

## IPA National Programme 2008 Part II – Bosnia and Herzegovina

### Fiche 12: Civil Aviation

#### **1. Basic information**

**1.1. CRIS Number:** 2008/20-339

**1.2. Title:** Twinning Assistance in institutional building of BiH civil aviation authority related to European Common Aviation Area (ECAA)

**1.3. ELARG Statistical code:** 03.14 European standards/Transport policy

**1.4. Location:** Bosnia and Herzegovina

#### **Implementing arrangements:**

**1.5. Contracting Authority:** European Commission

**1.6. Implementing Agency:** European Commission

**1.7. Beneficiary:**

Ministry of Communications and Transport of Bosnia and Herzegovina (Civil Aviation Directorate (BHDCA) and Air Navigation Service Provider (ANSP))

SPO: Mr Kemal Karkin, Head of Project Preparation and Implementation Unit

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Project manager to be appointed

#### **Financing:**

**1.8. Overall cost (VAT excluded):** EUR 1 million

**1.9. EU contribution:** EUR 1 million

**1.10. Final date for contracting:** Two years following the date of the conclusion of the Financing Agreement

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

**1.12. Final date for disbursements:** One year following the end date for the execution of contracts

## **2. Overall Objective and Project Purpose**

### **2.1. Overall Objective**

Integration of the civil aviation sector in Bosnia and Herzegovina into EU civil aviation functional structures.

### **2.2. Project purpose:**

Strengthened capacities of the BiH civil aviation administration through implementation of the ECAA Agreement and related EU Directives.

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

Implementation of the ECAA Agreement presents one of the 2 short term priorities of the European Partnership document.

The project is directly related to the fulfilment of the European Partnership 2007: European Standards- Transport Policy, as well as to the Convention on Civil Aviation and EUROCONTROL regulations (Single European Sky (SES) legislation). Actively participating of BH Directorate for Civil Aviation (BHDCA) in SES activities and in particular in regional developments (ECAA and SEE-FABA) is contributing accelerated EU integration process. Also project is connected within CARDS, to the ASATC project in the Stabilization and Association Process toward EU.

### **2.4. Link with MIPD**

It is directly linked with MIPD 2008-2010 (chapter 2.2.1; 2.3.1; 2.3.2).

The project is reflecting Axe 3 «Ability to assume the obligations of Membership». The legal framework for standardisation, accreditation and certification in safety management system, aerodromes services, aviation security, flight operation will be in line with EU standards and best practices and the institutional, technical and professional capacity of the quality infrastructure institutions will be strengthened.

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

The project is directly linked with the policy document and the draft national strategy in transport sector, concerning development of the civil aviation sector in BiH.

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

This project is directly linked with implementation of the BiH Air traffic Management Strategy, both in institutional and infrastructure terms. The project is linked with implementation of the ESARR (EUROCONTROL Safety Regulatory Requirement), concerning preparation of safety oversight procedures and safety oversight trainings.

It enables implementation of the of Local Convergence and Implementation Plan (LCIP) which is the medium-term performance plan of Bosnia and Herzegovina and identifies the

actions planned to meet the strategic principles and the objectives set out in the EUROCONTROL ATM 2000+ Strategy.

### **3. Description of project**

#### **3.1. Background and justification**

Since 1995, a number of initiatives have been undertaken to establish an adequate civil aviation administrative structure in accordance with the international conventions (Chicago) and the EU Directives. Millions of euro have been invested by the Commission to reform the civil aviation administration and put in place functional structures with responsibilities and authority placed where required. In the meantime, BiH has joined JAA and ratified ECAA Agreement in 2007. The final step, separation of regulatory function from air navigation is expected by early 2009. This should be achieved through restructuring of the civil aviation authority and establishment of the air navigation services provider. Completion of this lengthy process construes a precondition for this assignment and progress in implementation of the ECAA Agreement.

BH ATM Strategy, as an infrastructural precondition for civil aviation sector development in Bosnia and Herzegovina, was adopted by the BH Council of Ministers on October 6, 2005. Developed in close cooperation between BH and EUROCONTROL experts, it defines long-term solutions for organization and establishment of a single BH Air Traffic Management System.

The project is directly related to the fulfilment of the priorities in the civil aviation sector as set out in NPAA. The more efficient and standardized system of functioning civil aviation is high priority to further EU technical and safety standards in this field. The first phase (TP1) of the ECAA Agreement foresees:

- Application of ECAC doc. 30;
- Application of eight specific EEC regulations and directives in civil aviation;
- Ratification of the Montreal Convention;
- .Demonstrating progress in implementation of rules on state aid and competition

by end of 2008.

In order to enable this goal, Bosnia and Herzegovina civil aviation sector has to implement all regulations related to airworthiness and maintenance, safety management system, aviation security, flight operation, certification practices of the aerodromes and safety system.

The next (second) phase of implementation of the ECAA foresees interventions to address a number of the EC Directives in accordance with the Report on the ECAA Assessment of Bosnia and Herzegovina, mission of October 2007. This report, together with the Reports of 2008 and 2009 to follow, would present the basis for focusing of the assistance of the twinning team producing the work plan for this twinning assignment.

The twinning shall, in accordance with the report (and reports to come) address predominantly the issues, but not necessarily be limited to, related to the EU civil aviation Directives. Although most of the Directives have partially addressed, some of the requirements would need further attention in the course of implementation of the ECAA.

A particular focus should be put on the training in regard to the implementation of the respective EU Directives. Each of the authorities, the regulatory authority (CAA) and service provider (ANSP) shall benefit from at least one-week of training for each month of the duration of the twinning project, foreseen for 2 years (24 months). At least 50% of trainings would be organised in the EU member states, whilst the rest would be organised in Bosnia and Herzegovina, or the neighbouring countries Croatia and Serbia, in case there would be a value added from that approach.

Particular attention would be given to the strengthening of the operational structures of the civil aviation authorities and development of the relevant operational procedures.

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

B&H expressed strong commitment to making further progress prior to the entry into force of the ECAA Agreement in the alignment with the Community aviation legislation, notably with regard to the areas of aviation safety, aviation security, competition, state aid and developing administrative capacities. This is the reason of focusing on institutional building of BiH civil aviation administrative capacity through provision of trainings, supply of software and transposition of the EC regulations regarding civil aviation in domestic legislation. This project would have strong effect to opening of the country and initiating the economic growth, try to contribute to the more efficient and standardized system of functioning civil aviation infrastructure and this way providing higher quality of air transport services, as well as enabling competitiveness of B&H economy.

### **3.3. Results and measurable indicators:**

#### ***Result 1: BH civil aviation administration fully and effectively operational by the end of the twinning project***

Indicators:

- 1.1 Situational and gap analysis of the actual organisation and staffing state in civil aviation administration in place by the first quarter of implementation
- 1.2 Recurrent training plan and quality standards and indicators in place.
- 1.3 Staff trained on to performs tasks in accordance with the JAA and ECAA by the end of the project.

No objection from annual ECAA Assessment Mission 2012 concerning institutional set-up of the civil aviation administration in BiH.

#### ***Result 2: BH Civil Aviation regulations compliant with the Acquis.***

Indicators:

- 2.1 Civil aviation laws fully compliant with the Acquis.
- 2.2 Safety Regulatory Management System (SRMS) established and implemented
- 2.3 A handbook for the guidance of Aviation Security Inspectors developed.
- 2.4 Transposition of civil aviation regulations completed in English language.

Progress made in translations of transposed regulations (translation not subject to this assignment)

### **3.4. Activities**

Activity 1: Assistance in implementation of the components of the EU Directives that have not yet been implemented (short term experts and MS civil aviation institutions).

Activity 2: Training of staff (short term experts and MS civil aviation institutions) as assistance in strengthening of the civil aviation administrative set-up (short term experts).

### **3.5. Conditionality and sequencing**

Finalisation of the process of separation of the regulatory from service provider function and establishment of functional BH civil aviation administration divided as follows: the regulatory authority-Civil Aviation Authority (CAA) and Air Navigation Services Provider (ANSP).

### **3.6. Linked activities**

Within CARDS, the ASATC project in the SAP toward EU, and CEATS, it had been considerably assisted in the implementation of safety related objectives. This way, state has made significant progress in moving the BHDCA toward ICAO and JAA compliance

### **3.7. Lessons learned**

A substantial interest for the future of aviation in Bosnia and Herzegovina is implementing efficient and effective regulations in all civil aviation fields in line with ICAO SARPs, EU and EUROCONTROL requirements. Obligation undertaken from JAA regulation is to constantly review and improve the quality of BHDCA activities. It is impossible to develop a massive volume of legislation and make them compliant to EC requirements without a proactive cooperation of experts having sufficient expertise in the field and software making ATM regulator able to develop database ensuring that all safety aspects meet requirements of EUROCONTROL regulations.

It has been proven that internal political disputes may create substantial non-performance and substantially delay fulfilment of mandatory sectoral requirements imposed by the relevant institutions.

#### 4. Indicative Budget (amounts in 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)
Activity 1	X		1.000.000	1.000.000	100							
contract 1.1	-	-	1.000.000	1.000.000	100						-	
TOTAL IB			1.000.000	1.000.000	100							
TOTAL INV												
<b>TOTAL PROJECT</b>			<b>1.000.000</b>	<b>1.000.000</b>	<b>100</b>							

Amounts net of VAT

- (1) In the Activity row use "X" to identify whether IB or INV
- (2) Expressed in % of the **Total** Expenditure (column (a))

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1:	2 <sup>nd</sup> Q 2009	4 <sup>th</sup> Q 2009	4 <sup>th</sup> Q 2011

All projects should in principle be ready for tendering in the 1<sup>ST</sup> Quarter following the signature of the FA

## 6. Cross cutting issues

### 6.1. Equal Opportunity

BiH civil aviation administration is an equal opportunity employer. The general employment policy in BiH civil aviation administration requires adequate presence of all national and gender groups.

### 6.2. Environment

Regulations updated and new organizational scheme of BHDCA would provide for lower accident risk, reduced air pollution, and reduced transport time. Therefore a reduced number of ecological and safety incidents would have a strong effect in reducing negative impact of transport on environment. Improved efficiency of air transport shall also reduce negative impact of road transport growth in this region through decreasing of exhaust gases and fuel/oil pollutants.

### 6.3. Minorities

BiH civil aviation administration is an equal opportunity employer enabling full participation of minorities based on presentation of the individual skills and expertise.

## ANNEXES:

- ANNEX I. Logical framework matrix in standard format
- ANNEX II. Amounts (in EUR) Contracted and disbursed by quarter for the project
- ANNEX III. Description of Institutional Framework
- ANNEX IV. Reference to laws, regulations and strategic documents:
- ANNEX V. Details per EU funded contract

## ANNEX I. Logical framework matrix in standard format

<b>LOGFRAME PLANNING MATRIX for Project Fiche</b>	<b>Programme name and number:</b> Twinning assistance in institutional building of BiH civil aviation directorates related to ECAA		
	<b>Contracting period expires</b> N+2		<b>Disbursement period expires</b> N+5
	<b>Total budget :</b> 1.0 mil EUR		<b>IPA budget:</b> 1.0 mil EUR
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
<i>Integration of the civil aviation sector in Bosnia and Herzegovina into EU civil aviation functional structures.</i>	<i>Positive progress tested in the Country Review</i>	<i>EC Report of BH Country Report</i>	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<i>Strengthened capacities of the BiH civil aviation administration through implementation of ECAA Agreement and related EC directives</i>	<i>BiH civil aviation authorities are functionally separated with clearly clarified responsibilities and certified to obtain safe and secure aviation transport by the end of project implementation</i>	<i>DCA policy and strategic documents DCA annual reports to JAA Laws/regulations</i>	<i>Agreement by stakeholders that it is priority project needed</i>
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<p>1. <i>BiH civil aviation administration fully and effectively operational by the end of the twinning project</i></p> <p>2. <i>BH Civil Aviation regulations compliant with the Acquis</i></p>	<p><b>R1</b> <i>Situational and gap analysis of the actual organisation and staffing state in civil aviation in place by the first quarter of implementation</i> <i>Recurrent training plan and quality standards and indicators in place</i> <i>Staff trained on to performs tasks in accordance with the JAA and ECAA by the end of project No objection from annual ECAA Assessment Mission 2012 concerning institutional set-up of the civil aviation administration in BH</i></p> <p><b>R2</b> <i>Civil Aviation laws fully compliant with the Acquis by the end of the project</i></p>	<p><i>Project quarterly reports</i> <i>Progress reports on trainings organized</i> <i>ECAA Assessment Mission 2012 report edited</i> <i>Transposed EU documents published</i> <i>Updated Aviation law and Law of ANSP published</i> <i>A handbook for the guidance of Aviation Security Inspectors published</i></p>	<ul style="list-style-type: none"> <li>• <i>All relevant institutions have sufficient absorption capacity of new regulations</i></li> <li>• <i>Applicable and adopted Updated Aviation law and Law of ANSP (in accordance to ECAA Directives and Regulations) are implementing</i></li> </ul>



	<p><i>implementation</i></p> <p><i>Safety Regulatory Management System (SRMS) established and implemented</i></p> <p><i>A handbook for the guidance of Aviation Security Inspectors developed</i></p> <p><i>Transposition of civil aviation regulations completed in English language</i></p> <p><i>Progress made in translation of transposed regulations (translation not subject of this assignment)</i></p>		
<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions</b>
<p><i>Under Result 1:</i></p> <ul style="list-style-type: none"> <li>- <i>To undertake activities for situational and gap analysis about existing organizational and staffing capacities</i></li> <li>- <i>To define training plan and standards of training</i></li> <li>- <i>To organize one week/month trainings, for skilled personnel of BiH civil aviation authorities on application of JAA and ECAA regulations</i></li> <li>- <i>To organize a study tour in EU member states and Croatia and Serbia</i></li> <li>- <i>in order to get familiar and to build up staff capacities with best practices in all fields of air traffic</i></li> <li>- <i>To revise results of training</i></li> </ul> <p><i>Under Result 2:</i></p> <ul style="list-style-type: none"> <li>- <i>To change present version of The aviation law of B&amp;H, and draft a new Law on ANSP to be in compliance with Acquis</i></li> <li>- <i>To develop a handbook for the guidance of ASI</i></li> <li>- <i>To transpose EU civil aviation regulations into BH regulations</i></li> </ul>	<p>One twinning contract- pool of short term experts</p> <p>(two years)</p>	<p><i>1.0 mil EUR</i></p> <p><i>Twinning contract</i></p>	

<p>- <i>To implement SRMS on whole civil aviation sector in BH</i></p>			
			<p><b>Pre-conditions:</b> Finalisation of the process of separation of BH civil aviation administration to CAA and ANSP</p>

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

<b>Contracted</b>	<b>Ist Q 2009</b>	<b>II nd Q 2009</b>	<b>III rd Q 2009</b>	<b>IV th Q 2009</b>	<b>Ist Q 2010</b>	<b>II nd Q 2010</b>	<b>III rd Q 2010</b>	<b>IV th Q 2 010</b>	<b>Ist Q 2011</b>	<b>II nd Q 2011</b>	<b>III rd Q 2011</b>	<b>IV th Q 2011</b>	<b>Ist Q 2012</b>
Contract 1				1,000,000									
<b>Cumulated</b>				<b>1,000,000</b>									
<b>Disbursed</b>													
Contract 1				400,000				500,000					100,000
<b>Cumulated</b>				<b>400,000</b>				<b>900,000</b>					<b>1,000,000</b>

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

Bosnia and Herzegovina Directorate of Civil Aviation – BHDCA was established in 1997 with a goal to respond to numerous obligations of Bosnia and Herzegovina as ICAO Member State and signatory to the Convention on international civil aviation (Chicago Convention). BHDCA is established within the BH Ministry of Communication and Transport, and its organization and management, powers and responsibilities are regulated by BH Civil Aviation Law (entered into force on February 7, 2004). In the complex BH state structure, consisting of two Entities – Federation of BH and Republic of Srpska, in addition to common civil aviation authority at the state level – BHDCA, there are also Civil Aviation Directorate of the Federation of BH (FED CAD) and Civil Aviation Directorate of the Republic of Srpska (RS CAD). The Civil Aviation Law clearly defines mandate of the BHDCA and CADs. BH DCA is the unique authority responsible for aircraft registration and issuance of licenses, certificates, authorizations and approvals in Bosnia and Herzegovina. BHDCA may not delegate these powers.

It is expected to transform BH civil aviation administration on Civil Aviation Authority (CAA) and Air Navigation Services Providers (ANSP) during 2008 in order to clearly separate BHDCA from ATC, while entity CADs will be operating as regional offices of the BHDCA..

BHDCA, being the unique aviation regulator in Bosnia and Herzegovina responsible for safety, security, efficiency and environment using this twinning project and planned trainings is going to improve Bosnia and Herzegovina to become an active member of the European Common Aviation Area and to have established a National Supervisory Authority in accordance with the requirements of the Single European Sky. This should eliminate any confusion about decision making.

Since 1995, a number of initiatives have been taken to establish a functioning ATM system in Bosnia and Herzegovina. The complete strategy implementation will be a lengthy process, but first step, the establishment of a BH ANSP and the start of operations, is expected by early 2009.

These organisational changes are being supported by a study (EU financed) carried out by Hungarian experts. The staffing level and its knowledge is needing to be increased in particular because of the safety oversight of ATC which will be a new activity. This improvement is going to be main task of this twinning project.

A modification of a very good Aviation law (2003) is envisaged by 2008 in order to conform to the ECAA. A basic regulatory framework for issuing an AOC exists but there is a need to develop rules in respect of an Operating License.

A plan for incorporating EU legislation is well underway but the prioritisation should be reviewed as function of the possibility to legislate by reference in particular as concerns the implementation of the ECAA legislation.

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

##### *Reference list of relevant laws and regulations*

Convention on International Civil Aviation; BH Aviation law; Regulation about aviation training organisation-maintenance; Regulation on access and inspection-flight operations; other regulations

##### *Reference to AP /NPAA / EP / SAA*

ECAA; European Partnership 2007:European Standards- Transport Policy ; EUROCONTROL regulations (Single European Sky legislation); CARDS (ASATC project); SEE-FABA; ICAO Documents; SCMM ; ATM strategy

##### *Reference to MIPD*

MIPD 2008-2010 (chapter 2.2.1; 2.3.1; 2.3.2).

##### *Reference to National Development Plan*

BH National transport policy; Draft national transport strategy

##### *Reference to national / sectoral investment plans*

BH ATM strategy; ESARR; LCIP

## **ANNEX V. Details per EU funded contract**

### *For TA contracts:*

It is expected that Contractor is from EU countries with extensive experience in the field of safety management system; implementation of ECAC document 30; aviation security; flight operation; safety regulatory management system; aviation environmental policy; training on certification practices and safety oversight; cooperation in aerodromes, aerodromes services and obstacles; transposing and implementing EC regulations to domestic legislation in field of civil aviation..

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*

According to FA

### *Co financing*

According to FA

### *Compliance with state aids provisions*

### *Ownership of assets (current and after project completion)*