

## IPA 2011 CROATIA PROJECT FICHE

### 1. Basic information

1.1 CRIS Number: IPA/2011/023- 144

1.2 Title: **JASPERS - Support to the preparation of a project pipeline for Structural and Cohesion Funds in Croatia**

1.3 ELARG Statistical code: 03/22

1.4 Location: Republic of Croatia

#### *Implementing arrangements:*

1.5 Implementing Agency:  
European Commission

1.6 Beneficiary (including details of SPO):

Ministry of Regional Development and EU Funds,  
Directorate for Strategic Planning  
Mr Tomislav Belovari  
Head of Sector  
Radnička 80/V, 10000 Zagreb  
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#### *Financing:*

1.7 Overall cost (VAT excluded)<sup>1</sup>: EUR 5 000 000

1.8 EU contribution: EUR 5 000 000

The programme will be implemented on a centralised basis by the European Commission in accordance with Article 53a of the Financial Regulation and the corresponding provisions of the Implementing Rules.

1.9 Final date for contracting: 2 years following the date of conclusion of the Financing Agreement

1.10 Final date for execution of contracts: 2 years after the end date for contracting

1.11 Final date for disbursements: 3 years following the end date for contracting

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<sup>1</sup> The total cost 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 (see Section 7.6)

## 2. Overall Objective and Project Purpose

### 2.1 Overall Objective:

To accelerate investment in key sectors of infrastructure with the aim of to increasing competitiveness and growth potential in Croatia

### 2.2 Project purpose:

To prepare high quality infrastructure projects with the support of the JASPERS ("Joint Assistance for Supporting Projects in European Regions") technical assistance which will be supported by Structural/Cohesion Funds initiative

### 2.3 Link with AP/NPAA / EP/ SAA

- Accession partnership

This project will contribute to the following objective identified under Chapter 22 of the Accession Partnership: 'Reinforce capacity for programming, project preparation, monitoring, evaluation and financial management and control, particularly of line Ministries, to implement EU pre-accession programmes as a preparation for Community cohesion policy'

This project will also contribute to the following activity under Chapter 27 of the Accession Partnership: 'Increase investments in environmental infrastructure'

- Croatia 2011 Progress Report

The IPA 2011 National Programme – Part 2 will contribute to addressing the following priority highlighted in the Commission's Progress Report 2011 in relation to chapter 22 "Regional Policy and Coordination of Structural Instruments": "*Good progress was made in the field of regional policy and coordination of structural instruments, and in all areas Croatia is at an advanced stage of preparations for implementation of the cohesion policy. Further sustained efforts need to focus on effectively implementing Croatia's plans to increase administrative capacity for future cohesion policy implementation and to develop a mature project pipeline*".

- Croatia 2012 Comprehensive Monitoring Report

The IPA 2011 National Programme – Part 2 will contribute to addressing the following priority set out in the Croatia 2012 Monitoring Report: *increased efforts are needed to strengthen the administrative capacity for future cohesion policy implementation and to develop a high-quality and mature project pipeline with a view to swift absorption of regional policy funds, building on the recent report of the European Court of Auditors.*

- National Programme for the Accession of the Republic of Croatia in the European Union 2011

The proposed project shall contribute to the following key priorities stipulated in the 3.22. Chapter 22 of the National Programme: Regional policy and coordination of structural instruments

During 2011 horizontal bodies in EU funds management system continued to inform and train bodies responsible for EU funds management. During 2011 project preparation activities and project documentation preparation supervised by the Government's Ministerial Committee for the Coordination of Activities for the Preparation for the Use of EU Funds were intensified.

Ministry of Regional Development and EU Funds allocated financial support that was engaged in the 2012 for the preparation of project pipeline on regional and local level.

#### 2.4 Link with MIPD

Sectors for EU support according to the MIPD 2011 – 2013 are sectors "Environment and Climate Change<sup>2</sup>", "Transport" as well as "Private sector development" and "Social Development".

#### 2.5 Link with National Development Plan (where applicable)

- Strategic Development Framework 2006-13

The proposed project shall contribute to further development of transport, environment and energy infrastructure which are set out amongst the key priorities stipulated in the Chapters IV Transport and Energy and V Space, Nature, Environment and Regional development. Strategic Development Framework 2006-13 defines the availability of infrastructure as the basic precondition for growth and employment because it affects the quality and diversity of business opportunities and makes a country attractive to business and investment. The purpose of infrastructure development must be the country's sustainable and balanced development and its efficient inclusion in the EU common market. Moreover, adequate quantity and supply of energy are the basic preconditions for sustainable and continuous economic growth which is expected to bring a stronger social and economic cohesion and boost the competitiveness of Croatian regions.

- National Strategic Reference Framework 2012-13 (DRAFT)

In close consultations with the EC services Croatia developed advanced and comprehensive draft of the NSRF being a key strategic document and reference point for the use of EU Structural funds and Cohesion Fund in Croatia, defining the priorities to be jointly financed through EU and national resources in line with overarching EU and national objectives and guidelines.

NSRF envisages transport, environment, energy, regional competitiveness and human resources development as priority sectors for financing with Structural funds. It also clearly stipulates that adequate project pipeline i.e. stock of mature and "ready to go" projects is essential not just for the absorption of the available EU funds but consequently for achievement of the NSRF Objectives.

#### 2.6 Link with national/ sectoral investment plans (where applicable)

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<sup>2</sup> Including Energy sector

- **National Waste Management Strategy (2005)**

The Waste Management Strategy regulates the management and maintaining of integrated waste management system, which will be organized in line with contemporary European requirements and standards. The purpose of an integrated waste management system is to avoid to the maximum extent, (i.e., reduce) the generation of waste, to minimize the adverse impacts of waste on the environment, climate and human health, and to harmonize the entire waste management system with the principles of sustainable development. This project will contribute to attaining the following strategic goals set out in the National Waste Management Strategy (2005): development of an integrated waste management system and establishment of county and regional waste management centres and consequently to the fulfilment of transitional periods defined in documentation prepared for negotiations under Chapter 27 as regards waste management.

NWMS explicitly mentions the EU Funds (Structural funds) as one of the main sources of financing investments in the waste management sector.

- **Water Management Strategy (2008)**

The proposed project will conduce to achieving the following main goals laid down in the Water Management Strategy (2008): ensuring availability of sufficient quantities of good quality drinking water for the supply to the population; ensuring availability of required quantities of water of adequate quality for various economic purposes; protecting people and assets against adverse effects of water; achieving and maintaining good status of water in order to protect aquatic and water-dependent ecosystems. Water-management infrastructure and its corresponding services form prerequisites for further social and economic development in the respective region at local, regional or national levels and contribute to the life quality of inhabitants and to development of social and business activities in Croatia. WMS specifically envisages usage of the grant from EU Funds, especially Structural funds that will be available to Croatia following accession, for financing of the significant investments need in order to reach the goals set in the WMS.

Moreover, investments projects will directly enable the fulfillment of transitional periods defined in documentation prepared for negotiations under Chapter 27. It will include the projects that offer an integral solution for water supply, sewerage and waste water treatment of the concerned agglomeration and/or the projects related to the regional water supply systems that contribute to the increasing of the connection to the water supply system and the drinking water quality improvement. Considering also regional development strategic goals aspects, these investments will also contribute to minimization of regional and local disparities and developmental gaps.

- **Energy Strategy of the Republic of Croatia (2009)**

The proposed project will contribute to development of energy objectives set out in the Energy Strategy of the Republic of Croatia (2009) which supports development of the energy infrastructure and diversification of energy generating sources (electricity, heat, and combined cycle) aiming to increase the share of renewable sources and to improve sustainable production of energy. The preparation and implementation of energy projects is of great significance for ensuring energy security of supply through further development of energy related infrastructure, decreasing demand for conventional primary energy sources by diversification of energy sources towards renewable energy sources.

- **Interim Transport Strategy (2010) DRAFT** (produced within the framework of the

Phare 2006 project “Development of Institutional Capacity for the management of the EU Structural Funds post-accession – Institution Building Component”)

The proposed project will contribute to attaining the following strategic priorities for the transport sector for the 2012-2013 period laid out in the Interim Transport Strategy (2010): upgrading and harmonising the transport infrastructure (in accordance with EU requirements) on the sections of the TEN-T corridors located in Croatia; upgrading the transport infrastructure on the national and regional networks, as well as their links to the TEN-T networks.

- **Strategy for Regional Development of the Republic of Croatia 2011-2013 (2010)**

The proposed project can contribute to attaining the following strategic priority laid out in the Strategy for Regional Development of the Republic of Croatia 2011-2013: to contribute to the economic growth and development of the Republic of Croatia in line with sustainable development principles, by creating conditions that would enable all parts of the country to strengthen their competitiveness and realize their development potential.

- **Science and Technology Policy of the Republic of Croatia, 2006-2010**

The proposed project can contribute to attaining the following strategic priorities laid out in the Science and Technology Policy: creation of technological infrastructure to support SME based on knowledge and newly established technology-based companies; improvement of the quality of the entrepreneurial infrastructure, including stimulating centres of excellence and academic entrepreneurship to link with SME.

- **Strategy for Broadband Development in the Republic of Croatia (2011)**

The proposed project can contribute to attaining strategic priorities for the development of broadband networks and services as one of the key branches of economic development by ensuring effective competition, ensuring availability of broadband access, encouraging demand for broadband services and use of broadband access by citizens and business entities.

### **3. Description of project**

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

JASPERS (Joint Assistance in Supporting Projects in European Regions) is a technical assistance partnership between the European Commission's Regional Policy DG, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and KfW Bankengruppe (KfW), aimed at providing technical expertise to the Member States with a view to developing large-scale high-quality infrastructure projects, mainly in the transport and environmental sectors. A Memorandum of Understanding (MoU) between the European Commission, the European Investment Bank and the European Bank for Reconstruction and Development was signed on 30th May 2006. It stipulates that EU Member States are entitled to receive free of charge support, in the form of technical assistance, in the identification and preparation of projects potentially eligible for assistance through the ERDF and the Cohesion Fund (CF). Therefore it proves to be an instrument serving the European Union's cohesion policy programme. The Commission holds annual Contribution Agreements with the EIB in line with the corresponding Commission financing decisions on technical assistance according to Article 45(2) of Council Regulation 1083/2006 and to Article 75 of the Financial Regulation. Under the current Contribution Agreement, JASPERS is paid via Technical Assistance within ERDF and CF which are reserved only to Member States.

Although Croatia is a candidate country and not a Member State, the 2010 Contribution Agreement (point 3.2 (a)) and under the MoU (point 3 (a)) envisages a possibility for the Steering Committee to review and decide on all strategic and major policy issues including eligibility of a new country for JASPERS support.

Croatia is currently at an advanced stage of preparations for cohesion policy. Law on the Establishment of Institutional Framework for the use of EU Structural Instruments<sup>3</sup> was passed on 10 July 2012. The Law defines the institutional framework for the use of the European Union structural instruments in the Republic of Croatia for the implementation of Operational Programmes of the 2007-2013 Programming Period, as well as functions and responsibilities of the bodies in the management and control system. The new Government Regulation on the bodies of the Management and Control System for the EU funds adopted on 23 August 2012 (OG 97/12)<sup>4</sup> gave a mandate to the newly established Ministry of Regional Development and EU Funds (MRDEUF) to act as the central coordinating body in charge of programming and managing of EU funds. Directorate for Strategic Planning performs the role of ex Central Office for Development Strategy and Coordination of EU Funds (CODEF) which ceased to exist as the independent institution and was incorporated in its entirety into the new MRDEUF. This Directorate is responsible for the overall coordination of EU funds in Croatia and is currently in charge of the overall programming exercise for the period 2014-2020. Croatia has prepared drafts of four Structural funds/Cohesion Fund Operational Programmes: Transportation, Environmental, Regional Competitiveness and Human Resources Development, for the whole programming period 2007-2013. Final versions of Ex-ante Evaluation Reports were prepared in mid August 2012 within the scope of assistance received under project *IPA TAIB 2008 Support to the Management, Monitoring and Evaluation of the Structural Instruments in Croatia* (Contract 2: Ex-ante evaluation of programming documents and strengthening evaluation capacity for EU funds post-accession). Taking into account that Croatia will be entitled to use the Structural Instruments at the very last phase of the current Financial Perspective (commitment for July 2013-December 2013), the draft OPs are continuing the priorities and measures envisaged already in IPA. These SF Operational Programmes are currently being revised and are planned to be formally submitted to the EC in July 2013. NSRF will be revised and updated in line with the final versions of these SF Operational Programmes.

Furthermore, for the 2014-2020 financial perspective, Croatia is expected to receive the financial support from the CSF funds in the approximate value of 7-8 billions euro<sup>5</sup>, which represents a significant increase of the financial allocations from the previous perspective. The preparation of programming documents for the EU financial perspective 2014-2020 started in April 2012. During May, June and July 2012 workshops on the first two steps of programming were held (the first step: devising socio-economic and SWOT analysis, the second step: problems identification and their connection to the Investment Priorities). In 2012 and 2013, preparation of programming documents for the new EU financial perspective (2014-2020) will continue. Preparation of the first draft of SF OP/OPs and Partnership Agreement is expected in the last quarter 2012. Partnership consultations are planned from 1Q-3Q 2013 so that a more mature SF OP/OPs draft is ready for the ex-ante evaluation planned under this project. Finalization of the SF OP/OPs and Partnership Agreement and

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<sup>3</sup> Law on the Establishment of Institutional Framework for the Use of European Union Structural Instruments in the Republic of Croatia (OG 78/2012)

<sup>4</sup> Government Regulation on the bodies of the Management and Control System for the EU Structural instruments in the Republic of Croatia (OG 97/12)

<sup>5</sup> Amended Commission proposal for a Council Regulation laying down the multi-annual financial framework for the years 2014-2010 ([COM\(2012\) 388 final](#))

their submission to the EC is planned for 4Q 2013. The decision on the planned number of Operational Programmes will be taken until early 2013 during the programming process. Croatia needs to complete its preparations for the management of cohesion policy by focusing on establishment of a mature project pipeline and absorption of funds. Project pipeline for the Structural/Cohesion Funds from the point of view of their maturity is of utmost importance and is being carefully followed upon.

Lessons learnt in respect to project preparation and implementation through pre-accession programmes indicate that the project preparation is a continuous and complex process which requires significant time and human resources, especially in case of infrastructure projects. Having in mind on the one hand significant time needed for maturing strong project pipeline and on the other hand the fact that Croatia is expected to enter the European Union in the last stage of the current Financial Perspective, it is obvious that a significant project pipeline has to be prepared and ready even before accession date, and that transfer of skills and knowledge has to be ensured in order to build capacity in the relevant ministries and agencies for the preparation of mature project pipeline and even more significantly for assessing the quality of project applications. Croatia has been preparing projects from different financing sources (ISPA, PHARE 2006, national funds or bilateral agreements). Moreover, technical assistance has been programmed under Component III of IPA for environment, transport and regional competitiveness sectors to assist with quality project preparation tasks. Apart from sectors within the current scope of IPA III assistance (environment, transport, entrepreneurship, research, technological development and innovation), additional sectors that would benefit from the JASPERS assistance in the Republic of Croatia are energy, Information and Communication Technology (ICT) and education and social development. However the lessons learned not only indicate the strong need for additional raising of capacity of all relevant stakeholders to build a strong pipeline, but also to prepare projects in the amounts that exceed available allocations ("over-programming"), in order not to find oneself in a situation that the allocations are not fully absorbed. JASPERS assistance would therefore welcome in the following sectors: environment, energy, transport, entrepreneurship, research, technological development and innovation, Information and Communication Technology (ICT) as well as education and social development.

JASPERS team has been combining the significant expertise gained from close cooperation with the Commission's *Regional Policy* DG and the project preparation work carried out by the national authorities, and proved to enable the new Member States to benefit more effectively and more rapidly from Europe's cohesion policy. In addition, JASPERS focuses its action on large projects supported by the EU funds and, indeed, most of the Croatian allocation is currently intended to be spent for infrastructure projects to be co-financed by ERDF and Cohesion fund after the accession. This is why the extra expertise of JASPERS team working on major projects and which is well informed about specific requirements and standards of the Commission is highly welcome in Croatia before its accession to the EU. Providing its assistance on critical path for project development and review of project applications in Croatia will surely contribute significantly to gaining important knowledge, building the national expertise of the future MAs as well as all relevant stakeholders, and finally enhance the possibility of timely acquisition of available funds. Croatia would therefore very much appreciate the opportunity to use its services.

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

The project will have a strong catalytic effect and produce sustainable results from which Croatia will benefit in the long run. More specifically, the project should provide hands-on assistance and build capacity for the preparation of projects which should enable Croatia to effectively draw on the EU funds upon its accession to the Union. The work under the project will be organised in such a way that there is a team of experts from the national administration working alongside the JASPERS experts, in order to achieve maximum transfer of knowledge. This should enable the experts from the Croatian administration either to independently prepare good quality project proposals/applications in the future and to assess the quality of the applications prepared by the future applicants to the European funds.

### 3.3 Results and measurable indicators:

- Mature pipeline of infrastructure projects and other types of projects ready, increasing capacity to absorb Structural/Cohesion Funds allocation for Croatia
- Improvement in capacity in Croatia to prepare major and non-major projects, from learning-by-doing, training seminars as well as quality sectoral strategies and guidance documents prepared

#### Indicators:

- Assistance in preparation of 10-15 project applications and accompanying technical documents.
- Assistance in preparation of relevant sectoral strategies.
- 1 methodological guidelines for the elaboration of major infrastructure projects prepared for major infrastructure projects.
- At least 2 checklists or application guidelines for assessing the quality of infrastructure project applications prepared.
- At least 2 horizontal guidance notes or training workshops.

#### Activities:

- Provide assistance in preparation of 10-15 project applications and accompanying technical documents (including, for example, feasibility studies, cost benefit analyses, technical designs, bills of quantities, etc.).
- Provide assistance in preparation of relevant sectoral strategies.
- Prepare recommendations on further development of the reviewed project documentation in order for the projects to reach the stage of maturity necessary for approval by the European Commission services. Conduct meetings with the project beneficiaries in order to explain recommendations and comments to the project applications and the accompanying technical documentation.
- Assist the project beneficiaries in improving the content of project applications and the accompanying technical documentation.
- Prepare checklists for quality control of project applications and the accompanying technical documentation. Explain to the institutions responsible for the management of Structural/Cohesion Funds how to use the quality control checklist.
- Preparation of Methodological Guidelines for the elaboration of major infrastructure projects.

- Prepare guidance notes on horizontal issues impacting project preparation.
- Organize training workshops on horizontal issues impacting project preparation

### 3.5 Conditionality and sequencing:

N/A

### 3.6 Linked activities

Croatia has benefited from the EU programmes since 1996; as of 2005 and the start of the ISPA programme, financing of the major infrastructure measures in the environment and transport sectors was introduced. The utilisation of ISPA was carried out in line with National ISPA Strategies for environment and transport and entailed the implementation of 3 infrastructural and 3 technical assistance projects of total value of 107 m€. Out of three technical assistance projects two were dedicated to the project preparation – IPA Project Pipeline Preparation Transport and Environment. In total 5 projects were prepared for further financing.

Within the scope of the overall preparation for the use of Structural/Cohesion Funds technical assistance under PHARE 2006 project “Project pipeline for IPA/Structural Funds” was used for preparation of projects in the transport, environment and regional competitiveness. As of 2007, assistance for projects is covered by Component III Regional Development of IPA (Instrument for Pre-Accession Assistance) programme (IIIa Transport (P.A.1: Modernisation of railway infrastructure (IPA/ERDF); P.A. 2: Upgrading Croatia’s inland waterway system (IPA/ERDF); P.A. 3 Technical Assistance); IIIb Environment (P.A. 1 Waste management; P.A. 2 Water and wastewater management); and IIIc Regional Competitiveness (1.1.1. Business-related infrastructure; 2.1.3 Provision of Advisory Services for SMEs 3.1.2. Preparation of future programming documents and accompanying project pipelines) as well as by Component IV (Human Resources Development). Besides financing projects, the Operational Programmes provide resources for project preparation, as well as for the assessment of projects.

Croatia has also been a beneficiary of the The Western Balkans Investment Framework (WBIF) which supports socio-economic development and EU accession across the Western Balkans through the provision of finance and technical assistance for strategic investments, particularly in infrastructure, energy efficiency and private sector development. It is a joint initiative of the EU, International Financial Institutions, bilateral donors and the governments of the Western Balkans ([http://www.wbif-ipf.eu/index.php?page\\_id=341&country=croatia](http://www.wbif-ipf.eu/index.php?page_id=341&country=croatia)).

In regards to coordination with other donors, international financing institutions have been strongly involved and envisage to continue being involved in financing (lending) investments in transport and environment sectors. Activities of the leading IFIs can be summaries in a following way:

- European Investment Bank (EIB): railway infrastructure and other types of transport infrastructure (highways), lending to municipalities and local authorities for infrastructure improvements in environmental sectors (waste, water),
- European Bank for Reconstruction and Development (EBRD): regional transport networks and modernization of national transport infrastructure (highways, airports),

lending to municipalities and local authorities for environmental investments (water sector), energy efficiency and renewable energy,

- World Bank (WB): programmes for water infrastructure improvements (mainly waste water collection and treatment), energy efficiency, nature protection (NATURA 2000), development of port infrastructure.

Based on the experience of international financing institutions from the new EU member states and their activity in Croatia, the current programming provisions of the IFIs are in line with the current challenges faced by the country. Their contribution to Croatia's strategic development goals may be of increased efficiency especially if their action is directly linked to the programming provisions of the Structural Funds and the Cohesion Fund. International financing institutions may respond to specific interests of Croatia, and assist in those areas where their expertise or past country experience creates a comparative advantage. As it can be seen in principle priorities being financed by the IFIs are practically the same as ones stipulated in the programming documents for the usage of EU funds. That proves that priorities are well established but also shows that investment needs in those sectors are extremely significant. In that sense synergy between IFI financing and EU funds can be established in the following ways:

- IFIs financing is possible source of national co-financing for EU programmes/projects which is the case for IPA programme where framework loan with EIB was signed providing co-financing of IPA Operational programmes;
- IFIs dedicate certain amount of resources and expertise for project preparation that can be used in order to secure adequate preparation of project that can subsequently be applied for EU financing (in a combination with IFI financing)
- Since the priorities for financing are almost identical direct supplementary link can be established which is already now the case (for example under WB Adriatic loan waste water infrastructure is being financed in the coastal areas while provision of the same infrastructure in the inland parts of the Croatia is set a priority for financing under IPA).

Coordination of the cooperation of relevant national institutions and IFIs in the context of Cohesion policy preparations is being secured by the joint initiative of Ministry of Finance as the national contact point for international financing institutions and MRDEUF as the National Aid Coordinator/ National ISPA and National IPA Coordinator.

### 3. Indicative Budget (amounts in €)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION					PRIVATE CONTRIBUTION	
CONTRACTS	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Contract 1	X	-	5 000 000	5 000 000	5 000 000	100	0,00	0	0,00	0	0	0	-
TOTAL IB													
TOTAL INV			5 000 000	5 000 000	5 000 000	100	0,00	0	0,00	0	0	0	-
<b>TOTAL PROJECT</b>			5 000 000	5 000 000	5 000 000	100*	0,00	0	0,00	0	0	0	

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

- (1) In the Activity row use "X" to identify whether IB or INV
- (2) Expressed in % of the **Public** Expenditure (column (b))
- (3) Expressed in % of the **Total** Expenditure (column (a))

**\* According to article 67.3 of IPA Implementing Regulation:** "In the event of centralised or joint management, the Commission shall decide the rate of the Community contribution, which may amount to 100% of the eligible expenditure".

The budget is calculated taking into account the following assumption:

- Budget covers a period of two years
- Costs are based on incurred costs of JASPERS operation in the EU-12
- Estimates of indicative staff travel costs are based in historic costs.

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	N/A (direct grant)	Q3 2011	Q3 2013

## 6. Cross cutting issues (where applicable)

### 6.1 Equal Opportunity

N/A

### 6.2 Environment

This project will contribute to the horizontal issue of environmental protection as a pipeline of projects in, *inter alia*, the sector of environment will be developed in line with EU standards in this area.

### 6.3 Minorities

N/A

## ANNEXES

- 1- Log frame in standard format
- 2- Amounts contracted and disbursed 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 / sector 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 *grants schemes*: account of components of the schemes
  - 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 constructing works):

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

**ANNEX 1: Logical framework matrix in standard format**

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number	
<b>JASPERS - Support to the preparation of project pipeline for Structural and Cohesion Funds in Croatia</b>	Contracting period expires: 2 years following the date of conclusion of the Financing Agreement	Disbursement period expires: 3 years following the end date for contracting
	Total budget : EUR 5 000 000	IPA budget: EUR 5 000 000

<b>Overall objective</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	
To accelerate investment in key sectors of infrastructure with the aim of to increasing competitiveness and growth potential in Croatia.	<ul style="list-style-type: none"> <li>• Increase in investment in infrastructure</li> <li>• % of infrastructure projects, expressed in the overall SCF allocation for Croatia, for which project preparation and application documents are successfully completed by the relevant deadlines</li> </ul>	<ul style="list-style-type: none"> <li>• Croatian Management Information System for Structural/Cohesion Funds</li> </ul>	
<b>Project purpose</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
To prepare high quality projects with the support of the JASPERS ("Joint Assistance for Supporting Projects in European Regions") technical assistance which will be supported by Structural/Cohesion Funds initiative.		<ul style="list-style-type: none"> <li>• EC decisions on approval of project applications</li> <li>• Oversight by DG REGIO/DG Enlargement, including regular reports of JASPERS activity, attendance at JASPERS steering committee etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Management information system for Structural/Cohesion Funds in function and operational</li> <li>• Start of operations by JASPERS in Q3 2011</li> </ul>
<b>Results</b>	<b>Objectively verifiable indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>• Mature pipeline of projects ready at accession, increasing capacity to absorb Structural/Cohesion Funds allocation for Croatia</li> <li>• Improvement in capacity in Croatia to prepare major and non- major projects, from learning-by-doing, training seminars as well as quality sectoral strategies and guidance documents prepared</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance in preparation of 10-15 project applications and accompanying technical documents.</li> <li>• Assistance in preparation of relevant sectoral strategies.</li> <li>• 1 methodological guidelines for the elaboration of major infrastructure projects prepared for major infrastructure projects.</li> <li>• At least 2 checklists or application guidelines for assessing the quality of infrastructure project applications</li> </ul>	<ul style="list-style-type: none"> <li>• Project reports</li> <li>• Training records</li> </ul>	<ul style="list-style-type: none"> <li>• JASPERS input as early as possible in the project cycle</li> <li>• Good level of cooperation from national authorities</li> <li>• Availability of resources on the EC side for checking the quality of project applications</li> <li>• Acceptable standard of oversight of project preparation by coordinating bodies in Croatia and control quality of project applications</li> </ul>

	<p>prepared.</p> <ul style="list-style-type: none"> <li>At least 2 horizontal guidance notes or training workshops.</li> </ul>		
<b>Activities</b>	<b>Means</b>	<b>Costs</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>Provide assistance in preparation of 10-15 project applications and accompanying technical documents (including, for example, feasibility studies, cost benefit analyses, technical designs, bills of quantities, etc.)</li> <li>Provide assistance in preparation of relevant sectoral strategies</li> <li>Prepare recommendations on further development of the reviewed project documentation in order for the projects to reach the stage of maturity necessary for approval by the European Commission services. Conduct meetings with the project beneficiaries in order to explain recommendations and comments to the project applications and the accompanying technical documentation.</li> <li>Assist the project beneficiaries in improving the content of project applications and the accompanying technical documentation.</li> <li>Prepare checklists for quality control of project applications and the accompanying technical documentation. Explain to the institutions responsible for the management of Structural/Cohesion Funds how to use the quality control checklist.</li> <li>Preparation of Methodological Guidelines for the elaboration of major infrastructure projects.</li> <li>Prepare guidance notes on horizontal issues impacting project preparation.</li> <li>Organize training workshops on horizontal issues impacting project preparation</li> </ul>	1 Grant Contract	EUR 5 000 000	<ul style="list-style-type: none"> <li>Participation of project promoters in the activities foreseen by the project</li> <li>Participation of trainees in the training activities organised by the project</li> </ul>
			<b>Pre conditions:</b>
			List of projects to be reviewed by expert team has been established

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

Contracted	2011				2012				2013				2014		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Contract 1.1				5 000 000											
<b>Cumulated</b>				5 000 000											
Disbursed	2011				2012				2013				2014		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Contract 1.1			2 500 000				2 000 000			500 000					
<b>Cumulated</b>			<b>2 500 000</b>				4 500 000			<b>5 000 000</b>					

Pre-payment (50% of grant): automatic and within 45 days of signature of the contribution agreement. If signature takes place as planned in July 2011, payment would be within the third quarter of this year.

Interim payment: (40%): "to be paid within 45 days of receipt by the Commission of a payment request, together with an interim report and financial statement, accepted by the Commission, for the first twelve months of implementation of the Action". Following the planned timetable above, JASPERS could submit a report and financial statement before end-July 2012 and, assuming that these are satisfactory (JASPERS will use the standard format it uses for all payment requests), payment could be made in the third quarter of 2012.

Final payment (10%): on receipt of a final report and an audited financial statement. Generally the report of the external auditors for JASPERS is available within three months after the end of the reference year and the final report is a well-established standard model. On this basis, final payment could be in Q2 2013.

### **ANNEX III - Description of Institutional Framework**

Croatia appointed the institutions for the implementation of pre-accession instrument IPA (*Instrument for Pre-Accession Assistance*). IPA Components II (Cross-border Cooperation), III (Regional Development – IIIa Transport, IIIb Environment, IIIc Regional Competitiveness) and IV (Human Resources Development) serve as direct precursors to the EU cohesion policy funds by preparing candidate countries for the management of the European Regional Development Fund, Cohesion Fund and European Social Fund that will be made available to them upon accession to the EU. Croatian operating structures for IPA Components II, III and IV programmes gained conferral of management powers by the Commission for decentralised management with *ex ante* controls in November and December 2008.

Institutional framework for the implementation of the EU cohesion policy in Croatia builds on the existing operating structures for IPA Components II, III and IV. Designation of the institutions has been accomplished by the adoption of the Law on establishment of the institutional framework for utilization of structural instruments (OG 78/2012) and Decree on bodies of the management and control system for the utilization of EU Funds (OG 97/2012)

The institutions relevant for this project are the following:

Ministry of Regional Development and EU Funds; Ministry of Maritime Affairs, Transport and Infrastructure; Ministry of Environmental and Nature Protection; Ministry of Agriculture; Ministry of Economy; Ministry of Entrepreneurship and Crafts; Ministry of Science, Education and Sport; Ministry of Social Policy and Youth.

### **ANNEX IV – Reference to laws, regulations and strategic documents:**

Law on establishment of the institutional framework for utilization of structural instruments (OG 78/2012)

Decree on bodies of the management and control system for the utilization of EU Funds (OG 97/2012)



## **ANNEX V Details per EU funded contract (\*) where applicable:**

### JUSTIFICATION FOR DIRECT GRANT MECHANISM

The type of procedure proposed for using the JASPERS programme is a direct grant from the European Commission to EIB, on the basis of:

- article 53.d of the Financial Regulation:

*"Where the Commission implements the budget by joint management, certain implementation tasks shall be delegated to international organisations, in accordance with the implementing rules, in the following cases:*

*(a) wherever the Commission and the international organisation are bound by a long-term framework agreement laying down the administrative and financial arrangements for their cooperation [...]*

- and article 43(2) of the Implementing Rules to the Financial Regulation:

*"For the purposes of Article 53d of the Financial Regulation, the European Investment Bank [...] shall be assimilated to international organisations".*

The specific character of the EIB's unique and highly relevant expertise, technical competence and high degree of specialisation stems from close cooperation of the JASPERS team with the Commission's *Regional Policy* DG, in assisting and guiding different national authorities in the preparation of project proposals. DG REGIO experience indicates that in numerous projects prepared with the assistance of external private consultants, still significant revisions are needed before projects could be considered as ready for consideration by the Commission's services and subsequent approval; instead, with JASPERS experts from the EIB the risk is significantly reduced/minimised as they are working exclusively on major projects and exactly know the requirements and standards of the Commission, also in terms of interaction between cohesion policy and other relevant policies of the Union. JASPERS assignments completed from 2007-2009 resulted in high number of grant applications being smoothly approved by the relevant Commission services.

Indispensable character of the EIB's technical expertise and high degree of specialisation is moreover claimed due to the fact that the main areas concerned by JASPERS technical assistance in Croatia are those in which EIB and EBRD have the key expertise, and are sectors eligible for funding under the ERDF and Cohesion Funds, namely trans-European networks (TENs), the non-TENs transport sector (in particular, road, rail, river and sea transport), road and air traffic management, clean urban and public transport, environmental projects (water, waste, energy efficiency and renewable energy).

Finally, the current JASPERS assistance to Member States is awarded in the form of a direct grant between the Commission and the EIB. This option is proposed since it is compatible with the form that this assistance is expected to take after Croatia's accession to the EU.