

IPA National Programme 2010 – Bosnia and Herzegovina

Fiche 10 "Transport "

1. Basic information

- 1.1 CRIS Number:** 2010/022-259
- 1.2 Title:** Rehabilitation and Development of Transport and Navigation on the Sava River Waterway
- 1.3 ELARG Statistical code:** 02.21 Economic Criteria/ Trans-European Networks
- 1.4 Location:** Bosnia and Herzegovina

Implementing arrangements:

- 1.5 Contracting Authority:** The European Union for and on behalf of the beneficiary country in joint management with the World Bank
- 1.6 Implementing Agency:** The World Bank (WB) through joint management with the European Union.
- 1.7 Beneficiary:**

Ministry of Communications and Transport of Bosnia and Herzegovina

Senior Program Officer: Kemal Karkin - Project Implementing Unit;
Trg B&H 1, 71000 Sarajevo, Bosnia and Herzegovina;
Tel: +387 33 269 470;
E-mail: k.karkin@mkt.gov.ba

Federal Ministry of Transport and Communication

Ministry of Transport and Communication of Republic of Srpska

Government of Brcko District

Financing:

- 1.8 Overall cost (VAT excluded):** EUR 25 600 000
- 1.9 EU contribution:** EUR 5 600 000
- 1.10 Final date for contracting:** Two years from the date of the conclusion of the Financing Agreement

1.11 Final date for execution of contracts: Two years from the final date for contracting

1.12 Final date for disbursements: One year from the final date for execution of contracts

2. Overall Objective and Project Purpose

2.1 Overall Objective

To alleviate the negative impact of the current financial and economic crisis by supporting the investment in large scale infrastructure to improve the economic and social development in Bosnia and Herzegovina.

2.2 Project purpose

To link the national with the regional SEETO core transport network and provide preconditions for high-scale investments in transport and trade facilitation. To implement the SEETO core network action plan for Bosnia and Herzegovina through provision of preconditions for rehabilitation of the Sava river navigation route.

2.3 Link with AP/NPAA / EP/ SAA

The project is linked to the requirements of the Stabilisation and Association Agreement (SAA) and the Interim Agreement (IA). "The Action Plan of Bosnia and Herzegovina for the Implementation of the Terms of the IA and the SAA" (adopted at CoM on 29 July 2008) in point 106 reads:

"Co-operation may notably aim at restructuring and modernising the transport modes in BiH ... supporting the development of multi-modal infrastructures in connection with the main TEN, notably to reinforce regional links in South-East Europe in line with the MoU on the development of the core regional transport network ... and improving protection of environment in transport."

The SAA Protocol 3 on Land Transport / Rail and Combined Transport includes the following article:

ARTICLE 7

General provision

"The Parties shall adopt the mutually coordinate measures necessary for the development and promotion of rail and combined transport as a mean of ensuring that in the future a major proportion of their bilateral and transit transport through Bosnia and Herzegovina is performed under more environmentally-friendly conditions."

This project directly addresses the priorities in the transport sector and combined /intermodal transport subsector as provided in the European Partnership document.

The European Partnership 2008 (European standards & Sectoral policies/Transport policy) includes the following:

"Continue the implementation of the requirements of the MoU on the Development of the SEE Regional transport Network, including the Addendum on a SEE Rail transport Area Coordinate and consolidate at State and Entities level the transport infrastructure planning in view of a consistent prioritisation of transport project along the South east Core regional Transport Network."

2.4 Link with MIPD

The Multi-Annual Indicative Planning Document (MIPD) 2009-2011, chapter 2.3.1.3 Ability to assume the obligations of membership, Sectoral Policies, reads as follows: "Support the energy and transport sectors , The alignment of the transport sector to the acquis is advanced and transport infrastructure is improved Bosnia and Herzegovina continues to implement the MoU on the core transport network". The proposed project develops navigation and transport core network through rehabilitation and upgrading of the Sava river waterway.

IPA will provide assistance to soften the impact of the financial and economic crisis by increasing its support for employment and economic growth and by assisting Bosnia and Herzegovina in investing in infrastructure.

2.5 Link with National Development Plan

Bosnia and Herzegovina has completed drafting of the National Development Strategy (NDS) 2008 -2013 that will serve as the basis for the National Development Plan. The strategy is expected to be adopted at the beginning of 2010. The project is linked to the NDS strategic goal: Sustainable development and sub-goal transport and communication.

The National Development Strategy, provides a specific priority to the transport sector and emphasises among other issues the investment in the Trans-European corridors and their linkages to the regional network.

2.6 Link with national/ sectoral investment plans

- The Bosnia and Herzegovina Transport Policy document is adopted by the Council of Ministers of Bosnia and Herzegovina, but still not endorsed by the Parliament of Bosnia and Herzegovina. The Bosnia and Herzegovina Transport Policy document focuses among the rest on rehabilitation and modernisation of the country transport network. The waterways, in particular the Sava river waterway as the longest and most important one, present a component of the transport core network referred to in the Policy. The Policy document presents a basis for developing the country Transport Strategy and the action plan arising from the Strategy.
- Bosnia and Herzegovina Transport Strategy (still in draft) recognises development of the waterways, referring predominately to the Sava river as a most relevant one, as a strategic priority in development of the core network and the overall economic development of the country and the region.
- The South East Europe Transport Observatory (SEETO) document on transport core network priorities, presented by the Memorandum of understanding on South-East

Europe Core Regional Transport Network, a Five Year Multi Annual Plan, 2009-2013 refers to the Sava river waterway:

“The development of the Network should include maintenance (including preventive measures and repair), reconstruction, rehabilitation, upgrading and new construction of main and ancillary infrastructure as well as its operation and use with a view to fostering the most efficient and environmentally friendly transport modes on a regional scale - Priority projects: Rehabilitation and improvement of the Sava river waterway.”

- The Framework Agreement on the Sava River Basin signed in 2002 between Slovenia, Croatia, Bosnia and Herzegovina and Serbia give strategic directions for development of water transport on River Sava. This document is the basis for the Strategy for the Implementation of the Framework Agreement on the Sava River Basin signed in 2008 between before mentioned countries presents the basis for international action along the Sava river navigation route:

“Establishment of an international regime of navigation on the Sava River and its navigable tributaries, which included set-up conditions for safe navigation on the River Sava and its tributaries.”

- Decision of Sava Commission No.21/09 which confirm commitment of all Sava river basin countries to support Rehabilitation and Development of Transport and Navigation on Sava river waterway Project what will secure realisation of this project

3. Description of project

3.1 Background and justification

The Sava river is a tributary of the Danube. It flows from Slovenia through Croatia, Bosnia and Herzegovina and finally flows into the Danube in Belgrade, Serbia. The Sava is presently conditionally navigable from Sisak in Croatia to Belgrade in Serbia over a length of 586 km. In Bosnia and Herzegovina the Sava waterway is 338 km long, starting at Drina confluence on the river kilometre 178.0 and ending at Una river confluence at the city of Jasenovac, Croatia on the river kilometre 516,0).

The Sava river was an important lifeline of the former Yugoslavia and was regularly used for inland waterway transport. However, the break up of Yugoslavia and the economic decline in the 80's and 90's caused a strong decrease of transport, including a very negative impact on navigation on the Sava river. Presently, inland waterway transport is at a very low level. Reasons for this situation are, amongst others: lack of maintenance and investments in the waterway resulting in poor quality of infrastructure and low safety level; poor intermodal connections with road and railways; damaged port and river infrastructure which endanger safe navigation, presence of unexploded ordnance (UXO) and minefields, and devastated and outdated fleet. The vessels are operating at the risk of their owners, with no insurance provided.

With an intent to cooperate and coordinate in management and improvement of the Sava river waterway, focusing on the reconstruction and development of river navigation as a top priority, the governments of four riparian countries (Slovenia, Croatia, Bosnia and Herzegovina, Serbia) have established The International Sava River Basin Commission (ISRBC) for purpose of the implementation of the Framework Agreement on the Sava River Basin (FASRB). In that respect, the Sava Commission has prepared Strategy on implementation of the Framework Agreement on the Sava River Basin, as well as the implementation plan for the main activities and operational tasks. One of the main activities related to waterways and infrastructure is rehabilitation of the waterway and development of river navigation on the Sava river.

In July 2009, the Sava Commission made a binding decision (No: 21/09) defining a detailed plan for Sava river waterway reestablishment.

The future TEN-T (Trans European Network-Transport) policy in Bosnia and Herzegovina refers to the 2004 Memorandum of Understanding (MoU) on the development of the South East Europe Core Regional Transport Network and to the report of the High Level Group on the TEN-T and the neighbouring countries chaired by Ms. de Palacio (2004-2005). This would be further institutionalised through the Western Balkans Transport Community Treaty under preparation, expected for contracting in springtime 2010.

The report of the High Level Group identifies five major trans-national axes with priority projects, one of them being the South Eastern Axis, including the multimodal connection Budapest-Sarajevo-Ploce and the inland waterway Sava (reconstruction of the Sava river waterway, modernisation of the port Brcko on Corridor VII. It should be noted that the multimodal Core Transport network in BiH relates to two Pan-European Corridors: the branch Vc Budapest-Sarajevo-Ploce of the Corridor V, and its extension to Banja Luka and the part of the Corridor VII corresponding to the Sava river alone.

The MoU referred to above promotes cooperation between the European Union and the Balkans countries on the development of the main and secondary infrastructure on the multimodal South East Europe Core Regional Transport Network which includes maintenance, reconstruction, rehabilitation, upgrading and new construction of main and ancillary infrastructure, as well as its operation and use with a view to fostering the most efficient and environmentally friendly transport modes on a regional scale”, including the Sava river waterway specifically.

A steering committee of the Transport Observatory has been set up in order to follow the progress of the transport links and operations in the region.

Inland waterway transport has proven in the European Union to be a competitive transport mode, environmentally friendly and reducing congestion on roads network. Inland waterway transport presents its potential to be a feasible transport mode for the Sava River, connecting the economies of Slovenia, Croatia, Bosnia and Herzegovina and Serbia in an efficient and environmentally friendly manner.

A Feasibility Study and preliminary design documentation for the rehabilitation and development of Transport and Navigation on the Sava river waterway prepared in 2008 and has demonstrated that the investments in upgrading of the Sava river waterway and

development of navigation are economically, but also sociologically and demographically justified and will provide fair conditions for expansion of river transport, tourism, and improved water management.

Study for demand and market for river navigation in Bosnia and Herzegovina, provided by the European Union in 2008, recognises potential for transport services of goods on the navigation route of the Sava river, and builds up on the actions and conditions of exploitation of the natural resource in terms of transport services in the future long term prospective.

In light of the strategic priorities, the following actions are considered a priority and will be implemented with the support of IPA 2010 funds:

- Preparation of design documentation and missing studies for re-establishment of the navigation on the Sava river waterway.
- Demining of Bosnia and Herzegovina bank (right bank) and riverbed (certain section) of the Sava river waterway.

The project is based on the concept of joint management of funds with the World Bank. It is foreseen that the European Union shall fill the financing gap by providing a grant contribution to be made available through an administration agreement with the World Bank. Project activities subject to the joint financing will consist of works, supplies and services and will be managed by the World Bank. It is foreseen that the grant component provided by the European Union would enable start of works execution, namely provision of main design and demining of the zone of intervention.

Component 1 – Studies and design for reestablishment of the navigation on the Sava river waterway (total budget EUR 1 600 000)

The Sava is used for river transport exclusively at the risk of the operators, at the minimal capacity provided to the operators by inappropriate infrastructure, and with extreme seasonality in periods of operational conditions.

There is a clear interest and political will in all four countries of the Sava Region (Joint statement of Ministers of Transport from Slovenia, Croatia, Bosnia and Herzegovina and Serbia) to bring the navigation route in the safe and reliable operational state. The World Bank has shown its interest for financing of works by providing a loan of US\$ 30 000 000 (EUR 20 000 000) for this purpose. Loan agreement between Bosnia and Herzegovina and WB is harmonised and will be signed very soon. Croatia has provided funds for missing design documentation on the section from rkm 594 (Sisak) to rkm 234 (Brcko) financed from IPA Component III funds. Activities outlined for Component 1 in this project fiche from rkm 234 (Brcko) to rkm 0 (Belgrade) are foreseen for financing from IPA 2010 contribution in amount of EUR 1 600 000. These funds are allocated for necessary surveys, including missing bathymetric surveys (bathymetric surveys from mouth to Brcko were done before 5 years, it will be necessary to repeat bathymetric surveys on some critical points), preparation of missing studies, and provision of main design for the rehabilitation of the navigation route on the Sava river.

Component 2 –Demining (total budget EUR 4 000 000)

The accessibility for people and mechanization of the banks of the Sava river waterway is very limited. As a result of war activities, a threatening quantity of unexploded ordnances (UXO) has remained on the banks and in the riverbed of the Sava river. Contamination with the landmines in the zones of demarcation along the River is also significant and presenting a life hazard.

In order to create safe environment for execution of the works on waterway rehabilitation and modernisation, the minefield and UXO clearance is required in areas gravitating to river banks and some individual parts of the riverbed, where found needed upon surveys made.

Activities outlined for Component 2 in this project fiche will be funded by the IPA grant funds in the amount of EUR 4 000 000. The funds will be used for:

- Demining of Bosnia and Herzegovina riverbank of the waterway
- Demining of the riverbed of the waterway along the Bosnia and Herzegovina Sava river blue border.

The respective demining activities on the territories of Croatia and Serbia shall be done in principle in parallel by the demining authorities if the respective countries, The process shall be monitored and coordinated by the Sava Commission.

This component has no requirements concerning sustainability of the activity.

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

Improvement of transport infrastructure in the inland waterway sector aims to contribute to better transport connections in the South East Europe Region. Development of transport infrastructure is expected to generate economic benefits through reduction of transport costs, expansion of internal and foreign trade, increase of revenue through providing transit services, attracting foreign investments, providing opportunities for creating business in other branches. An increase in river navigation operations is expected to help in reducing pollution and promote environmentally friendly modes of transportation.

The modern transport logistics is committed to shifting cargo from the congested roads to more cost effective inland waterways. Consequently, the inland waterway transport rapidly expands its traditional activity of transporting bulk cargo and liquid fuels over long distances. In the recent period specialized transports, such as containers, are introduced as a part of global cross-border intermodal transport networks, in particular in the chains of intermodal transport services. Upgrading of the Sava river waterway to IV / Va category will enable safe navigation, with increment of vessel capacities, thus improving the efficiency of shipping and protection of environment.

Waterways suitable for commercial cargo transport are in general open to recreational navigation, tourism and wide range of ambient opportunities as well.

The vision of the International Sava River Basin Commission (ISRBC) is a **cross border cooperation for sustainable development of the region**, which is based on:

- sovereign equality, territorial integrity, mutual benefit, and good faith;
- mutual respect of national legislation, institutions and organizations;
- accordance with the European Union directives (e.g. Water Framework Directive and Floods Directive);
- regular exchange of information within the basin (i.e. on water regime, navigation regime, legislation, organizational structures, administrative and technical practices);
- cooperation with international organizations (such as the International Commission for the Protection of Danube River, Danube Commission, the United Nations Economic Commission for Europe, and institutions of the European Union);
- reasonable and equitable use of water;
- securing the integrity of the water regime in the basin;
- reduction of transboundary impacts caused by economic and other activities of the Parties;
- prevention of causing significant harm to other Party(ies), when using water of the basin,

and **includes the whole of water resources management**, namely:

- issues of **sustainability** (protection/improvement of water quality, water quantity and aquatic ecosystem);
- protection against the harmful effects of water (due to floods, ice, droughts, and accidents);
- **development** activities (i.e. navigation, hydropower, water supply, irrigation, recreation and tourism, and other kinds of water use).

IPA grant funds will catalyse 30 000 000 US\$ World Bank loan assistance for this project by providing preconditions for implementation of these improvements in Bosnia and Herzegovina's transport infrastructure. The European Union grant would also help limit the country's debt burden in the period of burning economic crisis.

The respective infrastructure, with the exception of some ports which are not, anyhow, subject to this project, is owned by the respective states (Slovenia, Serbia and Croatia) and the Entities in case of BiH (Federation of BiH and Republika Srpska). The Sava Commission and the relevant Ministries of the participants in the Commission, including the Entity Ministries in BiH remain their responsibility for regulation of the traffic on the waterway and maintenance of the infrastructure to be subject to this design and the waterway rehabilitation to follow.

3.3 Results and measurable indicators

Results and measurable indicators in relation with Component 1

R.1.1: Preparation of design enabled:

Indicators:

- Completed geodetic survey, not later than 4 months after start of this project.
- Completed missing bathymetric surveys, not later than 4 months after start of this project.
- Completed geologic survey, not later than 6 months after start of this project.
- Completed traffic study, not later than 6 months after start of this project.
- Completed environment impact assessments, not later than 6 months after start of this project.

R.1.2: Tendering of works enabled:

Indicators:

- Completed main design for waterway rehabilitation, not later than 18 months after start of project.
- Completed revision of the main design not later than 21 months after start of project.
- Completed tender dossier for works approved for publishing by the WB, not later than 24 months after start of project.

Results and measurable indicators in relation with Component 2

R.2.1.: Demining activities enabled:

Indicators:

- Completed general survey of UXO (Unexploded Ordnances) presence in the riverbed not later than 6 months after start of the project.
- Completed general survey of UXO (Unexploded Ordnances) presence on the riverbank, not later than 3 months after start of the project.
- Completed general survey of landmine contamination on the riverbank, not later than 3 months after start of the project.
- Completed Terms of Reference (ToR) for UXO removal and demining activities prepared, not later than 6 months after the start of the project.
- Completed tender dossier for UXO removal and demining activities prepared and launched not later than 6 months after the start of the project.
- Completed selection and contracting of demining company(ies), not later than 9 months after the start of the project.

R.2.2.: Works enabled:

Indicators:

- Completed removal and destroying of the UXO from the riverbank, not later than 21 months after start of the project.
- Completed removal and destroying of the UXO from the riverbed, not later than 21 months after start of the project.
- Completed demining of suspected landmine contaminated areas, not later than 22 months after start of the project.
- Completed demining activities and riverbank UXO removal approved by BH MAC and cleared areas certified, not later than 22 months after start of the project.
- Completed UXO removal activities in the riverbed approved by BH MAC and Cro MAC and cleared areas certified, not later than 24 months after start of the project.

3.4 Activities

Activities under Component 1

R.1.1.: Preparation of design enabled:

Activities:

- Geodetic survey of the areas subject to design.
- Bathymetric survey of the riverbed, where applicable.
- Geologic survey of the suspected problematic areas of intervention.
- Preparation of traffic study.
- Preparation of environment impact assessments.

R.1.2.: Tendering of works enabled:

Activities:

- Provision of design of navigation route.
- Revision of main design.
- Preparation of tender dossier for works.

Activities under Component 2

R.2.1.: Demining activities enabled:

Activities:

- General survey of UXO in the riverbed by BH MAC and Cro MAC.
- General survey of UXO on the riverbank by BH MAC.
- General survey of landmine contamination by BH MAC.
- Preparation of the ToR for UXO removal and demining activities by BH MAC.
- Preparation of tender dossier for UXO removal and demining.
- Procurement of demining and UXO removal.

R.2.2.: Works enabled:

Activities:

- Removal and destroying of the UXO from the riverbank.
- Removal and destroying of the UXO from the riverbed.
- Demining of suspected landmine contaminated areas.
- Clearance and certification of riverbank cleared areas.
- Clearance and certification of riverbed cleared areas.

All project activities will be implemented by joint management with the World Bank through an administration agreement of EUR 5 600 000 in line with Article 53 (d) of the Financial Regulation). This joint management modality is chosen because the presented project foresees inputs to provide for preconditions for a joint action to be financed through pooling of EU and Worldbank resources. This pooling of resources includes a combination of Worldbank loans with EU grants. We consider that the most efficient implementation modality will be joint management. For this project, the World Bank has committed 30 000 000 US\$ for works execution.

3.5 Conditionality and sequencing

The condition for this project to be implemented is that an administration agreement between European Union and the World Bank will be signed. Monitoring and steering arrangements, according to the contribution agreement, shall be done by the IFI.

EU visibility shall be referred to in the administration agreement.

3.6 Linked activities

- Prepared conceptual design for the rehabilitation of the Sava river waterway and determination of waterway boundary line from Racinovci to Sisak (Croatia) in 2006.
- Prepared Feasibility study and Project Documentation for the rehabilitation and development of transport and navigation on the Sava river waterway in 2008.
- Prepared Study for demand and market for river navigation in Bosnia and Herzegovina in 2008.

Croatia has provided funds from IPA Component III for Main Design for rehabilitation Sava river waterway on the section from rkm 594 (Sisak) to rkm 234 (Brcko). Start of tender procedure for procurement of services is planned for beginning of March, 2010.

3.7 Lessons learned

Since 1996 many rehabilitation and reconstruction programs have been implemented in all sectors of transport in Bosnia and Herzegovina. Their realisation has been supported by the WB, EIB, EBRD, the European Union and other bilateral donors. Implementation has been conducted by local agencies supported by international consultants. All these activities contributed to competence and reliability of local agencies to continue implementing of new projects. The amount of the spent funding is around EUR 500 000

000. All of these projects were evaluated in relation to project success. Data of these evaluations are available in records of local and international implementation agencies. A key lesson learnt has been to fund only those projects that are ready for implementation in terms of available designs / specifications, permits and land ownership issues.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA EU 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	25 600 000	5 600 000	21.9	20 000 000	78.1			20 000 000		
Contract 1.1 [administration agreement with WB]	—	—	25 600 000	5 600 000	21.9	20 000 000	78.1			20 000 000		
TOTAL IB												
TOTAL INV			25 600 000	5 600 000	21.9	20 000 000	78.1			20 000 000		
TOTAL PROJECT			25 600 000	5 600 000	21.9	20 000 000	78.1			20 000 000		

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
Contract1.1 (Administration agreement with World Bank)	1 st Q2011	1 st Q2011	4 th Q2013

6. Cross cutting issues

6.1 Equal Opportunity

No discrimination of whatever nature will be applied. The principle of non-discrimination regarding nationality, gender, religion and race will be applied during tendering, contracting and implementation of this project and parties of the project will have equal opportunities.

6.2 Environment

The foreseen assignment considers predominantly riverbed dredging works, reconstruction of existing and construction of new port facilities, aiming to bring the capacities of Sava waterway to IV category of navigation as a minimum. As a general principle, re-direction of cargo transport from roads to waterways provides positive environmental impact. However, the environmental issues shall be the subject to a specific environmental expertise to be provided by the Consultant within the scope of the Environmental impact assessment study, as a part of the assignment.

This Project will be in accordance with Joint Statement on Guiding principles for the Development of Inland Navigation and Environmental protection in Danube river basin (whom belong Save river). Sava River Basin Management Plan is ongoing and be prepared under the umbrella of Sava Commission and with support of European Union. All activities will be in accordance with next EU directives: SEA directive; EIA directive; EU Water framework directive; Habitat directive and Birds directive. The EIA will include a specific explanation how the requirements of Article 4(7) of the Water Framework Directive will be fulfilled. This includes an assessment of the project's impacts on water status, and in case a deterioration of water status occurs, a justification that the benefits of the project outweigh the benefits of achieving the environmental objectives and a justification that there are no better environmental options for the proposed project and its elements.

6.3 Minorities

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin religion or belief, disability sex or sexual orientation.

ANNEXES

- I Log frame in Standard Format
- II Amounts contracted and Disbursed per Quarter over the full duration of Programme
- III Description of Institutional Framework
- IV Reference to laws, regulations and strategic documents
- V Details per EU funded contract

ANNEX I: Logical framework matrix

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name: IPA National Programme 2010 – Bosnia and Herzegovina Fiche 10 "Transport "	
		Contracting period expires: Two years following the date of the conclusion of the Financing Agreement	Disbursement period expires: One year following the end date for the execution of contracts
CRIS Number: 2010/022-259		Total budget : EUR 25 600 000	IPA budget: EUR 5 600 000
Overall objective	Objectively verifiable indicators	Sources of Verification	
The EU grant contributes to the alleviation of the current worldwide financial and economic crisis by improving economic and social development in Bosnia and Herzegovina.	Increasing of safety, efficiency and level of services in waterway transport and intermodal transport.	Reports of Statistics Institute and relevant Ministries.	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Linking the national with the regional SEETO core transport network and provide preconditions for high-scale investments in transport and trade facilitation. To implement the SEETO core network action plan for Bosnia and Herzegovina through provision of preconditions for rehabilitation of the Sava river navigation route.	-Increase of navigation safety -Increase of commercial traffic volume on the Sava river; -Increase of average vessel loads, and consequently decrease vessel movements pr tkm, with inclusion of backload factor in the river ports	EU Annual Progress Report. Reports of relevant Institutions.	Continued State supports to transport sector that will improve attractiveness of all modes of transport.

Results	Objectively verifiable indicators	Sources of Verification	Assumptions
R.1.1.: Preparation of design enabled:	Indicators: - Completed geodetic survey, not later than 4 months after start of this project. - Completed missing bathymetric surveys, not later than 4 months after start of this project. - Completed geologic survey, not later than 6 months after start of this project. - Completed traffic study, not later than 6 months after start of this project. - Completed environment impact assessments, not later than 6 months after start of this project.	-Documentation collected -Quarterly and Final Progress Reports -Reports of Ministry of Communication and Transport of Bosnia and Herzegovina; -BHMAC certificates for cleared areas	Financial obligations to Financial Agreement are realised on time.
R.1.2.: Tendering of works enabled:	Indicators: - Completed main design for waterway rehabilitation, not later than 18 months after start of project. - Completed revision of the main design not later than 21 months after start of project. - Completed tender dossier for works approved for publishing by the WB, not later than 24 months after start of project.		
R.2.1.: Demining activities enabled:	Indicators: - Completed general survey of UXO (Unexploded Ordnances) presence in the riverbed not later than 6 months after start of the project. - Completed general survey of		

R.2.2.: Works enabled:	UXO (Unexploded Ordnances) presence on the riverbank, not later than 3 months after start of the project. - Completed general survey of landmine contamination on the riverbank, not later than 3 months after start of the project. - Completed Terms of Reference (ToR) for UXO removal and demining activities prepared, not later than 6 months after the start of the project. - Completed tender dossier for UXO removal and demining activities prepared and launched not later than 6 months after the start of the project. - Completed selection and contracting of demining company(ies), not later than 9 months after the start of the project. Indicators: - Completed removal and destroying of the UXO from the riverbank, not later than 21 months after start of the project. - Completed removal and destroying of the UXO from the riverbed, not later than 21 months after start of the project. - Completed demining of suspected landmine contaminated areas, not later		
------------------------	---	--	--

	than 22 months after start of the project. - Completed demining activities and riverbank UXO removal approved by BH MAC and cleared areas certified, not later than 22 months after start of the project. - Completed UXO removal activities in the riverbed approved by BH MAC and Cro MAC and cleared areas certified, not later than 24 months after start of the project		
Activities	Means	Costs	Assumptions
Activities under Component 1 R.1.1.: Preparation of design enabled: Activities: - Geodetic survey of the areas subject to design. - Bathymetric survey of the riverbed, where applicable. - Geologic survey of the suspected problematic areas of intervention. - Preparation of traffic study. - Preparation of environment impact assessments. R.1.2.: Tendering of works enabled:	Administration agreement with WB	Contract 1.1: EUR 25 600 000 (IPA Contribution: EUR 5 600 000) Component 1: IPA contribution: EUR 1 600 000 Component 2: IPA contribution: EUR 4 000 000	Competent contractors are obtained. Tendering procedure for designing successfully completed and contractor selected-for services contracted. Tendering procedure for works successfully completed and contractor for selected-works contracted.

Activities: - Provision of design of navigation route. - Revision of main design. - Preparation of tender dossier for works. Activities under Component 2 R.2.1.: Demining activities enabled: Activities: - General survey of UXO in the riverbed by BH MAC and Cro MAC. - General survey of UXO on the riverbank by BH MAC. - General survey of landmine contamination by BH MAC. - Preparation of the ToR for UXO removal and demining activities by BH MAC. - Preparation of tender dossier for UXO removal and demining. - Procurement of demining and UXO removal. R.2.2.: Works enabled: Activities: - Removal and destroying of the UXO from the riverbank. - Removal and destroying of the UXO from the riverbed. - Demining of suspected landmine contaminated			
---	--	--	--

areas. - Clearance and certification of riverbank cleared areas. - Clearance and certification of riverbed cleared areas.			
---	--	--	--

Pre-conditions: The World Bank and the European Union agree on the financing of the project. A corresponding loan agreement between Bosnia and Herzegovina and World Bank is harmonized and will be signed soon. A feasibility study for rehabilitation and development of transport and navigation on the Sava river waterway completed, and indicates justifiability of further investments. An administration agreement between European Union and World Bank signed.

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

Contracted	Q1/2011	Q2/2011	Q3/2011	Q4/2011	Q1/2012	Q2/2011	Q3/2012	04/2012
Contract 1 (administration agreement with WB)	5 600 000							
Cumulated	5 600 000							
Disbursed								
Contract 1 (administration agreement with WB)		4 480 000				1 120 000		
Cumulated		4 480 000	4 480 000	4 480 000	4 480 000	5 600 000		

ANNEX III: Description of Institutional Framework

The institutions in Bosnia and Herzegovina which are competent for maintenance of the waterways and navigation safety and for UXO clearances in order to provide adequate conditions for navigation safety are the following:

- Ministry of Communication and Transport of Bosnia and Herzegovina
- Bosnia and Herzegovina Mine Action Center (BH MAC)
- Federal Ministry of Transport and Communication / Inland Port Authorities
- Ministry of Transport and Communication of RS / Inland Port Authorities
- District of Brcko

Acting of these institutions, each in its own level of competencies, are in accordance with the laws and regulations related to inland navigation, which are in force in Bosnia and Herzegovina.

The International Sava River Basin Commission (ISRBC) has been established for purpose of the implementation of the Framework Agreement on the Sava River Basin (FASRB), namely the provision of cooperation of the Parties to the FASRB, for realization of the following goals:

- Establishment of an international regime of navigation on the Sava River and its navigable tributaries, which includes provision of conditions for safe navigation on the Sava River and its tributaries;
- Establishment of sustainable water management, which includes cooperation on management of the Sava River Basin water resources in a sustainable manner, including integrated management of surface and ground water resources;
- Undertaking of measures to prevent or limit hazards, such as floods, ice, droughts and accidents involving substances hazardous to water, and to reduce or eliminate related adverse consequences.

ANNEX IV: Reference to laws, regulations and strategic documents

- Law on inland and maritime navigation of FBiH (Official Gazette 73/05 of 28/12/2009),
- Law on Water Protection of FBiH (Official Gazette 33/03 of 14/05/2003),
- Law on Environment Protection of FBiH (Official Gazette 33/03 of 14/05/2003, amended by Amendments to the Law, Official Gazette 38/09 of 19/03/2009).
- Law on inland navigation of RS (Official Gazette of RS 58/01, amended by Amendments to the Law, Official Gazette of RS 33/06 of 31/03/2006 and 01/08 of 10/10/2007)
- Law on Waters of RS (Official Gazette of RS 50/06 of 11/05/2006, amended by Amendments to the Law, Official Gazette of RS 92/09 of 24/09/2009).
- Law on Environment Protection of RS (Official Gazette of RS 28/07 of 28/03/2007 amended by Amendments to the Law, Official Gazette 41/08 of 15/04/2008).
- Law on inland and maritime navigation of Bosnia and Herzegovina (draft document, in process of adoption)

- Strategy for the Implementation of the Framework Agreement on the Sava River Basin of 03/12/2002 and Protocol on navigation regime of 03/12/2002, Sava Commission
- Decision on detailed parameters for waterway classification on the Sava river, Sava Commission of 07/07/2009.
- Mine Action Strategy 2009 – 2019, adopted on 45th session of the BiH Council of Ministers of 24/04/2008.

Reference to AP /NPAA / EP / SAA

The project responds to the aims of the SAA between Community and Bosnia and Herzegovina.

“The Action Plan for Implementation of the Terms of Interim Agreement and SAA” (adopted at CoM on 29 July 2008) in point 106 reads:

“Co-operation may notably aim at restructuring and modernising the transport modes in BiH ... supporting the development of multi-modal infrastructures in connection with the main TEN, notably to reinforce regional links in South-East Europe in line with the MoU on the development of the core regional transport network ... and improving the protection of environment in transport.”

SAA (Stabilisation and Association Agreement)/Protocol 3 on Land Transport / Rail and Combined Transport includes the following article:

ARTICLE 7

General provision

"The Parties shall adopt the mutually coordinate measures necessary for the development and promotion of rail and combined transport as a mean of ensuring that in the future a major proportion of their bilateral and transit transport through Bosnia and Herzegovina is performed under more environmentally-friendly conditions."

This project directly responds to the priorities in transport sector and combined/intermodal subsector in European partnership.

European Partnership 2008 (European standards & Sectoral policies/ Transport policy) includes the following:

"Continue the implementation of the requirements of the MoU on the Development of the SEE Regional transport Network, including the Addendum on a SEE Rail transport Area Coordinate and consolidate at State and Entities level the transport infrastructure planning in view of a consistent prioritisation of transport project along the South east Core regional Transport Network."

Framework agreement on the Sava river basin (FASRB)

Reference to MIPD

The MIPD, under chapter 2.3.1.3 European Standards, Sectoral Policies, reads as follows: “Support the energy and transport sectors Bosnia and Herzegovina continues to implement the MoU on the core transport network.” The proposed projects are on the core transport network.

Reference to National Development Plan

Country Development Strategy and Social Inclusion Strategy for Bosnia and Herzegovina. Chapter on transport emphasises investment in the Trans-European corridors and their

linkages to the regional network, which are supported by this project. A National Development Strategy is completed. The National Development Plan will take longer to prepare.

Reference to national / sectoral investment plans

- The Bosnia and Herzegovina Transport Policy is adopted by the Council of Ministers of Bosnia and Herzegovina and focuses on rehabilitation and modernisation of the transport network. Not yet adopted by the BiH Parliament.
- Bosnia and Herzegovina Transport Strategy (in draft)
- SEETO transport core network priorities - Memorandum of understanding on South-East Europe Core Regional Transport Network - Five Year Multi Annual Plan, 2009-2013.

“The development of the Network should include maintenance (including preventive measures and repair), reconstruction, rehabilitation, upgrading and new construction of main and ancillary infrastructure as well as its operation and use with a view to fostering the most efficient and environmentally friendly transport modes on a regional scale - Priority projects: Rehabilitation and improvement of the Sava river waterway.”

- Framework Agreement on the Sava River Basin signed in 2002 between Slovenia, Croatia, Bosnia and Herzegovina and Serbia give strategic directions for development of water transport on River Sava. From this document was arisen The Strategy for the Implementation of the Framework Agreement on the Sava River Basin signed in 2008 between before mentioned countries presents the basis for international action along the Sava river navigation route:

“Establishment of an international regime of navigation on the Sava River and its navigable tributaries, which included set-up conditions for safe navigation on the River Sava and its tributaries.”

- Decision of Sava Commission No.21/09 which confirm commitment of all Sava river basin countries to support Rehabilitation and Development of Transport and Navigation on Sava river waterway Project what will secure realisation of this Project.
- Study for demand and market for river navigation in Bosnia and Herzegovina, 2008
- Feasibility study for the rehabilitation and development of transport and navigation on the Sava river waterway, 2008

ANNEX V: Details per EU funded contract:

The project will be implemented by joint management through an administration agreement of EUR 5 600 000 between European Union and World Bank in accordance with Article 53 (d) of the Financial Regulation.