

Project Fiche – IPA Annual Action Programme 2007 for Bosnia and Herzegovina
Assistance to the Ministry of Communications and Transport of Bosnia and
Herzegovina (MoCT) concerning implementation of projects under the Instrument for
Pre-accession Assistance (IPA) Regulation

1. Basic information

1.1 CRIS Number:

1.2 Title: Technical assistance to the Ministry of Communications and Transport of Bosnia and Herzegovina (MoCT) concerning implementation of projects under the Instrument for Pre-accession Assistance (IPA) Regulation

1.3 ELARG Statistical Code: 03.14-Transport Policy

1.4 Location: Bosnia and Herzegovina

Implementing arrangements:

1.5 Contracting Authority (EC): Delegation of the European Commission to Bosnia and Herzegovina

1.6 Implementing Agency:

1.7 Beneficiary (including details of project manager):

Ministry of Communications and Transport of Bosnia and Herzegovina (MoCT),
Project Preparation and Implementation Unit;
Kemal Karkin, Senior Programme Officer (SPO)
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Financing:

1.8 Overall cost: 700.000 EURO

1.9 EU contribution: 700.000 EURO

1.10 Final date for contracting: N+2

1.11 Final date for execution of contracts: N+4

1.12 Final date for disbursements: N+5

2. Overall Objective and Project Purpose

2.1 Overall Objective:

All agencies and institutions required for development, implementation and enforcement of policies related to the transport sector established and able to fulfil their mandates.

2.2 Project purpose:

MoCT able to fulfil its mandate under the future Instrument for Pre-accession Assistance Regulation (CR EC No. 1085/2006), as well within the decentralised EC aid delivery environment.

2.3 Link with AP / NPAA / EP / SAA:

- EP , Point 3.2, Medium-Term Priorities, Political Requirement:
 - i. Governance: Ensure continued progress in taking full national responsibility for policy formulation and decision-making;
 - ii. Public Administration: Build training Capacity for civil servants within Bosnia and Herzegovina and continue improving policy-making and coordination capacities.
- SAA: Public administration reform.
- Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance (IPA) Regulation.

2.4 Link with MIPD: European Standards (chapter 2.2.3.3.MIPD 2007-2009)

- Developing institution and capacity of relevant authorities in transport sector to align with the Acquis.

2.5 Link with National Development Plan

PRSP-V.8.Sector Priorities: Infrastructure, Goals:

- Create a legislative and institutional basis in BiH that is compatible with the European regulations
- Generate broader economic development through the implementation of concrete projects of reconstruction and construction of a modern transport infrastructure
- Ensure the cost-effective transport, reduction in number of traffic accident and reduction of negative effects on environment in compliance with the national and European norms

2.6 Link with national/ sectoral investment plans:

- Bosnia and Herzegovina lacks the country strategy, which is under preparation at the moment supported by the World Bank and the European Investment Bank. Completion of the draft strategy and its adoption is expected by end of 2007. This would enable that sub-sectoral priorities are considered in a more comprehensive and systematic manner and country priority list established based on the relevant pre-defined criteria.

3. Description of project

3.1 Background and justification:

Ministry of Communications and Transport of B&H (formerly Ministry of Civil Affairs of B&H) has a formed Project Implementation Unit that has successfully implemented a number of large scale projects funded by the World Bank (Project of Trade and Transport Facilitation in South East Europe and Project of Emergency Transport Reconstruction), and the European Union (Phare project Orasje border crossing point, etc.). The Unit has actively cooperated with the Delegation of European Commission to BiH in implementation of transport sector components of OBNOVA and CARDS programmes, and currently is involved in programming of IPA components for transport sector. The Unit is an active participant in management of preparatory activities for construction of the Vc Corridor Motorway.

However, no reliable independent assessments on appropriateness of the structure of the Ministry to meet demands of the forthcoming IPA programme, nor for taking its leading role under the future de-centralised setup of the EC aid delivery under the IPA Regulation (CR (EC) No 1085/2006, has been performed so far.

Having in mind the high scale of investment related to infrastructure projects (projects over 10 MEUR, in accordance to IPA Regulation), in particular for those considered a top priority country agenda, concern is raised that without benefiting from an immediate assistance from the Commission restructuring of the Ministry and training of its staff may be too late to meet the requirements of de-centralised aid delivery process, where the Ministry would be in a position to programme their activities, prioritise them, procure and implement the interventions, under the close monitoring of the Commission's services.. In practical terms, late transformation of the implementation services of the Ministry and lack of familiarity with EC procurement procedures and implementation rules promoted under the IPA Regulation are likely to cause delays and subsequently risk substantial loss of IPA funds. In turn there could be a risk that that transport infrastructure in BiH, which is in need of substantial and costly interventions in order to be brought closer to EU standards, may not receive the investments that are required and to which BiH should be entitled under IPA. Furthermore, the impact of efforts already made by the EC and other donors and creditors would be significantly reduced. Lastly, BiH would not be able to meet obligations concerning the Trans-European networks and Pan-European Corridors, regional connecting priorities defined through REBIS Core Network, and regional interconnecting and interoperability priority actions presented through SEETO.

BiH requires assistance to enable the Ministry to take an active role in IPA programming and implementation. This kind of assistance would also enable a gradual takeover of responsibilities by MoCT with the ultimate goal of establishing a decentralised implementation environment for the transport sector a twinning project would provide limited input from experienced Member State officials from the EU national authorities and is the preferred option for providing this assistance to BiH. At least 12 EU countries recently passed this process at some stage of their accession process. Assistance of the EU sectoral officials would enable on-the-job daily participation of the staff employed with the Ministry in implementation of the IPA programme, to enable not only training for the employees, but also positive and best-practice experience on real projects in progress.

It is foreseen that the twinning shall assist the ministry in mapping the structure of its existing services in order to identify structural gaps in its present organisation and staffing that might prevent the Ministry from delivering an adequate performance as the implementation environment changes to the new decentralised EC aid system. Based on a gap analysis, a

functional operating structure in line with IPA Regulation needs to be designed and proposed for adoption, in order to enable implementation of the IPA Regulation, specifically its Articles 28 and 31. It may be expected that the changed setup might require amendment of laws and regulations. This assistance should therefore enable identification and drafting of any required amendments.

Based on the proposed revised organisational scheme, detailed job descriptions will need to be drafted. Following the adoption of the job descriptions and recruitment of new staff, staff will require training. Project Cycle Management and the procedures regulated by the IPA Regulation will be particularly important to enable them to take over the full responsibility for their performance in the new de-centralised operating environment, and to comply to the IPA procedures required by the Commission.

Upon adoption of the Country Transport Strategy document, expected by end of 2007, the transformed services of the Ministry would require on-the-job training in development and maintenance of the strategic coherence framework to be established by BiH in accordance with Article 154 of IPA Regulation. Improved capacity of the Ministry in strategic planning should result in establishment of flexible and effective strategic guidelines for the sector in mid to long-term prospective. This is considered of high importance, for prioritisation of projects to be foreseen for implementation under the Chapter III of IPA.

Training on how to create and decide on relevant prioritisation criteria, and how to apply the criteria and prioritise actions within the strategic coherence framework of interventions in the sector would be highly relevant for the future performance of the operational services of the Ministry in the framework of the IPA implementation, in particular its Chapter III.

It is expected that the Ministry would have to substantially increase its contribution in programming and implementation of the IPA assistance almost immediately. Its responsibility for the aid delivery under the IPA shall be further increased with the availability of Chapter III of IPA to the BiH authorities, expected at the end of this particular assignment: end of 2009-beginning of 2010. At the same time, de-centralisation of the aid delivery should be achieved, and the complexity and the major scale of the projects to be managed by the Ministry would require its full compliance with the structural setup required by IPA Regulation, and an excellent knowledge of the regulations to be applied.

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

This project should enable better efficiency and responsiveness of the services of the Ministry concerning implementation of the high-scale infrastructure projects supported by the EC under IPA Chapter III. In particular, attention needs to be paid to the performance of the services of the Ministry in a de-centralised implementation environment. The Ministry would benefit from establishment of an administrative capacity (i.e. operational structure) to support institutional decision making, which is capable of negotiating strategic issues and prioritising at regional level. At present the tendency is rather towards individual-related actions. This improved mechanism would directly strengthen regional cooperation mechanisms, inter alia, SEETO and the Sava River Commission.

Since the accession prospective for BiH is unlikely to be imminent, it should be expected that restructuring of the Ministry and training of its employees, including on-the-job training on smaller-scale projects, would be completed prior to de-centralisation of the EC aid deliver, thus enabling access to IPA Chapter III assistance.

Stable financing of the Ministry is assured through state budget allocations.

3.3 Results and measurable indicators:

R 1.: Ministry of Transport and Communication of Bosnia and Herzegovina made progress towards taking its full responsibility for implementation of high-scale infrastructure projects under de-centralised management.

(Recommended structures in place and staff recruited, deliverables produced: in priority setting, overall strategies, financial planning, drafting of project fiches and terms of reference)

R 2.: Ministry of Communications and Transport of Bosnia and Herzegovina able to plan, manage and implement assistance financed under the IPA Regulation.

(Training (benchmark) successfully completed, possibly pilot project implemented)

R 3.: Ministry of Transport and Communication of Bosnia and Herzegovina able to develop a strategic coherence framework (Art. 154 IPA Regulation) as required from component III of IPA.

(Training (benchmark) successfully completed, pilot framework delivered)

3.4 Activities:

R 1.:

A 1.1: Mapping of the existing structure and staffing in the Ministry allocated to project implementation, IPA Regulation requirements and EC best practices.

A 1.2: Identification of deficiencies and gaps in the Ministry.

A 1.3: Drafting proposal for restructuring of the Ministry.

A 1.4: Drafting job descriptions for proposed positions.

A 1.5: Training in Project Cycle Management.

A 1.6: Training in drafting of project fiches.

A 1.7: Training in drafting of terms of reference.

R 2.:

A 2.1: Training in strategic planning.

A 2.2: Training in strategic coherence framework preparation.

A 2.3: Training in prioritisation of activities and action planning.

R 3.:

A 3.1: General training on principles of the EC procurement procedures.

A 3.2: Training in application of IPA Regulation.

3.5 Conditionality and sequencing:

The Council of Ministers of BiH has to approve changes in the Rule Book on internal organisation of the Ministry of Communications and Transport related to the possible need for restructuring of administration (i.e. implementing bodies).

3.6 Linked activities:

The Twinning project for Ministry of Communications and Transport of B&H related to the European Integrations and harmonization with Transport Acquis was implemented under CARDS 2004, to check compliance with BiH legislation in transport sector with the Acquis and recommend further actions. Under CARDS 2005, training is being provided to the Ministry of Communications and Transport of B&H in preparation of a Terms of Reference to increase their capacity and enable their response and improve their capacity for participation in EC programmes.

3.7 Lessons learned:

Lessons learned concern the projects implemented by the existing Project Implementation Unit in relation to the preparation and implementation of the following: PHARE Multi-Country Transit Facilitation Programme (ZZ 9730); and two projects financed under World Bank loans, the Programme of Emergency Transport Reconstruction in B&H and B&H Trade and Transport facilitation in South-East Europe Project. All three projects are primarily related to deficiencies in project management and specifically the organisational structure of project management, the process of ToR preparation for particular project component and management of project implementation. Experience from these projects indicates a tendency for delays, particularly in relation to large scale transport infrastructure projects, due to an insufficiently effective structure for implementation and lack of experience and systemisation of procedures

4. Indicative Budget (amounts in €)

Activities	TOTAL COST	SOURCES OF FUNDING										
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE	
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *
Assistance to the Ministry of Communications and Transport of Bosnia and Herzegovina (MoCT) concerning implementation of projects under the Instrument for Pre-accession Assistance (IPA) Regulation	700.000	700,000	100	700.000								
Twinning contract 1.1												
TOTAL	700.000	700,000	100	700.000								

* expressed in % of the Total Cost

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1	<i>Q1 2008</i>	<i>Q4 2008</i>	<i>Q1 2010</i>

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity :

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

6.2 Environment : *n/a*

6.2 Minorities :

The project will follow the laws and practices in place in BiH related to all opportunities.

ANNEXES

- 1- Log frame in Standard Format

- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3 - Reference to laws, regulations and strategic documents:
- Reference list of relevant laws and regulations:
 - Reference to AP /NPAA / EP / SAA:
 - Reference to MIPD:
 - Reference to National Development Plan:
 - Reference to national / sectoral investment plans:
- 4- Details per EU funded contract (*) where applicable:
- For *TA contracts*: account of tasks expected from the contractor
 - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
 - For *grants schemes*: account of components of the schemes
 - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (**)
 - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (**); account of services to be carried out for the *service part* of the contract

(*) non standard aspects (in case of derogation to PRAG) also to be specified

(**) section on investment criteria (applicable to all infrastructure contracts and constructing works):

- Rate of return
- Co financing
- Compliance with state aids provisions
- Ownership of assets (current and after project completion)

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number: Technical assistance to the Ministry of Communications and Transport of Bosnia and Herzegovina (MoCT) concerning implementation of projects under the Instrument for Pre-accession Assistance (IPA) Regulation	
	Contracting period expires	Disbursement period expires
	Total budget : 700,000 EUR	IPA budget: 700,000 EUR

Overall objective	Objectively verifiable indicators	Sources of Verification	
MIPD aim defined in European standards –supporting the establishment and capacity building of agencies and institutions	Positive progress reported in the Country Review	<ul style="list-style-type: none"> • EC Report • Country Report 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
MoCT able to fulfil its mandate under the future Instrument for Pre-accession Assistance Regulation (CR EC No. 1085/2006), as well within the decentralised EC aid delivery environment	Operational services of the MoCT adequately transformed, structured and ready for to perform in accordance with IPA Regulation	<ul style="list-style-type: none"> • Org Chart • Rule book • Job Description • Training reports • Interim project progress reports 	
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
R 1.: Ministry of Transport and Communication of Bosnia and Herzegovina made progress towards taking its full responsibility for implementation of high-scale infrastructure projects under de-centralised management.	<ul style="list-style-type: none"> • Recommended structures in place • Staff recruited, • Deliverables produced in priority setting, overall strategies, financial planning, • Drafted project fiches and • Drafted terms of reference 	<ul style="list-style-type: none"> • Project progress report 	

<p>R 2.: Ministry of Communications and Transport of Bosnia and Herzegovina able to plan, manage and implement assistance financed under the IPA Regulation.</p> <p>R 3.: Ministry of Transport and Communication of Bosnia and Herzegovina able to develop a strategic coherence framework (Art. 154 IPA Regulation) as required fro component III of IPA</p>	<ul style="list-style-type: none"> • Training (benchmark) successfully completed, possibly pilot project implemented • Training (benchmark) successfully completed, pilot framework delivered • Strategic coherence framework in place in accordance with the country strategy and SEETO guidelines. • Quality standards and performance indicators prepared. • Prioritisation of the high priority actions developed in accordance with the strategic coherence framework. • Training Plan completed according to the Benchmarks. 		
Activities	Means	Costs	Assumptions
<p>R 1.:</p> <p>A 1.1: Mapping of the existing structure and staffing in the Ministry allocated to project implementation, IPA Regulation requirements and EC best practices.</p> <p>A 1.2: Identification of deficiencies and gaps in the Ministry.</p> <p>A 1.3: Drafting proposal for restructuring of the Ministry.</p> <p>A 1.4: Drafting job descriptions for proposed positions.</p> <p>A 1.5: Training in Project Cycle</p>	<p>Technical assistance for MoCT in transformation and transition towards performance in project management and implementation under the IPA Regulation</p>	<p>€700.000</p>	

<p>Management.</p> <p>A 1.6: Training in drafting of project fiches.</p> <p>A 1.7: Training in drafting of terms of reference.</p> <p>R 2.:</p> <p>A 2.1: Training in strategic planning.</p> <p>A 2.2: Training in financial planning.</p> <p>A 2.3: Training in strategic coherence framework preparation.</p> <p>A 2.4: Training in prioritisation of activities and action planning.</p> <p>R 3.:</p> <p>A 3.1: General training on principles of the EC procurement procedures.</p> <p>A 3.2: Training in application of IPA Regulation.</p>			
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Pre-conditions

ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project

Contracted	4 th Quarter 2008	1 st Quarter 2009	2 nd Quarter 2009	3 rd Quarter 2009	4 th Quarter 2009	1 st Quarter 2010	2 nd Quarter 2010	3 rd Quarter 2010	4 th Quarter 2010	1 st Quarter 2011	2 nd Quarter 2011
Twinning Contract 1.1	0.7 M										
Total	0.7 M										
Cumulated	0.7 M										
Disbursed	4 th Quarter 2008	1 st Quarter 2009	2 nd Quarter 2009	3 rd Quarter 2009	4 th Quarter 2009	1 st Quarter 2010	2 nd Quarter 2010	3 rd Quarter 2010	4 th Quarter 2010	1 st Quarter 2011	2 nd Quarter 2011
Twinning Contract 1.1		0.42 M	0	0	0	0	0.28 M				
Total		0.42 M	0	0	0	0	0.28 M				
Cumulated		0.42 M	0	0	0	0	0.7 M				

ANNEX III: Reference to laws, regulations and strategic documents:

Reference list of relevant laws and regulations:

- *Law on ministries of B&H*
- *Law on Council of Ministers of BiH*
- *Rule Book of the Ministry of Communication and Transport of BiH*

Reference to AP /NPAA / EP / SAA:

- *Council Regulation (EC) No 1085/2006: Instrument for Pre-accession Assistance (IPA) Regulation*
- *Public Administration Reform, restructuring and strengthening of the state level institutions.*

Reference to MIPD:

- *European Standards (chapter 2.2.3.3.MIPD 2007-2009)*

Reference to National Development Plan:

- *Country transport strategy is under preparation.*

Reference to national / sectoral investment plans:

- *Reconstruction of the railway network, EBRD/EIB loan funded, cca. 160 MEUR*
- *Reconstruction of the railway network, Kuwait Fund, and OPEC Fund, cca. 30 MEUR*
- *Construction of the motorway along the Vc Pan-European Corridor, partly to be consessioned (predominantly BOT model), total cost 3.1 BEUR.*
- *Revitalisation of the Sava River navigation route, including the respective river ports, total cost cca. 50 MEUR.*

ANNEX IV: Details per EU funded contract (*) where applicable:

For *TA contracts*: account of tasks expected from the contractor

For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts:

- *The team leader shall coordinate inputs of individual experts and retain overall accountability for the project.*
- *The resident twinning advisor shall coordinate provision of implementation activities and assure quality of the outputs (benchmarks).*
- *The short term experts shall be responsible for specific IPA Regulation related benchmarks to be considered under the twinning assistance: establishment of the functional scheme and the org chart, drafting regulations, drafting specific job descriptions, delivery of specific trainings and assistance in recruitment of staff, respectively.*