine options of developing a framework for sharing / pooling equipment owned by railway operators
3. Profile existing equipment leasing companies and their assets in the region.
4. Develop agreed guidelines of equipment hiring / leasing between railways.
 | 1. Review SARA technical and safety standards
2. Develop agreed guidelines of equipment hiring / leasing (standards, procedures, fees, dispute resolution)
3. Present concept and guidelines at workshop for review, validate and approval
 | 1. SARA to develop ToRs and create working group
2. Consultant to peer review SARA draft
 | By end November 2012 |
| **6.Public Service Obligation** | Review PSO policy and practice  | 1. Investigate how to carry out PSO. Distinguish between metro and long distance passenger services.
2. Conduct cost benefit analysis for providing passenger services
3. Develop a strategy on how to sell concept to govt and lobby govts to guarantee cost recovery measures.
 | 1. SARA with support from Consultant.
2. SARA to develop ToRs and submit to SADC
 | March 2013 |
| **7. Strengthening SARA Secretariat capacity** | Enhance the capacity of SARA Secretariat to carry out its mandate and facilitate the implementation of RRI activities. | 1. Conduct capacity needs analysis and propose recommendations
2. Consultations SARA, SADC and ICPs on how needs can be addressed
3. Develop implementation plan.
 | SARA and SADC Secretariats with support from ICPs. | By March 2013 |
| **8.Communication Strategy** | Develop a common strategy to lobby policy makers to adopt and implement RRI and to counteract negative perceptions about railways. | 1. Propose communication strategy
2. Present strategy at SARA/SADC workshop to validate and approve
3. Develop implementation plan
 | SADC and SARA Secretariats | March 2013 |
| **9. Information and Knowledge sharing** | To document and share initiatives that railways have introduced to improve efficiencies, profitability and competitiveness (success stories). | 1. Each railway to send information to SADC through SARA.
2. SADC to package, disseminate information and success stories to other stakeholders through various media.
 | SARA and SADC Secretariats | By December 2012 |

NB. Workshops would need to be consolidated where possible.