

## IPA National Programme 2011 – Bosnia and Herzegovina

### 1. Identification

<b>Project Title</b>	Modernization and Development of Transport Infrastructure on the South East Europe Transport Observatory (SEETO) Comprehensive Network in BiH
<b>CRIS Decision number</b>	
<b>Project no.</b>	7
<b>MIPD Sector Code</b>	4. Transport
<b>ELARG Statistical code</b>	03.21 European standards / Trans-European Networks
<b>DAC Sector code</b>	21020 Road transport
<b>Total cost (VAT excluded)<sup>1</sup></b>	EUR 16 500 000
<b>EU contribution</b>	EUR 14 000 000
<b>Management mode</b>	Component I and II: centralised  Component III: EIB through joint management with the European Commission  Component IV: EBRD through joint management with the European Commission
<b>EU Delegation in charge</b>	Delegation of the European Union to Bosnia and Herzegovina
<b>Implementation management</b>	Delegation of the European Union to Bosnia and Herzegovina
<b>Implementing modality</b>	Stand alone project
<b>Project implementation type</b>	C01
<b>Zone benefiting from the action(s)</b>	Bosnia and Herzegovina

### 2. Overall Objective and Project Purpose

#### 2.1 Overall Objective

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<sup>1</sup> The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

The objective of this project is to improve economical and social development in Bosnia and Herzegovina (BiH) through an improvement of the transport infrastructure in line with the SEE Comprehensive Transport Network and the creation of a functioning infrastructure regulatory framework for all transport sub-sectors.

## **2.2 Project purpose**

Outstanding South East Europe (SEE) Comprehensive Transport Network projects prepared and transport investment priorities within the context of sub-sector strategies identified.

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

The project is linked to the requirements of the Stabilisation and Association Agreement (SAA) and the Interim Agreement (IA). “The Action Plan of Bosnia and Herzegovina for the Implementation of the Terms of the IA and the SAA” (adopted at CoM on 29 July 2008) in point 106 reads:

*“Co-operation may notably aim at restructuring and modernising the transport modes in BiH ... supporting the development of multi-modal infrastructures in connection with the main Trans European Networks (TEN), notably to reinforce regional links in South-East Europe in line with the Memorandum of Understanding (MoU) on the development of the comprehensive regional transport network ... and improving protection of environment in transport.”*

## **2.4 Link with MIPD**

The project is linked to the following MIPD 2011-2013 transport sector objectives and indicators:

Objectives:

*“Develop a strategic framework for the transport sector at State and Entity level...Improve the transport infrastructure, in line with the South East Europe Comprehensive Regional Transport Network”*

Indicators:

- *“A country transport strategy and action plan developed and adopted; ...*
- *...A project pipeline for investments in transport infrastructure prepared.”*

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

BiH has prepared a Country Development Strategy (CDS) and a social inclusion strategy which will serve as basis for the national development plan. Both strategies and the related action plans remain to be adopted by the Council of Ministers. The proposed goals and priorities for the CDS are strengthened macroeconomic stability, sustainable development, competitiveness, employment, EU integration and social inclusion.

The projects are linked to the strategic goal *Sustainable Development* and to the sub-goal *Transport and Communications*. To build and develop a transport system in accordance with the relevant strategic documents is one of measures defined in the CDS. In addition, specific measures within the transport priorities emphasize the need to reconstruct and improve the existing transport infrastructure especially for the SEETO priority sections.

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

- The Transport Master Plan for Bosnia and Herzegovina envisages the reconstruction and development of the SEE Comprehensive Transport Network
- SEETO Transport Comprehensive Network priorities
- Trans European Motorways (TEM) Master Plan (TEM priorities)

## **3. Description of project**

### **3.1 Background and justification**

The total length of the road network in BiH is about 22.600 km, comprising 37 km motorways, 3.800 km main roads (of which almost 1.000 km “European roads”), 4.800 km regional roads and 14.000 km local roads. There is no national road network categorised and in each Entity the motorways, main road and regional roads are managed by the motorways public company and roads public company, respectively. At a lower level, local roads are managed by administrative units established within Cantons (Federation of BiH (FBiH)) and municipalities (Republika Srpska (RS)).

The Memorandum of Understanding (MoU) on the development of the South East Europe Core Regional Transport Network promotes the cooperation between the European Union and the Western Balkan countries on the development of the main and secondary infrastructure on the multimodal South East Europe Comprehensive Regional Transport Network.

The multimodal Comprehensive Transport Network in BiH relates to two Pan-European Corridors: the branch Vc Budapest-Sarajevo-Ploce of the Corridor V, and its extension to Banja Luka and the part of the Corridor VII corresponding to the Sava river.

Corridor V, linking Kiev in Ukraine to the Adriatic Sea via Lvov and Budapest (Hungary), was one of the ten trans-European transport corridors identified as routes in Central and Eastern Europe that required priority investment. One of its three branches, the Vc corridor follows the European route E73 from Budapest to Ploce (Croatia) via Osijek (Croatia) and Sarajevo.

BiH contains the longest section of the Vc branch. With a total length of approximately 340 km, the driving force behind the construction of the Corridor Vc motorway is to improve BiH's connectivity with its neighbouring countries and to enhance its potential for economic development. The project has strong support from the government and is expected to enable BiH to integrate better with the European economic and social structure.

This Transport infrastructure fiche consists of the following four components:

- Component I** Preparing general and sub-sector strategies for transport and Action plans for transport and its sub-sectors.
- Component II** Preparing Road Safety Strategy and Action Plan.
- Component III** Preparing Main Design and investment support for the section of Motorway on Corridor Vc: section Zenica-Doboj in length of 58,4 km (in cooperation with with European Investment Bank – EIB).
- Component IV** Completing preliminary design, updating feasibility study and preparing main design for the E- road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate bridge (BiH and Montenegro (MNE)) and studies concerning the improvement of the E-road from Sarajevo to Foca (in cooperation with the European Bank for Reconstruction and Development - EBRD).

Evaluation, technical and financial checks of actions will be ensured through standard provisions of the joint action agreements with the financial institutions.

### **Component I: General and sub-sector strategies for transport and Action plans for transport and its sub-sectors prepared**

There is no transport strategy and action plan for the transport sector in BiH. The Transport Master Plan (prepared by the Japanese International Cooperation Agency in 2001) and the SEETO Five Year Multi Annual Plan, which is a rolling plan updated every year, are basic documents defining priorities in BiH's transport sector. The BiH transport sector needs a comprehensive transport strategy and an action plan to address transport issues within each Entity, between Entities and between the country and its European neighbours. The transport strategy should contribute to an efficient economic structure of the country, strengthen trade relations with neighbours and other areas of Europe, and provide a base for market oriented transport activities. Preparing general and sub-sector strategies for transport and action plans for transport and its subsectors will help BiH in the process of European Integration and in the preparation for eventual subsequent EU support (Regional Development).

### **Component II: Road Safety Strategy and Action Plan**

The lack of a Road Safety Strategy and an Action Plan is one of the reasons for the large number of fatal road accidents. There is no active body at the State-level responsible for Road Safety (Council, Agency or Committee for Road Safety) which could coordinate between various entities, public or private institutions.

A Regional Road Safety Strategy (RRSS) was produced with support of the EC through the project: "Support for Implementing Measures for South East Europe Comprehensive Regional Transport Network Multi Annual Plan (MAP) 2008-2012". The project provided some important instruments such as Road Safety Management (usage of road safety tools such as: Road Safety Impact Assessment, Road Safety Audit/Road Safety Inspection, High Risk Road Section -Black Spot- Management, Network Safety Management, Accident Cost Calculation and Cost-Benefit Analysis). Road Safety Impact Assessment and Road Safety Audit/Road Safety Inspection are included in BiH regulations as first step of importance and awareness of safety in road transport. The BiH Road Safety Strategy should be in accordance with the Regional Road Safety Strategy.

### **Component III: Main Design and investment support for the section of Motorway on Corridor Vc: section Zenica-Doboj in length of 58,4 km**

In December 2006 a feasibility study establishing a motorway on the entire Corridor Vc was completed. It included the whole motorway from the northern border with Croatia to Doboj, Zenica, Sarajevo, Mostar and the southern Croatian border. The feasibility study demonstrated that the motorway was economically justified.

The section between Sarajevo and Kakanj (37 km) was completed and put in function. Sections under constructions in length of 31 km are Zenica (Drivusa) – Kakanj and Josanica – Butila – Vlakovo. It is expected that three motorway sections: Vlakovo – Tarcin (18.9 km), Svilaj – Odzak (northern Croatian border) (8.9 km) and Pocitelj – Bijaca (southern Croatian border) (21.4 km) will be completed by the end of 2013. Section Pocitelj – Bijaca will be linked to the Adriatic-Ionian motorway. The Main design for the two sections: Vukosavlje – Doboj (48 km) and Mostar – Pocitelj (37,2 km) will be completed by the end of 2011. The preparation of the Main Design for the construction of section Tarcin – Konjic (25 km) is about to start.

For two sections on the motorway on the Corridor Vc the Main design remains to be developed. These sections are Doboj – Zenica (58,4 km) and Konjic – Mostar (46,2 km). The first section will be financed through the present IPA 2011 project. The other section is proposed to be covered by IPA 2012.

**Component IV: Preliminary Design, updating of feasibility study and main design for E-road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate bridge (Bosnia and Herzegovina and Montenegro) and studies concerning Improvement of E-road from Sarajevo to Foca (Brod na Drini)**

The road from Brod na Drini (Foca) to Hum and into Montenegro (Scepan Polje - Pluzine) provides a direct connection between BiH and MNE and is the shortest route from Albania via MNE and BiH to Central Europe via Corridor Vc. The road is on the SEETO Comprehensive Road Network for the region and is designated an E route (E762). The improved road from Sarajevo to Hum (MNE border) would facilitate improved regional integration in South-East Europe and would reduce the transport distance on the route between Albania and Central Europe that passes through MNE and BiH on Corridor Vc.

At the Transport Ministerial Conference which took place on 1 December 2010 in Sarajevo, Ministers from MNE, Albania and BiH signed a MoU about reconstruction and modernisation of the route Sarajevo – Podgorica – Tirana (SEETO route 2b). The Section Foca – Hum – Scepan Polje is a joint project between BiH and MNE (the Feasibility Study is funded by the EU). It consists of three sections. The first section is between Brod na Drini and Hum (border check point in BiH), the second section is between border check points in Hum (BiH) and Scepan polje (MNE) and includes a bridge over the Tara river, and the third section is between Scepan polje and Pluzine in MNE. The Feasibility Study is expected to be completed in 2011.

The preparation of the preliminary and main design for the E- road from Brod na Drini (Foca) to Hum/Scepan Polje) including the interstate (BiH and MNE ) bridge and studies concerning the improvement of the E-road from Sarajevo to Foca is the next necessary step in the realisation of an important road connection in the region.

**3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact**

Improvement of transport infrastructure in the road sector would contribute to better connection in the South East Europe Region. The development of transport infrastructure would generate economic benefits through the reduction of transport costs, expansion of internal and foreign trade, increase of revenue by providing transit services, attracting foreign investments, providing opportunities for creating new business and economical development.

BiH, together with its Entities, Cantons (FBiH), and municipalities has in place the administrative structures for construction, management, maintenance and exploitation of transport infrastructure. There is regular revenue collected on a regular and transparent basis from access fees and taxes on vehicles and fuel. Motorways are tolled.

**3.3 Results and measurable indicators**

Results and measurable indicators in relation with Component I:

- R.1.1.** Transport Strategy drafted
- R.1.2.** Action plan for the transport sector drafted
- R.1.3.** Strategies per sectors drafted (road, railways, civil aviation, waterway transport and intermodal transport)

**R.1.4.** Action plans per transport sub-sectors drafted (road, railways, civil aviation, waterway transport and intermodal transport)

*Indicators:*

- Draft Transport Strategy document completed and introduced for adoption procedure not later than 12 months after start of project;
- Draft Action plan document in transport sector completed and introduced for adoption procedure not later than 12 months after start of project;
- Draft Strategy documents per sectors completed (road, railways, civil aviation, waterway transport and intermodal transport) and introduced for adoption procedure not later than 15 months after start of project;
- Draft Action plan documents per transport sub-sectors completed and introduced for adoption procedure not later than 15 months after start of project;

Results and measurable indicators in relation with Component II:

**R.2.1.** Road Safety Strategy drafted

**R.2.2.** Road Safety Action Plan drafted

*Indicators:*

- Draft Road Safety Strategy completed and introduced for adoption procedure not later than 12 months after start of project;
- Draft Road Safety Action Plan completed and introduced for adoption procedure not later than 12 months after start of project.

Results and measurable indicators in relation with Component III:

**R.3.1:** Main Design prepared

**R.3.2:** Main Design revised

**R.3.3:** Tender of dossier for works ready for launch

*Indicators:*

- Main Design for section on the Corridor Vc completed, not later than 18 months after start of project;
- Revision of the Main Design completed, not later than 21 months after start of project;
- Tender dossier for works completed and approved for publishing not later than 24 months after start of project.

**Results and measurable indicators in relation with Component IV:**

**R.4.1.** Preliminary design of E- road from Brod na Drini (Foca) to Hum/ (Scepan Polje) prepared

**R.4.2.** Main Design of E- road from Brod na Drini (Foca) to Hum/ (Scepan Polje) prepared

**R.4.3.** Main Design of E- road from Brod na Drini (Foca) to Hum/ (Scepan Polje) revised

**R.4.4.** Tender dossier for works of E- road from Brod na Drini (Foca) to Hum/ (Scepan Polje), ready for launch

**R.4.5.** Updating of Feasibility Study for the section Brod na Drini (Foca) to Hum/ (Scepan Polje) completed

**R.4.6.** Technical study for improvement of E-road from Sarajevo – Foca prepared

**R.4.7.** Traffic Study for improvement of E-road from Sarajevo – Foca prepared

**R.4.8.** Multi-criteria analysis for improvement of E-road from Sarajevo – Foca prepared

**R.4.9.** Preliminary Environment Impact Assessment for improvement of E-road from Sarajevo – Foca, prepared

**R.4.10.** Pre-feasibility study for improvement of E-road from Sarajevo – Foca prepared

**R.4.11.** Preliminary socio-economic impact assessment for improvement of E-road from Sarajevo – Foca, prepared.

*Indicators:*

- Preliminary Design for section on the E-road from Brod na Drini (Foca) to Hum (Scepan Polje), not later than 15 months after start of project;
- Main Design for section on the E-road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 18 months after start of project;
- Revision of the Main Design for section on the E-road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 21 months after start of project;
- Tender of dossier for works for section on the E-road from Brod na Drini (Foca) to Hum (Scepan Polje) completed and approved for publishing, not later than 24 months after start of project
- Updating of Feasibility study for section on the E-road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 21 months after start of project;
- Technical study for improvement of E-road from Sarajevo-Foca completed, not later than 18 months after start of project;
- Traffic Study for improvement of E-road from Sarajevo – Foca completed, not later than 18 months after start of project;
- Multi-criteria analysis for improvement of E-road from Sarajevo-Foca completed, not later than 18 months after start of project;
- Preliminary Environment Impact Assessment for improvement of E-road from Sarajevo-Foca completed, not later than 18 months after start of project;
- Pre-feasibility study for improvement of E-road from Sarajevo-Foca completed, not later than 21 months after start of project;
- Preliminary socio-economic impact assessment for improvement of E-road from Sarajevo-Foca completed, not later than 18 month after start of project.

### **3.4 Activities**

#### **Activities under Component I (Service contract):**

**A.1.1.** Prepare general transport strategy

**A.1.2.** Prepare Action plan in transport sector

**A.1.3.** Prepare strategies per sectors (TEN-T, roads, railways, civil aviation, waterway transport and intermodal transport)

**A.1.4.** Prepare action plans per transport sub-sectors

#### **Activities under Component II (Service contract):**

**A.2.1.** Prepare Road Safety Strategy

**A.2.2.** Prepare Road Safety Action Plan

#### **Activities under Component III (Contribution agreement with EIB):**

**A.3.1** Prepare Main Design

**A.3.2** Revise Main Design

**A.3.3** Prepare tender dossier for works

#### **Activities under Component IV (Contribution agreement with EBRD):**

**A.4.1** Complete preliminary design for the E-road section from Brod na Drini (Foca) to Hum (Scepan Polje)

- A.4.2 Prepare Main Design for the E-road section from Brod na Drini (Foca) to Hum (Scepan Polje)
- A.4.3 Revise Main Design for the E-road section from Brod na Drini (Foca) to Hum (Scepan Polje)
- A.4.4 Prepare of tender dossier for works for the E-road section from Brod na Drini (Foca) to Hum (Scepan Polje)
- A.4.5 Update Feasibility Study for the E-road section from Brod na Drini (Foca) to Hum (Scepan Polje)
- A.4.6 Prepare Technical study for improvement of the E-road from Sarajevo – Foca
- A.4.7 Prepare Traffic Study for improvement of the E-road from Sarajevo – Foca
- A.4.8 Prepare Multi-criteria analysis for improvement of the E-road from Sarajevo – Foca
- A.4.9 Prepare Preliminary Environment Impact Assessment for improvement of the E-road from Sarajevo – Foca
- A.4.10 Prepare Pre-feasibility study for improvement of the E-road from Sarajevo – Foca
- A.4.11 Prepare Preliminary socio-economic impact assessment for improvement of the E-road from Sarajevo – Foca

### **3.5 Conditionality and sequencing**

Cooperation and support from the relevant authorities and beneficiaries is of utmost importance for the successful implementation of the project. The continuous engagement and full cooperation of IFIs is another critical success factor as well as coordination with all relevant stakeholders.

### **3.6 Linked activities**

The Ministry of Communications and Transport (MCT) runs activities for preparing the project documentation for the highway on corridor Vc. The study-project documentation was prepared for all sections on the road Corridor Vc. The preparation of the Main Design for around 150 km is completed. The FBiH Road Directorate and the FBiH Motorway Directorate completed 37 km of motorway until now.

In the framework of IPA 2009 crisis package, three infrastructure projects were approved as follow:

- Construction of Mahovljani motorway exchange
- Overhaul of the railway section Sarajevo – Bradina
- Rehabilitation of safety-signalling systems on Samac – Doboje railway section.

MCT is closely involved in preparing the Project-Study documentation for the rehabilitation of the road Foca-Hum in the framework of the Infrastructure Project Facility (IPF).

### **3.7 Lessons learned**

Since 1996 many rehabilitation and reconstruction programs were implemented in all sectors of transport in BiH. Their realisation has been supported by the IFIs (WB, EIB, EBRD), the European Union and bilateral donors. The implementation was conducted by local agencies supported by international consultants. All these activities contributed to the competence and reliability of local agencies to continue implementing new projects. The amount of the spent funding is around EUR 500 mio. All projects were evaluated in relation to project success.

A key lesson learnt was to fund only those projects that are ready for implementation in terms of available designs / specifications, permits and land ownership issues.



One of the key issues is always provision of funding for preparatory activities like provision of studies and designs, which require substantial funds and substantial timeframe for preparation, which are considered an ultimate precondition for loan negotiation with international financial institutions.

#### 4. Indicative Budget

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Component 1			1 000 000	1 000 000	100							
Contract 1.1	–	x	1 000 000	1 000 000	100							–
Component 2			500 000	500 000	100							
Contract 2.1	–	x	500 000	500 000	100							–
Component 3			12 000 000	10 000 000	83.3 3	2 000 000	16.6 7			2 000 000		
Contract 3.1 (contribution agr. with EIB)	–	x	12 000 000	10 000 000	83.3 3	2 000 000	16.6 7			2 000 000		–
Component 4			3 000 000	2 500 000	83.3 3	500 000	16.6 7			500 000		
Contract 4.1 (contribution agr. with EBRD)	–	x	3 000 000	2 500 000	83.3 3	500 000	16.6 7			500 000		–
TOTAL IB												
TOTAL INV			16 500 000	14 000 000	85	2 500 000	15			2 500 000		
<b>TOTAL PROJECT</b>			16 500 000	14 000 000	85	2 500 000	15			2 500 000		

Amounts net of VAT

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1: Supply of services	Q2 2012	Q1 2013	4 <sup>th</sup> quarter of 2013
Contract 2: Supply of services	Q2 2012	Q1 2013	4 <sup>th</sup> quarter of 2013
Contract 3: Contribution agreement with EIB		Q2 2012	4 <sup>th</sup> quarter of 2013
Contract 4: Contribution agreement with EBRD		Q2 2012	4 <sup>th</sup> quarter of 2013

## **6. Cross cutting issues**

### **6.1 Equal Opportunity**

No discrimination of whatever nature will be applied. The principle of non-discrimination regarding nationality, gender, religion and race will be applied during tendering, contracting and implementation of this project and parties of the project will have equal opportunities.

### **6.2 Environment**

The construction legislation in BiH requires mandatory provision of the Preliminary Environment Impact Assessment (PEIA) as a part of initial studies at the conceptual design stage. These studies have been developed for Components III, Brod na Drini - Scepan Polje, and IV.

Provision of the PEIA is foreseen on the section Sarajevo-Foca, where provision of conceptual design is subject to the activities foreseen in this Fiche.

Provision of Environment Impact Assessment is mandatory in legal terms in the stage of preparation of the Preliminary Design.

The environmental impacts associated with the project are mainly related to air pollution resulting from traffic, changes in land use and traffic noise.

Some properties and houses need to be demolished. This will be treated under the Land Acquisition and Resettlement Plan (LARP).

The project provides an opportunity to improve regional transportation, decrease levels of accidents, reduce traffic congestion, air emissions and noise levels in the locality.

### **6.3 Minorities**

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin religion or belief, disability sex or sexual orientation.

## **ANNEXES**

- I Log frame in Standard Format
- II Amounts contracted and Disbursed per Quarter over the full duration of Programme
- III Description of Institutional Framework
- IV Reference to laws, regulations and strategic documents
- V Details per EU funded contract (\*) where applicable

## ANNEX I: Logical framework matrix

<b>LOGFRAME PLANNING MATRIX</b>		<b>IPA National Programme 2011 – Bosnia and Herzegovina Fiche 7 "Transport Development"</b>		
		Contracting period expires: Three years following the date of the conclusion of the Financing Agreement		Disbursement period expires: One year following the end date for the execution of contracts
CRIS Number:		Total budget : EUR 16 500 000	IPA budget: EUR 14 000 000	
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>		
Improving economical and social development in BiH through improvement of transport infrastructure in BiH in line with SEE Comprehensive Transport Network and creation a functioning infrastructure regulatory framework for all transport sub-sectors.	Increasing of citizen standards expressed in GDP Increasing of transport volume	Reports of Statistics Institute and relevant Ministries		
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>		<b>Assumptions</b>
Outstanding SEE Comprehensive Transport Network projects prepared and transport investment priorities within the context of sub-sector strategies identified.	-Loans and grants approved -Increase of safety, level of services, number of passengers and transported goods on the road network in Bosnia and Herzegovina -Reduced travel time	-Financial agreements with IFIs signed -EU Annual Progress Report -Reports of relevant Institutions		Continued State support to transport sector  Prepared project documentations
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>		<b>Assumptions</b>
<b>R1: General and sub-sector strategies for transport and Action plans for transport and its sub-sectors prepared</b>	Indicators:			Financial obligation to Financial Agreement are realised on time
R.1.1 Transport Strategy drafted	- Draft Transport Strategy	-Documentation collected		

<p>R.1.2 Action plan for the transport sector drafted</p> <p>R.1.3 Strategies per sectors drafted (road, railways, civil aviation, waterway transport and intermodal transport)</p> <p>R.1.4 Action plans per transport sub-sectors drafted (road, railways, civil aviation, waterway transport and intermodal transport)</p> <p><b>R2: Road Safety Strategy and Action Plan prepared</b></p> <p>R.2.1 Road Safety Strategy drafted</p> <p>R.2.2 Road Safety Action Plan drafted</p> <p><b>R.3: Main Design for the section of Motorway on Corridor Vc prepared: section Zenica-Doboj in length of 58,4</b></p>	<p>document completed and introduced for adoption procedure not later than 12 months after start of project;</p> <ul style="list-style-type: none"> <li>- Draft Action plan document in transport sector completed and introduced for adoption procedure not later than 12 months after start of project;</li> <li>- Draft Strategy documents per sectors completed (road, railways, civil aviation, waterway transport and intermodal transport) and introduced for adoption procedure not later than 15 months after start of project;</li> <li>- Draft Action plan documents per transport sub-sectors completed and introduced for adoption procedure not later than 15 months after start of project;</li> </ul> <p>Indicators:</p> <ul style="list-style-type: none"> <li>- Draft Road Safety Strategy completed and introduced for adoption procedure not later than 12 months after start of project;</li> <li>- Draft Road Safety Action Plan completed and introduced for adoption procedure not later than 12 months after start of project.</li> </ul> <p>Indicators:</p>	<p>-Quarterly and Final Progress Reports</p>	
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<p><b>km</b></p>			
<p>R.3.1 Main Design prepared</p>	<ul style="list-style-type: none"> <li>- Main Design for section on the Corridor Vc completed, not later than 18 months after start of project;</li> </ul>		
<p>R.3.2 Main Design revised</p>	<ul style="list-style-type: none"> <li>- Revision of the Main Design completed, not later than 21 months after start of project;</li> </ul>		
<p>R.3.3 Tender of dossier for works ready for launch</p>	<ul style="list-style-type: none"> <li>- Tender dossier for works completed and approved for publishing not later than 24 months after start of project.</li> </ul>		
<p><b>R.4: Preliminary and Main Design of E- road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate (Bosnia and Herzegovina and Montenegro) bridge and Study Documentations for Improvement of E-road from Sarajevo to Foca prepared</b></p>	<p>Indicators:</p>		
<p><b>R.4.1.</b> Preliminary design of E-road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate (Bosnia and Herzegovina and Montenegro) bridge prepared</p>	<ul style="list-style-type: none"> <li>- Preliminary Design for section on the E- road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 15 months after start of project;</li> </ul>		
<p><b>R.4.2.</b> Main Design for Brod na Drini (Foca) to Hum (Scepan Polje) section prepared</p>	<ul style="list-style-type: none"> <li>- Main Design for section on the E-road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 18 months after start of project;</li> </ul>		
<p><b>R.4.3.</b> Main Design for Brod na Drini (Foca) to Hum (Scepan Polje) section revised</p>	<ul style="list-style-type: none"> <li>- Revision of the Main Design for section on the E- road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 21</li> </ul>		

<p><b>R.4.4.</b> Tender of dossier for works for Brod na Drini (Foca) to Hum (Scepan Polje) section ready for launch</p> <p><b>R.4.5.</b> Updating of Feasibility Study for the section Brod na Drini (Foca) to Hum (Scepan Polje) completed</p> <p><b>R.4.6.</b> Technical study for improvement of E-road from Sarajevo – Foca prepared</p> <p><b>R.4.7.</b> Traffic Study for improvement of E-road from Sarajevo – Foca prepared</p> <p><b>R.4.8.</b> Multi-criteria analysis for improvement of E-road from Sarajevo – Foca prepared</p> <p><b>R.4.9.</b> Preliminary Environment Impact Assessment for improvement of E-road from Sarajevo – Foca prepared</p> <p><b>R.4.10.</b> Pre-feasibility study for improvement of E-road from Sarajevo – Foca prepared</p>	<p>months after start of project;</p> <ul style="list-style-type: none"> <li>- Tender of dossier for works for section on the E- road from Brod na Drini (Foca) to Hum (Scepan Polje) completed and approved for publishing, not later than 24 months after start of project</li> <li>- Updating of Feasibility study for section on the E- road from Brod na Drini (Foca) to Hum (Scepan Polje) completed, not later than 21 months after start of project;</li> <li>- Technical study for improvement of E-road from Sarajevo-Foca completed, not later than 18 months after start of project;</li> <li>- Traffic Study for improvement of E-road from Sarajevo – Foca completed, not later than 18 months after start of project;</li> <li>- Multi-criteria analysis for improvement of E-road from Sarajevo-Foca completed, not later than 18 months after start of project;</li> <li>- Preliminary Environment Impact Assessment for improvement of E-road from Sarajevo-Foca completed, not later than 18 months after start of project;</li> <li>- Pre-feasibility study for improvement of E-road from Sarajevo-Foca completed, not later than 21 months after start of project;</li> </ul>		
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<p><b>R.4.11.</b> Preliminary socio-economic impact assessment of E-road from Sarajevo – Foca prepared.</p>	<ul style="list-style-type: none"> <li>- Socio-economic assessment for improvement of E-road from Sarajevo-Foca completed, not later than 18 month after start of project.</li> <li>- Preliminary socio-economic impact assessment for improvement of E-road from Sarajevo-Foca completed, not later than 18 month after start of project.</li> </ul>		
<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions</b>
<p><b>A1: Preparing of strategies and Action plans for transport and its subsectors</b></p> <p>A.1.1 Preparing of general Transport Strategy</p> <p>A.1.2 Preparing of Action plan in transport sector</p> <p>A.1.3 Preparing of strategies for transport sub-sectors (TEN-T, roads, railways, civil aviation, waterway transport and intermodal transport)</p> <p>A.1.4 Preparing action plans for transport subsectors</p> <p><b>A2: Preparing of Road Safety Strategy and Action Plan</b></p> <p>A.2.1 Preparing of Road Safety Strategy</p> <p>A.2.2 Preparing of Road Safety</p>	<p>1.Signed contract with consultant who will prepare strategies and Action plans for transport and its subsectors</p> <p>2.Signed contract with consultant who will prepare Road Safety Strategy and Action Plan</p>	<p>Strategic, Institutional and Regulatory Framework 1: IPA fund : EUR 1 000 000</p> <p>Strategic, Institutional and Regulatory Framework 2: IPA fund : EUR 500 000</p> <p>Transport Infrastructure 1: IPA funding : EUR10 000 000</p> <p>Transport Infrastructure 2: IPA funding : EUR 2 500 000</p>	<p>Tendering procedures for design of all projects successfully completed and contractor selected for services contracted.</p>

<p>Action Plan</p> <p><b>A.3: Preparing of Main Design for the section of Motorway on Corridor Vc: section Zenica-Doboj in length of 58,4 km</b></p> <p>A.3.1 Preparing of Main Design</p> <p>A.3.2 Revision of Main Design</p> <p>A.3.3 Preparing of tender of dossier for works</p> <p><b>A.4: Completion of Preliminary Design and Preparing of Main Design of E- road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate (Bosnia and Herzegovina and Montenegro) bridge and Study Documentations for Improvement of E-road from Sarajevo to Foca</b></p> <p>A.4.1. Completion of conceptual design on the level of Preliminary design</p> <p>A.4.2. Preparing of Main Design</p> <p>A.4.3. Revision of Main Design</p> <p>A.4.4. Preparing of tender of dossier for works</p> <p>A.4.5. Updating of Feasibility Study for the section Brod na Drini (Foca) to Hum (Scepan Polje)</p> <p>A.4.6. Preparing of Technical study for improvement of E-road from Sarajevo – Foca</p> <p>A.4.7. Preparing of Traffic Study for improvement of E-road from Sarajevo – Foca</p> <p>A.4.8. Preparing of Multi-criteria</p>	<p>3. Signed contract with consultant who will prepare Main Design for the section of Motorway on Corridor Vc: section Zenica-Doboj</p> <p>4. Signed contract with consultant who will completed Preliminary design and prepare Main Design of E- road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate (Bosnia and Herzegovina and Montenegro) bridge and Studies for Improvement of E-road from Sarajevo to Foca</p>		
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<p>analysis for improvement of E-road from Sarajevo – Foca</p> <p><b>A.4.9.</b> Preparing of Preliminary Environment Impact Assessment for improvement of E-road from Sarajevo – Foca</p> <p><b>A.4.10.</b> Preparing of Pre-feasibility study for improvement of E-road from Sarajevo – Foca prepared</p> <p><b>R.4.11.</b> Preparing of Preliminary socio-economic impact of E-road from Sarajevo – Foca assessment.</p>			
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**ANNEX II: Amounts (in EUR) Contracted and disbursed by quarter for the project**

<b>Contracted</b>	4 <sup>th</sup> Q 2011	1st Q 2012	2nd Q 2012	3rd Q 2012	4 <sup>th</sup> Q 2012	1st Q 2013	2nd Q 2013	3rd Q 2013	4 <sup>th</sup> Q 2013
Contract 1.1						1 000 000			
Contract 2.1						500 000			
Contract 3.1			10 000 000						
Contract 4.1			2 500 000						
<b>Cumulated</b>			<b>12 500 000</b>			<b>14 000 000</b>			
<b>Disbursed</b>									
Contract 1.1							600 000		400 000
Contract 2.1							300 000		200 000
Contract 3.1				9 500 000					500 000
Contract 4.1				2 250 000					250 000
<b>Cumulated</b>				<b>11 750 000</b>			<b>12 650 000</b>		<b>14 000 000</b>

### **ANNEX III: Description of Institutional Framework**

The institutions in Bosnia and Herzegovina which are competent for road and motorway sector are the following:

- Ministry of Communications and Transport of Bosnia and Herzegovina;
- Ministry of Traffic and Communications of Federation of BiH;
- Ministry of Traffic and Communications of Republika Srpska;
- Public Company "Roads Directorate of Federation of BiH";
- Public Company "Roads of Republika Srpska";
- Public Company "Motorways of Federation of BiH".
- Public Company "Republika of Srpska Motorways";

Acting of these institutions, each in its own level of competencies, are in accordance with the laws and regulations related to transport sector, which are in force in Bosnia and Herzegovina.

### **ANNEX IV: Reference to laws, regulations and strategic documents**

Reference list of relevant laws and regulations:

- Law on ministries and other bodies of administration of BiH, ("Official Gazette of BiH", 5/03);
- Law on Council of Ministers of BiH, ("Official Gazette of BiH", 94/07);
- Rule Book of the Ministry of Communication and Transport of BiH, ("Official Gazette of BiH" 13/07);
- Law on Traffic Safety in BiH, ("Official Gazette of BiH", 48/10);
- Law on Roads in Federation of BiH, ("Official Gazette of F BiH", 6/02, 18/02);
- Law on Road Transport of Republika of Srpska, ("Official Gazette of RS", 111/08, 50/10);
- Law on International and Inter-Entity Road Transport of Republika of Srpska, ("Official Gazette of RS", 01/02, 14/03);
- Guidelines for designing, construction, supervision and maintenance of roads.

Reference to AP /NPAA / EP / SAA

The project responds to the aims of the SAA between Community and Bosnia and Herzegovina.

"The Action Plan for Implementation of the Terms of Interim Agreement and SAA" (adopted at CoM on 29 July 2008) in point 106 reads:

*"Co-operation may notably aim at restructuring and modernising the transport modes in BiH ... supporting the development of multi-modal infrastructures in connection with the main TEN, notably to reinforce regional links in South-East Europe in line with the MoU on the development of the Comprehensive regional transport network ... and improving the protection of environment in transport."*

Reference to MIPD

MIPD 2011-2013 transport sector objectives and indicators are as follows:

Objectives:

*“Develop a strategic framework for the transport sector at State and Entity level...Improve the transport infrastructure, in line with the South East Europe Comprehensive Regional Transport Network”*

Indicators:

- *“A country transport strategy and action plan developed and adopted;...*
- *...A project pipeline for investments in transport infrastructure prepared.”*

Reference to National Development Plan

- Development Strategy and Social Inclusion strategy of Bosnia and Herzegovina;
- BiH Transport Policy (Draft 2008) - adopted by Council of Ministers;
- Memorandum of understanding on South-East Europe Comprehensive Regional Transport Network - Five Year Multi Annual Plan, 2011-2015;
- TEM (Trans European Motorway) and TER (Trans European Railway) Master Plan.

Reference to national / sectoral investment plans

- The Study on the Transport Master Plan in Bosnia and Herzegovina, 2001;
- BH Transport Policy (Draft 2008).

**ANNEX V: Details per EU funded contract:**

**Component I** – Preparing of the general and sub-sector strategies for transport and Action plans for transport and its sub-sectors:

Contract 1.1 Service contract for preparation of the draft strategy and action plan documents.

**Component II** – Preparing of Road Safety Strategy and Action Plan:

Contract 2.1 Service contract for preparation of the draft strategy and action plan documents.

**Component III:** Main Design and investment support for the section of Motorway on Corridor Vc: section Zenica-Doboj in length of 58,4 km:

The actions will be implemented by joint management in accordance with Article 53 (d) of the Financial Regulation through the following:

Contract 3.1 Contribution agreement with the EIB

**Component IV** Completing of Preliminary Design, Updating of Feasibility study and Preparing of Main Design for the E- road from Brod na Drini (Foca) to Hum (Scepan Polje) including interstate bridge (Bosnia and Herzegovina and Montenegro) and Studies concerning the improvement of the E-road from Sarajevo to Foca (in cooperation with the European Bank for Reconstruction and Development - EBRD)

The actions will be implemented by joint management in accordance with Article 53 (d) of the Financial Regulation through the following:

Contract 4.1 Contribution agreement with the EBRD