

Standard Summary Project Fiche – IPA centralised programmes

Project number 27: Project Preparation Facility

1. Basic Information

- 1.1. **CRIS Number:** 2009/021-765
- 1.2. **Title:** Project Preparation Facility
- 1.3. **ELARG Statistical code:** 04.40
- 1.4. **Location:** Republic of Serbia

Implementing arrangements:

- 1.5. **Contracting Authority:** EU Delegation to the Republic of Serbia
- 1.6. **Implementing Agency:** EU Delegation to the Republic of Serbia
- 1.7. **Beneficiary:** Information given under other sector fiches applies.

Financing:

- 1.8. **Overall cost:** 2.006.679 EUR
- 1.9. **EU contribution:** 2.006.679 EUR
- 1.10. **Final date for contracting:** 2 years after the signature of the Financing Agreement
- 1.11. **Final date for execution of contracts:** 4 years after the signature of the Financing Agreement
- 1.12. **Final date for disbursements:** 5 years after the signature of the Financing Agreement

2. Overall Objective and Project Purpose

2.1 Overall Objective

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

2.2 Project purpose

The purpose of the Project Preparation Facility is to allow project preparation and implementation to proceed in a quick and effective manner.

2.3 Link with AP/NPAA/EP/SAA

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

3. Description of Project

3.1 Background and justification

The Project Preparation Facility (PPF) scheme introduced by the European Commission for the former candidate countries has been used for fast and flexible interventions to support the adoption of the *acquis communautaire* and for the preparation of projects to be funded under the pre-accession programmes.

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

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

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

It is proposed therefore that, based on the lessons learned from the former candidate countries, the similar needs of the Serbia's state administration should be supported. In doing so, it is necessary to take into consideration that in many cases the Serbia's institutions need support in drafting the appropriate sector strategies to form the framework for effective change initiatives. Furthermore, IPA programming also requires the existence of strategic documents, which additionally emphasizes and justifies demand for development of new strategies and investment plans as well as for revision of existing ones.

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

The third area where additional short-term interventions in Serbia are required is related to the implementation of the EU financed projects. In many cases thorough project implementation documentation in the form of tender dossiers, technical specifications or terms of reference need to be drafted in order to initiate the tender procedures for acquiring the services or supplies required. Often the technical know-how required for drafting for the project implementation documentation is either too specific for the Serbia's institutions, or alternatively the drafting process would prove to be unreasonably time consuming for the non-specialists of the field. In those cases the assistance of experts would allow speedier approach and also provide the Serbia's authorities with hands-on training.

The Project Preparation Facility consists of unallocated sum of funds which should cover the financing of the small technical assistance and twinning light projects, amounting up to 250.000 EUR per single project.

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

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

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

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

3.3 Results and measurable indicators:

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

- The preparation of sector strategies or investment strategies;
- The facilitation of stakeholder consultations throughout the project preparation phase;
- The preparation of feasibility studies/market studies/cost-benefit analyses for investment components in the projects, technical designs and bills of quantity;
- The preparation and compilation of project tender documentation (terms of reference, technical specifications, other supporting materials for tender dossiers);
- The implementation of twinning light activities.

3.4 Activities:

This Project Preparation Facility is for a total maximum amount of 2,306,679 EUR, which is allocated to IPA programmes is to cover the costs of activities linked to the preparation and follow-up leading to the implementation of other activities already defined in this and other IPA programmes and the attainment of their objectives. Preparatory activities may cover studies, including feasibility studies, training, seminars, supervisory services and related technical assistance. Follow-up activities may consist of activities extending or supplementing other activities already defined in IPA programmes that have become necessary in order to achieve the intended results, without prejudice to Articles 242, 244 and 246 of the Implementing Rules to the Financial Regulation*.

PPF is a financial mechanism that may be drawn as individual provisions through framework contracts, as various separated contracts, and twinning light, whose size is to be decided according to the specific needs arising during the project preparation phase.

It is therefore not possible to break down the PPF overall amount into the separate service contracts. Indicatively, for the implementation of this PPF, an approximate number of 20 service contracts will be launched by 31/12/2013 (tentatively 3 in 2011, 7 in 2012, and 10 in 2013).

The PPF will support the preparation and early implementation of activities under the Annual Programmes.

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

- Drafting or assessment of sector strategies or multi-sector strategies for the harmonisation of national legislation and its implementation, or for the future use of EU pre-accession funds. The special focus of the strategies should identify “gaps” in compliance with the most recent Progress report;
- Drafting of (pre-)feasibility and impact studies and carrying out (pre-)investment studies (environmental impact assessments, business plans, market studies, economic and cost-benefit analysis, investment appraisals etc) for the upcoming investments;
- Carrying out or facilitating workshops for the stakeholder consultations for project preparation;
- Preparation of procurement documents (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers);
- Providing training relevant to any of the above-mentioned activities;
- Preparation and implementation of Twinning light activities;
- Drawing up analyses, conducting needs assessment and providing recommendations for further enhancement of capacities, systems and co-ordination mechanisms for establishment of DIS;

4. Indicative Budget (Amounts in €)

			TOTAL EXP.RE	SOURCES OF FUNDING								
				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												
contract 1.1	x		2.006.679	2.006.679	100							
TOTAL IB			2.006.679	2.006.679	100							
TOTAL INV												
TOTAL PROJECT			2.006.679	2.006.679	100							

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:

NB. Due to demand-based nature of the PPF it is not possible to accurately predict precise timing of the implementation schedule.

6. Cross Cutting Issues (Where Applicable)

Information given under other sector fiches applies.

ANNEX II: amounts (in million €) Contracted and disbursed by quarter for the project

Contracted	N+6Q	N+7Q	N+8Q	N+9Q	N+10Q	N+11Q	N+12Q	N+13Q	TOTAL
Contract 1.1	0.30			1.10			0.6		2.00*
Cumulated	0.30	0.30	0.30	1.40	1.40	1.40	2.00	2.00	2.00*
Disbursed									
Contract 1.1	0.10			0.40		0.30	0.60	0.60	2.00*
Cumulated	0.10	0.10	0.10	0.50	0.50	0.80	1.40	2.00	2.00*

* 2.006.679 EUR