

Project Fiche 4.1: Project Preparation and Support Facility

1. Basic information

1.1 CRIS Number: 2008/20-311

1.2 Title: Project Preparation and Support Facility

1.3 ELARG Statistical Code: 4.40

1.4 Location: The former Yugoslav Republic of Macedonia

Implementing arrangements:

1.5 Contracting Authority (EC)

European Commission, EC Delegation, on behalf of the beneficiary

1.6 Implementing agency

European Commission, EC Delegation, on behalf of the beneficiary

1.7 Beneficiary (including details of project manager):

The Beneficiaries are the line ministries

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1.8 Overall cost (VAT Excluded)¹: EUR 3.022.001

1.9 EU contribution: EUR 3.022.001

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.

¹ The total costs of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated.

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Support for programming and project development, audit and evaluation needs of the country under the five components of IPA.

2.2 Project purpose:

The Project Preparation and Support Facility will support the preparation and implementation of activities under the IPA, as well as the planning process for future Programmes. Support to programming will be designed and implemented carefully to strengthen the programme management capacities in the beneficiary country. The main purpose of the Project Preparation and Support Facility (PPSF) is to complement the programming activities of the beneficiary and allow project preparation and implementation to proceed in a quick and effective manner. The PPSF will, where appropriate, support the audit and evaluation activities in order to ensure high quality management of EU funds. The funds may be used to cover additional programme related priorities and expenditures that are currently unforeseeable.

2.3 Link with AP/NPAA / EP/ SAA:

2.4 Link with MIPD:

The MIPD notes that for the preparation of projects and tenders a special facility shall ensure smooth programming and the maintenance of high quality in delivering IPA funds. This facility may also be used in urgent and unforeseen cases where EU assistance is required.

2.5 Link with National Development Plan (NDP):

The NDP identifies limited programming capacities and capabilities as a weakness of the public administration, which could also hamper the effective implementation of the NDP. Furthermore, it outlines the importance of support to programming of projects.

2.6 Link with national/ sectoral investment plans:

Through the support the PPSF is providing to the implementation of the other projects, it links to the key strategies and action plans of the government, including the Government's IPA action plan and the relevant Operational Programmes for all five IPA components and the Strategic Coherent Framework.

3. Description of project

3.1 Background and justification:

Most beneficiaries still have weak capacities for writing technical specifications and tender/project dossiers for all priorities listed under the annual and multi annual programmes, targeted support is therefore necessary to ensure that tender dossier are fully compatible with EC tender and contracting regulations. Apart from the limited capacities at beneficiary levels,

some projects are of such a complex and unique character (e.g. the procurement of a TETRA communication system) that will only occur once or twice in a lifetime of an administration, that it does not make economical sense to develop the capacities internally in the administration. In these circumstances, highly specialised knowledge is hired through the use of special contracts to be funded through the PPSF.

Next to the preparation of project tender dossiers, and the funding of unforeseen activities, the PPSF is essential to finance the project and sector-level evaluations and audits.

The PPSF has demonstrated to be an indispensable facility throughout the implementation of the IPA 2007 programme. The facility is essential not only to allow appropriate project preparation, but also to allow for adequate and expedient delivery of EU assistance in urgent and unforeseen circumstances.

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

Information given under other project fiches under component 1 also applies here. In addition, the PPSF in all practical terms ensures appropriate project preparation (one of the key elements of sustainable project development and implementation). Through government participation in the preparation activities, an ‘on-the-job’ learning facility is contributing to capacity building within the beneficiary structures.

3.3 Results and measurable indicators²:

The envisaged activities shall result in high quality preparatory project work, programming and tender documentation, tender evaluation, monitoring and audits in which measurable output indicators will be identified respectively.

3.4 Activities:

At this stage, it is not possible to identify the individual activities. However, actions to be supported are likely to include:

- supporting the NIPAC in planning and programming the IPA-funded projects by assisting in stakeholder consultations, advise on the drafting the Project Fiches and their annexes;
- recruitment of short-term technical assistance for activities typically including feasibility studies, inputs to terms of reference and specifications, and tender evaluations;
- audits and monitoring;
- thematic / programme / project evaluations;
- project preparatory and start-up actions;
- supporting the DIS/EDIS structures i.e. the line ministries in drafting the programme/project documents;

² Please note that some of the indicators have not yet been quantified or been given a benchmark. This will be done during the development of the detailed Terms of Reference.

- support the beneficiary country in designing effective strategic plans in different sector areas, often followed by the more detailed investment strategies;
- to prepare for building the necessary capacities and systems related to further training and capacity building.

The funds may be used to cover additional programme related priorities and expenditures that are currently unforeseeable.

3.6 Conditionality and sequencing: None

3.7 Linked activities:

Information given under other project fiches applies.

The PPSF is linked to the support to the IPA Training facility and the DIS support activities, in the sense that all three support the preparation and implementation of the IPA programme. Where in the IPA Training Facility and DIS Support actions, the clear focus is on capacity building of staff working in the different IPA related structures, the focus with the PPSF is clearly on the delivery by consultants of tangible outputs (generally technical specifications, TORs, feasibility studies) in the preparation of projects and programmes. Through the IPA Training Facility and DIS projects medium to long term technical advisory support is provided to the national IPA related structures, while through the PPSF typically short term consultants are engaged to perform a well-defined and limited task.

3.8 Lessons learned

Having the PPSF fund available, proved a very good tool for supporting the project development under component 1 and other horizontal components (in the course of 2007). The experience shows that many of the unforeseen actions that require EU assistance tend to emerge towards the end of the implementation period. Therefore, a clever and efficient use of these funds is needed.

A similar facility was included in the IPA 2007 programme for Component 1. Without the facility, projects could not have been prepared. Also, the CARDS programme was endowed with such a facility (then GTAF – General Technical Assistance Facility) which proved to be essential to prepare projects, to implement the evaluations and audits, and to be able to respond appropriately to unforeseen circumstances.

4. Indicative Budget (amounts in EUR million)

			SOURCES OF FUNDING									
			TOTAL EXP.R E	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(%(2)	Central EUR (x)	Regional/Local EUR	IFIs EUR	EUR (d)	%(2)

						y)+(z)			(y)	(z)		
Activity 1												
Various contracts	X	–	3.0	3.0	100							–
TOTAL IB			3.0	3.0	100							
TOTAL INV												
TOTAL PROJECT			3.0	3.0	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))
- (3) The exact amount of the budget is: EUR: 3,022,001

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

At this stage it is not possible to identify the precise implementing schedule of the individual contracts. But clearly the intention is to have contracted the total amount before the contracting deadline. It is envisaged to deploy approximately 18 to 20 contracts under the facility, with a concentration in early 2009 and towards the end of 2010 -2011.

The PPF will consist of funds covering the financing of short term or long term technical assistance (framework contractors or others) generally amounting to 50.000 – 200.000 EUR per single project, or above if duly justified in case of more complex project preparation activities are needed.

6. Cross cutting issues

The different cross-cutting are not directly applicable to this project fiche. As the PPF and the support to audit and evaluation is basically a supporting facility for the programming and implementation of the actions identified in the other project fiches.

ANNEXES

- 1 - Log Frame in Standard Format
- 2 - Amounts contracted and Distributed per Quarter over the full duration of Programme
- 3 - Description of Institutional Framework
- 4 - Reference to laws, regulations and strategic documents
 - Reference list of relevant laws and regulations
 - Reference to AP/NPAA/EP/SAA
 - Reference to MIPD
 - Reference to National Development Plan
 - Reference to national/sectoral investment plans
- 5 – Details per EU funded contract (*) where applicable:
 - *For TA contracts*: account of tasks expected from the contractor
 - *For Twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
 - *For Grant schemes*: account of components of the scheme
 - *For Investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria
 - *For works contracts*: reference list of feasibility study for the constructing works part of the contract as well as a section on investment criteria (**); account of services to be carried out for the service part of the contract

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

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

- Rate of return
- Co-financing
- Compliance with state aids provisions
- Ownership of assets (current and after project completion)

ANNEX 1: LOG FRAME IN STANDARD FORMAT

LOGFRAME PLANNING MATRIX FOR Project Fiche on Programme Special Facility	Programme name and number Programme Special Facility		
	Contracting period expires two years after the date of the signature of the Financing Agreement	Execution period expires two years from the final date for contracting	Disbursement period expires one year from the final date for execution of contracts
	Total budget : EUR 3.022.001		IPA budget: EUR 3.022.001

Overall objective	Objectively verifiable indicators	Sources of Verification	
Support for programming and project development, audit and evaluation needs of the country under the five components of IPA.	Timely preparation of tender dossiers	Procurement records	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The main purpose of the Project Preparation Facility (PPF) is to complement the programming activities of the beneficiary and allow project preparation to proceed in a quick and effective manner.	Tender processes are implemented in time	Procurement records	Market continues to respond to tender openings
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
The envisaged activities shall result in high quality preparatory project work, programming	Total commitments	Commitment records	Government preparedness and absorption capacities do not

and tender documentation, tender evaluation, monitoring and audits in which measurable output indicators will be identified respectively.			dramatically reduce.
Activities	Means	Costs	Assumptions
<p>At this stage, it is not possible to identify the exact individual activities. However, actions to be supported are likely to include:</p> <ul style="list-style-type: none"> ○ supporting the NIPAC in planning and programming the IPA-funded projects by assisting in stakeholder consultations, advise on the drafting the Project Fiches and their annexes; ○ recruitment of short-term technical assistance for activities typically including feasibility studies, inputs to terms of reference and specifications, and tender evaluations; ○ audits and monitoring; ○ thematic / programme / project evaluations; ○ project preparatory and start-up actions; ○ supporting the DIS/EDIS structures i.e. the line ministries in drafting the programme/project documents; ○ support the beneficiary country in designing effective strategic plans in different sector areas, often followed by the more detailed investment strategies; ○ to prepare for building the necessary capacities and systems related to further training and capacity building. 	<p>It is expected to finance some 18 to 20 individual activities from the facility, with a contract value of from 50.000 to 200.000 Euro.</p>	<p>3.022,001 Euro</p>	<p>No specific assumptions.</p>

Pre conditions: There are no specific preconditions

ANNEX 2 - Amounts (in million EUR) contracted and Distributed per Quarter over the full duration of Programme

It is envisaged to deploy approximately 20 contracts until mid-2011.

	2009				2010				2011				2012			
Contracted	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contracts 1 to 20				0.5	0.5	0.5	0.4	0.4	0.4	0.3						
Cumulated				0.5	1.0	1.5	1.9	2.3	2.7	3.0						
Payments																
Contracts 1 to 20				0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2				
Cumulated				0.3	0.7	1.1	1.5	1.9	2.2	2.5	2.8	3.0				

NOTE: The exact amount of the budget is: 3,022,001

ANNEX 3 - Description of Institutional Framework

n.a

ANNEX 4 - Reference to laws, regulations and strategic documents

n.a

ANNEX 5 – Details per EU funded contract:

It is expected that the large majority of contracts will be framework contracts, but depending on the nature and scope of the demands, service contracts may be concluded as well. It is expected to finance some 18 to 20 individual activities from the facility, with a contract value of from 50.000 to 200.000 Euro.