



## **INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020**

### **MULTI-COUNTRY**

**EU4Connectivity: Support to Technical Assistance under the Western Balkans Investment Framework (IPF, EWBJF and IFICO) and JASPERS support to IPA II beneficiaries**

#### **Action summary**

The action will continue to provide technical assistance through the Infrastructure Project Facility (IPF) and the European Western Balkans Joint Fund (EWBJF), under the Western Balkans Investment Framework (WBIF), for the successful preparation and implementation of major infrastructure investment projects. It will, in particular, support and bring to maturity projects with a regional dimension identified through the Single Project Pipelines. By contributing to prepare all documentation necessary for implementation, it will make the infrastructure projects eligible for loans from International Financial Institutions (IFIs) and/or further European Union (EU) financing. As a concrete measure linked to the European Commission's COVID-19 response, a specific TA support is foreseen for the rehabilitation of the Belgrade Military hospital through the EWBJF.

The action will also continue to fund the technical, administrative, visibility and communication support provided by the IFI Coordination Office (IFICO) to the WBIF Secretariat and to WBIF governing bodies, beneficiaries and other WBIF stakeholders under IPA III. The action will ensure efficient coordination and communication among all WBIF stakeholders and contribute to increase the visibility of the WBIF umbrella by better promoting supported infrastructure projects and private sector support, both in the Western Balkans and in the EU Member States.

Complementary to the above, the action will continue to provide advisory support through JASPERS (Joint Assistance to Support Projects in European Regions, a technical assistance partnership between the European Investment Bank (EIB) and the European Commission) to prepare successful, high quality infrastructure projects identified in the IPA II beneficiaries. It will contribute to bringing these priority projects to investment maturity by offering support to develop, manage and review the quality of the projects, making them eligible for EU funds.

<b>Action Identification</b>	
<b>Action Programme Title</b>	IPA II Multi-Country Action Programme 2020 – part 1
<b>Action Title</b>	EU4Connectivity: Support to Technical Assistance under the Western Balkans Investment Framework (IPF, EWBJF and IFICO) and JASPERS support to IPA II beneficiaries
<b>Action ID</b>	IPA 2020/041-818.05/MC/IPF-EWBJF-IFICO-JASPERS
<b>Sector Information</b>	
<b>IPA II Sector</b>	9. Regional and territorial cooperation
<b>DAC Sector</b>	43010 Multi-sector aid 32130 - Small and medium-sized enterprises (SME) development
<b>Budget</b>	
<b>Total cost</b>	EUR 67,5 million
<b>EU contribution</b>	EUR 67,5 million
<b>Budget line(s)</b>	22.020401- Multi-country programmes, regional integration and territorial cooperation
<b>Management and Implementation</b>	
<b>Method of implementation</b>	Direct management: IPF, IFICO, JASPERS Indirect management: EWBJF
<i>Direct management:</i> <b>European Commission</b>	Components I, III and IV: Directorate-General for Neighbourhood and Enlargement Negotiations, Unit D.5 Western Balkans Regional Cooperation and Programmes
<i>Indirect management:</i> <b>Entrusted entity</b>	Component II: Indirect management with the European Investment Bank (EIB), and the European Bank for Reconstruction and Development (EBRD) (as EWBJF managers) via Contribution Arrangement to the EWBJF.
<b>Implementation responsibilities</b>	Components I, III and IV: Directorate-General for Neighbourhood and Enlargement Negotiations, Unit D.5 Western Balkans Regional Cooperation and Programmes  Component II: European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Council of Europe Development Bank (CEB), Kreditanstalt für Wiederaufbau (KfW), Agence Française de Développement (AfD), World Bank Group (WBG), as lead International Financial Institutions (IFIs) in charge for the implementation of EWBJF projects.
<b>Location</b>	
<b>Zone benefiting from the action</b>	Components I, II and III: Western Balkans (Republic of Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, Republic of North Macedonia, and Republic of Serbia). Component IV: Western Balkans and Republic of Turkey
<b>Specific implementation</b>	N/A

\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

<b>area(s)</b>			
<b>Timeline</b>			
<b>Final date for contracting including the conclusion of contribution/delegation agreements</b>	At the latest by 31 December 2021		
<b>Final date for operational implementation</b>	72 months from the adoption of the Financing Decision.		
<b>Policy objectives / Markers (DAC form)</b>			
<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
Gender equality (including Women In Development)	X	<input type="checkbox"/>	<input type="checkbox"/>
Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation (Components I, II and IV only)	<input type="checkbox"/>	X	<input type="checkbox"/>
Climate change adaptation (Components I, II and IV only)	<input type="checkbox"/>	X	<input type="checkbox"/>

# 1. RATIONALE

## PROBLEM AND STAKEHOLDER ANALYSIS

Over the last decade, the Western Balkans have made substantial progress towards stability and regional cooperation. Nonetheless, competitiveness and sustainable growth remain a significant challenge in the region, in particular as regards job creation. There is also still a large gap between the existing infrastructure, which very often suffers from insufficient or inexistent maintenance, and what would be needed to ensure sustainable development. Furthermore, the region is dependent on fossil fuels in terms of its energy mix.

Higher growth rates will only be possible if further structural reforms are accomplished, making the economies more competitive and attractive for investors.

This will require considerable investments at beneficiary level as well as at regional level in infrastructure networks (digital, energy, environmental, social, transport), in comprehensive action to mitigate and adapt to climate change by shifting to a low-carbon and climate resilient development path, as well as greater private sector and trade development. Investments are particularly needed to create a favourable business climate for small and medium-sized, innovative enterprises and for developing access to finance.

Regional cooperation in the infrastructure sector is essential for successfully tackling trans-boundary issues and common key challenges in the Western Balkans, such as connectivity, integrated water resources management, climate change, energy shortages or floods.

In 2014, the Western Balkans - Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia - met in Berlin to bring a new dynamism to regional cooperation. Since then, the European Commission has been working with them on concrete measures that benefit citizens throughout the region, in particular in building and connecting transport and energy infrastructure as a driver for growth and jobs and helping to attract international and private investments.

The Western Balkans Investment Framework (WBIF)<sup>1</sup> is a multifaceted, very effective cooperation structure uniting beneficiaries, donors and lenders to support infrastructure investment, private sector development and energy efficiency in the Western Balkans, and the IPA beneficiaries towards the European perspective. It contributes to the European perspective of the Western Balkans by blending grants and loans to provide technical assistance and financing for strategic priority infrastructure investments that boost competitiveness and growth, while reinforcing regional cooperation and connectivity.

Amongst the many challenges faced by the relevant IPA II beneficiaries, the main ones are:

- insufficient financing opportunities for the development of infrastructure;
- insufficient public support to infrastructure reform and development;
- delays in implementation of EU *acquis* related to infrastructure and the enforcement of relevant legal acts;
- preparing feasible and bankable infrastructure projects for implementation;
- slow and lengthy administrative procedures, for example for obtaining construction permits;
- a lack of fair, transparent and diligent public tendering procedures;

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<sup>1</sup> [www.wbif.eu](http://www.wbif.eu)

- tariffs for infrastructure products and services that are not affordable or do not reflect the real costs of the investment;
- insufficient mechanisms in attracting private sector participation in financing infrastructure projects;
- minorities and vulnerable groups often live in areas for which infrastructure plans are developed because their settlements are not included in planning documents. Some Roma<sup>2</sup> settlements are severely affected by floods and other environmental problems, near landfills etc. EU guidance documents on EU funded spatial investment programmes problematizes EU infrastructure projects that result in evictions and related practices due to inadequate consultations and impact assessments.
- insufficient information for the business community on how to access regional and bilateral EU funded private sector support.
- lack of aggregate results across all bilateral and regional actions aimed at supporting private sector development in the Western Balkans, including those supported under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), the European Fund for Southeast Europe (EFSE), the Green for Growth Fund (GGF), newly deployed guarantees, and IPA bilateral assistance, as to identify possible gaps.
- insufficient tracking of achievement of policy objectives and of information on key indicators (jobs, employment, investments leveraged etc.), as to plan future interventions.

The WBIF, launched in December 2009, is a joint initiative of the European Commission, the partner International Financial Institutions (European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, Council of Europe Development Bank - CEB, Kreditanstalt für Wiederaufbau - KfW, Agence Française de Développement - AFD, World Bank Group – WBG) and bilateral donors. In 2019 a process was launched to integrate under the WBIF umbrella several already existing regional thematic platforms and facilities, which include the above mentioned IFI partners: namely the WB EDIF, the GGF, the Western Balkans Regional Energy Efficiency Programme (WB REEP) and the EFSE.

Besides the need for technical assistance when preparing and implementing projects, as offered under the WBIF umbrella, it is also key to provide advisory support to beneficiaries when reviewing the quality of technical documentation prepared by external consultants (e.g. Infrastructure Project Facility IPFs). Equally, there is need to provide targeted advisory support to SMEs on how to access EU funding.

Support is also required to prepare sector strategies, to improve programming and to develop project pipelines for IPA co-financing and new financial instruments and private sector programmes in cooperation with IFIs and bilateral development banks.

## **OUTLINE OF IPA II ASSISTANCE**

### **Component I: Infrastructure Project Facility (IPF)**

The first component of the action will allow to continue offering technical assistance for the successful preparation of priority infrastructure projects, identified by the IPA II beneficiaries through the Single

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<sup>2</sup> In line with the terminology of European institutions the umbrella term ‘Roma’ is used here to refer to a number of different groups (e.g. Roma, Sinti, Kale, Gypsies, Romanichels, Boyash, Ashkali, Egyptians, Yenish, Dom, Lom, Rom, Abdal...) without denying the specificities of these groups.

Project Pipelines (SPPs), submitted as project proposals through the National IPA Coordinators (NIPACs) and screened, selected and approved for financing by the WBIF.

Technical assistance is available for all infrastructure projects included in the SPPs. Exceptions may be granted in the Digital, Environment and Social sectors to projects which are not part of the SPPs. Technical assistance will be provided in line with the submitted and approved project proposals and the subsequently developed and approved terms of reference/sub-project scope. Eligible beneficiaries for technical assistance are:

- central and local authorities where the infrastructure investments will be implemented;
- public utilities responsible for the operation and maintenance of the infrastructure;
- international or regional organisations;
- private companies that may enter into public-private partnerships (PPPs) in the framework of infrastructure projects to be implemented.

The technical assistance provided by the IPF will help preparing the necessary documentation to bring infrastructure projects to maturity for investment co-financing and physical implementation. Specific outputs will include pre-feasibility studies, conceptual designs, feasibility studies, cost-benefit analyses, environmental and social impact assessments, disability access requirements, preliminary designs, financing plans, tariffs plans, detailed designs, tender dossiers, etc. In very exceptional cases, technical assistance could also be provided during the implementation phase. It will also comprise the transfer of expertise in project management and project development from the IPF to the staff of the beneficiaries.

IPFs may as well be tasked to provide ad hoc technical assistance, such as the Gap Analysis on Floods Prevention and Management in the Western Balkans, commissioned following the dramatic floods of May 2014 in Bosnia and Herzegovina and Serbia and then presented at a regional conference in Sarajevo on 28 September 2015.

Following the approval of the terms of reference/sub-project scope (normally prepared by the International Financial Institutions Coordination Office - IFICO) through the beneficiary and the lead IFI (EU Delegations are consulted), the Directorate-General for Neighbourhood and Enlargement Negotiations assigns the sub-project to an IPF for implementation.

## **Component II: European Western Balkans Joint Fund (EWBJF)**

The second component of the action will be managed by the Directorate-General for Neighbourhood and Enlargement Negotiations, which will sign a Contribution Arrangement with the fund managers of the EWBJF (EBRD, EIB). The contractual arrangements for the EWBJF contributions will be similar to the connectivity investment grants, in which case the European Commission finances the annual connectivity packages (with around EUR 150 million of IPA funds per year) through the signature of contribution arrangements with the fund managers of the EWBJF.

Component II will finance technical assistance grants in the digital, energy, environment, social and transport sectors for the successful preparation of priority infrastructure projects, identified by the IPA II beneficiaries, submitted as project proposals through the National IPA Coordinators (NIPACs) and screened, selected and approved for financing by the WBIF Steering Committee. Technical assistance will be provided in line with the submitted and approved project proposals and the subsequently developed and approved terms of reference. Eligible beneficiaries for technical assistance are the same as under Component I.

The technical assistance provided by the EWBJF – similarly to Component I – will help preparing the necessary documentation to bring infrastructure projects to maturity for investment co-financing and physical implementation. The lead IFIs sometimes prefer to implement technical assistance grants through

the EWBJF instead of IPFs, for instance for specific infrastructure projects when they possess the required in-house expertise to prepare the necessary tender documentation to procure the related technical assistance. Technical assistance through the EWBJF will have similar outputs as Component I, including; pre-feasibility studies, conceptual designs, feasibility studies, cost-benefit analyses, environmental and social impact assessments, disability access requirements, preliminary designs, financing plans, tariffs plans, detailed designs, tender dossiers, etc. In very exceptional cases, technical assistance could also be provided during the implementation phase. It will also comprise the transfer of expertise in project management and project development from the IFIs to the staff of the beneficiaries.

A specific TA support under this component is foreseen for EUR 5 million within the Commission's response to COVID-19 pandemic for the rehabilitation of the Belgrade Military Hospital (Vojnomedicinska Akademija) which will leverage ca EUR 100 million overall investments.

IPA funds will be implemented through the EWBJF, via a long term contractual arrangement, namely the General Conditions, between the European Commission and all IFIs, which allows a programmatic and integral approach while respecting all obligations under the Financial Regulation and insisting on adequate payment procedures and reporting requirements.

### **Component III: International Financial Institutions Coordination Office (IFICO)**

The third component of the action will allow the IFICO to continue supporting the WBIF Secretariat and the WBIF governing structures as shaped by the forthcoming IPA III Regulation for all blending and guarantee operations. The IFICO has supported the WBIF since February 2010 and provides administrative, technical, communication and visibility support to all WBIF stakeholders. The availability of such support is crucial to the continued success of the WBIF. The IFICO also provides upon request technical assistance to the National Investment Committees (NICs) in charge of the SPPs. As the WBIF evolves, the IFICO will take on additional tasks (e.g. related to the Enterprise Development and Innovation Facility (EDIF), Western Balkans Guarantee) as deemed necessary by the Steering Committee and the European Commission.

As regards EU support under the WBIF umbrella to the private sector, this component will support the development and implementation of coherent and structured application, monitoring, reporting and communication tools. In particular, it will aggregate results across all bilateral and regional actions aimed at supporting private sector development in the Western Balkans, which fall into the WBIF umbrella. This tracking and outreach of key achievements across EU funded programmes will be achieved via a single EU communication and visibility platform, inspired by the EU experience in the neighbourhood.

### **Component IV: Joint Assistance to Support Projects in European Regions (JASPERS)**

The Joint Assistance to Support Projects in European Regions (JASPERS), a partnership between the EIB and the European Commission initially created to support new Member States to prepare high quality projects to qualify for EU Structural Funds, has since 2013 gradually extended its geographical coverage to now cover the Western Balkans and Turkey.

By mid-2019, JASPERS had 53 assignments ongoing in the Western Balkans and Turkey for a total investment of above EUR 4 billion. Through its in-house experts, JASPERS can cover all relevant infrastructure sectors, including transport, water/wastewater, energy/solid waste, as well as social and smart development (health, education and telecommunication/digital). Through the provision of advisory support and guidance to beneficiary institutions, notably geared at supporting the preparation of sustainable projects that are planned, prepared, procured and run to proper technical, social and environmental standards, JASPERS has established itself as an advisor of trust in the region, and also a highly complementary building block within the overall architecture of the WBIF with regards to the Western Balkans IPA II beneficiaries.

JASPERS will continue to advise the IPA II beneficiaries regarding the identification and preparation of sustainable infrastructure programmes and priority infrastructure projects, help enhance project readiness for EU/IFIs co-financing and provide capacity building to central and local administrations and other beneficiaries (e.g. project implementation units, public utilities). It will specifically target sector strategies/pipelines (e.g. in support of SPPs), project structuring and preparation, review of project support documentation (e.g. feasibility studies, cost-benefit analysis, environmental and social impact assessments, etc.), procurement strategies, selective implementation and horizontal issues, training and capacity building. Project related support will mainly focus on those that are included in the SPPs.

## **RELEVANCE WITH THE IPA II MULTI-COUNTRY INDICATIVE STRATEGY PAPER AND OTHER KEY REFERENCES**

The revised Multi-country Indicative Strategy Paper 2014-2020<sup>3</sup> (hereinafter referred to as the Strategy paper) sets socio-economic and regional development as one of its main objectives and clearly underlines the importance to support investments in infrastructure in the Western Balkans where cross-border networks are underdeveloped.

The Strategy paper also stresses the need to seek coherence and complementarity with other donors, in particular in the context of the WBIF to build a common pipeline of projects. In this context, the importance of a constructive cooperation with International Financial Institutions ensuring a balanced and equitable socio-economic development in the IPA II beneficiaries is crucial. In addition, efficient coordination with IFIs, other donors as well as with IPA bilateral programmes is necessary especially at the strategic and sectoral level.

Technical assistance will be provided in line with the priorities identified in the Strategy paper, but also in line with relevant EU policies and EU macro-regional strategies, such as the EU Strategy for the Danube Region (EUSDR, endorsed in April 2011), the EU Strategy for the Adriatic-Ionian Region (EUSAIR, endorsed in September 2014) and the Western Balkans Strategy<sup>4</sup> (published on 6 February 2018), namely its Flagship 4 “Increasing connectivity” and Flagship 5 “A Digital Agenda for the Western Balkans”.

Roma inclusion is an integral of the fundamentals first approach of the European perspective process, a moral imperative based on EU values and smart economics in an aging Europe. This is supported by various EU policies (non-exhaustive list not including EU law on e.g. anti-discrimination and other):

- 2011 EU Roma Framework;
- 2011 10 Common Basic Principles Roma Inclusion;
- 2013 Council Recommendation on effective Roma integration measures;
- 2013/14 Enlargement strategy;
- 2016 Council Conclusions on Accelerating the Process of Roma Integration;
- 2018 WB strategy;
- 2019 EP Resolution on a strengthened Roma policy;

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<sup>3</sup> COM (2018)3442, 31.05.2018

<sup>4</sup> COM (2018)65,06.02.2018



- 2019 EPSCO Council conclusions Roma inclusion;
- 2019 Enlargement communication;
- SDG goals (1. No poverty, 2. No hunger, 3. Equality in health, 4. Equality in education, 5. Gender equality, 6/7. Equality in access to infrastructures, 8. Decent work and economic growth, 9. Labour market participation, 10. Reduced inequalities, 11. Sustainable cities and communities, 16. Peace, justice and strong institutions);
- 2010 CoE Strasbourg Declaration on Roma;
- The EU Social Charter and the TFEU;
- etc.

## **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

### **Component I: Infrastructure Project Facility (IPF)**

In a context of vast investments needs, restricted domestic budgets and limited borrowing capacities, proper prioritisation is key to ensure that the infrastructure projects most relevant for growth, stability and European perspective are the first ones to be prepared to the highest standards and subsequently timely implemented. The setting up of NICs, with the mandate to establish and regularly update a SPP for all priority infrastructure projects (not just those to be co-financed with EU funds), is key in identifying projects that will be submitted to the WBIF for grant and loan support.

Central and local authorities or public utilities often lack the knowledge, expertise and experience to prepare bankable infrastructure projects ready for implementation. The IPF is a very practical and efficient response to the beneficiaries' technical assistance needs.

The WBIF Steering Committee can only approve technical assistance grants when sufficient EU funds have been formally adopted through a Commission Financing Decision. By the end of 2020, the EU funds committed for IPF sub-projects will have been fully allocated.

An external evaluation of the IPFs was launched in late 2017 and the final report with nine key recommendations submitted in March 2019. The WBIF partners and stakeholders are currently in the process of discussing how to further improve the IPFs to make them an even more efficient and effective tool. The main focus is on the procurement of IPFs (e.g. how to ensure greater variety of companies submitting a tender, possibility of sectoral IPFs) and efficiency gains in the sub-project cycle (e.g. request qualitative better and more maturity applications, be more selective and stringent during the screening/selection process, considerably shorten terms of reference preparation and approval, enhanced stakeholder engagement in monitoring sub-project implementation).

### **Component II: European Western Balkans Joint Fund (EWBJF)**

The partner organisations of the WBIF have set up a jointly managed fund, the EWBJF in 2009. After its inception, the European Commission provided grants under the EWBJF mechanism through several financing decisions between 2010 and 2012. The first contributions were allocated to be pooled into the EWBJF with a view to possibly increase the contributions from the EU and other donors in the future. The reinforcement of the EWBJF as an integral part of the WBIF and its decision-making process took place in 2016 when the current General Conditions were approved. The European Commission recognized the need to improve coordination and implementation of infrastructure projects in the Western Balkans, and has obtained consensus in the WBIF Steering Committee on the new WBIF methodology and co-financing, inclusive of approval of the IFIs, the IPA II beneficiaries, and the donor countries.

Since 2015, the European Commission provides its co-financing of investment costs for the **Connectivity Agenda** projects through the EWBJF financing mechanism. With the approval of 39 Connectivity projects between 2015-2019, the EWBJF evolved its previous financial assistance and it is now confirmed as appropriate mechanism to provide financing through blended instruments. The new methodology and co-financing strengthened the ownership principle, with National IPA Coordinators (NIPACs) responsible for prioritization of projects via the NICs and SPPs, and in the future responsible for sending in applications for co-financing. Important steps have already been taken in order to ensure that more pooling is achieved in the future.

### **Component III: International Financial Institutions Coordination Office (IFICO)**

The IFICO, set up in 2010, has proven to be a crucial, flexible and effective tool supporting the WBIF Secretariat in fulfilling its tasks, assigned by the WBIF governing bodies through the WBIF Rules and Procedures. The WBIF Secretariat's main role is to prepare, support and implement decisions of the WBIF Project Financiers' Group (PFG) and the Steering Committee (SC). This includes coordination and communication between all WBIF stakeholders, plan and coordinate the WBIF work programme, organise all meetings of the governing bodies, organisation of the calls (from publication, through the screening/assessment of project proposals submitted, to the final project selection), as well as monitor and report on grant resources utilisation after approval and ensure proper visibility of all WBIF supported projects. In addition, IFICO provides help to beneficiaries for preparing grant applications, develops terms of reference/sub-project scopes for sub-projects implemented by the IPFs, administers the WBIF website and the Management and Information System (MIS), and provides reporting support. Since July 2018, the IFICO also coordinates the activities of the WBIF Country Managers located in the relevant IPA II beneficiaries.

With the establishment in 2015 of a SPP and a NIC in each of the Western Balkans beneficiaries - strongly supported by the IFICO - a methodology for infrastructure project prioritisation has been gradually introduced and serves as a basis for future programming of all available financing sources (i.e. domestic funds, EU grants, WBIF IFI loans, grants and loans from other donors and institutions). This framework enables the beneficiaries to better identify priority projects and submit some of those to the WBIF to be funded through the European Commission, the IFIs and the participating bilateral donors.

The European Commission continues to work on further improving the SPP/NIC framework step by step. Eventually, all SPPs should be linked to the medium-term budgetary planning. The ongoing revision of the WBIF will also contribute to strengthening the said framework.

So far, there has been no single entry point to analyse, monitor and communicate different SMEs support activities in the Western Balkans. Outreach and monitoring activities are being performed at the level of individual regional or bilateral programmes. Brought under a single umbrella, private sector support monitoring, reporting and communication to the public should improve.

### **Component IV: Joint Assistance to Support Projects in European Regions (JASPERS)**

A Results-Oriented Monitoring (ROM) mission took place in spring 2019. The ROM experts concluded that JASPERS meets a clear need among the IPA II beneficiary institutions for expert support in ensuring quality preparation of infrastructure projects. It has a key role in providing quality control and guidance to beneficiary institutions, which complements other types of technical assistance support aimed at drafting project documentation, and assisting in procurement and implementation.

As a follow-up of the ROM recommendations, the different stakeholders (i.e. JASPERS, beneficiaries, NIPACs, the Directorate-General for Neighbourhood and Enlargement Negotiations, Unit D.5, EU Delegations) are currently discussing how to further enhance coordination with other key players and the strategic impact of JASPERS advisory support in the context of the EU's IPA policy (e.g. conduct regular JASPERS management missions to discuss and evaluate work performed and plan future activities, develop specific annual workplans/strategies, organise IPA specific trainings/events in the region, establish JASPERS coordination groups, etc.).

A JASPERS mid-term evaluation (mainly focused on JASPERS activities in EU Member States, but as well covering IPA) initiated by the Directorate-General for Regional and Urban Policy is still ongoing. The consultant in charge of the evaluation must submit the final report in November/December 2019.

### **Other related actions**

Other EU funded actions exist to support the relevant IPA II beneficiaries in the preparation of infrastructure projects, for instance:

- National Project Preparation Facilities (PPFs) in Montenegro and Serbia managed by the EU Delegations have been assisting the central administration and other beneficiaries with the preparation of technical and project documentation for infrastructure projects, which need to be prepared in accordance with domestic legal requirements and EU standards and norms, with the aim of being financed through EU grants and/or blended with IFI loans or other resources.
- CONNECTA is a technical assistance managed by the Directorate-General for Neighbourhood and Enlargement Negotiations, Unit D.5 that supports the development of the indicative extension of the Trans-European Transport Core Network (TEN-T Core Network) and the Projects of Energy Community Interest (PECIs) and Projects of Mutual Interest (PMIs) to the Western Balkans. It does so by filling gaps and speeding up processes related to projects selected and supported under the WBIF. In addition, it also supports the identification and enforcement of connectivity reform measures and technical standards in the transport sector.

Coordination is therefore of utmost importance to avoid any overlaps and duplications. This is ensured through weekly D.5/IFICO progress meetings, four-monthly D.5/IFICO/IPF/CONNECTA coordination meetings, bi-annual IPF portfolio reviews in each IPA II beneficiary, the participation of IPFs and JASPERS in the WBIF PFG and SC meetings, etc.

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE(S) / (IMPACT(S))	INDICATOR'S NAME	OBJECTIVELY VERIFIABLE INDICATORS			SOURCES & MEANS OF VERIFICATION	
		BASELINES (INCL. VALUE & REFERENCE YEAR)	MILESTONES (INCL. VALUE & REFERENCE YEAR )	TARGETS (INCL. VALUE & REFERENCE YEAR)		
<p><b>Long-term Overall objective:</b> To enhance the socio-economic development, including for vulnerable groups (e.g. Roma), of the Western Balkans and Turkey, in particular through improving the investment climate in the region and as well as through preparing to implement major investments, which are in line with the investment priorities identified.</p> <p><b>Intermediate Overall objective(s):</b> To consolidate the preparation and implementation of major priority infrastructure projects, which will boost the socio-economic development.</p>	<ul style="list-style-type: none"> <li>GDP per capita in PPS (EU28 = 100, weighted average of Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia based on population)</li> <li>Value of EU grants provided through the WBIF for major investment projects (EU contribution in million EUR)</li> </ul>	<ul style="list-style-type: none"> <li>2017 / 35.6</li> <li>2017 / 508</li> </ul>	<ul style="list-style-type: none"> <li>2022 / &gt; 35.6</li> <li>2022 / 1400</li> </ul>	<ul style="list-style-type: none"> <li>2027 / &gt; 35.6</li> <li>2027 / 2500</li> </ul>	<ul style="list-style-type: none"> <li>Eurostat reports</li> <li>WBIF Management Information System (WBIF MIS)</li> </ul>	
<b>SPECIFIC OBJECTIVE(S) / OUTCOME(S)</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>				<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<p><b>Specific Objective 1 (IPF and EWBIF):</b> To improve the preparation and implementation of priority infrastructure projects at Western Balkans IPA II beneficiary and regional level in the following sectors: Digital, Energy, Environment, Social and Transport.<sup>5</sup></p>	<ul style="list-style-type: none"> <li>Number of WBIF TA grant supported priority infrastructure projects under construction</li> <li>Number of WBIF TA grant supported priority infrastructure projects completed</li> </ul>	<ul style="list-style-type: none"> <li>2017 / 30</li> <li>2017 / 6</li> </ul>	<ul style="list-style-type: none"> <li>2022 / 39</li> <li>2022 / 45</li> </ul>	<ul style="list-style-type: none"> <li>2027 / 65</li> <li>2027 / 112</li> </ul>	<ul style="list-style-type: none"> <li>WBIF MIS</li> <li>International Financial Institution (IFI) reports</li> <li>WBIF annual reports</li> <li>WBIF bi-annual monitoring reports</li> <li>The governments reports and budgets</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries capacity to borrow remains stable</li> <li>Recovery from the financial crisis allows further development and creates further loans demand</li> <li>Political stability in the region</li> </ul>

<sup>5</sup> An indicative amount of EUR 10 million is earmarked for Digital infrastructure sub-projects, provided that beneficiaries submit sufficient number of qualitatively good and mature proposals fulfilling all WBIF eligibility criteria

<p><b>Specific Objective 2 (IFICO):</b> To assist the WBIF stakeholders (European Commission, IFIs, bilateral donors, beneficiaries) in achieving a coordinated approach towards infrastructure and private sector investment policies in the Western Balkans.</p> <p><b>Specific Objective 3 (JASPERS):</b> To strengthen the development, management and review of major infrastructure projects by central administrations and other beneficiaries in all IPA II beneficiaries</p>	<ul style="list-style-type: none"> <li>● Number of strategy/policy, technical and operational discussion papers, reviews, analyses, briefings, and other documents related to the WBIF sectors/actions/future development.</li>   <li>● Overall satisfaction with JASPERS intervention (percentage of very satisfied or satisfied responses) <ul style="list-style-type: none"> <li>○ Achievement of assignments' objectives</li> <li>○ Timeliness of inputs</li> <li>○ Quality of advice</li> <li>○ Satisfaction with inputs/deliverables</li> </ul> </li> <li>● Added value of JASPERS services (percentage of positive responses) <ul style="list-style-type: none"> <li>○ Increased institutional capacity</li> <li>○ Contribution to sector strategy/planning</li> <li>○ Contribution to remove project barriers</li> <li>○ Cost savings</li> <li>○ Improved project quality</li> <li>○ Improved project documentation</li> <li>○ Facilitation of implementation</li> </ul> </li> <li>● Expected impact of JASPERS services (percentage of very satisfied or satisfied responses)</li> </ul>	<ul style="list-style-type: none"> <li>● 2017 / 93</li>   <li>○ 2019: 90%</li> <li>○ 2019: 70%</li> <li>○ 2019: 95%</li> <li>○ 2019: 90%</li>   <li>○ 2019: 85%</li> <li>○ 2019: 65%</li> <li>○ 2019: 65%</li> <li>○ 2019: 60%</li> <li>○ 2019: 90%</li> <li>○ 2019: 90%</li> <li>○ 2019: 60%</li>   <li>○ 2019: 50%</li> </ul>	<ul style="list-style-type: none"> <li>● 2022 / 145</li>   <li>○ 2022: &gt;75%</li> <li>○ 2022: &gt;70%</li> <li>○ 2022: &gt;75%</li> <li>○ 2022: &gt;75%</li>   <li>○ 2022: &gt;75%</li> <li>○ 2022: &gt;65%</li> <li>○ 2022: &gt;65%</li> <li>○ 2022: &gt;60%</li> <li>○ 2022: &gt;75%</li> <li>○ 2022: &gt;75%</li> <li>○ 2022: &gt;60%</li>   <li>○ 2022: &gt;60%</li> </ul>	<ul style="list-style-type: none"> <li>● 2027 / 170</li>   <li>○ 2027: &gt;75%</li> <li>○ 2027: &gt;75%</li> <li>○ 2027: &gt;75%</li> <li>○ 2027: &gt;75%</li>   <li>○ 2027: &gt;75%</li> <li>○ 2027: &gt;70%</li> <li>○ 2027: &gt;70%</li> <li>○ 2027: &gt;75%</li> <li>○ 2027: &gt;75%</li> <li>○ 2027: &gt;70%</li>   <li>○ 2027: &gt;75%</li> </ul>	<ul style="list-style-type: none"> <li>- WBIF website and MIS</li> <li>- IFICO progress reports = progress reports under EFSE, EDIF ,GGF and REEP</li>   <li>- JASPERS client feedback system</li> </ul>	<ul style="list-style-type: none"> <li>- Continuous support, involvement and engagement by all WBIF partners.</li> <li>- Continuous political support by beneficiaries</li> <li>- Allocation of sufficient budget and human resources for the proper functioning of the relevant institutions dealing with the WBIF and the Single Project Pipeline (e.g. NIPAC, NIC).</li> <li>- Beneficiaries are committed to improve existing capacities and to consider recommendations issued by JASPERS.</li> </ul>
<b>OUTPUTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>				<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>

<p><b>Output 1.1 (influencing Specific Objective 1):</b> Priority infrastructure projects at beneficiary and regional level are ready for implementation (i.e. good quality, complete project documentation) in the following sectors: Digital, Energy, Environment, Social and Transport.</p> <p><b>Output 1.2 (influencing Specific Objective 1):</b> Beneficiary staff possesses the necessary skills and knowledge to prepare priority infrastructure projects.</p>	<ul style="list-style-type: none"> <li>• Number of Technical Assistance (TA) grants fully implemented by IPFs (i.e. completion of all activities foreseen in the terms of reference/sub-project scope)</li> <li>• Number of Technical Assistance (TA) grants fully implemented by lead IFIs through the EWBJF (i.e. completion of all activities foreseen in the terms of reference)</li> <li>• Number of formal trainings/seminars organised by IPFs</li> </ul>	<ul style="list-style-type: none"> <li>• 2017 / 84</li> <li>• 2017 / 38</li> <li>• 2017 / 26</li> </ul>	<ul style="list-style-type: none"> <li>• 2022 / 175</li> <li>• 2022 / 54</li> <li>• 2022 / 60</li> </ul>	<ul style="list-style-type: none"> <li>• 2027 / 300</li> <li>• 2027 / 75</li> <li>• 2027 / 95</li> </ul>	<ul style="list-style-type: none"> <li>- IPFs bi-monthly and progress reports</li> <li>- WBIF MIS</li> <li>- WBIF bi-annual monitoring and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>- WBIF partners remain fully committed and engaged to support in a coordinated manner priority infrastructure projects in the Western Balkans.</li> <li>- Beneficiaries are fully committed to have properly functioning NICs and SPPs.</li> </ul>
<p><b>Output 2.1 (influencing Specific Objective 2):</b> Well-functioning National Investment Committees (NIC) responsible for establishing and regularly updating the Single Project Pipeline (SPP) of priority infrastructure projects.</p> <p><b>Output 2.2 (influencing Specific Objective 2):</b> Effective and efficient cooperation, communication and coordination amongst all WBIF stakeholders with the aim to contribute to the development and implementation of priority infrastructure projects in the Western Balkans in the following sectors: Digital, Energy, Environment, Social and Transport.</p> <p><b>Output 2.3 (influencing Specific Objective 2):</b> Well-functioning monitoring and result-oriented reporting of EU private sector support provided under the WBIF umbrella</p> <p><b>Output 2.4 (influencing Specific Objective 2):</b> Strong WBIF visibility leading to greater public awareness of the EU and IFI assistance provided for priority infrastructure projects as well as bilateral and regional private sector support in the Western Balkans</p>	<ul style="list-style-type: none"> <li>• Number of NIC support missions taken place</li> <li>• Number of strategic and operational meetings organised (SCs, PFGs, PGs, WBIF coordination meetings, etc.)</li> <li>• Number of WBIF publications and videos produced</li> <li>• Results-oriented framework and reporting put in place, functional MIS for private sector support</li> <li>• studies on technical questions, working papers and advisory provided</li> <li>• Number of projects included under a single outreach initiative for private sector</li> <li>• Number of visibility materials (leaflets, video , articles, bulletins etc. covered under single visibility, communication and reporting umbrella</li> </ul>	<ul style="list-style-type: none"> <li>• 2017 / 58</li> <li>• 2017 / 92</li> <li>• 2017 / 57</li> <li>• 2017/0</li> <li>• 2017/0</li> <li>• 2022 / min 10</li> <li>• 2017/10</li> </ul>	<ul style="list-style-type: none"> <li>• 2022 / 90</li> <li>• 2022 / 170</li> <li>• 2022 / 180</li> <li>• 2022/1+1</li> <li>• 2022/min 5</li> <li>• 2022/20</li> </ul>	<ul style="list-style-type: none"> <li>• 2027 / 120</li> <li>• 2027 / 250</li> <li>• 2027 / 300</li> <li>• 2027 / 1+1</li> <li>• 2027/ min 35</li> <li>• 2027/50</li> <li>• 2027/100</li> </ul>	<ul style="list-style-type: none"> <li>- IFICO monitoring reports</li> <li>- IFICO mission reports</li> <li>- IFICO progress reports</li> <li>- WBIF website and MIS</li> <li>- WBIF bi-annual monitoring and annual reports</li> <li>- WBIF calls for proposals</li> <li>- WBIF publications and videos and other relevant documents</li> <li>- Agendas, minutes of meetings and Reports under platforms and facilities: EDIF, GGF, EFSE and REEP, reports under bilateral and regional programmes</li> <li>- Specific reports, operational reports, publications</li> <li>- Dedicated website, publications</li> </ul>	<ul style="list-style-type: none"> <li>- Beneficiaries submit numerous, good quality project proposals based on the beneficiaries SPP to the WBIF for financing/co-financing.</li> <li>- Beneficiaries are fully committed to co-finance priority infrastructure projects.</li> <li>- Well-identified KPIs and willingness to follow them and provide input</li> <li>-Beneficiaries and project managers submit quality and timely information EU DELs involved</li> </ul>
<p><b>Output 3.1 (influencing Specific Objective 3):</b> Central administrations and other beneficiaries possess the necessary skills and knowledge to develop, review and implement priority infrastructure projects.</p> <p><b>Output 3.2 (influencing Specific Objective 3):</b> Priority infrastructure projects are implemented according to international best practices.</p>	<ul style="list-style-type: none"> <li>• Number of projects in the IPA II beneficiaries that benefitted from JASPERS advice (JASPERS advice completed)</li> <li>• Number of WBIF investment grants linked to infrastructure projects that benefitted from JASPERS advice (JASPERS advice completed or ongoing)</li> </ul>	<ul style="list-style-type: none"> <li>• 2019 / 54</li> <li>• 2019 / 7</li> </ul>	<ul style="list-style-type: none"> <li>• 2022 / 75</li> <li>• 2022 / 12</li> </ul>	<ul style="list-style-type: none"> <li>• 2027 / 110</li> <li>• 2027 / 25</li> </ul>	<ul style="list-style-type: none"> <li>- JASPERS progress reports</li> <li>- WBIF MIS</li> </ul>	<ul style="list-style-type: none"> <li>- Beneficiaries are adequately staffed and have a low staff turnover.</li> <li>- Beneficiaries value and apply recommendations issued by JASPERS.</li> </ul>

## DESCRIPTION OF ACTIVITIES

### Component I (IPF) and Component II (EWBJF)

The sample of activities listed below will contribute to achieve the expected outputs:

**Output 1.1:** Priority infrastructure projects at beneficiary and regional level are ready for implementation (i.e. good quality, complete project documentation) in the following sectors: Digital, Energy, Environment, Social and Transport.

- Prepare project documentation in line with the approved terms of reference/subproject scope through IPF service contracts.
- Prepare project documentation by lead IFIs through the EWBJF.

**Output 1.2:** Beneficiary staff possesses the necessary skills and knowledge to prepare priority infrastructure projects.

- Organise formal trainings for beneficiary staff on specific topics identified;
- Provide on-the-job training to beneficiary staff.

### Component III: IFICO

The sample of activities listed below will contribute to achieve the expected outputs:

**Output 2.1:** Well-functioning National Investment Committees (NIC) responsible for establishing and regularly updating the Single Project Pipeline (SPP) of priority infrastructure projects.

- Provide technical assistance to NICs, NIPACs and line ministries related to the setting up and adequate management of SPPs;
- Provide ad-hoc training and other tailor-made support to fill specific gaps.

**Output 2.2:** Effective and efficient cooperation, communication and coordination amongst all WBIF stakeholders with the aim to contribute to the development and implementation of priority infrastructure projects in the Western Balkans in the following sectors: Digital, Energy, Environment, Social and Transport.

- Provide support to the WBIF secretariat, governance structures, beneficiaries and other WBIF stakeholders;
- Manage and update the WBIF Management and Information System (MIS);
- Contribute to strategic discussions and activities under the WBIF and the wider European Commission/IFI/Bilateral Donor cooperation;
- Prepare draft call texts;
- Participate in the screening and assessment of submitted project proposals;
- Provide assistance to beneficiaries to improve the quality of the Grant Application Forms (GAFs), which once signed will onset the EU grant disbursement; Further develop and maintain the database – management and information system - for investments supported by the WBIF in the Western Balkans
- Draft terms of reference/sub-project scopes for sub-projects to be assigned to IPFs for implementation;
- Monitor the implementation of technical assistance sub-projects and investment projects and produce related reports and analyses;
- Provide any other support requested by the WBIF's SC or PFG.

**Output 2.3:** Well-functioning monitoring and result-oriented reporting of EU private sector support provided under the WBIF umbrella.

- Prepare reports and studies, provide monitoring and impact assessment: design, monitor and consolidate reporting of private sector projects/programmes under the WBIF umbrella
- According to needs prepare studies on technical questions; elaborate mutually-agreed key performance indicators (KPIs) and report against them; provide expert advice to the European Commission on possible new programmes for SME development;

**Output 2.4:** Strong WBIF visibility leading to greater public awareness of the EU and IFI assistance provided for priority infrastructure projects as well as for bilateral and regional private sector support in the Western Balkans.

- Further develop and update the WBIF website;
- Produce visibility materials (e.g. flyers, leaflets, videos, etc.);
- Liaise and cooperate closely with other EU communication initiatives for the Western Balkans; Organise visibility events related to WBIF supported projects.
- To the extent possible, expand the initiative towards bilateral initiatives in support of private sector

#### **Component IV: JASPERS**

The sample of activities listed below will contribute to achieve the expected outputs:

**Output 3.1:** Central administrations and other beneficiaries possess the necessary skills and knowledge to develop, review and implement priority infrastructure projects.

- Review sector strategies, pipelines (e.g. SPP, SSPP);
- Support project structuring and preparation;
- Review project support documentation prepared by beneficiaries, promoters and external consultants;
- Assess procurement strategies;
- Organise formal trainings on specific topics identified.

**Output 3.2:** Priority infrastructure projects are implemented according to international best practices.

- Provide advice and guidance on selective implementation issues;
- Organise formal trainings on specific topics identified.

#### **RISKS**

Success will depend in particular on the following aspects:

- WBIF partners' (European Commission, IFIs, bilateral donors) continuous commitment to support in a coordinated manner priority infrastructure projects in the Western Balkans.
- Beneficiaries' continuous political and financial support for priority infrastructure projects.
- Beneficiaries' sense of ownership of priority infrastructure projects, both bilateral and regional.
- Effective cross-border cooperation and mutual support as regards regional projects.
- Beneficiaries' allocation of sufficient budget and human resources for the proper functioning of the relevant institutions dealing with the WBIF, the SPP and priority infrastructure projects (e.g. NIPAC, NIC, line ministries).



- Beneficiaries do not perceive IPFs as a “service free of charge” that only requires minimum involvement.
- Beneficiaries submit numerous mature, good quality infrastructure projects applications, based on the national SPP, to the WBIF for financing/co-financing.
- Beneficiaries perceive JASPERS support and advice as real added value to improve priority infrastructure projects, not just a “mandatory step” to obtain EU grants and IFI loans.
- Beneficiaries are in the lead as regards monitoring the proper implementation of IPF sub-projects and JASPERS assignments.
- Beneficiaries’ allocation of sufficient budget and human resources to efficiently operate and maintain the completed major infrastructure projects.
- Agreements/contracts between Beneficiaries and other major stakeholders active in the infrastructure sector (e.g. Russia, China, etc.).

### **CONDITIONS FOR IMPLEMENTATION**

No particular conditions to be signalled at this stage, provided that the WBIF keeps functioning as foreseen in the governance and operational documents and that the relevant IPA II beneficiaries genuinely embrace the NIC/SPP framework.

## **3. IMPLEMENTATION ARRANGEMENTS**

### **ROLES AND RESPONSIBILITIES**

#### **Component I: IPF**

The IPFs are service contracts with international consulting companies (often a consortium) procured by the EIB, following the signature of a direct grant between the European Commission and the EIB. IPFs implement technical assistance activities, called sub-projects.

Initially, the IPFs were managed by the European Commission. In 2014, the European Commission and the IFIs participating in the WBIF decided that the EIB would manage IPF 4 and further facilities in order to better share the administrative burden among the WBIF partners.

The EIB tenders and contracts, manages and monitors the IPF service contracts (currently four ongoing, i.e. IPF 5, 6, 7 and 8) and reports regularly to the Directorate-General for Neighbourhood and Enlargement Negotiations on the use of the related EU grant resources.

The sub-projects assigned by the European Commission to the IPFs for implementation are the result of a well-established methodology for project selection, outlined below. This methodology ensures that all selected infrastructure projects are relevant and in line with the European Commission’s and the beneficiaries’ priorities.

All TA grant applications submitted under a WBIF TA call go through a European Commission-led screening and assessment process, which is a first reading and aims to prepare a list of eligible projects ready for the assessment phase. The European Commission includes the geographical units, the EU Delegations, the line DGs (in particular the Directorate-General for Mobility and Transport, Directorate-General for Energy, Directorate-General for Communications Networks, Content and Technology). Further, specialised regional entities, such as the Energy Community Secretariat and the Transport Community Permanent Secretariat may also be consulted. The screening focuses on checking the eligibility of grant requests and related investment projects in relation to:

- Project consistency with EU policies (sector priorities, competition rules, grant co-financing principles etc.);
- Beneficiary ownership (NIC, SPP, etc);
- Project consistency with (sector) strategies at beneficiary level, investment plans at beneficiary level and regional level, IPA priorities, and whether it would not be better supported by other funds (e.g. bilateral IPA, other donors, etc.);
- Project maturity and adequate scope;
- General and specific eligibility rules set out for the call concerned.

The screening conclusions are then shared with the lead IFIs and the bilateral donors co-chair at the first Paris Group meeting. During this meeting, the European Commission presents the summary of the individual above mentioned screening results and gives an initial European Commission position. The lead IFIs can provide first reactions, but usually take note and proceed after this meeting to the assessment phase, in which they can in cooperation with the beneficiary upgrade and improve information provided in the application.

Further discussions on the applications take place between the European Commission, bilateral donors co-chair and the IFIs during the second Paris Group meeting with the aim of reaching a joint position on a list of positively screened and assessed projects to be presented to the Project Financiers Group (PFG).

PFG members then discuss the technical details of the applications and establish a list of eligible TA grant requests to be recommended to the WBIF SC for approval. This is also the moment when the bilateral donors are fully informed about the assessment and screening outcome of all the submissions including the rejected applications.

Following the selection and assessment process detailed above, the positively screened and assessed TA are submitted to and normally approved by the Steering Committee, based on the recommendation of the PFG and subject to funding being available. After the preparation of the ToR/scope of work they are assigned to an IPF by the European Commission, depending on the nature of the sub-project, the IPFs' expert profiles, the remaining implementation capacity of IPFs and specific requests from the beneficiaries and the lead IFIs.

During the implementation of the IPFs, the service contracts are administered and managed by the EIB (the contracting authority), by operationally the European Commission is in the lead, together with the lead IFIs of the respective sub-projects.

## **Component II: EWBJF**

The entrusted entities will implement the technical assistance activities, called sub-projects in close coordination with and under the supervision of the lead IFI of the related project (i.e. EIB, EBRD, KfW, CEB, WBG and AFD). The General Conditions of the EWBJF, to which the European Commission and the IFIs have formally adhered to, entrusts these IFIs with the tasks necessary to manage the implementation of the projects assigned to them by the WBIF Steering Committee.

The envisaged entities have been selected using the following criteria: demonstrated experience in project preparation in digital, energy, environment, social and transport sectors and length of cooperation under the WBIF.

The above IFIs have been long-standing partners in the inception, realisation and implementation of the WBIF. Over the 10 years of operation of the WBIF, the EIB, the EBRD, the CEB and the KfW have, in partnership with the European Commission, successfully prepared and implemented infrastructure projects and demonstrated the capacity to be entrusted with the implementation of the action. In addition, the WBG and AFD, who recently joined the WBIF are as well long-standing international cooperation partners of the European Commission in several development policy areas.

Under the Contribution Arrangement and the General Conditions of the EWBJF, the following tasks will be entrusted to the entrusted entities (EBRD and the EIB), the managers of the EWBJF:

- Managing IPA Funds through the Joint Fund;
- Disbursing funds from the Joint Fund to the lead IFIs;
- Channelling funds recovered from lead IFIs;
- Compiling reports on the Joint Fund;
- Collecting reports from lead IFIs and submitting these reports to Commission / Project Financiers Group /Steering Committee.

In particular, the entrusted entities shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme.

Tasks entrusted to the lead IFIs would typically include:

- Managing the implementation of the projects approved by the Steering Committee under the lead IFIs own rules and procedures;
- Assuming responsibility and accountability for the funds disbursed to them by the Joint Fund managers including recovery;
- Providing reporting according to the requirements defined in the General Conditions of the Joint Fund.

### **Component III: IFICO**

#### Primary actors

The IFICO is a service contract with an international consulting company (often a consortium) to support the WBIF secretariat, governance structures, beneficiaries and other WBIF stakeholders. The IFICO operates under the supervision of the WBIF secretariat.

The WBIF secretariat, located in the Directorate-General for Neighbourhood and Enlargement Negotiations, is responsible for the day-to-day management, coordination and administration of the WBIF, with the support of the IFICO. In the relevant IPA II beneficiaries, the WBIF Country Managers, contracted through the IFICO service contract, monitor WBIF operations, liaise with regional organisations, relevant authorities and facilitate communication between all other WBIF stakeholders.

In addition, the WBIF focal points in the EU delegations play an instrumental role throughout the WBIF project cycle, from the assessment of the grant application submitted to implementation of the sub-project or investment grants.

#### Secondary actors

The eligible beneficiaries of the WBIF are Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia.

The WBIF financiers are the European Commission, EBRD, EIB, CEB, KfW, AFD, World Bank Group and bilateral donors.

The WBIF governance bodies are:

- The Steering Committee (SC) provides strategic guidance and takes all decisions related to project approvals. It brings together representatives of the relevant IPA beneficiaries, the European Commission, partner IFIs and bilateral donors. It is co-chaired by the European Commission (on a permanent basis) and one of the bilateral donors (on an annual rotating basis) and meets twice a year.
- The Project Financiers' Group (PFG) is responsible for screening and assessing proposals submitted under TA and INV calls and recommend the selected ones to the SC for approval. It is also responsible for the monitoring and coordination of approved technical assistance and investment grants. The PFG is composed of representatives of the European Commission, partner IFIs and bilateral donors. It is co-chaired by the European Commission (on a permanent basis) and a partner IFI (on an annual rotating basis).

- WB EDIF Working Group is responsible for providing advice on the definition of sectoral and thematic investment windows & formulate opinions on projects. It is also responsible for the monitoring and coordination of approved technical assistance and grants. The EDIF Working Group is composed of representatives of the European Commission, partner IFIs and bilateral donors, and representatives of the relevant IPA beneficiaries.

Effective coordination and a constant flow of communication between the numerous stakeholders is quintessential to ensure an effective and efficient functioning of the WBIF.

#### **Component IV: JASPERS**

JASPERS is a joint initiative between the European Commission and the European Investment Bank. It is located within the EIB (Advisory Services Department), but is an independent unit reporting to its Steering Committee.

JASPERS is organised into seven divisions: Roads, Rail/Air/Maritime, Water and Wastewater, Energy and Solid Waste, Smart Development, Networking and Competence Centre, Independent Quality Review. The sector-based structure meets operational needs and ensures consistency in the advice delivered across the beneficiaries.

JASPERS is supervised by a Steering Committee (SC) co-chaired by the Directorate-General for Regional and Urban Policy and the EIB, which includes as well the Directorate-General for Neighbourhood and Enlargement Negotiations representatives. The SC is responsible for setting the strategic direction for JASPERS, deciding on major policy issues and approving its main activities and outputs (e.g. the Action Plans and the Annual Reports).

JASPERS provides technical advice for any stage of the project cycle from the early stages of project conception through to project implementation. JASPERS assistance may cover project review and recommendations, horizontal tasks, strategic support, or implementation support. JASPERS consolidates the transfer of knowledge carried out during project assignments with workshops and training courses. It also publishes working papers to disseminate best practices and address common issues encountered during project preparation.

JASPERS services are demand driven, that is to say the beneficiary contacts JASPERS directly and discusses and agrees on the support required. JASPERS informs the Directorate-General for Neighbourhood and Enlargement Negotiations through regular progress reports and shares operational documents, such as action plans, guidance notes, completion notes, etc.

#### **METHOD(S) OF IMPLEMENTATION AND TYPE(S) OF FINANCING (SEE ANNEX IMPLEMENTATION – BUDGET)**

##### **Component I: IPF**

Component I of the action will be managed directly by the Unit D.5 of the Directorate-General for Neighbourhood and Enlargement Negotiations through a Specific Grant Agreement with the EIB. The indicative duration of the contract will be 72 months.

##### **Component II: EWBJF**

Component II of the action will be managed under indirect management with the EWBJF managers (the EIB and the EBRD) through a Contribution Arrangement (signed between the European Commission, the EBRD and the EIB, as Joint Fund Managers). The entrusted entities will implement the action in close coordination with the lead IFIs of the projects (EIB, EBRD, KfW, CEB, WBG, AfD). The indicative duration of the contract will be 72 months.

### **Component III: IFICO**

Component II of the action will be managed directly by the Unit D.5 of the Directorate-General for Neighbourhood and Enlargement Negotiations, through a procurement contract. The indicative duration of the service contract will be 48 months.

### **Component IV: JASPERS**

Component IV of the action will be managed directly by the Unit D.5 of the Directorate-General for Neighbourhood and Enlargement Negotiations through a Specific Grant Agreement with the EIB. The indicative duration of the contract will be 24 months.

## **4. PERFORMANCE MEASUREMENT**

### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

#### **Component I: IPF**

Component I of the action will be monitored by the Unit D.5 Programme Manager in charge of technical assistance for infrastructure projects, with the support of the IFICO. This will be done through the WBIF Management Information System (MIS), the bi-monthly IPF progress reports, the EIB's grant implementation reports, the IFIs reports, the regular IFICO/IPF/CONNECTA coordination meetings, the Paris Group meetings, feedback from the EU delegations and direct communication with the IPFs.

#### **Component II: EWBIF**

Component II of the action will be monitored by the lead International Financial Institutions in cooperation with the EWBIF managers. The entrusted entities shall be responsible for the contracting, implementation, information and visibility, monitoring and reporting of IPA II activities in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programme. The monitoring will be complemented by the Unit D.5 Programme Manager in charge of technical assistance for infrastructure projects, with the support of the IFICO.

#### **Component III: IFICO**

Component III of the action will be monitored by the Head of the WBIF Secretariat, which is located in Unit D.5 of the Directorate-General for Neighbourhood and Enlargement Negotiations. This will be done through the regular progress reports, the weekly progress meetings and direct communication with the contractor. The Head of the WBIF Secretariat will be supported by the Unit D.5 Programme Manager in charge of technical assistance for infrastructure projects and the Programme manager in charge of technical assistance for private sector projects (e.g. for interim payments, administrative orders, etc.).

#### **Component IV: JASPERS**

Component IV of the action will be monitored by the Unit D.5 Programme Manager in charge of technical assistance for infrastructure projects. This will be done through the regular progress reports, the Steering Committee meetings, feedback from the EU Delegations, NIPACs, IPFs, IFICO, CONNECTA, etc., and direct communication with the JASPERS operational coordinator for the Western Balkans and Turkey.

An evaluation of the action is not foreseen. However, the European Commission may, during implementation, decide to undertake such an evaluation – for the entire action or for any of the components - for duly justified reasons either on its own decision or on the initiative of the partner.

In addition, the action might be subject to external monitoring in line with the European Commission rules and procedures.

## **5. CROSS-CUTTING ISSUES**

### **GENDER MAINSTREAMING**

The action will strive to promote gender equality by considering specific gender aspects at all stages of the infrastructure project cycle and in line with existing guidelines, recommendations, toolkits and reports (e.g. OECD, World Bank Group, etc.). Gender equality will be particularly targeted in the activities concerning feasibility studies, designs, environmental and social impact assessments, and last but not least capacity building. These will be planned, developed and implemented with a gender lens to ensure, inter alia, equal access to safe, reliable and affordable communication networks and services, public transport, water, sanitation and hygiene facilities, or social and economic infrastructure. The action will further ensure a special gender lens regarding the special vulnerability and multiple discrimination of girls and women, including especially girls and women from vulnerable groups and minorities, including Roma girls and women.

Negative gender-specific effects of infrastructure are, however, sometimes worsened by discriminatory legislations and social norms, which cannot be targeted through this action.

### **EQUAL OPPORTUNITIES**

Equal gender participation will be ensured through appropriate information and publicity material, in the design of interventions and accessibility to the opportunities they offer. An appropriate gender balance will be sought on all the managing bodies and activities of the action. The contractors shall be requested to provide monitoring data recording the participation of men and women in terms of expert inputs, as a proof of equal participation in the different project phase. Enforcement of those principles is likewise ensured through specific administrative procedures applied in accordance with the law on non-discrimination. In the implementation of activities under this action, the same principles shall apply, so that participation in the envisaged activities will be guaranteed on the basis of equal access regardless of sex, ethnic origin, religion or belief, disability, age, etc. Feasibility studies and designs will ensure adequate access to and use of infrastructure by people with disabilities, in line with existing legislation.

### **MINORITIES AND VULNERABLE GROUPS**

Participation in the implementation of the action will be based on equal access, regardless racial or ethnic origin, religion and beliefs, age or sexual orientation. Besides, the infrastructure investment projects shall provide benefits to groups of population without distinction, including people belonging to minorities and vulnerable groups, including Roma.

The infrastructure investment projects will not be implemented at the harm of minority and vulnerable groups. Specific attention will be paid to perform risk-assessments for specific projects during the evaluation and planning phase in order to understand, consider and protect interests of minority and vulnerable groups and/or communities that the projects would directly affect. In the implementation phase, these legitimate interests will be protected by either integrating them in the projects in question or by ensuring that alternative solutions are guaranteed and agreed by the interested groups and/or communities.

## **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

The planning and implementation of investment projects are always accompanied by public consultations whose requirements are set by the beneficiaries' planning regulations and the EU Directives, in particular the Environmental Impact Assessment Directive (Directive 2011/92/EU as amended by Directive 2014/52/EU).

## **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

The action targets as well the rehabilitation of existing and construction of new infrastructure in the environment, energy, social and transport sectors that will benefit the environment and contribute to mitigate climate change, such construction of wastewater treatment plants, wind farms/parks, retrofitting public buildings for better energy and water efficiency or rehabilitating railway lines.

Environment, climate change mitigation/adaptation and disaster resilience are systematically considered during the preparation and design of priority infrastructure projects. The Environmental and Social Impact Assessment (ESIA) is thus essential during the project preparation process. It not only results in identifying and managing risks, but is also the occasion to add value to the project. It allows to combine technical feasibility and environmental, social and stakeholder acceptability. A solid ESIA may avoid delays or further costs for redesign and increased construction scope due to poorly appreciated construction constraints as well as later mitigation costs.

The WBIF grant application form requires the applicants to provide information about the project's climate change mitigation/adaptation aspects.

A Climate Change Window was introduced to the WBIF in June 2013 with the aim to (i) assist in identifying the contributions to climate finance (mitigation and adaptation) from each project and (ii) to encourage an improved design of infrastructure projects so that investments are made more resilient to current and future climate risks. Almost all WBIF TA grants and JASPERS assignments contribute directly or indirectly to climate change mitigation and/or climate change adaptation.

Climate action relevant budget allocation: EUR 20 million
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## **6. SUSTAINABILITY**

To ensure the sustainability of priority infrastructure projects, the beneficiaries must not only thoroughly plan and prepare them, for instance through the realisation of feasibility studies, cost-benefit analysis, financing plans or environmental and social impact assessments, but also develop their capacity to develop, implement, operate and maintain them, and to review their quality. IPF, IFICO and JASPERS assistance will aim also at improving the capacity of the beneficiaries, guaranteeing in this way the sustainability of the supported priority infrastructure projects.

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the action. The implementation of the communication activities shall be funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the EU communication and visibility requirements in force. All stakeholders and implementing partners shall ensure the visibility of EU financial assistance provided through IPA II throughout all phases of the programme cycle.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives, as well as the benefits of the action for the general public. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

Visibility and communication aspects shall be complementary to the activities implemented by the Directorate-General for Neighbourhood and Enlargement Negotiations and the EU Delegations in the field. It is the responsibility of the implementing partner(s) to keep the EU Delegations/Office and the European Commission fully informed of the planning and implementation of the specific visibility and communication activities. When relevant for a specific intervention envisaged under the action, the communication and visibility plan will be based on an agreed communication narrative and master messages customised for the different target audiences (stakeholders, business community, civil society, general public, etc.).

The entrusted entities and the European Commission's actions should ensure enhanced donor visibility and give more visibility to the objectives and results achieved. Communication actions should ensure that all relevant stakeholders, and where possible also final beneficiaries, are informed about donors' involvement, joint actions and their results. The WBIF ([www.wbif.eu](http://www.wbif.eu)) and JASPERS ([www.jaspers.eib.org](http://www.jaspers.eib.org)) websites will as well promote the action. The approach to communication and visibility in connectivity projects may need to be taken into account to ensure consistency with actions under the various components of this programme.

Actions should aim to show the link between the funds invested and the policy priorities behind them. When relevant for a specific intervention envisaged under the action, the communication and visibility plan will be based on an agreed communication narrative and master messages customised for the different target audiences. Effectiveness of communication activities will be measured inter alia through public surveys in the IPA II beneficiaries on awareness about the programme and its objectives, as well as EU funding of it.