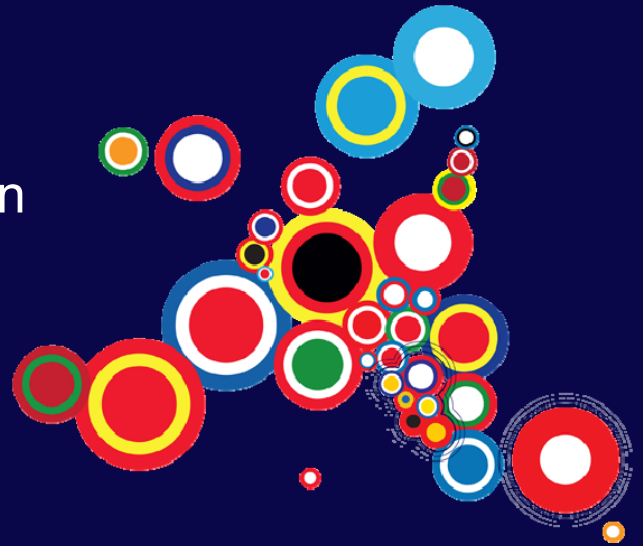




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

MULTI-COUNTRY

EU support to Technical
Assistance to Connectivity in
the Western Balkans -
Connecta



Action summary

Connecta is a continuation of the support to the development 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), i.e. extension of the electricity and gas networks in the Western Balkans.

Connecta contributes to bringing high priority energy and transport infrastructure projects to maturity. In addition, it also supports the identification and enforcement of connectivity reform measures and technical standards in the transport sector.

This technical assistance will be instrumental in improving connectivity within the Western Balkans and between the region and the European Union, a key driver for economic growth and jobs as well as for attracting new investments.

Action Identification			
Action Programme Title	IPA II Multi-country Action Programme 2018		
Action Title	EU support to Technical Assistance to Connectivity in the Western Balkans - Connecta		
Action ID	IPA 2018/040-113.11/MC/Connecta		
Sector Information			
IPA II Sector	9. Regional and territorial cooperation		
DAC Sector	43010- multi-sector aid		
Budget			
Total cost	EUR 10 million		
EU contribution	EUR 10 million		
Budget line(s)	22.020401 - Multi-country programmes, regional integration and territorial cooperation		
Management and Implementation			
Management mode	Direct management		
<i>Direct management:</i> European Commission	Directorate-General for Neighbourhood and Enlargement Negotiations Unit, D.5		
Implementation responsibilities	Directorate-General for Neighbourhood and Enlargement Negotiations, Unit D5		
Location			
Zone benefiting from the action	Western Balkans (Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo*, Montenegro, Serbia)		
Specific implementation area(s)	N/A		
Timeline			
Final date for contracting including the conclusion of delegation agreements	At the latest by 31 December 2019		
Final date for operational implementation	At the latest by 31 December 2022		
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	✓	<input type="checkbox"/>	<input type="checkbox"/>
Aid to environment	✓	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	✓	<input type="checkbox"/>	<input type="checkbox"/>
Trade Development	<input type="checkbox"/>	✓	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	✓	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	✓	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	✓	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	✓	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	✓	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

Connectivity Agenda in the Western Balkans

Improving connectivity within the Western Balkans and with the European Union (EU) is a key factor for growth and jobs and will bring clear benefits for economies and citizens.

The Western Balkans have made the connectivity agenda one of its highest priorities, with a special emphasis on the preparation and financing of concrete regional infrastructure investment projects, but also on the implementation of technical standards and accompanying connectivity reform measures (CRMs) such as unbundling, market opening, strengthening regulatory authorities, streamlining and reducing barriers to permitting and licensing for new energy infrastructure, environmental impact assessment procedures, regulatory measures for cross border energy infrastructure, road and rail maintenance schemes, rail reform, road safety, border crossing procedures, or Intelligent Transport Systems (ITS).

Transport sector

The EU adopted, in January 2014, a new transport infrastructure policy to put in place a powerful European transport network across the 28 Member States. These new guidelines refocus transport financing on a tightly defined new core network, the **Trans-European Transport Core Network (TEN-T core network)**, which will form the backbone for transportation in Europe's single market. It will remove bottlenecks, upgrade infrastructure and streamline cross border transport operations for passengers and businesses throughout the EU.

Within the "**WB6 framework**", the European Commission and the Prime Ministers from the Western Balkans agreed, on 21 April 2015 in Brussels, on **indicative extensions of the TEN-T core network in the Western Balkans region**. In Riga, on 22 June 2015, the Transport Ministers of the Western Balkans confirmed the maps of the comprehensive and core networks extending the TEN-T network in the Western Balkans and introduced the **corridor coordinators**.

At the Western Balkans Summit in Vienna on 27 August 2015, all participants particularly welcomed the substantial progress achieved in connectivity, notably the agreement by the Western Balkans' Prime Ministers in Brussels in April on the regional core transport network corridors, and the further agreement (in Riga in June) on the core network corridors, projects to be implemented by 2020 and the appointment of corridor coordinators. This will enhance the connectivity between the Western Balkans beneficiaries as well as with the EU network. The European Commission will continue to facilitate this process.

Each Beneficiary has established "**National Investment Committees**" and **Single Project Pipelines** which are becoming credible planning mechanisms ensuring that the beneficiaries have the fiscal space to take up the necessary loan financing to get all the projects implemented on time. The priority transport and energy projects mentioned above are reflected in both investment planning and sector strategies at IPA II beneficiary level.

The European Union and five partners of the Western Balkans signed the **Transport Community Treaty** at the Trieste Summit in July 2017. The last of the WB6, Bosnia and Herzegovina, signed in September 2017. The Western Balkans partners still need to agree on the seat of the **Transport Community Secretariat** and ensure – with the support of the European Commission – that it is operational by the time of the 2018 Summit. The Treaty represents the beginning of a new era of cooperation between the EU and the Western Balkans. The essence of the Transport Community is to bring the WB6 closer to the EU by creating a fully integrated transport network among the WB6 themselves as well as between the region and the EU, and to reach convergence with the transport operating standards and policies of the EU.

The vision for Trans-European Transport Networks (TEN-T) reflect that rail, road, air and sea transport links are seen as key drivers not just for closer integration between Member States and their peoples, but also for increasing economic competitiveness.

Extending the core network corridors to the Western Balkans ensures closer integration within the region as well as with the EU and provides a basis for leveraging investment in infrastructure. The core network corridors, once completed, will provide quality transport services for citizens and businesses, with seamless integration within the region as well as with the EU.

Energy sector

The EU is consuming and importing increasing quantities of energy. The acknowledgement of the advantages of coordinated action in such a strategic field has led to the adoption of common rules and strategies to pool Europe's efforts to secure the energy that it needs at an affordable price, while generating the least possible pollution. The EU thus adopted in February 2015 the Energy Union Strategy based on the three long-established objectives of EU energy policy: security of supply, sustainability and competitiveness. It is in the perspective of stronger security of supply and market integration that the EU set out in particular the target of 10% electricity interconnection by 2020, which is the minimum necessary for the electricity to flow and be traded between Member States.

With the aim to extend the EU internal energy market to EU neighbouring countries in South East Europe and the Black Sea region, the **Energy Community (EnC)** was created in Athens in October 2005 and entered into force in July 2006. The EnC takes in particular measures to create a single energy market, its legal framework relying principally on the adoption of EU energy *acquis*.

Adopted in October 2013, the South East Europe Energy Strategy outlines the key objectives and actions needed to create a regional energy market, as well as the investment needs for energy efficiency and renewable energy.

A list of **Projects of Energy Community Interest (PECI)**s was subsequently adopted, identifying in particular the electricity and gas interconnections as key areas that would contribute to the Western Balkans economic development and further EU integration.

The **PECI**s list was updated in October 2016 when the Ministerial Council of EnC adopted a list of ten PECI projects, nine of which concern Western Balkans, including two projects involving also a Member State (Romania-Serbia electricity connector and Bulgaria-Serbia gas connector).

In addition the Ministerial Council decided that a further ten projects receive the status of **Project of Mutual Interest (PMI)**. Each of these projects involves one Member State and at least one EnC Contracting Party; none however has yet received the status of project of the common interest (PCI) for the project on the EU side of the border. Five of these projects involve at least one IPA II beneficiary. Projects' merits for the regional energy markets have been evaluated with the same methodology and criteria and projects enjoy the same political endorsement in EnC contracting parties and in concerned EU Member States. Hence, the European Commission is considering both PMIs and PECIs eligible for receiving technical assistance and investment grant support.

Connectivity Reform Measures

Connectivity is not only about building new infrastructure, but also about getting the best use out of it. Opening of the rail market would clearly benefit consumers in terms of providing a better and more efficient service. It would also more easily attract investors including those from abroad if they could be sure of access to the entire corridor rather than merely national segments. The transport accompanying reform measures (formerly so called "soft measures") agreed in Vienna in 2015 addressed these issues by setting targets for aligning technical standards and formalising cross-border operations between networks.

1. Opening of the transport market

1.1 Implementation of rail reform strategy

2. Establishment of competitive, reliable and safe transport system

2.1 Improvement of road safety

2.2 Trade and transport facilitation

2.3 Intelligent Transport System (ITS) deployment on the Core Network

2.4 Establishment of functioning maintenance system ensuring no section in poor/very poor condition by 2020

3. Increasing the effectiveness of Border Crossing Procedures

3.1 Effective Border Crossing Agreements

3.2 Implementation of Integrated Border Management (IBM) strategy

In energy, the Energy Community prepared a list of **accompanying reform measures** to accompany these investments (third party access, unbundling, regulator independence, licensing and permitting regimes, customer switching, etc.).

The EnC also flagged the regional measures necessary for the operation and development of a real regional energy market in the Western Balkans region, based on three pillars (spot market development, cross-border balancing and regional capacity allocation).

The 2015 Vienna Summit focused on the energy dimension of the connectivity agenda and agreed on the high priority deliverables in this sector, while the 2016 Paris Summit focused on the results achieved and the road ahead. To further support the implementation of accompanying reform measures, the Directorate-General for Neighbourhood and Enlargement Negotiations has provided a EUR 1 million direct grant to the EnC Secretariat aimed in particular on the creation of the regional electricity market. Also, the (South-east Europe Transport Observatory) SEETO is specifically supported by Commission funds to help beneficiaries to advance on the Connectivity Reform Measures in the Transport sector.

Support to connectivity in the Western Balkans

The action will provide technical assistance specifically focused on connectivity, in both transport and energy sectors, in order to accelerate the implementation of these measures.

Connecta will prepare priority connectivity infrastructure investments projects, ensuring their technical and economic viability, in order to bring them to maturity for investment co-financing, and flag the connectivity projects ready to be implemented in the short and medium terms for the next bilateral or multi-country programming exercises. The Facility will continue providing support for the preparation and implementation of short and medium terms connectivity reform measures in the *transport* sector (CRM-T). The aim is that, pending formation of the new Transport Community Secretariat, it will gradually take over the work of Connecta in CRM-T.

Note: Energy Community Secretariat will be providing support for the preparation and implementation of short and medium terms connectivity reform measures in the *energy* sector.

Additional activities may be considered, should new needs be identified to stimulate further progress on the connectivity agenda.

OUTLINE OF IPA II ASSISTANCE

TA on Connectivity Reform Measures (CRMs): the Energy Community Secretariat (ECS) is already assisting WB6 beneficiaries with the implementation of CRMs in energy – the WB6 governments can continue to address the Energy Community Secretariat with their needs in energy CRMs accordingly.

The assistance on CRMs in transport will be covered by Connecta consultants; it is expected that a large part of the consultants' work will concentrate during the first phase on CRMs. The focus will be on border crossing procedures, maintenance plans, road and rail safety, and ITS. This action should help to substantiate the conditionality link of the Beneficiary's advancement in CRMs and access to IPA financing.

TA on Projects: regarding Connecta's work on energy and transport projects, one needs to clarify that Connecta will not be replacing IPFs or IFICO; in principle, it will not conduct major feasibility studies or major detailed designs. For these, the WB6 governments still need to apply to two regular TA calls per year within WBIF. Rather, Connecta will serve as a "rapid reaction force", to finalize smaller remaining parts of TA to quickly mature the project, so that it can apply to an investment grant from the WBIF.

Connecta can be quick because it is not part of the WBIF calls or governance structure, rather:

- i) Connecta-Beneficiary consultations are followed by
- ii) a unilateral decision of Directorate-General for Neighbourhood and Enlargement Negotiations headquarters.

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

The revised Multi-country Indicative Strategy Paper 2014-2020¹ (hereinafter referred to as the Strategy Paper), as last being revised, establishes support for economic, social and territorial development as one of its main objectives. In order to promote a comprehensive approach to the economic development of the region by stimulating key long-term drivers of growth, the Strategy Paper refers to the targets set by the regional strategy South East Europe 2020.

In that perspective, the Strategy Paper identifies in particular as a priority investing in improved transport and energy interconnections within the region and with the EU.

The action will be implemented in line with the priorities identified in the Strategy paper but also in line with relevant EU policies, such as the TEN-T guidelines and the European Energy Security Strategy, which encourages the development of energy interconnections between candidate countries, potential candidates and the EU.

The action will also follow EU macro-regional strategies, such as the EU Strategy for the Danube Region (EUSDR) and the future EU Strategy for the Adriatic-Ionian Region (EUSAIR) which both identify better connections within the Western Balkans and between this region and neighbouring Member States as key priorities.

The action is in line with the different "national strategies" and the Indicative Strategy Papers establishing the priorities for bilateral IPA Programmes².

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

Several EU funded actions already exist to support the IPA II beneficiaries, but also the existing regional structures (SEETO and EnC), for the development of sector programmes, the set-up and implementation of accompanying reform measures as well as the preparation of infrastructure projects and eventually the full alignment with the EU acquis.

Amongst these actions, the Joint Assistance to Support Projects in European Regions (JASPERS) offers support to the IPA II beneficiaries to develop, manage and review the quality of their infrastructure projects, making them eligible for IPA funding. In the frame of the Western Balkans Investment Framework (WBIF), the Infrastructure Project Facilities (IPFs) complement JASPERS in supporting the beneficiaries in the preparation of project documentation (feasibility studies, preliminary and detailed design, environmental impact assessment, tender dossiers, etc.). If JASPERS also supports the elaboration of sector strategies, their activities and IPFs' services are nevertheless mostly focused on infrastructure development.

Connecta, however, allows a shorter and more flexible mobilisation of the technical assistance. It has already resulted in a more rapid completion of the project documentation in two ongoing and 2 planned assignments, increasing the number of projects mature for investment co-financing. The limited number of projects mature for investment co-financing to date confirms the need for a top-down approach to speed up their preparation.

The action is also aiming at a broader objective with CRM-T, i.e. including not only infrastructure development but larger, comprehensive sector development via adoption of technical standards and regional reform measures. In the context of ambitious connectivity targets, it is highly pertinent to mobilise and strengthen stakeholders' capacities. On CRM-T, Connecta has begun work on:

¹ C(2018) 3442, 31.05.2018.

² C(2014) 5770, 18.08.2014, Albania; C(2014) 9495, 15.12.2014 and amended on 16.11.2017 (C(2017) 7513 final, Bosnia and Herzegovina; C(2014) 5861, 19.08.2014, the former Yugoslav Republic of Macedonia; C(2014) 5771, 18.08.2014, Montenegro; C(2014) 5772, 20.08.2014, Kosovo; C(2014) 5872, 19.08.2014, Serbia.

- Strategic framework for implementation of ITS on TEN-T core network in Western Balkans – all transport modes and interfaces
- Preparation of 5 year maintenance plan for the indicative extension of TEN-T Road/Rail core networks in Western Balkans – roads and railways
- Preparation of road safety Inspection and Audit plans for the core/comprehensive road networks in Western Balkans and Pilot – roads
- Study for border crossing facilitation and improvement of the cross-border road transport on the indicative extension of TEN-T Road Core/Comprehensive Network in Western Balkans – starting November 2017

When implementing the action, it will be guaranteed that there is no overlap, but complementarity with the existing instruments and other stakeholders.

Given the fact that public funds are scarce, there is a clear need to concentrate policy and regulatory efforts as well as investments on key corridors and interconnectors. By injecting substantial additional funds and providing technical assistance, Connecta shall continue to boost progress on these connectivity priorities.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	
To contribute to enhancing the socio-economic development and competitiveness of the Western Balkan	GDP growth Increase of trade in goods and services Human development index	European Commission Progress Reports "National Statistics Institutes" "National Central Banks" SEE 2020 implementation reports Government budget reports Public Finance statistics Eurostat	
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
To provide support to the improvement of connectivity within the Western Balkans and between the region and the EU	Number of transport and energy projects which have been brought to maturity by the action and subsequently received EU funds (infrastructure projects but also projects for the implementation of connectivity reform measures in transport) Total amount of IPA funds invested in the projects brought to maturity by the action	WB6 Ministerial meetings conclusions SEE 2020 implementation reports Reports from SEETO Reports from EnC	Political commitment from beneficiaries Sufficient administrative capacity in the beneficiaries Local ownership of action outputs Financial sustainability for an efficient operation and maintenance of the infrastructure Continued government commitment towards EU integration process
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS (*)	SOURCES OF VERIFICATION	ASSUMPTIONS
Result 1: Transport and energy priority infrastructure investments projects identified in the work programmes as key for the connectivity agenda brought to maturity for investment co-financing	Number of transport and energy infrastructure projects which project documentation has been prepared by the action	European Commission progress reports Reports from SEETO Reports from EnC Action progress reports	Political commitment from beneficiaries Agreement of the beneficiaries on the priorities to address (e.g. highest priorities on the PECCI's list) and the methodology (e.g. applying the Union guidelines for the TEN-T)
Result 2: Short and medium terms connectivity reform measures implemented in the transport sector	Number of Rail reform plans developed, Amount of EU policy best practices for the improvement of road safety introduced TEN-T introduced in the region. Degree of ITS deployment on the TEN-T core network in the region. Number of maintenance programmes for the entire TEN-T core rail and road network in the region supported.	Number of projects identified in the Single Pipelines of Projects brought to maturity and selected for investment co-financing	Sufficient administrative capacity in the beneficiaries Set up of "National Investment Committees", or similar coordination mechanisms, establishing Single Pipelines of Projects Coordination of energy reform measure by ECS

DESCRIPTION OF ACTIVITIES

The results of the action will be deliverables of the highest quality for transport and energy infrastructure investments and for regional reform measures in the transport sector.

Specific results will include:

- pre-feasibility studies, general designs, feasibility studies, preliminary designs, cost benefit analysis, environmental impact assessments, detailed designs, tender documents, etc., for transport and energy infrastructure projects, as well as transfer of know-how in project development, project management and financing techniques to the beneficiaries, to enhance talents and skills of local human resources; and
- strategic plans and frameworks for the development and maintenance of the Core Network to TEN-T standards, impact assessments, training (for example on road safety), guidelines, analysis and assessment of existing national strategies, laws and/or plans including recommendations.

The specific results for the implementation and monitoring of transport soft measures and the related transfer of know-how to the beneficiaries will be achieved in collaboration with the SEETO Secretariat/Transport Community Secretariat.

Indirect results will be:

- preparation of high priority energy and transport infrastructure projects, ensuring their technical and economic viability and bringing them to maturity for investment co-financing; and
- enhanced implementation of the transport connectivity reform measures, facilitation of the transposition of the EU acquis, introduction of EU policy best practices to the Western Balkans, speed up policy reforms and improved business environment in the Western Balkans.

RISKS

- Lack of agreement with the beneficiaries on the priorities to address (indicative extensions of the TEN-T core network in the Western Balkans region, highest priorities on the PEI/PMI list) and the methodology (e.g. applying the Union guidelines for the TEN-T)
- Changing priorities of the beneficiaries
- Lack of political commitment from the central and local beneficiaries, in particular to engage in policy reforms
- Insufficient administrative capacity, in particular to uphold sustainable policy reforms
- Lack of local ownership of the project's outputs
- Low level of communication among the project stakeholders
- Lack of cross border cooperation and support in regional projects
- Insufficient financial sustainability for an efficient operation and maintenance of the infrastructure
- Land acquisition or expropriation issues
- Influence of agreements with other stakeholders (Russia, China, etc.)

CONDITIONS FOR IMPLEMENTATION

The success of the results of the project will depend on:

- the political commitment of the beneficiaries to the Connectivity agenda, that is their willingness and capacity to implement high priority energy and transport infrastructure projects and technical standards and accompanying reform measures;
- the local ownership and compliance with the action's outputs;
- the commitment of financiers to the infrastructure projects throughout the project cycle;
- the financial sustainability for an efficient operation and maintenance of the infrastructure;
- the ability and willingness of the population to pay fair, equitable and affordable tariffs for the access to municipal infrastructure services.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

- ***European Commission/Directorate-General for Neighbourhood and Enlargement Negotiations***

The action will be directly managed by the Directorate-General for Neighbourhood and Enlargement Negotiations/D.5, which will be responsible for the coordination of the action inside DG NEAR, with geographical desks and EU Delegations (EUDs), but also with other Directorates-Generals Directorate-General for Neighbourhood and Enlargement Negotiations and external partners. Directorate-General for Neighbourhood and Enlargement Negotiations/D.5, in consultation with all partners, will decide on the direction to give to the action.

- ***European Commission/Directorate-General for Mobility and Transport and the Directorate-General for Energy***

The Directorate-General for Mobility and Transport and the Directorate-General for Energy will support the Directorate-General for Neighbourhood and Enlargement Negotiations in the implementation of the action for all activities related to the alignment with the EU *acquis*.

- ***Authorities from relevant IPA II beneficiaries***

The authorities from relevant IPA II beneficiaries will be the key actors of the action. The main interlocutors will be the "National IPA Coordinators" (NIPACs), the transport and energy ministries but also the "National Investment Committees" (NICs), or similar coordination mechanisms. Bringing together the Ministry of Finance, the relevant line ministries, the European Commission, the IFIs and the main actors of the private sector, the NICs are responsible to draw up a list of the most relevant investment projects to be financed in IPA II beneficiaries over the medium term.

- ***Energy Community Secretariat (ECS)***

The ECS is the EnC institutional setting assisting the European Commission, Contracting Parties as well as the Ministerial Council and the Permanent High Level Group in guiding the process of creating an Energy Community and further developing its objectives. The Secretariat's tasks range from the review and enforcement of Treaty implementation process to the responsibility to ensure the EnC's budget is spent correctly in accordance with its Work Programme.

- ***South East Europe Transport Observatory (SEETO)***

SEETO is the regional transport co-operation platform, ensuring coordination amongst the regional partners and the European Commission. It defines and monitors the development of the Comprehensive transport Network for South East Europe. It functions as the indicative extension of the TEN-T into the Western Balkans region. SEETO co-ordinates further improvement and harmonisation of regional transport policies and technical standards in view of alignment with the EU *acquis*. The aim is that, pending formation of the new Transport Community Secretariat, it will gradually take over the role of SEETO, and eventually take over the work of Connecta in CRM-T.

- ***Regional Transport Corridor Coordinators***

Corridor Coordinators' main role is to organise corridor platforms with all stakeholders and support the implementation of corridor work plans outlining all investments and technical standards required to make the core network fully operational by 2030.

- ***International Financial Institutions (IFIs)***

The financing of major infrastructure projects most often comprises a loan signed with an IFI. The IFI is then responsible for ensuring that all preparatory work (project documentation, co-financing, planning, permitting, utility connections, etc.) are completed by the beneficiary in a timely manner. The usual partner IFIs are the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), the Council of Europe Development Bank (CEB), Kreditanstalt für Wiederaufbau (KfW) and the World Bank Group.

- ***The Central European Free Trade Agreement (CEFTA)***

Political, operational and organizational support from the Central European Free Trade Agreement (CEFTA) will be required for the implementation of transport Soft Measures targeting the Trade and Transport Facilitation in the Western Balkans.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

The action will be managed directly by Directorate-General for Neighbourhood and Enlargement Negotiations/D.5.

Connecta will be implemented through a service contract. The contract should be signed during Q3 2018.

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The action will be run according to the Practical Guide for Procurement and Grants for European Union external actions PRAG which set the general standards for monitoring and reporting.

The day-to-day monitoring of the action will be carried out by the Task Manager in the Directorate-General for Neighbourhood and Enlargement Negotiations. In the perspective of this exercise, s/he will use the reports produced by the Consultant. S/he will also have regular contacts with DG NEAR geographical desks but also with EUDs and, when relevant, with the ECS, the SEETO/Transport Community Secretariat and the relevant authorities in order to monitor the action as closely as possible to its implementation.

The Directorate-General for Mobility and Transport and Directorate-General for Energy will be closely involved in the monitoring of the action for all activities related to the alignment with the EU *acquis*.

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the the Directorate-General for Neighbourhood and Enlargement Negotiations guidelines on linking planning/programming, monitoring and evaluation. In addition, the action might be subject to external monitoring in line with the European Commission rules and procedures.

The Result Oriented Monitoring (ROM) mechanism will thus be used to support the monitoring of the action.

INDICATOR MEASUREMENT (TO BE COMPLETED)

Indicator	Baseline (2017) (2)	Milestone 2018(4)	Target 2020 (5)	Final target (2021)	Source of information
Number of transport and energy projects which have been brought to maturity by the action and subsequently received EU funds (infrastructure projects but also projects for the implementation of soft measures and technical standards)	N/A	tbd	tbd	tbd	European Commission progress reports; Reports from SEETO; Reports from the Energy Community; Action progress reports
Total amount of IPA funds invested in the projects brought to maturity by the action	N/A	tbd	tbd	tbd	
Number of transport and energy infrastructure projects which project documentation has been prepared by the action	N/A	tbd	tbd	tbd	European Commission progress reports; Reports from SEETO; Reports from the Energy Community; action progress reports
Number of Rail reform plans developed, Amount of EU policy best practices for the improvement of road safety introduced TEN-T, Degree of ITS deployment on the TEN-T core network in the region, Number of maintenance programmes for the entire TEN-T core rail and road network in the region	N/A	Framework for the implementation of EU freight corridors extended to the Western Balkans; Certification of trainers for Road Safety Audit and Road Safety Inspection; Agreement on a protocol for the exchange of transport data in cooperation with CEFTA; Definition of strategic framework for the implementation of	N/A	N/A	European Commission progress reports; Reports from SEETO; action progress reports

		ITS; Adoption of maintenance plans for 2018-2020 for the entire core network			
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(1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)

(2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".

(3) The target year CANNOT be modified.

(4) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

5. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING

Improved transport can increase both women's and men's productivity and in so doing promote gender equality. Except for contributing to economic growth, transport plays a crucial role in broadening access to health and education services, employment, improving the exchange of information, and promoting social cohesion. However, transport needs can differ between women and men, for example differences in access to private transport, in patterns of commuting and employment, in child-care and elder-care responsibilities, in basic attitudes to private and public transport.

This action will look into possibilities of exploring how transport and energy interventions can be responsive to the needs of both women and men knowing that it will require the development of a structured approach. A crucial step is to make sure that both women and men are represented at each step of the planning and design process of transport investments. Government agencies and NGOs, community-based organisations, and women's groups that can be used in planning and implementation will be identified and consulted.

EQUAL OPPORTUNITIES

The action will ensure that equal opportunities are given to women, men, people with disabilities, minority groups etc. who all have an interest in the development of transport and energy sectors. Participants and experts should have an appropriate gender balance given the specific competences and expertise needed in the project. As transport and energy are male-dominated sectors, women's participation will be encouraged.

MINORITIES AND VULNERABLE GROUPS

Participation in the implementation of the action will be guaranteed on the basis of equal access regardless racial issues or ethnic origin, religion and beliefs, age or sexual orientations.

Besides, investment projects provide benefits to the groups of population without distinction, including people belonging to minorities and vulnerable groups.

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

The preparation of investment projects is always accompanied by public consultation which requirements are set by national planning regulations and EU Directives, in particular the Environmental Impact Assessment Directive (2011/92/EU amended 2014/52/EU). In addition, Connecta can, with the Directorate-General for Neighbourhood and Enlargement Negotiations approval, consider involving CSOs in producing additional input, research for feasibility studies and similar, as well as associate CSOs to activities of awareness raising on connectivity reform measures (road safety, border crossings, maintenance plans etc.).

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

Environment, climate change and disaster resilience are systematically considered during the preparation and design of major infrastructure projects.

The Environmental Impact Assessment 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 EIA may avoid delays or further costs for redesign and increased construction scope due to poorly appreciated construction constraints as well as later mitigation costs.

Climate action relevant budget allocation: EUR 0
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6. SUSTAINABILITY

A key aspect in ensuring the sustainability of the action's results will be a strict focus on the projects imbedded in the national transport and energy sector strategies and sector work programmes.

The political commitment from the beneficiaries to keep developing and maintaining transport and energy networks connecting them between themselves but also to the EU as well as a strong involvement of the existing structures, that is the EnC and the SEETO/Transport Community Secretariat, will be decisive to attain and sustain the action's objective.

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 and the accession process, 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.

The beneficiary will have the responsibility of the communication and visibility activities during the implementation of the action. These activities shall be funded from the amounts allocated to the action and the European Commission shall be fully informed of their planning and implementation. It is their responsibility to keep the EU Delegations and the European Commission fully informed of the planning and implementation of the specific visibility and communication activities.

Nevertheless, the action targets the early stages of the project cycle, before any visible construction activities, making communication and visibility activities challenging. It will therefore be essential to ensure that the EU contribution to the project is publicised throughout the rest of the project cycle (e.g. on boards on construction sites, at the inauguration, in press releases, etc.). This visibility shall be implemented by the final beneficiary, under the European Commission's (Directorate-General for Neighbourhood and Enlargement Negotiations) monitoring. The continuation of EU's support to the investment projects through co-financing shall ease this monitoring.