

Standard Summary Project Fiche – IPA centralised programmes

Project Fiche: 18

1. Basic information

1.1. CRIS Number: **2010/022-154**

1.2. Title: **Technical Assistance and Project Preparation Facility (TA&PPF)**

1.3. ELARG Statistical code: 07.40

1.4. Location: Montenegro, Podgorica

Implementing arrangements:

1.5. Contracting Authority:
Delegation of European Union to Montenegro

1.6. Implementing Agency: N/A

1.7. Beneficiary (including details of project manager):

Ministry for European Integration

Stanka Dragojevic 2

81000 Podgorica

Project manager: Aleksandar Drljevic, Deputy Minister

Financing:

1.8. Overall cost:

€2 023 000

1.9. EU contribution:

€2 023 000

1.10. Final date for contracting:

Two years after the signature of the financing agreement

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:

The overall objective of the **TA&PPF** is to improve the planning, programming and implementation of the Instrument for Pre-Accession Assistance (IPA) and, and to facilitate mechanisms for an integrated EU accession process in Montenegro.

2.2. Project purpose:

The purpose of the PPF is to support the preparation and early implementation of activities under this and subsequent IPA Programmes, and to ensure that the Montenegro authorities submit good quality project proposals to the European Commission for the implementation of European Partnership (EP) and the Stabilisation and Association Agreement (SAA) and to support effective implementation of these projects in Montenegro.

2.3. Link with AP/NPAA / EP/ SAA

The project will enhance the authorities' ability to prepare projects that help Montenegro meet the full range of its priorities deriving from the European Partnership and Multi-annual Indicative Planning Document, as well as from the Stabilization and Association Agreement. The Project Preparation Facility has been designed in a flexible manner to support also the initiatives contributing to such projects. The Ministry of European Integration has a pipeline of project ideas and summary project fiches that have been identified during the early programming exercises of IPA 2009 and IPA 2010, which can serve as a source for future projects and as an indication on kinds of initiatives required for their preparation.

2.4. Link with MIPD

The MIPD 2009-2011, indicates the support to the public administration in increasing its capacities of leading Montenegro through the Stabilisation and Association Process as one of the main strategic objectives (Section 2, Component 1, Priority axis 1) Support to the Montenegro government to develop and implement sectoral and EU integration strategies, as well as in the preparation of the relevant services for the decentralisation of community assistance is also in line with the MIPD 2009-2011 (Section2 Introduction to pre-accession assistance strategy).

2.5. Link with National Development Plan

Not applicable.

2.6. Link with national/sectoral investment plans

The project will enhance the authorities' ability to prepare projects to support Montenegro in meeting the priorities deriving from the National Programme for Integration (NPI), the main national strategic document for EU integration, adopted by the Government on 5th June 2008.

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 Montenegro 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 Montenegro state administration should be supported. In doing so, it is necessary to take into consideration that in many cases the Montenegro institutions need support in drafting the appropriate sector strategies to form the framework for effective change initiatives.

Montenegro 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) 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 TA&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 Montenegro 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, guidelines for call for proposals or terms of reference need to be drafted in order to initiate the tender procedures for acquiring the services, grants, works or supplies required. Often the technical know-how required for drafting for the project implementation documentation is either too specific for the Montenegro 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 Montenegro authorities with hands-on training.

Lastly, an important task is lined up for the Montenegro authorities: establishment of the De-centralized Implementation System. Both, preparation for the DIS and implementation of the activities deriving from Stabilization and Association Agreement, are labour intensive and demanding processes. Accordingly, it will be compulsory to provide continuous high quality support for building capacities and systems for further decentralization and for building capacities of Montenegro co-ordination mechanisms for implementation of priorities from the EP and SAA. In order to assure that capacity building programmes meet the high quality standards and justly respond to the needs of the beneficiary, the TA&PPF will provide support in drawing up analysis of current situations, conducting needs assessment and providing recommendations for further improvements of the a/m capacities, systems and mechanisms. Hereafter, the TA&PPF will also provide short-term interventions such as drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation in order to help streamlining the necessary systems and co-ordination mechanisms. The TA&PPF will also provide preparatory documents (feasibility studies, environmental impact assessments, specific sector studies, strategies, etc.) for the implementation of IPA components III, IV and V when the candidate status will be granted

The TA&PPF consists of unallocated sum of funds which should cover the financing of the service, grants and twinning light projects with an average of €50,000 to €200,000 per single project.

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

Primarily, the TA&PPF 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 TA&PPF will strengthen capacities of the Montenegro 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 TA&PPF will enhance capacity building programmes by providing more genuine reflection on state-of-play of Montenegro 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 TA&PPF 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 assessment of the IPA programme impact in the country;
- Audit and Evaluation missions when required and not funded by other means;
- The preparation of feasibility studies and environmental impact assessments;
- The facilitation of stakeholder consultations throughout the project preparation phase;
- The preparation of project fiches for IPA funding including following prospect annexes to the project fiches: logical frameworks with measurable indicators, 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) and the provision of expertise in tender evaluations;
- The preparation and compilation of analyses of capacities, systems and working procedures necessary for the decentralization process, as well as for the Montenegro co-ordination mechanisms for implementation of the EP and SAA priorities, supported with adequate recommendations for their improvement and streamlining.
- Improved capacity of the Ministry of European Integration in programming and monitoring of IPA assistance, as well enhanced donor coordination in the country.

3.4. Activities

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 with the SAA, 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 SAA and to assess institutional readiness for its full implementation;
- Drafting of (pre-)feasibility and impact studies (specially in the environment sector) in relation to Montenegro compliance with the SAA and in preparation of IPA components III, IV and V 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 project fiches, logical frameworks and all relevant annexes to programming documents;
- Baseline studies for impact indicators of projects;
- Preparation of procurement documents (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers) and provision of expertise for tender evaluations;
- Providing training relevant to any of the above-mentioned activities;
- Drawing up analyses, conducting needs assessment and providing recommendations for further enhancement of capacities, systems and co-ordination mechanisms for establishment of DIS and for implementation of EP and SAA priorities;
- Drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation for necessary systems and co-ordination mechanisms for establishment of DIS and implementation of EP and SAA priorities.
- Assistance to the Ombudsman in an amount of almost €150,000
- Support to national strategies in support of civil society
- Sector strategies in the health and social sectors
- Technical assistance support to the Ministry of European Integration in IPA programming, monitoring and donors coordination

An indicative amount of 20 services, grants and twinning light contracts will be procured during the first two years after signing the financing agreement.

3.5. Conditionality and sequencing:

Conditionality required for the TA&PPF is that Montenegro will sufficiently staff the EU integration services and provide for adequate accommodation.

3.6. Linked activities

The project is linked to the following activities, none of which would be overlapped.

Under national CARDS 2006 programme, a 500,000 € project titled "first steps for a decentralisation system" aiming at fostering Montenegro's preparedness to deal with the forthcoming EU financial assistance (chiefly IPA) along the lines of the EU requirements for the setting up of the Decentralised Implementation System DIS. This technical assistance is the first action to strengthen the administrative and managerial capacities of DIS key stakeholders and structures in view of the future accreditation of the system. The stakeholders and beneficiary institutions are fully or partially involved in the management of EU funded projects at different phases. The project particularly focuses on the National Fund, the Central Financing and Contracting Unit and the structures supporting the work of the Senior Programming Officers in line Ministries and Agencies.

The Capacity Development Programme (CDP) is a partnership programme of the Government of Montenegro, the Foundation Open Society Institute and the United Nations Development Programme. The aim of the CDP is to contribute to the public administration reforms in addition to strengthening of capacities for utilization of external assistance. The project has high level of local ownership with a budget of 1, 9 million US\$ and duration of 36 months starting from 20th February 2007.

Under IPA 2007 national centralised programme, a €156 971 project, implemented in the last quarter 2008, aims at "Strengthening Capacities for Programming and Project Fiche Preparation in Montenegro". This grant represents a EU contribution to finance a joint action with UNDP supporting the strengthening capacities in the Montenegrin state administration and increase ownership over IPA programming and project identification process through preparation of project fiches for IPA National Programme 2009 together with all necessary supporting documentation as per IPA regulation. In supporting the Capacity Development Programme (CDP), operating since September 2003 as a partnership between the Government of Montenegro (GoM), the Foundation Open Society Institute (FOSI-ROM) and the UNDP, the expected results of this action are an increased ownership over IPA programming and capacity in project preparation by beneficiary institutions.

3.7. Lessons learned

The TA&PPF has been developed in light of the ongoing assessment of the project preparation capacities and needs of Montenegro authorities. In particular in the context of the programming of IPA 2007, 2008 and 2009, it has become clear that beneficiaries require assistance in developing projects and that in particular it is necessary to provide a facility to enable limited support to be targeted specifically at the design-preparation phase before larger scale funds are committed to less-well defined and relatively high-risk projects.

4. Indicative Budget (amounts in EUR)

Amounts net of VAT			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB	INV	EUR (a)=(b)+(c)+(d)	EUR (b)	%	Total EUR (c)=(x)+(y)+(z)	%	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	%
TA&PPF	X		2 023 000	2 023 000	100							
TOTAL IB			2 023 000	2 023 000	100							
TOTAL INV												
TOTAL PROJECT			2 023 000	2 023 000	100							

An indicative amount of 20 services, grants and twinning light contracts will be procured during the first two years after signing the financing agreement.

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

Contracts	Start of Tendering	Signature of contracts	Project Completion
Multiple contracts over the lifetime of the project (about 20 services, grants and Twinning lights in average amounting from €50,000 to €200,000 per project.	1 st Q after signing of Financing Agreement and ongoing thereafter	Ongoing from 1 st Q after signing of Financing Agreement	Q3 2013

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

6. Cross cutting issues

6.1. Equal Opportunity

The project will ensure that all the cross cutting issues are appropriately incorporated in the sector strategies and programme/projects designed with the assistance of the Project Preparation Facility. In addition, specific training activities can be organized in order to raise the awareness of the importance and individual specificity of these project aspects and train the Montenegro stakeholders on how to integrate them at the strategy and programme/project level.

6.2. Environment

The actions envisaged under the present project are not affecting the environment. In case of preparation activities of infrastructure projects, Environmental Impact Assessments and Strategic Environmental Assessments will be part of the activities.

6.3. Minorities

Special attention to minorities and the policy of equal opportunities will be integral part of any action of the project.

ANNEX I. Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX for Project Fiche	Programme name and number:		Technical Assistance and Project Preparation Facility (TA&PPF)
Technical Assistance and Project Preparation Facility	Contracting period expires N+2		Disbursement period expires one year from the final date for execution of contracts
	Total budget : € 023 000		IPA budget: € 023 000
Overall objective	Objectively verifiable indicators	Sources of Verification	
The overall objective of the TA&PPF is to improve the planning, programming and implementation of the Instrument for Pre-Accession Assistance (IPA) and, and to facilitate mechanisms for an integrated EU accession process in Montenegro	Satisfactory ex-post evaluations of projects Satisfactory contracting and disbursement of the IPA funds Enhanced co-ordination of the EU Integration process	Evaluation reports Progress Reports IPA Monitoring Reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Support the preparation and early implementation of activities under this and subsequent IPA National Action Programmes, and to ensure that the Montenegro authorities submit good quality project proposals to the European Commission for the implementation of European Partnership (EP) and the Stabilisation and Association Agreement (SAA) and to support effective implementation of these projects in Montenegro	Project fiches submitted to EC in line with programming timetable, and subsequently approved. Feasibility studies and strategic documents in line with international standards and IFIs practices. Contracting and disbursement in line with programming timetable	IPA programme documents IPA Monitoring Reports	Availability of satisfactory quality expertise.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • The preparation of sector strategies or investment strategies; • The assessment of the IPA programme 	Strategies prepared Consultations and co-ordination support undertaken where appropriate	Reports and project documentation from individual TA contracts.	Identification of priority areas for assistance in a timely manner

<p>impact in the country;</p> <ul style="list-style-type: none"> • Audit and Evaluation missions when required and not funded by other means; • The preparation of feasibility studies and environmental impact assessments; • The facilitation of stakeholder consultations throughout the project preparation phase; • The preparation of project fiches for IPA funding including following prospect annexes to the project fiches: logical frameworks with measurable indicators, 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) and the provision of expertise in tender evaluations; • The preparation and compilation of analyses of capacities, systems and working procedures necessary for the decentralization process, as well as for the Montenegro co-ordination mechanisms for implementation of the EP and SAA priorities, supported with adequate recommendations for their improvement and streamlining. • Improved capacity of the Ministry of European Integration in programming and monitoring of IPA assistance, as 	<p>and relevant</p> <p>Project fiches prepared and submitted for EC approval</p> <p>Feasibility studies and environmental impact assessment studies prepared in accordance with international standards</p> <p>Tender documents prepared in time for opening of tender procedures.</p> <p>Analyses compiled and needs assessments conducted on the current status of capacities of national authorities, end recommendations for further capacity building programs and for further improvement of working process of DIS systems and SAA co-ordination mechanisms.</p> <p>Manuals, working procedures, job descriptions, rulebooks and other procedural documentation drafted for necessary systems and co-ordination mechanisms for DIS accreditation and implementation of EP and SAA priorities</p> <p>Technical assistance reports</p>	<p>Monitoring reports within SEI</p>	
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well enhanced donor coordination in the country.			
Activities	Means	Costs	Assumptions
<ul style="list-style-type: none"> • Drafting or assessment of sector strategies or multi-sector strategies for the harmonisation of national legislation with the SAA, 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 SAA and to assess institutional readiness for its full implementation; • Drafting of (pre-)feasibility and impact studies (specially in the environment sector) in relation to Montenegro compliance with the SAA and in preparation of IPA components III, IV and V 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 project fiches, logical frameworks and all relevant annexes to programming documents; • Baseline studies for impact indicators of projects; • Preparation of procurement documents (terms of reference, technical 	Services, grants and twinning light contracts	€2 023 000	

<p>specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers) and provision of expertise for tender evaluations;</p> <ul style="list-style-type: none"> • Providing training relevant to any of the above-mentioned activities; • Drawing up analyses, conducting needs assessment and providing recommendations for further enhancement of capacities, systems and co-ordination mechanisms for establishment of DIS and for implementation of EP and SAA priorities; • Drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation for necessary systems and co-ordination mechanisms for establishment of DIS and implementation of EP and SAA priorities. • Assistance to the Ombudsman in an amount of almost €150,000 • Support to national strategies in support of civil society • Sector strategies in the health and social sectors • Technical assistance support to the Ministry of European Integration in IPA programming, monitoring and donors coordination 			
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ANNEX II. Indicative amounts (in €) Contracted and disbursed by quarter for the project

Contracted	Q4 / 2010	Q1 / 2011	Q2 / 2011	Q3 / 2011	Q4 / 2011	Q1 / 2012	Q2 / 2012	Q3 / 2012	Q4 / 2012	Q1 / 2013
Contracts	100,000	200,000	200,000	200,000	200,000	300,000	300,000	300,000	223,000	
Cumulated	100,000	300,000	500,000	700,000	900,000	1,200,000	1,500,000	1,800,000	2,023,000	
Payments	100,000	200,000	200,000	200,000	200,000	300,000	300,000	300,000	150,000	73,000
Cumulated	100,000	300,000	500,000	700,000	900,000	1,200,000	1,500,000	1,800,000	1,950,000	2 023 000

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

ANNEX III. Description of Institutional Framework

Not applicable

ANNEX IV. Reference to laws, regulations and strategic documents:

Not applicable.

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

Not applicable.