

<b>2007 Project Fiche Kosovo</b> <b>IPA centralised programme</b>
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**1. Basic information**

**1.1 CRIS Number:**

**1.2 Title: Reconstruction of roads and bridges**

**1.3 Sector:** 02.14

**1.4 Location:** Kosovo

Implementing arrangements:

**1.5 Contracting Authority:** The European Commission Office in Pristina.

**1.6 Implementing Agency:** The European Commission Office in Pristina.

**1.7 Beneficiary Institutions**

Project activity	Beneficiary	Contact point responsible for activity coordination
Reconstruction of roads and bridges	Ministry of Transport and Communications (MTC)	Permanent Secretary, MTC

**1.8 Overall cost:** €10.5million.

**1.9 EU contribution:** €8.0 million

**1.10 Final date for contracting**

Three years after the signature of the financing agreement between the European Commission and the Kosovo Authorities

**1.11 Final date for execution of contracts**

Two years after the final date for contracting.

**1.12 Final date for disbursements**

One year after the final date for the execution of contracts

**2. Overall Objective and Project Purpose**

**2.1 Overall Objective:**

To develop an enabling environment for private sector development and jobs creation for all communities in Kosovo.

**2.2 Project purpose:**

Reconstruction of five bridges on the M2 Pristina to Blace border crossing road to Euro code Standards and reconstruction of critical sections of trunk roads.

### **2.3 Link with: European Partnership; Stabilisation and Association process; Proposal for the Kosovo Status Settlement**

The project directly responds to a number of specific priorities identified in the *European Partnership* including:

- Create the conditions for investment, trade and economic growth.

The project also responds to some of the key findings of the *Commission's 2006 progress report on Kosovo* including:

- There is a need to create better transport links between Kosovo and neighbouring countries.

### **2.4 Link with the Multi-Annual Indicative Planning Document (2007-09) for Kosovo (MIPD)**

The MIPD states that investments in the transport sector from the Kosovo consolidated budget do not suffice to guarantee maintenance of Kosovo's transport network, let alone building new networks. New major road investment will be necessary but need appropriate justification on economic and environmental grounds and good preparation. Road accidents are increasing and road safety action is required

This project responds to the following MIPD Socio-Economic priority:

- Improving infrastructure in order to promote business related activities and enhance quality of public goods and services. The areas of energy, transport, environment, health, information technology etc. have to be developed as cornerstones of future economic growth.

### **2.5 Link with Kosovo Development Plan**

The project is in line with the Kosovo Development and Strategy Plan - KDSP (draft December 2006) and the priorities set in the Medium-Term Expenditure Framework 2007-2010. The development of the M2 road and bridges has been a key issue for the Kosovo Government in relation to improving the transport network, and is included in the Medium Term Expenditure Framework 2007-2010.

### **2.6 Link with sectoral plans**

The project reinforces the Government's strategy to link Kosovo with the main EU transport corridors, particularly corridor 10.

## **3. Description of project**

### **3.1 Background and justification:**

The M2 route from Pristina to the Blace border crossing with FYR Macedonia is a strategically important economic transport route for goods between Kosovo and the rest of the region and the EU. It is the main access route for goods entering Kosovo, and for Kosovo's access to Corridor 10 of the trans-European transport networks. The upgrading of M2 is a Kosovo government priority for financing by donors and IFIs.

The European Union through the European Agency for Reconstruction together with the Kosovo Government and KFOR funded the reconstruction of 12 of the 17 bridges on the M2. None of the old bridges met Eurocode standards for commercial or military use, and were potentially unsafe bearing in mind the increasing number of Heavy Goods Vehicles entering Kosovo.

There remain five further bridges in need of urgent refurbishment/reconstruction to meet Eurocode standards and thus ensure that the route is safe for traffic. Although catastrophic failure is unlikely if these works are not carried-out, weight restrictions along the route would be required which would seriously disrupt the flow of goods, hamper trade and increase the risk of economic failure.

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

The upgrading of the roads and bridges on the M2 road will make road travel safer, minimise risk to freight traffic and promote cross-border trade.

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

#### *Expected Results:*

- a. Reconstruction of roads and bridges, to Euro code Standards

#### *Measurable indicators:*

- a. Completion of works
- b. Design of technical specification for roads and bridges

### **3.4 Activities**

This project will consist of the following actions:

- Preparation of detailed design and technical specifications and tender documents for the reconstruction of roads and bridges.
- Preparation and submission of “simplified Environmental Impact Assessment reports”, in accordance with Kosovo legislation in force, to the MESP for construction authorisation.
- Reconstruction of roads and bridges under works contracts.
- Supervision of works for reconstruction of roads and bridges to ensure that the requirements of the conditions of the contracts are met.

#### ***Contracting arrangements***

- One service contract is envisaged to develop the technical specifications for the works.
- One service contract is envisaged to prepare and draft the “simplified EIA” reports
- Two works contracts are envisaged for the reconstruction activities.
- One service contract is envisaged for the supervision of the works

#### ***Project management and administration***

The Commission Office will manage the procurement, implementation, quality control, reporting and coordination with other donors of the development assistance and of the financial and technical cooperation related to the actions described in this project fiche, taking remedial actions if and when needed. The European Agency for Reconstruction’s operational centre in Pristina will assist the Commission Office in preparing for the initial implementation phase of this project through such actions as the drafting of project Terms of References and helping to prepare the IPA tender dossiers.

The Team Leaders engaged through the contracts for this project will have the authority to run the project activities on a day-to-day basis under the supervision of the Commission Office. His/her primary responsibility shall be to ensure that the project produces the required outputs, to the required standards of quality and within the specified constraints of time and cost. The team leader and other experts will also address cross-cutting issues. A

detailed description of the duties of the team leader and key experts will be elaborated in the Terms of Reference, in line with this project fiche.

Monitoring will be performed centrally by the Commission. The project may be evaluated at the interim or ex-post stages under the supervision of Commission's Evaluation Unit. The project may be audited by Court of Auditors - in line with the standard European Commission procedures.

### 3.5 Conditionality and sequencing:

The project includes the following conditionalities:

- Endorsement by all key stakeholders of the Terms or Reference as well as the individual contracts to be engaged.
- Participation by the beneficiary in the tender process as per EU regulations.

In the event that conditionalities are not met, suspension or cancellation of the project or specific activities will be considered.

### 3.6 Linked activities

The project has been designed and will be implemented in coordination with the government and other donors. This project builds-on previous EC assistance in the economic development sector, particularly the following projects funded under the CARDS instrument

Name of project (Amount €million)	Start End	Activities/Results
<i>Reconstruction or roads and bridges</i>		
Ministry of Transport and Communications (€1.0 million)	April 2007- April 2008	Technical assistance and training is being provided to the MTC and relevant local government counterparts, in such areas as: identification of priorities and the development of strategies the planning systems for the transport network; the enforcement of road traffic laws and regulations; improving safety; development of a roads maintenance database and financing mechanisms and the external communication of the multi-modal transport strategy.
Rehabilitation of the Bridges on the Road M2 (€7 million)	Dec 2003 Sept 2005	This programme included the rehabilitation of 12 bridges along the Pristina-Skopje highway. This project was jointly funded by the EU, the Ministry of Transport and Communication, and KFOR, and managed by the EAR.

### 3.7 Lessons learned

Although impact realised through the previous assistance overall is satisfactory, a number of challenges remain:

- *Balance between different measures:* The provision of technical assistance for capacity building remains a very high priority. However, TA will not be effective if the working environment of the counterparts is not up to standards. Therefore a balanced approach with both technical advisory support and material support is essential to realise the expected impact of the projects.

#### 4. Indicative Budget (amounts in €million)

Activities	TOTAL COST	SOURCES OF FUNDING										
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE	
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *
Roads and Bridges	10.5	8.0	76		8.0	2.5	24	2.5				

\* expressed in % of the Total Cost

This project includes indicative co-financing of €2.5 million from the Ministry of Transport and Communication. KFOR have also expressed an interest to co-finance the road and bridge works; discussions are currently in progress to determine the extent and the modalities of this co-funding.

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Roads and Bridges	Q1 2008	Q3 2008	Q4 2010

#### 6. Mainstreaming Cross cutting issues

##### 6.1 Equal Opportunity (gender mainstreaming)

The design and preparation work under the project activities will review the impact of the project on women.

##### 6.2 Environment

This activity relates to replacement/refurbishment of existing infrastructure and therefore does not require an Environmental Impact Assessment, but may require – as per the legislation in force – a simplified Environmental Impact Assessment. Furthermore, environmental aspects of the work will be reviewed in the design and preparation phase and will be included in the requirements of the technical specification as appropriate. The works contractor will be required to provide an environmental management plan related to the implementation of the works, which will include measures to limit effects on the environment.

##### 6.3 Minorities

The activities will ensure the participation of women and youth and minorities in the activities under this project. The design and preparation work under this activity will review the impact of the project on minorities and include any relevant issues in respect of the particular needs of minorities.

## **ANNEXES**

ANNEX I: Log frame in Standard Format

ANNEX II: Amounts contracted and Disbursed per Quarter over the full duration of Programme

## ANNEX 1: Logical framework matrix in standard format

Project Title: <b>Reconstruction of essential road infrastructure</b>		Programme name and number:	
Sector: Economic Development		Contracting period (see section 1.10)	Disbursement period : (see section 1.12)
		<b>Total budget :</b> €10.5 million	<b>IPA budget:</b> €8 million
<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
To develop an enabling environment for private sector development and job creation for all communities in Kosovo.	Annual increase in exports by value	Reports from Statistics Office of Kosovo; IMF; World Bank	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
Reconstruction of five bridges on the M2 Pristina to Blace border crossing road to Euro code Standards and reconstruction of critical sections of trunk roads.	Completion of works Design of technical specification for roads and bridges	Supervisor reports. Certificates of provisional and final acceptance	MTC undertakes regular maintenance of the roads and bridges
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
Reconstruction of roads and bridges, to Euro code Standards	Completion of works Design of technical specification for roads and bridges	Reports from project Project statistics	Competent contractors are obtained through EU processes, both for design and construction
<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>➤ Preparation of details of the various schemes to be completed including designs and technical specifications, so that competitive bids for works contracts can be invited.</li> <li>➤ Reconstruction of roads and bridges under works contracts.</li> <li>➤ Supervision of works for reconstruction of roads, and bridges to ensure that the requirements of the conditions of contract are met.</li> </ul>	<p>One service contract is envisaged to develop the technical specifications for the works.</p> <p>One service contract is envisaged to prepare and draft the “simplified EIA” reports</p> <p>Two works contracts are envisaged to for the reconstruction activities.</p> <p>One service contract is envisaged for the supervision of the works</p>	<p>€8 million EC</p> <p>€2.5 million co-financing</p>	Co-funding is provided

### Pre conditions:

- Endorsement by all key stakeholders of the Terms or Reference as well as the individual contracts to be engaged.
- Participation by the beneficiary in the tender process as per EU regulations.

**ANNEX II: Indicative planning of the amounts (in EUR million) contracted and disbursed by quarter for the project (cumulated)**

	2007	2008				2009				2010				2011			
<b>Contracted</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Roads and Bridges				0.5					7.5								
<b>Cumulated Total</b>				<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>8.0</b>								
<b>Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4</b>																	
<b>Disbursed</b>																	
Roads and Bridges				0.3		0.2			1.5	2.0	2.0	1.0					1.0*
<b>Cumulated Total</b>				<b>0.3</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>2.0</b>	<b>4.0</b>	<b>6.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>8.0</b>

\* Note: Works contracts withhold 10% retention money for duration of warranty period i.e. 1 year from completion of contract – Q4 2011.