

IPA 2008 National Programme for Albania
Project Preparation Facility

1. Basic information

1.1. CRIS Number: 2008/020-116

1.2. Title: Project Preparation Facility

1.3. ELARG Statistical code: 01.72

1.4. Location: Albania, Tirana

Implementing arrangements:

1.5. Contracting Authority (EC): Delegation of European Commission to Albania

Implementing Agency: Austrian Development Agency (ADA)

1.6. Beneficiary (including details of project manager):

Ministry of European Integration (and Liaison Unit to the MoEI and in line Ministries).

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Financing:

1.7. Overall cost (VAT excluded): €million

1.8. EU contribution: €million

1.9. Final date for contracting: Three years following the date of the conclusion of the Financing Agreement

1.10. Final date for execution of contracts: Two years following the end date of the contracting.

1.11. Final date for disbursements: one year following the end of the execution of the contract.

2. Overall Objective and Project Purpose

2.1. Overall Objective:

The overall objective of the **Project Preparation Facility (PPF)** is to improve the planning, programming and implementation of the Instrument for Pre-Accession Assistance (IPA) and to support mechanisms for an integrated EU accession process in Albania.

2.2. Project purpose:

The purpose of the PPF is to ensure that the Albanian authorities submit good quality project proposals to the European Commission for the implementation of European Partnership (EP) and the Stabilisation and Association Agreement (SAA) and to support effective implementation of these projects in Albania .

2.3. Link with AP/NPAA / EP/ SAA

The project will enhance the authorities' ability to prepare projects that help Albania meet the full range of its priorities deriving from the European Partnership and Multi-annual Indicative Planning Document, as well as from the Stabilization and Association Agreement. The Project Preparation Facility has been designed in a flexible manner to support also the initiatives contributing to such projects.

2.4. Link with MIPD

The MIPD 2007-2009, indicates the support to the public administration in increasing its capacities of leading Albania through the Stabilisation and Association Process as one of the main strategic objectives . Support to the Albanian government to develop and implement sectoral and EU integration strategies, as well as in the preparation of the relevant services for the decentralisation of community assistance is also in line with the MIPD 2007-2009 .

2.5. Link with National Development Plan

National Strategy for Development and Integration mentions: '[...] The Ministry of European Integration is the responsible institution for orienting, coordinating and monitoring the measures for the implementation of the requirements of the Stabilisation and Association Agreement and the Instrument for Pre-Accession Assistance.' [...] Priorities and principal policies in the medium- to long-term are as follows; In the area of technical reform:

- Establish new technical norms and design standards
- Prepare a national master plan for systems of water supply, collection and treatment of wastewater based on a Geographical Information System
- Prepare a prioritised medium-term capital investment programme
- Prepare a long-term capital investment programme based on the national master plan
- In the long term: update technical norms and design standards in accordance with affordability and EU accession; update the prioritised medium-term capital investment programme [...]

2.6. Link with national/sectoral investment plans

NA

3. Description of project

3.1. Background and justification:

The Project Preparation Facility (PPF) scheme introduced by the European Commission for the former candidate countries has been used for fast and flexible

interventions to support the adoption of the *acquis communautaire* and for the preparation of projects to be funded under the pre-accession programmes.

The PPF projects under the previous Phare and CARDS programmes have been considered successful in terms of delivering short-term assistance in:

- Designing effective strategic plans in different sector areas, often followed by the more detailed investment strategies;
- Supporting planning and programming the EU funded projects by assisting in stakeholder consultations, drafting the Project Fiches and their annexes; and
- Drafting the tender documentation for the implementation of the EU funded projects.

In addition, the IPA also foresees support being provided for preparing and building the necessary capacities and systems for further decentralisation, as well as for building capacities of Albania co-ordination mechanisms for implementation of priorities from the EP and SAA.

It is proposed therefore that, based on the lessons learned from the former candidate countries, the similar needs of the Albania state administration should be supported. In doing so, it is necessary to take into consideration that in many cases the Albania institutions need support in drafting the appropriate sector strategies to form the framework for effective change initiatives. As the Albanian Government has resolved to substantially reform the public administration and to adopt the agenda of EU accession, many existing strategies need thorough revision and updating; and, in many cases, support for this will be required in the form of technical assistance. Furthermore, IPA programming also requires the existence of strategic documents, which additionally emphasizes and justifies demand for development of new strategies and investment plans as well as for revision of existing ones.

Albania state institutions also lack experience in programming, co-ordinating and developing mature project proposals under tight programming deadlines. In line with the IPA programming guidelines, support would therefore be provided to the National IPA Coordinator (NIPAC) in planning and programming the IPA-funded projects by assisting in stakeholder consultations, and advising on the drafting of the Project Fiches and their annexes. It is particularly important that financed projects target well the specific needs and that the funds are used in the most efficient manner possible. Thus, the PPF will provide support in thorough project preparation process, as well as in preparation of adequate/accompanying cost-benefit analyses, feasibility studies and/or market analyses, which are pre-requisites for the good project preparation.

The third area where additional short-term interventions in Albania are required is related to the implementation of the EU financed projects. In many cases thorough project implementation documentation in the form of tender dossiers, technical specifications or terms of reference need to be drafted in order to initiate the tender procedures for acquiring the services or supplies required. Often the technical know-

how required for drafting for the project implementation documentation is either too specific for the Albania institutions, or alternatively the drafting process would prove to be unreasonably time consuming for the non-specialists of the field. In those cases the assistance of experts would allow speedier approach and also provide the Albania authorities with hands-on training.

Lastly, two important tasks are lined up for the Albanian authorities: 1) establishment of the De-centralized Implementation System and 2) Implementation of the Stabilization and association Agreement .Both, preparation for the DIS and implementation of the activities deriving from Stabilization and Association Agreement, are labour intensive and demanding processes. Accordingly, it will be compulsory to provide continuous high quality support for building capacities and systems for further decentralization and for building capacities of Albania co-ordination mechanisms for implementation of priorities form the EP and SAA. In order to assure that capacity building programmes meet the high quality standards and justly respond to the needs of the beneficiary, the Project Preparation Facility will provide support in drawing up analysis of current situations, conducting needs assessment and providing recommendations for further improvements of the a/m capacities, systems and mechanisms. Hereafter, the PPF will also provide short-term interventions such as drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation in order to help streamlining the necessary systems and co-ordination mechanisms.

3.2. Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Primarily, the Project Preparation Facility will contribute to the quality of processes and documents required for planning, programming and implementing of the Instrument for Pre-accession Assistance. In parallel, the PPF will strengthen capacities of the Albania authorities' in a/m IPA process by enabling learning-by-doing or other forms of trainings in planning, programming and implementing of IPA.

Furthermore, the PPF will enhance capacity building programmes by providing more genuine reflection on state-of-play of Albanian capacities, systems and co-ordination mechanisms for transition to DIS and for implementation of EP and SAA priorities. Accurate analyses, needs assessment and recommendations will directly lead and contribute to the quality in defining and designing of the capacity building programs.

Longer-term impact will be well targeted projects and efficient use of IPA funds.

3.3. Results and measurable indicators:

Upon its completion, the Project Preparation Facility should have resulted in the preparation of well justified and good-quality project proposals and tender documentation through:

- The preparation of sector strategies or investment strategies;
- The facilitation of stakeholder consultations throughout the project preparation phase;
- The preparation of project fiches for IPA funding including following prospect annexes to the project fiches: logframes, feasibility studies/market studies/cost-benefit analyses for investment components in the projects, technical designs and bills of quantity;
- The preparation and compilation of project tender documentation (terms of reference, technical specifications, other supporting materials for tender dossiers);
- The preparation and compilation of analyses of capacities, systems and working procedures necessary for the decentralization process, as well as for the Albania co-ordination mechanisms for implementation of the EP and SAA priorities, supported with adequate recommendations for their improvement and streamlining.

3.4. Activities:

The activities of the project include some or all of the following activities, but should not be strictly limited to the following list:

- Drafting or assessment of sector strategies or multi-sector strategies for the harmonisation of national legislation with the SAA, and its implementation, or for the future use of EU pre-accession funds. The special focus of the strategies should identify “gaps” in compliance with the SAA and to assess institutional readiness for its full implementation;
- Drafting of (pre-)feasibility and impact studies in relation to Albania compliance with the SAA and carrying out (pre-)investment studies (environmental impact assessments, business plans, market studies, economic and cost-benefit analysis, investment appraisals etc) for the upcoming investments;
- Carrying out or facilitating workshops for the stakeholder consultations for project preparation;
- Preparation of project fiches, logframes and all relevant annexes to programming documents;
- Preparation of procurement documents (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers);
- Providing training relevant to any of the above-mentioned activities;

- Drawing up analyses, conducting needs assessment and providing recommendations for further enhancement of capacities, systems and co-ordination mechanisms for establishment of DIS and for implementation of EP and SAA priorities;
- Drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation for necessary systems and co-ordination mechanisms for establishment of DIS and implementation of EP and SAA priorities.

3.5. Conditionality and sequencing:

Conditionality required for the Project Preparation Facility is that Albania will sufficiently staff the EU integration services and provide for adequate accommodation. Relevant human and financial resources will be allocated by the Albanian Authorities.

3.6. Linked activities

The project is linked to the following previous, on-going and planned activities, none of which would be overlapped.

On-going projects:

- 1) Grant Agreement with WB for Integrated Planning System CARDS 2004
- 2) TA Strengthening the Ministry of European Integration (SMEI) CARDS 2005

Future Projects:

- 1) Support to the DIS process is envisioned through IPA 2008.

3.7. Lessons learned

The Project Preparation Facility has been developed in light of the ongoing assessment of the project preparation capacities and needs of Albania authorities. In particular in the context of the programming of CARDS 2006 and IPA 2007, it has become clear that beneficiaries require assistance in developing projects and that in particular it is necessary to provide a facility to enable limited support to be targeted specifically at the design-preparation phase before larger scale funds are committed to less-well defined and relatively high-risk projects.

4. Indicative Budget (amounts in € 1.000.000 EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activities	X	-	1.000.000		100%							
Service contract	X	-		1.000.000	100%							-
TOTAL IB			1.000.000	1.000.000	100%							
TOTAL INV												
TOTAL PROJECT			1.000.000	1.000.000	100%							

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

Contracts	Start of Tendering	Signature of contracts	Project Completion
One single service contract over the lifetime of the project	1 st Q after signing of Financing Agreement	3rd Q after signing of Financing Agreement	Project completed by Q 8

6. Cross cutting issues (where applicable)

6.1. Equal Opportunity

The project will ensure that all the cross cutting issues are appropriately incorporated in the sector strategies and programme/projects designed with the assistance of the Project Preparation Facility. In addition, specific training activities can be organized in order to raise the awareness of the importance and individual specificity of these project aspects and train the Albania stakeholders on how to integrate them at the strategy and programme/project level.

6.2. Environment

NA

6.3. Minorities

NA

ANNEX I. Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX for Project Fiche	Programme name and number:		
Project Preparation Facility	Contracting period expires		Disbursement period expires
		Total budget : €1,000,000	IPA budget: €1,000,000
Overall objective	Objectively verifiable indicators	Sources of Verification	
The overall objective of the Project Preparation Facility (PPF) is to improve the planning, programming and implementation of the Instrument for Pre-Accession Assistance (IPA) and support mechanisms for an integrated EU accession process in Albania.	Satisfactory ex-post evaluations of projects Satisfactory contracting and disbursement of the IPA funds Enhanced co-ordination of the EU Integration process	Evaluation reports Progress Reports IPA Monitoring Reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The purpose of the PPF is to ensure that the Albanian authorities submit good quality project proposals to the EC for the implementation of European Partnerships and the Stabilisation and Association Agreement and to support effective implementation of these projects in Albania.	Project fiches submitted to EC in line with programming timetable, and subsequently approved. Contracting and disbursement in line with programming timetable	IPA programme documents IPA Monitoring Reports	Availability of satisfactory quality expertise.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • The preparation of sector strategies or investment strategies; • The facilitation and co-ordination of stakeholder consultations throughout the project preparation phase; • The preparation of project fiches 	Strategies prepared Consultations and co-ordination support undertaken where appropriate and relevant Project fiches prepared and submitted	Reports and project documentation from individual TA contracts. Monitoring reports within DEI	Identification of priority areas for assistance in a timely manner

<p>for IPA funding including logframes and feasibility studies/market studies/cost-benefit analyses for investment components in the projects and technical designs and bills of quantity prepared and provided as annexes to the fiches;</p> <ul style="list-style-type: none"> • The preparation and compilation of project tender documentation (terms of reference, technical specifications, other supporting materials for tender dossiers) prepared; and • The preparation and compilation of analyses of capacities, systems and working procedures necessary for the decentralization process, as well as for the Albanian co-ordination mechanisms for implementation of priorities of the EP and SAA, supported with adequate recommendations for their improvement and streamlining. 	<p>for EC approval</p> <p>Tender documents prepared in time for opening of tender procedures.</p> <p>Analyses compiled and needs assessments conducted on the current status of capacities of BH authorities, end recommendations for further capacity building programs and for further improvement of working process of DIS systems and SAA co-ordination mechanisms.</p> <p>Manuals, working procedures, job descriptions, rulebooks and other procedural documentation drafted for necessary systems and co-ordination mechanisms for DIS accreditation and implementation of EP and SAA priorities</p>		
Activities	Means	Costs	Assumptions
One technical assistance contract to assist beneficiary in planning, programming and submitting good quality proposals to the EC Delegation	Technical assistance services	€1,000,000	

ANNEX II. Amounts (in €) Contracted and disbursed by quarter for the project

	2009		2010				2011			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contracted	1,000,000									
Cumulated	1,000,000									
Disbursed	300,000		300,000		300,000	100,000				
Cumulated	300,000		600,000		900,000	1,000,000				

ANNEX III. Description of Institutional Framework

NA

ANNEX IV. Reference to laws, regulations and strategic documents:

NA

Reference list of relevant laws and regulations

Reference to AP /NPAA / EP / SAA

Reference to MIPD

Reference to National Development Plan

Reference to national / sectoral investment plans

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

NA

For TA contracts: account of tasks expected from the contractor

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

For grants schemes: account of components of the schemes

For investment contracts: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (**)

For works contracts: reference list of feasibility study for the constructing works part of the contract as well as a section on investment criteria (**); account of services to be carried out for the service part of the contract

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

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

Rate of return

Co financing

Compliance with state aids provisions

Ownership of assets (current and after project completion)