

**Project Fiche – IPA National programmes / Component I**

**1 IDENTIFICATION**

<b>Project Title</b>	Support to Bosnia and Herzegovina in implementation of the commitments in Transport Sector under the Stabilisation and Association Agreement
<b>CRIS Decision number</b>	2012/23589
<b>Project no.</b>	7
<b>MIPD Sector Code</b>	4 Transport
<b>ELARG Statistical code</b>	21 Trans-European Networks
<b>DAC Sector code</b>	21020 Road transport
<b>Total cost (VAT excluded)</b>	EUR 25 000 000
<b>EU contribution</b>	EUR 21 000 000
<b>Management mode</b>	Centralised
<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 – Project-type interventions
<b>Zone benefiting from the action(s)</b>	Bosnia and Herzegovina

## 2 RATIONALE

### 2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

The Corridor Vc is a pan-European corridor project for multi-modal transport (motorway<sup>1</sup>, railway, and possibly waterway), connecting Central Europe (Budapest) to the Adriatic (Ploce harbour, Croatia).

So far, less than 20 % of the motorway have been completed in BiH.

There are outstanding overall investment needs of close to 2.5 billion EUR for the motorway.

Concerning railways, BiH needs to upgrade and overhaul the track and signalling of the network for the predominantly freight services along the Corridor Vc.

The construction of both motorway and railway are expensive but nevertheless an EU priority.

A high-level meeting that took place on 16 November 2011 in Sarajevo focussed on how to accelerate the construction of motorway on the Corridor Vc. One important conclusion is:

- The Corridor Vc is strategic priority for the country and for the EU integration process. All efforts should be undertaken to accelerate the construction process.

Furthermore, there are important roads which are part of the SEETO network which are connected to the Corridor Vc which are in the need of improvements and enhancements.

Finally, there are needs for capacity building at the level of the railway regulatory board including the provision of adequate offices which are needed for functioning railway systems and the anticipated future market opening.

### 2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

The MIPD under the sector Transport emphasises:

*“...Develop a strategic framework for the transport sector at State- and Entity-level and support the creation of a functioning institutional and regulatory framework for all transport areas, and in particular opening of the railway transport market and improvement of the railway safety, demining and rehabilitating the River Sava waterway, transposition and implementation of the single European sky legislation.*

*Indicators:*

- *A country transport strategy and action plan developed and adopted;*
- *Capacity of transport institutions at State- and Entity-level improved.*

---

<sup>1</sup> We will only focus on road transportation in this briefing.

The Transport Master Plan for Bosnia and Herzegovina (2001) envisages the reconstruction and development of the main transport network. A BiH long-term Transport Strategy and Action Plan will be prepared through IPA 2011 assistance for BiH.

In terms of transport strategies, Bosnia and Herzegovina, relies on strategic documents which are defined for the whole region of South-East Europe, which include the following agreements and documents:

- (i) Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network,
- (ii) Addendum to the MoU for a South East European Railway Transport Area,
- (iii) Framework Agreement on the Sava River Basin,
- (iv) The TEM and TER Master Plan. Implementation of SEETO Comprehensive Network.

The last is an obligation from MoU and Stabilisation and Association Agreement.

Part of the BH transport strategic framework consists of documents which have been prepared and adopted in the railway transport sub-sector regarding transport safety issues. In the railway subsectors the key documents are as follows: Investment Plan for railway infrastructure in Bosnia and Herzegovina for the period of 2010-2014 and the Railway Development Strategy of Republika Srpska for the period of 2009-2015.

Regarding transport safety, the key documents are as follows: RS Road Transport Safety Strategy for the period of 2009–2013 and Road Traffic Safety Program for 2009–2013 and the Action Plan and Road Transport Safety Strategy of Federation of BiH (2008).

### **2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT**

The needs identified as priorities in the European Partnership (short-term and medium-term), Stabilization and Association Agreement (Title VII, Cooperation policies, Article 106, Protocol 3) and the Interim Agreement (Title III, Other Trade Regulations and Trade-related Matters, Article 32 Transit traffic) are to:

- *Improve the transport infrastructure, in line with the South East Europe Core Regional Transport Network*

*Indicators:*

- *A project pipeline for investments in transport infrastructure prepared...*

Also, these mentioned objectives have been identified as the priorities at the Sub-Committee meetings on transport, energy, environment, regional development and in the Progress Report 2011. The emphasis has been placed on the importance of intensification of activity on the construction of the European Transport Corridor Vc, (II and III S/c, PR 2011) and on developing strategies for transport infrastructure, as well as upgrading transport infrastructure (PR 2011). Some other priorities which have been identified are the following: alignment of the Law on Transport of Dangerous Goods in the entire BiH (II and III S/c , PR 2011), adoption of the Framework legislation on transport and harmonization of the EU legislation (access to the market and the profession, fees for cargo trucks and safety on the road) (II and III S/c, PR 2011), implementation of the Sava River Information System Project (I and II S/c) and establishment of the Council for Intermodal Transport (I and II S/c), separation of

infrastructure management from the railway undertaking and transposition of the *acquis* into public services in the field of railways, maritime and combined transport (PR 2011) and harmonization of the Law on Aviation with the *acquis* (PR 2011).

## **2.4 PROBLEM ANALYSIS**

The Transport network in Bosnia and Herzegovina has been retained from pre-war setup, with priorities, itinerary routes and transport load changed after the dissolution of former Yugoslavia. It took a lot of funds, time and efforts to enable basic functionality after the War, and the process is still incomplete, regardless the efforts made.

The difficulty in transport sector in BiH is that the network needs substantial investments in terms of capacity and level of service provided. This is due to a slow recovery of economy in BiH in the post-War period, which very slowly generates traffic growth due to low demand. This applies to operation of the Croatian Port of Ploce, which has significant impact on traffic volumes on the Corridor Vc. In case that the economy in BiH would grow close to the pre-war level of performance, which would have to be reflected in growth of GDP, it is expected that the transport network would suffer substantial congestion, not only on the main routes, but also on secondary network due to re-distribution of transport flows. In a very short period of time this would lead to a total collapse of transport system in Bosnia and Herzegovina.

In fact, by investing its scarce resources and with the support of the IFIs, BiH has started, or already completed, interventions on all transport sector priority sections for which the preconditions are met. Besides limited borrowing capacity of the Country, lack of designs and studies for the rest of the priority net (only for Motorway in Corridor Vc main designs missing for 100 km of motorway) present the serious obstacle in implementation of the priority sections (SEETO) on the network. With the limited budgetary resources for financing of those preliminary activities, complex and time-taking public procurement regulations, and organisational issues in implementation structures, provision of studies and designs in a reasonable period of time presents problematic for BiH.

Since there are funds for expropriation, and further support of IFIs is expected, in particular with the possible further growth of GDP in BiH, provision of the ready-to-implement pipeline of projects is expected to accelerate implementation of the comprehensive network in BiH, in particular in the Corridor Vc.

Of course, this will to be done in parallel with opening of the railway market in BiH, but also in the neighbouring countries of the region.

## **2.5 LINKED ACTIVITIES AND DONOR COORDINATION**

Total allocations to the Transport sector by the Donor Coordination Forum (DCF) members, for the period 2004-2012, amounted to EUR 911 500 000, out of which EUR 15 710 000 was in the form of grants and EUR 895 790 000 was in the form of loans.

---

<sup>2</sup> The analysis includes financial data on projects that donors entered into the DCF database until July, 2011. Since the DCF database became operational in 2006, not all projects funded in previous years are available, because donors retroactively entered projects into the database on a voluntary basis. For purposes of the analysis, the total amounts of donor assistance for the relevant sectors/sub-sectors in the DCF database has been reduced by the amounts allocated by the European Commission, as you requested.

EBRD, EIB, and WB provided funds to the Transport sector in the form of loans, while Spain/AECID and Germany provided funds in the form of loans and in the form of grants. In the period 2004-2011, EBRD provided the largest amount of loans to the Sector (EUR 490 000 000), followed by EIB (EUR 338 040 000), the WB (EUR 56 600 000), Spain/AECID (EUR 10 140 000) and Germany (EUR 1 000 000).

The leading donors in the Transport sector who allocated aid in the form of grants in the period 2004-2011 are USA/USAID with a contribution of EUR 5 030 000 and Japan/JICA with a contribution of EUR 4 760 000, followed by Czech Republic (EUR 2 100 000), Germany (EUR 1 090 000), UNDP (EUR 880 000), Switzerland/SDC/SECO (EUR 800 000), Spain/AECID (EUR 770 000) and Sweden/Sida (EUR 290 000).

Previous and ongoing EU assistance includes:

***OBNOVA 1996-2000: Emergent assistance to the transport sector in BiH:***

This post-war EU assistance has focussed on facilitation of freedom of movement, re-integration of the country, and re-establishment of regional connections with neighbouring countries and the EU. The infrastructure along the Pan European V-c Corridor was brought into function and enabled to meet and follow the current traffic demand. As an ultimate result, re-established transport links have enabled recovery of the BiH economy.

***CARDS 2001-2006: Development of the institutions and meeting EU standards:***

The institutional framework was being reformed in accordance with the requirements of *acquis*, with a civil aviation as a frontrunner in implementation of reforms, railways catching-up, road administration still blocked on entity levels (having no functional state-level corporation), and the river navigation mostly within the Sava River Commission. Provision of a legal framework compliant to the *acquis* progressed (in particular concerning civil aviation, railways, road safety). BiH associations and organisations in transport sector progressed in joining the international organisations and institutions. The EU closely cooperated with the IFIs, in particular the EBRD and the EIB in supporting the sector both in institutional and infrastructure domain.

***IPA 2007-2008: Development of institutions and meeting EU standards:***

IPA financial instrument has provided EUR 2 700 000 in total with funding from IPA 2007 and IPA 2008. The assistance focussed on the reform process in the following way:

- Investment preparation studies to the railway sector (IPA 2007);
- Twinning assistance to BiH Ministry of Communications and Transport (IPA 2007) to address forthcoming IPA funding (component 3 and its successor program);
- Assistance in the transposition of the railway *acquis* (IPA 2007);
- Twinning assistance to civil aviation sub-sector (IPA 2008) concerning the implementation of the second phase of ECAA.

***IPA 2009-2010: anti crisis package***

In the period 2009-2010, the EU has introduced joint management projects with IFIs to speed up investments and to assist the country in resolving the impact of the crisis in world economy. The assistance included direct support to investments in road (motorway), railways, and river navigation. Nearly EUR 20 000 000 have been provided as grants in order to leverage loan financing of the international financing institutions (the EIB, the EBRD and the

WB). In particular, the EU supported track overhauling activities on the railway Pan-European Corridor Vc for an amount of EUR 6 500 000, signalling overhauling activities on the railway SEETO Core Network for EUR 2 500 000, the construction of the Mahovljani interchange on the crossing of the motorways Banja Luka-Gradiskaj, being a part of the roads SEETO Core Network for EUR 5 000 000, as well as demining of the Sava river (EUR 5 600 000).

The activities of various donors are coordinated by the BiH authorities through the Donor Coordination Forum. In addition, donors active in the sector in BiH meet regularly to discuss sector issues. Active donors include the Worldbank, the EBRD, and the EU.

## **2.6 LESSONS LEARNED**

Since 1996 many rehabilitation and reconstruction programs have been implemented in all sectors of transport in Bosnia and Herzegovina. Their realisation has been supported by the IFIs (WB, EIB, EBRD), the European Union and bilateral donors. The implementation has been 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.

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. The studies and designs provided through EU funds have to address the needs of the institutions providing the loan funds later on. It is therefore an important lesson learnt that a close cooperation between the EU as provider of studies and designs with the IFI funding the investment is useful. Ideally, the IFI is consulted on scope and outline of studies and designs or is even entrusted to carry out the management of contracts in the joint management mode of EU contract management.

Cooperation and support from the relevant authorities and beneficiaries is of the 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 DESCRIPTION**

### **3.1 OVERALL OBJECTIVE OF THE PROJECT**

BH fully prepared to take obligations under the SAA, as a precondition for accession to the EU.

### **3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT**

Acceleration of activities on the implementation of the Corridor Vc and SEETO Comprehensive Network and alignment of BH transport legislation with EU.

### 3.3 RESULTS

#### **Component I: Assistance to road sector investments**

**Result 1:** Tendering for construction of the specific sections of the motorway on Corridor Vc enabled

**Result 2:** Tendering for construction of the specific sections of the expressway on the SEETO Network Route 3: Sarajevo-Vardiste enabled

**Result 3:** Tendering for construction of the specific sections for the improvement (Betterment) of the road on the SEETO Network Route 2a: Lasva-Jajce-Ugar-Banja Luka including Banja Luka by-pass enabled (prepared in two LOT's: LOT1 Lašva-Jajce-Ugar; LOT2 Ugar-Banja Luka including Banja Luka by-pass).

#### **Component II: Assistance to railway sector investments**

**Result 1:** Tendering for overhauling and upgrading of the specific sections of the rail lines in Corridor Vc enabled

#### **Component III: Assistance to railway sector capacity building**

**Result 1:** BH Railways Regulatory Board fully operational, EU Directives in energy efficiency, drivers licencing and technical specifications of interoperability implemented

### 3.4 MAIN ACTIVITIES

#### **Component I:**

##### **1.1: Activities related to result 1, Motorway in the Corridor Vc:**

**Activity 1.1.1** Preparing of main design, revision of design and preparing of tender of dossier for works for the section Konjic-Jablanica

EUR 5 200 000

**Activity 1.1.2** Preparing of main design, revision of design and preparing of tender of dossier for works for the section Zepce-Doboj jug

EUR 6 200 000

**Activity 1.1.3** Updating existing documentation, revision of design and preparing of tender of dossier for works for the sections on the bypass Mostar and bypass Blagaj

EUR 2 800 000

## **1.2: Activities related to result 2, SEETO Route 3**

**Activity 1.2.1** Preparing Preliminary Studies and Designs for construction of expressway on the SEETO Comprehensive Network Route 3: Sarajevo-Vardiste

EUR 800 000

## **1.3: SEETO Route 2a**

**Activity 1.3.1** Preparing Preliminary Studies and Designs for improvement (Betterment) of the road on the SEETO Comprehensive Network Route 2a:

LOT 1: Lasva-Jajce-Ugar

LOT 2: Ugar-Banja Luka including Banja Luka By-pass

EUR 1 000 000

## **Component II:**

### **2: Activities related to the result concerning railways in the Corridor Vc and SEETO Comprehensive railway Network**

**Activity 2.1** Preparing Feasibility Studies for Overhaul of railways, rail facilities, electro-energetic facilities, contact network and SS devices on the sections that belong to Corridor Vc: Samac-Doboj, Maglaj-Jelina and Zenica-Podlugovi

EUR 800 000

**Activity 2.2** Preparing of Alignment study and Feasibility Study and designs for removing the traffic bottleneck occurring presently at the micro location Ivan-Bradina

EUR 600 000

**Activity 2.3** Preparing of Preliminary Studies and Designs for Overhaul of railways, rail facilities, SS and telecommunications facilities and electrification on the sections that belong to the Corridor Vc: Doboj-Tuzla-Brcko

EUR 600 000

## **Component III:**

### **3: Capacity building of the railway sector in BH**

**Activity 3.1** Construction and equipment for BH RRB Head-quarters Building

EUR 3 000 000



### **3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT**

The project is foreseen to provide for significant cross-border effect through interconnection of the region by completing the priority interventions on the SEETO comprehensive network in Bosnia and Herzegovina. In fact, within the foreseen scope of interventions, all SEETO sections in BiH would be brought closer to enabling implementation of works based on the documentation provided under the respective projects.

Strengthening of the institutional functions of the BH RRB, to start with its accommodation and provision of the safe archive at this phase, should significantly contribute to the faster opening of the railway market in BiH.

All foreseen activities are expected to increase revenues in transport sector.

The expected effects would be direct, through collection of fuel and tolling revenues, including 10% tax on fuel, as well as access fees on railway network. Improved transport network should also encourage more travels, which directly impacts revenues listed above.

Indirect impact would be made through increased attractiveness for investment and expansion of the economy in the areas gravitating to the places of intervention, in fact prevalingly the most populated areas in BiH.

With the increase of revenues in transport sector, in particular fuel/energy related revenues and access fees and tolling fees, it is expected that faster improvement of the network and more substantial maintenance activities would be enabled.

### **3.6 SUSTAINABILITY**

Development of transport infrastructure is expected to generate economic benefits through reduction of transport costs, expansion of internal and foreign trade, increase of revenue through providing transit services, attracting foreign investments, providing opportunities for creating business in other branches. An increase in railways operations is expected to help in reducing pollution and promote environmentally friendly modes of transport. There is regular revenue collected on a regular and transparent basis from access fees and taxes on vehicles and fuel. Motorways are tolled.

The key impact of the interventions foreseen above is envisaged through the economic growth. This should be achieved through better connecting between the regions of the South-East Europe, and consequently improvement of the competitiveness of the economies, their efficiency, and better access to the markets.

### **3.7 ASSUMPTIONS AND PRE-CONDITIONS**

Cooperation and support from the relevant authorities and beneficiaries is of the 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.

## **4 IMPLEMENTATION ISSUES**

The assistance will be implemented in centralized management mode in accordance with PRAG Rules with the full support and participation of the beneficiary institutions and beneficiaries.

#### 4.1 INDICATIVE BUDGET

##### Indicative Project budget (amounts in EUR)<sup>3</sup>

SECTOR TITLE			TOTAL EXPENDITURE	SOURCES OF FUNDING								
				IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	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		X	19 000 000	16 000 000	84.3	3 000 000	15.7			3 000 000		
Activity 1.1.1		X	5 200 000	5 200 000	100	0	0					
Activity 1.1.2		X	6 200 000	6 200 000	100	0	0					
Activity 1.1.3		X	2 800 000	2 800 000	100	0	0					
		X	3 000 000	0	0	3 000 000 <sup>4</sup>	100			3 000 000		
Activity 1.2.1		X	800 000	800 000	100	0	0					
Activity 1.3.1		X	1 000 000	1 000 000	100	0	0					
Component 2		X	2 000 000	2 000 000	100	0	0					
Activity 2.1		X	800 000	800 000	100	0	0					
Activity 2.2		X	600 000	600 000	100	0	0					
Activity 2.3		X	600 000	600 000	100	0	0					
Component 3		X	4 000 000	3 000 000	75	1 000 000 <sup>5</sup>	25	1 000 000				
Activity 3.1		X	3 000 000	3 000 000	100	0	0					
		X	1 000 000	0	0	1 000 000	100					

<sup>3</sup> Under centralised mode of implementation of IPA assistance the co-financing is implemented as parallel co-financing.

<sup>4</sup> These funds may include the costs of expropriations and other services to be financed by BiH relating to the corridor Vc and the SEETO network which are subject of the project.

<sup>5</sup> See footnote 3.

TOTAL IB										
TOTAL INV	25 000 000	21 000 000	86	4 000 000	16					
<b>TOTAL COST</b>	<b>25 000 000</b>	<b>21 000 000</b>	86	<b>4 000 000</b>	16					

Amounts net of VAT

## 4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call(s) for proposals	Signature of contract(s)	Activity Completion
Activity 1.1.1	Q3/2013	Q1/2014	Q1/2016
Activity 1.1.2	Q3/2013	Q1/2014	Q1/2016
Activity 1.1.3	Q3/2013	Q1/2014	Q1/2016
Activity 1.2.1	Q3/2013	Q1/2014	Q1/2016
Activity 1.3.1	Q3/2013	Q1/2014	Q1/2016
Activity 2.1	Q3/2013	Q1/2014	Q1/2016
Activity 2.2	Q3/2013	Q1/2014	Q1/2016
Activity 2.3	Q3/2013	Q1/2014	Q1/2016
Activity 3.1	Q3/2013	Q1/2014	Q1/2016

## 4.3 CROSS CUTTING ISSUES

### 4.3.1 *Equal Opportunities and non discrimination*

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.

### 4.3.2 *Environment and climate change*

The EU transport related Directives in environment sector are fully transposed in the BiH legislative framework for construction activities. The construction legislation in BiH requires mandatory provision of the Preliminary Environment Impact Assessment as a part of initial studies at the conceptual design stage. 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). Having the IFIs as the key support to investment in the sector, the expropriation issues are resolved in accordance to the principles introduced by the leading IFIs (EIB, EBRD, WB and KfW).

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

### 4.3.3 *Minorities and vulnerable groups*

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, belonging to vulnerable groups.

#### ***4.3.4 Civil Society/Stakeholders involvement***

IPA programming process included consultations with Civil Society and Donor Community in BiH, through two levels of consultation meetings and exchange of relevant information on the process and individual proposals. Design processes, by the Law, foresee public debates on the proposed solutions of the respective transport communications.

All relevant institutions from various levels of government in BiH participated in the preparation of the project proposal.

## **ANNEXES**

### **Documents to be annexed to the Project fiche**

- 1. Log frame**
- 2. Description of Institutional Framework**
- 3. Reference list of relevant laws and regulations only where relevant**
- 4. Details per EU funded contract(\*) where applicable:**
- 5. Project visibility activities**

## ANNEX 1: Logical framework matrix for sector support in standard format

LOG FRAME PLANNING MATRIX FOR Project Fiche		IPA National Programme 2012-2013 – Bosnia and Herzegovina		Project title and number: 7 Support to Bosnia and Herzegovina in implementation of the commitments in Transport Sector under the Stabilisation and Association Agreement	
		Contracting period expires: Three years following the date of the conclusion of the Financing Agreement		Execution period expires: Two years following the contracting expiry date	
		Total budget	€ 25 000 000		
		IPA budget:	€ 21 000 000		
<b>National sector or sub sector objective</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of verification</b>			
BH fully prepared to take obligations of membership to the EU	Increasing of citizen standards expressed in GDP  Increasing of transport volume	<b>Reports of Statistics Institute and relevant Ministries</b>			
<b>Sector support objective within the MIPD sector</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>		<b>Assumptions</b>	
Acceleration of activities on the implementation of Corridor Vc and SEETO Network and alignment of BH transport legislation with EU	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 of the sector support</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>		<b>Assumptions</b>	
<b>Component I:</b>  R 1: Tendering for construction of the specific sections of the motorway on Corridor Vc enabled		Documentation collected  Quarterly and Final Progress Reports		Financial obligation to Financial Agreement are realised on time	

<p>R 2: Tendering for construction of the specific sections of the expressway on the SEETO Network Route 3: Sarajevo-Vardiste enabled</p> <p>R 3: Tendering for construction of the specific sections for the improvement (Betterment) of the road on the SEETO Network Route 2a: Lasva-Jajce-Ugar-Banja Luka including Banja Luka bypass enabled (prepared in two LOT's: LOT1 Lašva-Jajce-Ugar; LOT2 Ugar-Banja Luka including Banja Luka by-pass)</p> <p><b><u>Component II:</u></b></p> <p>R: Tendering for overhauling and upgrading of the specific sections of the rail lines in Corridor Vc enabled</p> <p><b><u>Component III:</u></b></p> <p>R: BH Railways Regulatory Board fully operational, EU Directives in energy efficiency, drivers licencing and technical specifications of</p>	<p>Necessary studies and designs needed to launch works needed to complete the motorway in the Corridor Vc and SEETO Network completed, not later than 18 months after start of project;</p> <p>Outstanding studies and designs needed to complete overhaul and improvement of the railway in the Corridor Vc and SEETO Network; completed, not later than 18 months after start of project;</p> <p>BH Railways Regulatory Board in own premises ; Directive EC 2004/51 , Directive EC 2007/59) transposed , staff educated ,</p>		
--	---	--	--



interoperability implemented	not later than 18 months after start of project;		
<b>Activities to achieve results</b>	<b>Means / operations</b>	<b>Costs</b>	<b>Assumptions</b>
<p><b><u>Component 1:</u></b></p> <p><b>1.1 Provision of necessary documentation for construction of the motorway in the Corridor Vc</b></p> <p><b>1.1.1</b> Preparing of main design, revision of design and preparing of tender of dossier for works for the section Konjic-Jablanica</p> <p><b>1.1.2</b> Preparing of main design, revision of design and preparing of tender of dossier for works for the section Zepce-Doboj jug</p> <p><b>1.1.3</b> Updating existing documentation, revision of design and preparing of tender of dossier for works for the sections on the By-pass Mostar and By-pass Blagaj</p> <p><b>1.2: Provision of necessary</b></p>	<p>Signed contract with consultant who will prepare studies and designs needed to launch works needed to complete the motorway in the Corridor Vc and SEETO Comprehensive Network</p>	<p><b>Component 1: IPA funds : EUR 16 000 000</b></p> <p><b>Co-financing: EUR 3 000 000</b></p>	<p><b>Tendering procedures for all projects successfully completed and contractor selected for services contracted.</b></p> <p><b>Terms of reference prepared in close coordination with stakeholders..</b></p> <p><b>Studies produced as planned, in close coordination with the stakeholders.</b></p> <p><b>Main Designs produced as planned, in close coordination with the stakeholders.</b></p> <p><b>All other project activities coordinated with the stakeholders in all phases.</b></p>

<p><b>documentation for construction of the SEETO Comprehensive Network Route 3</b></p> <p><b>1.2.1</b> Preparing Preliminary Studies and Designs for construction of expressway on the SEETO Comprehensive Network Route 3: Sarajevo-Vardiste</p> <p><b>1.3: Provision of necessary documentation for construction of the SEETO Comprehensive Network Route 2a</b></p> <p><b>1.3.1</b> Preparing Preliminary Studies and Designs for improvement (Betterment) of the road on the SEETO Comprehensive Network Route 2a:</p> <p>LOT 1: Lasva-Jajce-Ugar</p> <p>LOT 2: Ugar-Banja Luka including Banja Luka By-pass</p> <p><b><u>Component II:</u></b></p> <p><b>2.2: Studies and designs for overhaul and TER compatibility of</b></p>	<p>Signed contract with consultant who will prepare</p>	<p><b>Component II : IPA fund : EUR 2 000 000</b></p>	
---	---	---	--

<p><b>railways on the Corridor Vc and SEETO Comprehensive Network</b></p> <p><b>2.2.1</b> Preparing Feasibility Studies for Overhaul of railways, rail facilities, electro-energetic facilities, contact network and SS devices on the sections that belong to Corridor Vc: Samac-Doboj, Maglaj-Jelina and Zenica-Podlugovi</p> <p><b>2.2.2</b> Preparing of Alignment study and Feasibility Study and designs for removing the traffic bottleneck occurring presently at the micro location Ivan-Bradina</p> <p><b>2.2.3</b> Preparing of Preliminary Studies and Designs for Overhaul of railways, rail facilities, SS and telecommunications facilities and electrification on the sections that belong to the Corridor Vc: Doboju-Tuzla-Brcko</p>	<p>Outstanding studies and designs needed to complete overhaul of the railway in the Corridor Vc, and SEETO Comprehensive Network</p>		
---	---	--	--

<p><b><u>Component III:</u></b></p> <p><b>Measure 3: Capacity building of the railway sector in BH</b></p> <p><b>3.1</b> Construction and equipment for BH RRB Head-quarters Building</p>	<p>Signed contracts for Institutional and capacity building of the BH Railways Regulatory Board</p>	<p><b>Component III : IPA fund : EUR 3 000 000</b></p> <p><b>Co-financing: EUR 1 000 000</b></p>	
---	---	--	--

## **2. Description of Institutional Framework**

The institutional setup relevant for this sector fiche in Bosnia and Herzegovina includes:

- The state level Ministry for Communications and Transport, maintaining a coordination role in the sector, and holding its responsibility for international and inter-entity transport;
- The Ministry of Transport and Communications of the Federation of Bosnia and Herzegovina;
- The Ministry of Transport and Communications of Republika Srpska;
- The BiH Railways Public Corporation;
- The BiH Railways Regulatory Board.

The institutional setup also includes the following potential final beneficiaries:

- The Public Enterprise Railroads of Republika Srpska;
- The Public Enterprise Railroads of Federation BiH;
- The Public Enterprise Road Directorate of the Federation BiH;
- The Public Enterprise Roads of Republika Srpska;
- The Public Enterprise Motorways of the Federation of BiH;
- The Public Enterprise Motorways of Republika Srpska.

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.

During Programming of IPA 2012-2013 Working group has been established, comprised of representatives of transport sector from state and entity levels.

### **Political, legal and institutional framework:**

Politics of Bosnia and Herzegovina takes place in a framework of a parliamentary representative democratic republic, whereby the Council of Ministers of Bosnia and Herzegovina is the head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and parliament. Members of the parliament are chosen according to a proportional representation system.

The Judiciary is independent of the executive and the legislature. The system of government established by the Dayton Accord is an example of consociationalism, as representation is by elites who represent the country's three major groups, with each having a guaranteed share of power.

Bosnia and Herzegovina is divided into two Entities - the Federation of Bosnia and Herzegovina and the Republika Srpska, which each have largely autonomous political power, as well as the district of Brcko. Each of the Entities has its own constitution.

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:

- Memorandum of understanding on South-East Europe Comprehensive Regional Transport Network - Five Year Multi Annual Plan, 2012-2016;
- 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.

### **3. Reference list of relevant laws and regulations only where relevant**

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 Traffic Safety on Roads of Republika Srpska, (“Official Gazette of RS”, 63/11)
- Law on Roads in Federation of BiH, (“Official Gazette of FBiH”, 6/02, 18/02);
- Law on Road Transport of Republika Srpska, (“Official Gazette of RS”, 111/08, 50/10);
- Law on Public Roads of Republika Srpska, (“Official Gazette of RS”, 16/10)
- Law on International and Inter-Entity Road Transport of Republika Srpska, (“Official Gazette of RS”, 01/02, 14/03);

Guidelines for designing, construction, supervision and maintenance of roads

#### **4. Details per EU funded contract(\*) where applicable:**

Please refer to section 3.4. of this document.

#### **5. Project visibility activities**

The Project visibility activities will be provided according to the specific project activities implemented, in line with the EU visibility and communication rules and requirements.