

SECTOR PLANNING DOCUMENT

COUNTRY: BOSNIA AND HERZEGOVINA

**SECTOR TITLE
TRANSPORT**

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PART ONE - SECTOR PROFILE

NOTE: PART ONE AIMS AT PROVIDING AN ANALYSIS OF THE SECTOR IN GENERAL, AS WELL AS AN OVERVIEW OF THE COUNTRY'S STATUS AND READINESS IN RELATION TO THE SECTOR APPROACH.

1. SECTOR CONTEXT

Transport is a major contributor to the economic growth facilitating the mobility of people and goods while enabling a balanced regional development. Bosnia and Herzegovina (BiH) aims to develop and promote transport policies that are efficient, safe, secure and sustainable, in order to create conditions for a competitive industry that generates jobs and prosperity.

The transport sector in Bosnia and Herzegovina has been challenged with various issues starting with war related damages along with the effects of insufficient maintenance of the infrastructure, the new institutional set-up, low funding resources available for remedy measures and 2014 large-scale floods consequences. Inadequate allocation of resources for infrastructure maintenance and the capacity of Bosnia and Herzegovina to maintain its road and railway network affect the choice of any possible future new investment. Bosnia and Herzegovina has considerable needs for additional investments in line with the national Framework Transport Strategy, the SEETO work plans and the Connectivity Agenda. However, the investment projects should be identified based on prioritization criteria including the technical and financial abilities for implementing these projects within their medium- (and long-) term budget framework, thus creating a single pipeline of projects and considering the available fiscal space. Furthermore, there are specific challenges to further develop transport policies.

In order to accelerate progress towards membership of the EU, Bosnia and Herzegovina among others needs to focus on priority areas related to the EU *acquis*. The country needs to align its legislation with the EU, in the fields of air; maritime, inland waterways and land transport. This in particular concerns EU regulations on road safety, interoperability, independent civil aviation safety investigation authority and restructuring of the railway sector. However, the country does not have sufficient financial and technical capacity to follow EU integration related requirements.

Underdeveloped transport infrastructure along with insufficient capacity has led to slower progress compared to neighboring countries. The Transport Community Treaty, establishing a transport community between the Western Balkans and the European Union, was signed by Bosnia and Herzegovina on 18.09.2017 with the aim to address the issues in the sector timely and effectively as well as meeting EU requirements. The treaty aims at bringing transport legislation in line with the EU's, the need for modern transport operations and safety requirements while increasing efficiency and connectivity of the transport system. Bosnia and Herzegovina adopted a joint statement with other Western Balkan countries, agreeing on the core transport network for the Western Balkans that will extend the EU Trans-European Transport (TEN-T) corridors, accompanied by the implementation of a number of technical standards and connectivity reform measures.

The development of maritime and inland waterway transport in Bosnia and Herzegovina is still at an early stage, where institutional, legal and regulatory frameworks are not in place. In order to tackle these issues and develop maritime and inland waterway transport, Bosnia and Herzegovina became part of two EU macro-regional strategies, namely the EU Strategy for the Danube Region (EUSDR) and the EU Strategy for the Adriatic and Ionian Region (EUSAIR). These strategies seek to bring together both EU Member States and non-EU countries to address common challenges and potentials in the concerned macro-regions. The strategies focus on improved connectivity of transport and energy networks, better environmental protection, sustainable tourism actions, and socio-economic development measures in the geographically specific context, and aim to improve the cooperation with EU Member States and to facilitate the preparation of candidate and potential candidate countries for EU integration.

In 2015, the country adopted the Framework Transport Policy 2015 - 2030 which provided the basis for drafting and adopting the Framework Transport Strategy and Action Plan 2016-2030. The document represents an important step for the country providing an opportunity to benefit from the Connectivity agenda, pending progress in the implementation of the Connectivity Reform Measures agreed in 2015 at the WB6 summit in Vienna. The Framework Transport Strategy introduced strategic objectives for improving the sector with the purpose of aligning with the long-term goals and strategic documents of the EU. However, the objectives of the Framework Transport Strategy are not fully structured around a SMART¹ format to enable effective monitoring and reporting. The strategy defines the time frame and the competent institutions for the implementation of the foreseen activities but falls short in establishing a monitoring and evaluation plan with corresponding indicators.

Even though the progress made by the adoption of a Framework Transport Strategy and Action plan has been recognized, the country needs to continue its effort in strengthening the financial and technical capacity of the authorities in all transport sectors in line with the objectives defined in the Strategy. It is essential that international organizations, international financial institutions (IFIs) and donor countries that support reform initiatives, align their plans and assistance programs to the same objectives.

Under the “Connectivity Agenda” for Western Balkans, Bosnia and Herzegovina has played an active role in the region and committed to advance the preparation and financing of mature regional transport projects, and has adopted the list of priority investments in the transport sector (SPP-Single Project Pipeline). However, the SPP that was developed in 2015 will need to be revised in line with the adopted Framework Transport Strategy with further regular updates reflecting the future development of the transport network in BiH.

The Framework Transport Strategy of BiH identified the following main issues and needs related to transport infrastructure and regulation: integration (including construction/reconstruction) of transport infrastructure into European transport corridors (i.e. TEN-T Comprehensive/ Core Network, Corridor Vc), and further harmonization of regulation in the field of transport with regulations, standards and best practices of the EU.

¹Specific, Measurable, Assignable, Realistic, Time-Related

In regard to the **transport *acquis*** approximation requirements, Bosnia and Herzegovina has no specific law on investigations in traffic accidents but addresses related obligations in the law on aviation and law on railways. A fully operational investigation body exists since 2015 only for railways.

Bosnia and Herzegovina needs to continue its efforts in completing the alignment with the *acquis* on public services obligations and to put into place the precise calculation methodology for awarding public service contracts in the field of road transport.

On **road transport**, the country has aligned with the EU *acquis* on road traffic safety but faces some shortcomings in implementation². A country-wide strategy on road traffic safety remains to be adopted³. Road safety is a major concern since BiH is one of the countries with the highest rate of road accidents in Europe. Road safety through improvements in infrastructure as well as other important aspects that have impact on the road safety needs to be improved. Road transport has the highest share in the country (around 93%). This results in a significant pressure on the road infrastructure and increasing emissions of greenhouse gases. Nevertheless, the share of emissions of greenhouse gases in the transport sector is lower than in EU countries: below 7% of total emissions, while in EU countries it amounts around 20%. Legislation on transport of dangerous goods exists only at the entity level.

An entity responsible for conducting the conformity assessment of the equipment law on the carriage of dangerous goods has not been appointed yet. The country has to continue aligning with the social and safety *acquis* in this area and develop enforcement capacity, in particular for targeting the reduction in fatalities and increasing roadside checks of commercial vehicles. Regarding the enforcement of social legislation, further improvements are needed in roadside checks due to the significant lack of human, technical and financial resources for inspections. Legislation on market access to goods and passenger transport, including the international market for coach and bus services, remains to be further improved. Bosnia and Herzegovina is about to start introducing intelligent transport systems and does not have sufficient capacity and resources to provide for the legislative and administrative implementation of intelligent transport systems.

The conditions on the roads on Corridor Vc and Route 2a, which are part of the Core Regional Transport Network of South East Europe, are not at a satisfactory level. 92 km of motorway were constructed on Corridor Vc, whereas 32 km of motorway was constructed on Route 2a. Existing main roads are used on the remaining part of the Corridor Vc and Route 2a. These main roads are characterized with insufficient roadway widths, high gradients, sharp radiuses and relatively poor pavement structure, resulting in low operational speed, increased traffic costs and large number of traffic accidents. All these shortcomings create bottlenecks on these routes.

²In the Republika Srpska, a legal, strategic, institutional and financial framework has been established for the subject area. The National Assembly of the Republika Srpska adopted the Road Safety Strategy on Roads of Republika Srpska (2013-2022) in May 2013.

³ EC Report for Bosnia and Herzegovina 2016

The existing conditions of the main road network provide different levels of service (LoS – quality measure describing operational conditions within a traffic stream) per section, from A (describes completely free-flow conditions) down to E (represents operations at or near operational capacity), although the sections are asphalted. The road safety on the existing network is not satisfactory, with a significant number of high risk sections, main road sections passing through the densely populated urban areas without separate areas for pedestrians and cyclists. In this respect, several by-passes will need to be constructed but lack sufficient funds.

The age of the main road network (45-50 years) coupled with insufficient availability of funds for periodic maintenance and network has resulted in an unsatisfactory condition of roads. During the previously implemented programs of transport reconstruction and road rehabilitation, works were carried out on the improvement of the carriageway, but did not include the reconstruction of facilities (bridges and tunnels), nor any interventions with the relocation of road routes or the construction of new road sections.

In view of the above, and bearing in mind that the functionality of the TEN-T corridors and routes will not be satisfactory without improving the network that connects to the TEN-T network, it is necessary, in parallel with the development of the TEN-T network, to develop a road network connecting to the core and comprehensive network. This is particularly emphasized on the connecting roads to the corridor Vc for Sarajevo and Mostar, and completion of the connecting road to the Adriatic highway in the area of Stolac, which will result in bottlenecks caused by works on Stolac – Neum road, if the Stolac bypass is not completed. Given the limited borrowing capacities the country will not be able to complete all the sections on the TEN-T core and comprehensive network in the short-term period. Therefore the modernization of main roads will contribute to the efficiency of the network until the construction of expressways and motorways is completed. .

In addition to the above, it is important to emphasize the issue of improving traffic safety on the entire transport infrastructure. The traffic safety is not addressed with due attention, i.e. no required activities have been undertaken. In order to analyze the current state and to prepare an action plan to improve the level of traffic safety, the Traffic Safety Unit was established within the Federation Ministry of Transport and Communications in 2017.

In the area of **rail transport**, Bosnia and Herzegovina has partially aligned with the *acquis*. Bearing in mind that two main railways sections in BiH belong to the expanded Core and Comprehensive TEN-T network, special attention should be paid to aligning domestic legislation with EU regulations in the area of safety and interoperability. The separation of train operations from infrastructure management has progressed, but the independence of infrastructure managers to make decisions has not been fully achieved.

Infrastructural conditions of overall railway network are poor; causing the limitations of maximum speed down to even 30 km/h. Part of the network has been further deteriorated by the floods in 2014, which caused additional speed limitations to below 40 km/h on sections affected by flood and landslides. On more than half of railway sections in BiH on SEETO routes, in the period of their lifetime, far exceeding a period of 30 years, no overhauling has taken place. As for railway infrastructure, two reconstruction investment cycles were carried out in order to improve the quality of the railway network. However, a large part of the railway network has not been reconstructed yet. As a result, the train speeds vary from 100km/h on reconstructed sections down to 50km/h on non-reconstructed sections.

There are certain limitations in respect of the speed and safety of railway traffic in the BiH railway network. These are mainly due to the unfavorable geographical configuration, incomplete safety system at stations, outdated signaling, lack of protection at level crossings etc. The main operational limitations are the following: maximum train length: 550 m, maximum speed: 100 km/h, change of locomotives to access non-electrified sections and lack of communication devices. Very slow recovery of the economy in BiH in the post-war period has caused almost total loss of train passengers and only partial recovery of the railway freight traffic services. A permanent shortage of funds for the rehabilitation of the railway infrastructure, due to a highly limited revenue, has enabled re-establishment of only basic railway transport functions providing for low speed, low efficiency, and limited scope of railway services.

The railway market is still not open to foreign operators, as the railway infrastructure has not been fully restored and modernized in line with EU standards. Access to the network is only available for railway companies that are licensed and have a security certificate. The 'rail network statements' by the two infrastructure managers are not published. Bosnia and Herzegovina has partly implemented legislation on railway safety and fully applies the Convention concerning International Carriage by Rail (COTIF). Licensing and issuing security certificates needs further improvement in both regulatory and procedural terms.

Prior to full opening of the market, the degree of safety, efficiency and availability of infrastructure and the competitiveness of domestic operators in relation to the foreign operators will need to be increased, which will require significant financial support from EU through grants and loans as the current financial resources are insufficient.

EU *acquis* on **maritime transport** has not been aligned yet. Bosnia and Herzegovina, with a short coastline of 27 km, does not possess a port or fleet. The Maritime Labor Convention was ratified in 2010 and entered into force on August 20, 2013. The country needs to continue its efforts to become party to all key conventions of the International Maritime Organization and to follow up on its membership application to the Paris Memorandum of Understanding. Bosnia and Herzegovina participates in the EU Strategy for the Adriatic-Ionian Region.

In the area of **inland waterway transport**, Bosnia and Herzegovina participates in the EU strategy for the development of the Danube Region and is a signatory to the main international agreements on inland waterways as well as a number of bilateral agreements with neighboring countries, such as the Sava River Commission Agreement. The inland waterway transport network is a priority however pending demining and rehabilitation of the river Sava waterway. The international navigation regime has been established on the Sava River waterway, but the potential of the Sava River has not been exploited in full capacity due to poor navigational conditions, low water level of the Sava River, with obstacles in the waterway (shallows), large variations both in the water level and the depth of the river during the year. Reduction in the width and depth of the waterway is caused by large amounts of deposits forming in some areas, with insufficient maintenance of the riverbed. This results in the fact that the conditions for navigation on the Sava river waterway can be quite difficult over a large part of the year.

In the area of inland navigation, regulations are partially harmonized with *acquis*. Bosnia and Herzegovina has not yet adopted legislation on merchant shipping. Navigation is under the authority of the entities, which have adopted legislation on maritime and inland navigation.

Additionally, Bosnia and Herzegovina needs to align with the relevant EU legislation as a state-level authority for inland waterways needs to be established. Rehabilitation of the Sava River waterway, according to the SEETO plan, is a key priority.

In the area of **aviation** the country has achieved a satisfying level of alignment with the *acquis*. While considerable progress was made on implementing the first transitional phase of the ECAA Agreement, Bosnia and Herzegovina still needs to transpose some parts of the *acquis*. For the 'single European sky' (SES) legislation, the country completed the transposition and implementation the SES I legislation at local level and partially transposed the SES II *acquis*. Its legislation is partially aligned with EU legislation on aviation safety, whereas a working arrangement with EASA covers all aspects of the *acquis* in civil aviation safety and environmental protection of products, organizations and personnel.

Main interventions in the civil aviation sector are modernization and expansion of airport infrastructure and technological systems in order to overcome the current issues: outdated equipment, lack of commercial lines, limited number of movements. The airports need to increase its competitiveness vis-a-vis other airports in the region. Potential development of freight transport needs to be supported by investments.

In the area of **combined transport** the institutional, financial, technical and legal frameworks of the country are not aligned. Development of an intermodal combined transport system is the goal of a common transport policy. However, institutional, financial, physical, technical, cultural and political barriers are obstacles for increasing the integration between transport modes and services.

The development of a balanced intermodal environmentally-friendly and competitive transport and mobility system is apriority for the country.

Table 1: SWOT analysis

STRENGTH	WEAKNESSES
<p>Institutional framework and processes</p> <ul style="list-style-type: none"> • Political support and determination for development of a sustainable transport sector • BiH Framework Transport Policy 2015- 2030 adopted • BiH Framework Transport Strategy 2016–2030 adopted • Reform Agenda adopted • Signed MoU with ICAO, ECAC • Signed bilateral agreements with neighboring countries • Competent institutions and established mechanisms for the state, entity and BiH Brčko District levels • Adopted legislation at the the state, entity and BiH Brčko District levels <p>Human resources</p> <p>Infrastructure</p> <ul style="list-style-type: none"> • Regional geostrategic position of BiH 	<p>Institutional framework and processes</p> <ul style="list-style-type: none"> • Complex political structure • Complex legal and administrative framework • Insufficient sectorial cooperation • Lack of clear accountability and monitoring processes • Very limited access to affordable finance (high cost of financing) • Insufficiently developed institutions and lack of mutual coordination • Country-wide strategy on road traffic safety not adopted • Legislation on transport of dangerous goods only at entity level • Institutional and financial barriers for increasing the integration between transport modes and services • Specific law on investigations in traffic accidents not adopted <p>Human resources</p> <ul style="list-style-type: none"> • Insufficient and untrained number of workers that have qualifications and skills required for

<ul style="list-style-type: none"> • Existence of sector infrastructure • Established mechanism for infrastructure investments planning (Single Project Pipeline) 	<p>the transport sector</p> <ul style="list-style-type: none"> • Lack of managers with experience, administrative and professional staff for development of intermodal transport <p>Infrastructure</p> <ul style="list-style-type: none"> • Geographical configuration of the country • Poor condition of transport infrastructure, mainly due to insufficient infrastructure maintenance • Inadequate allocation of resources for infrastructure maintenance • The transport infrastructure on the corridors in Bosnia and Herzegovina has not been completely constructed nor equipped with modern technological systems • Different modes of traffic are not integrated into uninterrupted / continuous transport chain • Absence of integrated transport network • Underdeveloped multimodal transport • Infrastructure for intermodal transport is not developed • Freight transport predominantly relies on one transport mode (road transport) • The road safety on the existing network is not satisfactory, with a significant number of high risk sections • Unsatisfactory level of safety, efficiency and availability of the rail infrastructure • Outdated railway equipment • The potential of the Sava River has not been exploited in full capacity • Insufficient class of inland waterways navigability according to EU standards • Demining and rehabilitation of the river Sava waterway not carried out yet • Unbalanced regional development • Increasing emissions of greenhouse gases
<p>OPPORTUNITIES</p>	<p>THREATS</p>
<p>Institutional framework and processes</p> <ul style="list-style-type: none"> • Assistance of IMF in economic reforms in Bosnia and Herzegovina • EU support to the gradual implementation of the strategy • Access to the regional initiatives – SEE 2020, Adriatic Ionic, Danube region • Access to WBIF • SEETO five year development plan-2016 • Access to financial resources from IFIs (EBRD, EIB, World Bank) • Possibilities of regional cooperation in the transport sector • Use of IPA funds • The interests of the wider region for development of the main regional network • Shorter travel distances for connecting the 	<p>Institutional framework and processes</p> <ul style="list-style-type: none"> • Negative effects of global economic changes • Unfavorable geo-political situation in the world (economic and political) • Suspension of agreements between BiH and other countries (bilateral and multilateral) • Limited financial resources • Long procedures in the approval of loans and long tendering procedures • Limited time frame for project implementation • Slower pace in implementing EU regulations compared to neighboring countries

<p>Adriatic Sea and Central Europe (Corridor Vc- as part of the TEN network)</p> <ul style="list-style-type: none"> • Adoption of maritime conventions • Transport sector as a driver for the growth of BiH economy, reduction of costs and improvement of accessibility <p>Human resources</p> <ul style="list-style-type: none"> • Improving the organizational structure (systematization of jobs) of the transport institutions in BiH that will enable efficient allocation of human resources and their better utilization • Professional training of staff identified for carrying out tasks relevant to implementation, management, monitoring and supervision in transport sector • Increased mobility of the population <p>Infrastructure</p> <ul style="list-style-type: none"> • New investment models in the field of transport infrastructure (use of European funds) • The development of an intermodal / combined transport system • Development of international combined freight transport • Introduction of intelligent transport systems • Rehabilitation of the Sava River waterway • Modernization and expansion of the airport infrastructure and technological systems • Rehabilitation and modernization of the rail infrastructure 	<p>Human resources</p> <ul style="list-style-type: none"> • The outflow of young and skilled workers into European countries <p>Infrastructure</p> <ul style="list-style-type: none"> • Reduced donor support to the sector in terms of infrastructural needs • Negative impact on the environment by the development and operation of new transport infrastructure
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2. SECTOR APPROACH ASSESSMENT

2.1. Assessment criteria

The following sections aim at providing a picture of the country's readiness for the sector approach based on the 7 'sector approach assessment criteria'.

MAIN CRITERIA

2.1.1. National sector policy (ies) /strategy(ies)

A state-level Framework Transport Policy for the period 2015-2030 is in place since 2015. In July 2016 Bosnia and Herzegovina adopted the country-wide Framework Transport Strategy and Action Plan for a 15 year period. The adoption is a step forward towards the country benefitting from the Connectivity Agenda.

Given the increasing role of transport in contributing to economic and social development, the overall objective set out by the framework transport policy is sustainable development of the transport system of the country, its entities and BiH District of Brčko. In addition to

emphasizing the role of the transport sector in contributing towards the country's EU integration following the Protocol on Land Transport built into the Stabilisation and Association Agreement it establishes two main policy objectives. These are:

- Fostering EU integration and regional cooperation, and
- Fostering sustainable economic and social development.

The Framework Transport Strategy has been developed to guide the planning and improvement of the transport sector in line with the higher-level objectives defined by the BiH Framework Transport Policy. The strategy focuses on the delivery of the range of actions required to achieve a series of short, medium and long-term objectives on the state level coupled with complementary objectives to be implemented by entities and BiH District of Brčko. An action plan for each administrative level has been developed providing a framework for delivery of these objectives for road, railways, air transportation and inland waterways. The strategy identified five specific state-level objectives for compliance with EU standards and regulations in the transport sector. These are:

- Institution of an independent Civil Aviation Safety Investigation Authority,
- Improving regulatory framework for all modes of transport,
- Meeting UIC high-speed railway standards,
- Institution of independent Rail Safety and Accident Investigation Authorities,
- Harmonizing IWW regulation with EU standards,

The adoption of the Framework Transport Policy 2015-2030 and Framework Transport Strategy and Action Plan for the period 2016- 2030 is an important step for the future development of the transport sector in BiH. Even though the strategic objectives have been identified successful implementation will be dependent on commitment and the timely delivery of suite of actions. The strategy falls back in costing the identified actions as well as developing associated indicators and targets, to better enable progress to be measured.

2.1.2. Institutional setting, leadership and capacity

The Constitution of BiH reserves certain decisional competences to entities in a number of areas, including transport and infrastructure. Inter- entity and international infrastructure and transport are in the competence of the state level, while entity level institutions have competence in the area of transport and infrastructure inside borders of the entities. Furthermore, FBiH consists of ten Cantons, and each of them is entitled to some competences regarding local transport and infrastructure.

At the state level, the competent institution is the Ministry of Communication and Transport of BiH which is a part of the BiH Council of Ministries. As stated by the "Law on Ministries and Other Bodies of Administration of BiH", the Ministry is competent, among other areas, for international and inter-entity transport and infrastructure, including related development of contracts, agreements and other acts, relations with international organizations, preparation and development of strategic and planning documents. The Ministry is also competent for activities regarding control of unimpeded transport in international transport, civil aviation and civil air transport control.

At the entity level, the Federation Ministry of Transport and Communications and the Ministry of Transport and Communications of Republika Srpska are responsible for management of railways, roads, air traffic, waterways, traffic, security and inspections in the

same modes of transport and related infrastructure. The Agency for Traffic Safety, established in 2011, as a governance organization within the Ministry of Transport and Communications of Republika Srpska, was established by the RS Law on Traffic Safety, by the decision of the Government of the Republika Srpska. In FBiH cantons have competencies regarding regional roads, local transport services within the Canton territory, and urban transport. In Brčko District, the Department of Public Affairs of the District is responsible for roads, railway transport and inland navigation in the Brčko District area.

Management, construction, reconstruction, maintenance and protection of highways is performed by the Public enterprise Motorways of FBiH in FBiH and Public company Motorways of RS in RS. The main roads are managed by the entity road companies: Public enterprise Roads of FBiH in FBiH and Public company Roads of RS in RS. Management of regional roads is under the competence of cantonal Road Directorates in FBiH while the local road network is managed by relevant municipal authorities in FBiH and RS.

In Brčko District, Department of Public Affairs of the District is responsible for supervision, management, maintenance and protection of public roads as well as of facilities on these roads. Management, maintenance and protection of public roads and part of unclassified roads, which are determined by a special decision, are the responsibility of Government of Brčko District of BiH. Public enterprise Brčko District Roads is the infrastructure manager for all roads in Brčko District and in charge for the implementation of plans approved by the Government of Brčko District.

In the area of rail traffic, at the state level the Railways Regulatory Board of BiH (RRB) has been established. The Board lays down technical standards and technical specifications and controls the railway sector in BiH including issuing, monitoring and revoking licenses, security certificates and permits. Railways of FBiH (*Željeznice FBiH*) is the infrastructure manager and train operator for all traffic types on railways in FBiH and Railways of Republika Srpska (*Željeznice RS*) in RS. All railway transport to/from Brčko District is jointly operated by the railway companies from both entities. The BiH Railways Public Corporation (BHRPC) is an independent body established by the agreement between the BiH Federation and Republika Srpska, which has significant competencies in relation to developing and investing in the BiH railway corridors, the interoperability of the railway system as well as other competencies not being fully exercised (train path allocations, setting and adjusting railway infrastructure charges).

The BiH Directorate of Civil Aviation (BHDCA) is the authority responsible for performing regulatory functions, certification and supervision in the areas of civil aviation and air traffic control. The country has four international airports that are certified by BHDCA: Sarajevo (passengers and cargo operations), Tuzla (passengers and cargo), Mostar (passengers) and Banja Luka (passengers and cargo).

The BiH Air Navigation Services Agency (BHANSA) is responsible for: the provision of air traffic control services, provision of communication, navigation and surveillance services, provision of aeronautical information services, provision of aeronautical meteorological services, operations of the rescue coordination center in search and rescue, education and training of air traffic control staff, export and import for the needs of the Agency, other tasks and operations providing for safe air navigation. The Agency provides air navigation services in the airspace of Bosnia and Herzegovina for the Flight Information Region (FIR Sarajevo).

The Agency may also provide air navigation services outside of the airspace of Bosnia and Herzegovina and it should be regulated by an international agreement with Bosnia and Herzegovina being a contracting party therein. It secures the conditions for taking over the control and management of airspace.

Two ports have been established in FBiH: Neum on the sea coast consisting of a marina only managed by the Port Authority Neum and Ostrožac on Neretva River for inland navigation boats managed by the Port Authority Ostrožac. Public enterprise Port of Brčko is the operator of Brčko port, primarily handling goods with reduced traffic volume over last years. The Port of Brčko is on the list of priority infrastructure projects (SPP) as the only port to be modernized in the following period in order to meet the country's needs. The Port Authority belonging to Republika Srpska is located in the District of Brčko performing tasks defined by the Law on Inland Waterways of Republika Srpska.

The EC Report for Bosnia and Herzegovina from 2016 identified the need to strengthen the administrative capacity for all modes of transport in the country.

Detailed descriptions of relevant institutions and their competences are given in Annex 1.

2.1.3. Sector and donor coordination

Although specific sector coordination has not been established in BiH coordination within the transport sector takes place as needed through the regular duties of relevant institutions. The Working Group for Preparation of List of Priority Projects oversees the implementation of the Single-Project-Pipeline (SPP).

In order to effectively implement the vertical coordination of the European integration process in Bosnia and Herzegovina, set under the Stabilization and Association Agreement, the BiH Council of Ministers adopted the Decision on a coordination mechanism in 2016. The decision defines an institutional and operational system and coordination approach between BiH institutions in implementing activities in the context of EU accession, and joint bodies within the coordination system, their composition, jurisdictions and mutual relations.

Following the adoption of this Decision, the working groups for European integration have been established with members representing competent institutions at all levels of government in Bosnia and Herzegovina.

General donor coordination takes place under the auspices of BiH Ministry of Finance and Treasury (MoFT) through Donor Coordination Forum meetings and Donor Mapping database, including international financial institutions. EU donor coordination is under the responsibility of Directorate of European Integration (DEI). Consultations with donors take place also at other/all levels of government. The MoFT organises Donor Coordination Forum meetings two to three times a year and publishes annual donor-mapping reports indicating the active donors including contributions per each sector.

In Republika Srpska the Ministry of Economic Relations and Regional Cooperation, as coordinator of the European integration process, monitors the financial assistance provided by

the EU and cooperates with the Delegation of EU to BiH. The Ministry also cooperates with international organisations in areas related to coordination of donor support, and keeps a register of donations in the public sector.

The EU Delegation holds regular coordination meetings with EU Member States to exchange policy views and to streamline the EU and MS assistances for Bosnia and Herzegovina to be coherent and complementary. The EU Delegation cooperates with other donors through its regular participation in the Donor Coordination Forum meetings.

Coordination with donors and IFIs, for infrastructure projects in particular, takes place also through the National Investment Committee (NIC). The National Investment Committee was established in 2015, wherein DEI has the role of a technical secretariat. Regular donor coordination in the sector is not in place and currently operates on an ad hoc or project-by-project basis, mainly through bilateral/multilateral agreements with other countries.

Funds for development of transport infrastructure are provided primarily in the form of loans from IFIs such as EIB, EBRD, CEB, KfW, World Bank, and also from bilateral cooperation with other countries. One of the leading donors in BiH is the European Union, providing support through IPA, WBIF and CONNECTA.

IFIs involved in financing in the transport sector primarily communicate directly with entities without thorough consultations at the state level since major jurisdictions over development of transport sector are on the level of entities. State level institutions are consulted for matters related to inter-entity and international projects.

2.1.4. Mid-term budgetary perspectives

The key document for the multi-annual budget framework is the Budget Framework Paper (BFP). The preparation of the BFP is governed by the separate budget laws for the State, the FBiH, the RS and the BD, but the planning procedures and calendars for the BFP are broadly similar at each level of government.

A consolidated macro-fiscal framework for the State, the two Entities and the BD is laid down in the Global Framework on Fiscal Balance and Policies (GFFBP). The GFFBP covers the macroeconomic projections for the three-year period ahead and summarizes in composite tables the proposed fiscal projections for the State, the Entities and the BD.

Furthermore, the BFP provides three-year budget projections for each of the budget users. The budget projection for the first year is used as a ceiling for the preparation of the annual Budget for each budget user.

The BFP contains information on priorities and new policy proposals that are reflected in the expenditure projections. Both the RS and the FBiH have prepared Economic Policy Papers that guide the selection of priorities. However, there is not an established practice of preparing medium-term strategic documents at sectoral level, which are costed and incorporated in the medium-term budget projections. In addition, there are insufficient administrative capacities in place to ensure the linkage between the sector strategy and the MTEF.

The BFP does not note long-term capital investment costs, since most capital investment is financed from external sources and not included in the budgetary arithmetic for any of the levels of government. They are included separately in the Public Investment Programme (PIP), which is prepared on a rolling basis separately from current expenditures. It makes use of separate software, Public Investment Management Information System (PIMIS), which is accessible and used by the Council of Ministers and the Governments of the RS, the FBiH and the BD. The Council of Ministers and each Government approves the PIP, including projects related to its mandate in parallel with the BFP. The Sector for Coordination of International Economic Assistance in the Ministry of Finance and Treasury maintains the system and also prepares a consolidated country PIP.

The global framework of the fiscal balance and policies in BiH for the period 2017-2019 was drafted on the basis of the *Law on the Fiscal Council in BiH*⁴. The document contains all the necessary elements for fiscal policy-makers in BiH to produce their BFP for the period 2017-2019. These elements are fiscal targets defined as the primary fiscal balance (the primary surplus and the primary deficit), projections of total indirect taxes based on macroeconomic projections and their allocation for the next fiscal year, as well as the upper debt limit of the budget of the institutions of BiH, FBiH, RS and BD BiH. Entity BFPs for the period 2017-2019 has also been adopted.

In 2014, the BiH Council of Ministers adopted the Decision on the Process of Short-term Planning, Monitoring and Reporting in the Institutions of Bosnia and Herzegovina and Instruction on Methodology in the Process of Midterm Planning, Monitoring and reporting in the Institutions of Bosnia and Herzegovina with the aim to develop efficient budgeting and to introduce strategic planning into BiH institutions (Official Gazette of the CoM No.44/15, 45/15). The Decision on the Procedure of Mid-term Planning, Monitoring and Reporting in the Institutions of BiH began to be applied at the start of the budget year 2015, creating a better basis for medium-term planning and budgeting in the institutions of BiH. In this regard, the BiH Council of Ministers developed Mid-term Work Program for the period 2018-2020, which provides a basis for the preparation of mid-term plans of the work of other institutions of BiH.

In 2014, the Government of the FBiH adopted the Regulation on planning of work and reporting on the work of the Government of the FBiH, ministries and institutions (Official Gazette of the FBiH, No. 89/14 , 107/14). This Regulation defines the obligations of all Federation ministries to prepare three-year strategic plans, annual work plans and annual work reports. The Regulation also defines the process of drafting and adopting plans and work reports, including methodology, which need to be followed by ministries.

In 2016, the Government of the Republika Srpska adopted the Decision on the Procedure of Planning, Monitoring and Reporting on the Realization of Adopted Strategies and Plans of the Government of the Republika Srpska and Republic Administrative Bodies (Official Gazette of the Republika Srpska, No. 50/16). This Decision is a basis for preparing policies, regulations and regulations impact assessment, as well as for organizing and coordinating the work of the Government of the Republika Srpska and Republic Administrative Bodies. The Decision began to be applied at the beginning of 2017.

⁴ Official Gazette of BiH, 63/08

Implementacijom projekta "Jačanje kapaciteta za strateško planiranje i razvoj politika- SPPD - faza II", koja je u toku, započela je normativna uspostava sistema planiranja u Brčko distriktu BiH.

2.1.5. Performance assessment framework

The Performance Assessment Framework (PAF) for the transport sector has not been developed. The BiH Council of Ministers prepares annual performance reports including reporting on the activities in the competence of the Ministry of Communication and Transport of BiH.

There has been recent progress in adopting a state level Framework Transport Policy and the Framework Transport Strategy, which is also a step forward towards the country benefitting from the Connectivity Agenda. The Framework Transport Strategy includes an elaborate Action Plan for all levels of government for the next 15 years however it needs an upgrade to include targets and associated indicators in order to enable performance monitoring.

The following indicators related to transport sectors have been included in the draft revised ISP for BiH for the period 2014-2020:

- Logistics performance indicator – score (WB);
- Climate-related expenditures moving towards the target of 20% by 2020 (EC).

ADDITIONAL CRITERIA⁵

2.1.6. Public finance management (incl. budget transparency)

2.1.7. Macro-economic framework

2.2. Overall assessment

BiH is committed to building a well-developed transport system and promoting transport policies that are efficient, safe, secure and sustainable in order to create conditions for a competitive industry that generates jobs and prosperity. This commitment is confirmed by the recent progress in adopting a state level Framework Transport Policy and the Framework Transport Strategy, which is also a step forward towards the country benefitting from the Connectivity Agenda. The Strategy and its Action plan need a further upgrade to include targets and associated indicators in order to ensure efficient implementation.

The funds for development of transport sector are provided primarily from IFIs in form of loans and the consultations with donors take place on an ad hoc or project-by-project basis. Coordination with donors, for infrastructure projects, is also carried out through the National

⁵ Particularly relevant is Sector Budget Support will be used as the main type of financing.

Investment Committee (NIC). The Single Project Pipeline (SPP) for the transport sector has been developed, but needs to be revised and updated. There is a need in strengthening of administrative capacities at all government levels for the WBIF application process including capacities for the project preparation process.

There is sufficient institutional framework, with the MoCT as the lead sector institution at the state level and entity MoTCs maintaining sectoral competencies in the entities. Sectorial coordination within the transport sector in BiH takes place as required within the scope of work of sector institutions and specific sectorial coordination has not been established. The administrative capacities in institutions require further strengthening for improved coordination between the various competent institutions and efficient implementation of the Strategy.

The Medium Term Expenditure Framework (MTEF) with three-year general budget planning of institutions in BiH and general annual budget planning of institutions in BiH is in place. However, the MTEF for transport sector in BiH has not been established. Ultimately, the budget will need to incorporate the priorities identified by the transport sector linking budget expenditures in the mid-term period to the sector-wide programmatic goals.

Based on the assessment, it can be concluded that the transport sector can be considered satisfactory in relation to the sector approach and eligible for financing under IPA II programme. The financing of the transport sector under IPA II programme will further strengthen the financial and technical capacities of the relevant authorities in the transport sector and will accelerate the alignment with EU *acquis*.

3. RELEVANCE WITH OTHER POLICIES AND STRATEGIES

The relevance of the development of the transport sector in BiH has been addressed in other key domestic and EU policies and strategies. These policies and strategies are:

Stabilization and Association Agreement- SAA

Article 106 of the Stabilization and Association Agreement (SAA) states that the cooperation should be focused on priority areas related to the Community *acquis* in the field of transport. Further it states that the cooperation should aim at restructuring and modernizing the transport modes in Bosnia and Herzegovina, improving the free movement of passengers and goods, enhancing the access to the transport market and facilities, including ports and airports, supporting the development of multi-modal infrastructures in connection with the main Trans-European networks, notably to reinforce regional links in the South East Europe in line with the Memorandum of Understanding on the development of the Core Regional Transport Network, achieving operating standards comparable to those in the Community, developing a transport system in Bosnia and Herzegovina compatible and aligned with the Community system and improving the protection of environment in transport.

EU Bosnia and Herzegovina 2016 Report

BiH 2016 Report prepared by EC states that more efforts are needed to strengthen the financial and technical capacity of stakeholders in all transport sectors. In 2017 BiH should,

among other issues, strengthen the regulatory framework and its coordination and administrative capacity to help ensure the country will continue to benefit from the Connectivity agenda. The action gives significant contribution to BiH transport sector to implement this EC recommendation.

South East Europe 2020 Strategy- SEE 2020

The Sustainable growth pillar of the SEE 2020 Strategy aims to boost growth and jobs by supporting a strong, diversified and competitive economic base, while becoming better connected, more sustainable, and more resource efficient. Under the sustainable growth pillar, the Transport dimension aims to ensure transport services which are affordable, reliable and sustainable, at the same time building a more competitive economy while making efficient use of resources, protecting the environment and reducing emissions. In order to achieve this goal, following key activities are foreseen:

- Develop and implement measures to improve the utilisation rate of transport infrastructure on the SEETO Comprehensive Network by removal of physical and non-physical bottlenecks and unnecessary technical cross-border barriers;
- Develop co-modal solutions by optimisation of individual transport modes and focus on energy-efficient and environmentally-friendly transport modes;
- Introduce measures to reduce energy consumption and costs per unit of transport service;
- Put forward measures to improve the ratio of railway and waterborne transport, foster liberalisation of railway services and open the rail transport market to competition;
- Enhance aviation transport activities and air traffic cooperation in the region and implement JSPA initiative to facilitate air transport;
- Increase the use of Intelligent Transport System in the transport sector.

EU Strategy for the Adriatic and Ionian Region- EUSAIR

The EU Strategy for the Adriatic and Ionian Region (EUSAIR) is a macro-regional strategy which aims at creating synergies and fostering coordination among all territories in the Adriatic-Ionian Region. Under the Connecting the region pillar, coordinated by the Italy and Serbia, following specific objectives have been identified:

- To strengthen maritime safety and security and develop a competitive regional intermodal port system;
- To develop reliable transport networks and intermodal connections with the hinterland, both for freight and passengers;
- To achieve a well-interconnected and well-functioning internal energy market supporting the three energy policy objectives of the EU – competitiveness, security of supply and sustainability.

EU Strategy for Danube Region- EUSDR

Among 11 priority areas addressed by the Danube Region Strategy, two priority areas are related to the transport sector: Priority area 1A: Waterways mobility and priority area 1B- Rail- Road- Air mobility.

Transport Community Treaty

Bosnia and Herzegovina signed the Transport Community Treaty on September 18, 2017, thus joining the initiative involving regional cooperation in the field of transport in the Western Balkans. The Treaty will allow access to the EU transport market for all modes of transport except aviation in exchange for application of EU norms as well as regional market integration.

Connectivity Agenda

The Western Balkans countries will benefit from the “Connectivity agenda” which aims to prepare and finance concrete regional infrastructure investment projects, and also implement technical standards and soft measures such as aligning/simplifying border crossing procedures, railway reforms, information systems, road safety and maintenance schemes, unbundling and third party access. The National Investment Committees (NICs) are responsible for defining and managing the prioritised Single Project Pipelines, and serve as a basis for programming of all available financing sources (including national and other donors). The European Commission will, via the Western Balkans Investment Framework (WBIF), co-finance and mature transport projects from the TEN-T (Trans-European Transport) Core Network, together with loans from the international financial institutions.

Framework Agreement on the Sava River Basin

Bosnia and Herzegovina, Republic of Croatia, Republic of Slovenia and Federal Republic of Yugoslavia have signed the Framework agreement on the Sava River basin in order to achieve the following goals:

- Establishing an international regime of navigation on the Sava River and its navigable tributaries;
- Establishing sustainable water management;
- Undertaking measures to prevent or limit hazards, and reduce and eliminate adverse consequences, including those from floods, ice hazards, droughts and incidents involving substances hazardous to water.

Strategic Framework for BiH

The Sustainable growth objective of the Strategic Framework for BiH focuses on a balanced regional development and improved resource efficiency and sustainability as support to enhancing social and economic self-sustainability and creating better conditions for local growth and employment. Under this objective following priorities related to the transport sector have been identified:

- Establish a system which will contribute to balanced regional development;
- Adopt regulatory framework for transport;
- Develop all types of transport in BiH based on the model which enables sustainable development of the transport system in function of energy efficiency, while taking care of the environment and better safety of all participants in transport;
- Liberalisation of railway transport.

The Economic Reform Programme BiH 2017-2019

The Economic Reform Programme BiH 2017-2019, generally considering sustainable and competitive transport as a key challenge for BiH, puts the special emphasis to underdeveloped transport infrastructure in all modes of transport, as well as to inadequate institutional efficiency and financial sustainability of the system.

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PART TWO– SECTOR SUPPORT

NOTE: PART TWO AIMS AT DESCRIBING THE PLANNED FINANCIAL ASSISTANCE FOR THE SECTOR (OR SUB-SECTOR) WITH A MULTI-ANNUAL PERSPECTIVE FOR PROGRAMMING AND HOW THIS WILL FEED INTO IPA II ACTION PROGRAMMES.

4. FINANCIAL ASSISTANCE CONTEXT

4.1. Relevance with the IPA II Indicative Strategy Paper

The revised Indicative Strategy Paper for Bosnia and Herzegovina 2014-2020 includes the Transport sector under its interventions with renewed IPA assistance to this sector, in line with the SAA commitments and the EU Enlargement Strategy, following the adoption of a 2016-2030 country-wide framework transport strategy and action plan in July 2016, based on related entity strategies.

IPA II aims to support the further alignment with the EU legislation, improvement of administrative capacity for managing transport policies, identification of priority projects, improvement of transport infrastructure network, particularly multi-modal networks that are part and/or connected to the main Trans-European and Core Regional Transport networks.

The Indicative Strategy Paper foresees the following results to be achieved with EU support:

- Transport policies and legislation further aligned with the EU legislation and best practice, including to support the 2015 Paris Agreement on Climate Change and to increase global expenditure dedicated to climate action;
- Institutional capacity for implementation of transport policies improved at all levels of government;
- Continued implementation of the transport sector reforms, with a focus on the rail sector.
- Sustainability of investment projects improved through support to realistic maintenance programmes and to the coordination of relevant stakeholders for funding operating expenditures;
- Transport safety significantly improved;
- Investments in transport infrastructure advanced in line with indicative extension of the TEN-T Comprehensive/Core Network to the Western Balkans development plan priorities and the connectivity agenda;
- Progress made in implementation of the technical standards and connectivity reform measures;
- Improved medium-term planning of investments in the transport sector based on a well-functioning single selection mechanism for identifying priority investments.

The support largely reflects the objectives of the Indicative Strategy Paper enabling the country to achieve progress in areas covered by the **Stabilisation and Association Agreement (SAA)** such as: fostering regional cooperation; promoting the free movement of goods; boosting economic growth and competitiveness; improving the quality of life of citizens; promoting creation of jobs and improving the region's transport infrastructure.

The interventions also contribute to the regulatory framework and its coordination and administrative capacity to help ensure the country will continue to benefit from the Connectivity agenda. Implementation of priorities identified in the Sector Strategy and its Action Plan provides the essential framework for the sector-wide approach enabling the country to improve cooperation and coordination between different government levels in the transport sector.

4.2. Lessons learned from past and on-going assistance

The transport sector's most urgent needs in BiH were financed in the past through EU funds, donors and International Financial Institutions. IPA I provided substantial support, in particular to upgrade the trans-European transport networks (corridor Vc), to improve railway infrastructure and to rehabilitate the Sava river waterway. IPA support to the sector along with other donors is presented in the following table:

In the recent period, the EU Commission has conditioned the investments in the transport sector with the adoption of sector-wide policy documents, which has limited BiH from benefiting from IPA financial assistance to the transport sector. The recent adoption of Framework Transport Policy in 2015 and Framework Transport Strategy of BiH in 2016 enabled the IPA II support for priority activities in the sector. Therefore, the transport sector in the country needs to use the momentum of recent progress to speed up the process of further alignment with the *acquis* and provide the pre-conditions for improvement of the infrastructure.

Coordination in the sector is paramount for effectiveness and efficiency of interventions as it enables sharing of information, especially for lower level institutions and agencies, since they are often disconnected from changes and progress happening at higher level. Competences in transport sector are divided between different levels of government requiring additional effort in planning and coordination among stakeholders. The assistance will therefore build on lessons learned through the use of already existing cooperation mechanisms to the highest extent possible while respecting each level of competence at every step. In order to further enhance the existing cooperation, a working group responsible for implementation and progress monitoring of Sector Strategy and Action Plan will be established during IPA II.

In 2015, Bosnia and Herzegovina established the National Investment Committee (NIC) framework and adopted a methodology for the selection and prioritisation of infrastructure projects, primarily financed through donors and IFIs in form of loans. While the establishment of NIC is a step forward in infrastructure investment planning, sectorial donor coordination is still not in place. Lacking sector specific strategic focus donor coordination in the past has not produced the desired impact. Therefore, understanding that cost effectiveness and benefits come with sector specific strategic focus in donor coordination, IPA support needs to be coupled with effective communication with donors and IFIs. This primarily means

that the sector needs to support the “Working Group for Preparation of List of Priority Projects” in preparation and monitoring of the Single-Project-Pipeline (SPP). Furthermore, understanding that effective donor coordination is essential for sustainability of investments, the key stakeholders⁶ will create a basis to initiate regular donor coordination for the sector.

Bosnia and Herzegovina can reach its full economic potential only by integrating closely with wider regional markets. Regional integration, both physical and commercial, is becoming even more important as Bosnia and Herzegovina has a border with the EU, following Croatia’s accession to the EU. In the past insufficient readiness and immature project proposals faced obstacles, slowdowns and delays during execution. Building on the lessons learned from its experience with the initially slow implementation the country is committed to strengthening administrative capacities at all government levels for the WBIF application process. Therefore, the Ministry of Communication and Transport of BiH (MoCT BiH) will, in cooperation with the Directorate for European Integration (DEI), aim to advance the capacities of all stakeholders for the WBIF project preparation process.

5. PURPOSE OF IPA II SECTOR SUPPORT AND DESCRIPTION OF THE PRIORITIES FOR ASSISTANCE

5.1. Description of the sector priorities for assistance

On the basis of the issues identified in the previous chapters of the Sector Planning Document, IPA II assistance to the transport sector will cover capacity building, policy development, legislation approximation and preparation for investments in transport sector in view of integration of the transport networks in BiH within the region and with the EU, in line with relevant EU acquis and the agreed connectivity reform measures.

Overall and specific objective:

Actions in the Transport sector will be implemented with the overall objective to contribute to the creation of a dynamic for economic and social development in Bosnia and Herzegovina. Support will be provided for strengthening of financial and institutional capacity to follow the requirements for timely approximation of the EU acquis. Furthermore, the IPA II support will be used to effectively address the aforementioned issues in the sector, and create conditions for the construction and reconstruction of transport infrastructure lying on trans-European and regional core networks, as well as major feeders to these networks.

Therefore, two priority areas are identified, with specific objectives, expected results and set of Actions related to each priority area, and listed in the table below

<i>Priority area 1</i>	Infrastructure and Services
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⁶ Ministry of Communication and Transport of BiH (MoCT BiH), the entities Ministries (The Ministry of Transport and Communication of RS - MoTC RS and the Federal Ministry of Transport and Communications - FBiH MoTC), and Brčko District (BD) unit within BD government with competences for respective transport related issues

<i>Specific objective</i>	To develop transport infrastructure network and services necessary for safe and efficient transport
<i>Expected results</i>	<p>R1 Readiness for development of safe transport infrastructure and for (re)construction of priority railway and road sections in BiH increased</p> <p>R2 Technical conditions for rehabilitation of Sava river waterway in place</p> <p>R3 Safety of passengers in the domestic and EU air transport improved</p>
<i>Indicative foreseen activities to fulfil the results</i>	<p>A1.1. Prepare project documentation for priority sections⁷ of motorways and expressways in BiH (IPA 2018/2019/2020⁸)</p> <p>A1.2. Prepare project documentation for priority sections⁹ of regional and main road network in BiH (IPA 2019/2020¹⁰)</p> <p>A1.3. Prepare project documentation for modernization of priority sections¹¹ of railway network in BiH (IPA 2020)</p> <p>A 1.4. Prepare RSI for Core and Comprehensive Network in BiH</p> <p>A 1.5. Prepare Main Design for Railway level crossing safety (Railways of FBiH and Railways of RS)</p> <p>A2.1 Izrada glavnog projekta i procjena utjecaja na okoliš za regulaciju plovnog puta rijeke Save za potrebe plovidbe (povećanje gabarita plovnog puta, uređenje obala, itd.); (2020)</p> <p>A2.2 Deminiranje desne obale rijeke Save od ušća Une do ušća Drine; (2020)</p> <p>A3.1 Nabaviti i instalirati opremu za sigurnost aerodroma, „one-stop security“ standardi; (2019)</p>
<i>Implementation arrangements</i>	<p>Service contracts (A 1.1-A 1.5, A 2.1)</p> <p>Supply contract (A 3.1)</p> <p>Works contract (A 2.2)</p>
<i>Justification for the choice of implementation arrangements</i>	

⁷ Priority sections with details on documentation required are given in the annex

⁸ Since costs of required documentation are too high to be covered from one annual IPA Transport allocation, several IPA annual allocations are planned

⁹ Priority sections with details on documentation required are given in the annex

¹⁰ Since costs of required documentation are too high to be covered from one annual IPA Transport allocation, several IPA annual allocations are planned

¹¹ Priority sections with details on documentation required are given in the annex

Priority area 2	Regulativa i institucionalno jačanje
<i>Specific objective</i>	Unaprijediti institucionalne kapacitete za razvoj i primjenu transportnih politika usklađenih sa EU na svim nivoima vlasti BiH
<i>Expected results</i>	R4 Povećanje usklađenosti legislative u BiH sa EU Acquis-em i EU standardima R5 Povećana sigurnost i interoperabilnost saobraćaja, uz povećanje efikasnosti saobraćaja kroz multimodalne vidove transporta
<i>Indicative foreseen activities to fulfil the results</i>	<p>A 4.1 Analizirati postojeće stanje usklađenosti sa EU acquis u oblasti transporta u skladu sa nadležnostima institucija koje ih donose; (2018)</p> <p>A 4.2 Pružanje pomoći u cilju uspostavljanja sistema i implementacije elektronskog CIV i CIM obrasca u ŽFBiH i ŽRS.</p> <p>A 4.3 Nabavka software za NVR (national vehicle register) za ROŽ; (2018)</p> <p>A 4.4 Izraditi studiju poboljšanja kvaliteta željezničke infrastrukture prema TER i TSI standardima; (2020)</p> <p>A 4.5 Izraditi nove i ažurirati postojeće tehničke smjernice i propise za projektiranje, građenje, održavanje i nadzor nad cestama</p> <p>A 4.6 Pružiti podršku sprovođenju obaveza iz ECAA sporazuma; (2018) (twinning)</p> <p>A 4.7 Uskladiti propise u oblasti transporta sa propisima iz oblasti socijalnih pitanja i propisima iz oblasti zaštite životne sredine i standardima EU s ciljem smanjenja emisije štetnih gasova (ceste, unutrašnji plovidbeni putevi i avio saobraćaj), uključujući podršku prilagođavanju propisa sa zahtjevima koje postavlja NATURA 2000 za oblast transporta</p> <p>A 5.1 Izraditi tehničke smjernice i propise usaglašene sa EU standardima iz oblasti bezbjednosti saobraćaja; (2018)</p> <p>A 5.2 Identifikacija trenutnog stanja ITS sa prijedlogom unaprjeđenja za sve modove transporta na svim nivoima; (2018)</p> <p>A 5.3 Prijedlog uspostave nezavisnih tijela za istraživanje nesreća u željezničkom i avio saobraćaju, uključujući plovne puteve (havarije) uz učešće svih nadležnih institucija na svim nivoima vlasti; (2018)</p> <p>A 5.4 Tehnička pomoć pri uspostavljanju međunarodno priznatog tijela za statutarnu certifikaciju plovila (plovni putevi) uz učešće svih nadležnih institucija na svim nivoima vlasti; (2019)</p> <p>A 5.5 Pružiti podršku prema nadležnim ministarstvima na svim nivoima u cilju razvijanja administrativnih kapaciteta u cilju poboljšanja razine sigurnosti različitih oblika prometa</p> <p>A 5.6 Pružiti podršku za uspostavljanje centra za obuku mašinovođa (opremanje i obuka u ROŽ-u); (2019)</p> <p>A 5.7 Formirati baze podataka željezničke infrastrukture u skladu sa nadležnostima; (2019) 0,8 miliona eura</p> <p>A 5.8 Tehnička pomoć pri uspostavi Sistema intermodalnog transporta (uključujući Studiju istraživanja mogućnosti intermodalnog transporta u cargo saobraćaju (uvezivanje aerodroma, željeznica, kopnenih i plovnih puteva u BiH) u skladu sa nadležnostima institucija na svim nivoima vlasti, i uključujući izradu Studije mogućnosti formiranja dvojnog intermodalnog čvora Šamac-Brod-Brčko); (2019)</p>
<i>Implementation arrangements</i>	Service contracts (A 4.1, A 4.2, A 4.4, A 4.5, A 4.7, A 4.8, A 5.1- A 5.8) Twinning (A 4.6) Supply (A 4.3, A 5.6)

<i>Justification for the choice of implementation arrangements</i>	
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Implementation arrangements (if known):

e.g. Ministry of Public Administration in charge of management; delivery via a Twinning grant and a service contract

Justification for the choice of implementation arrangements (if applicable):

If indications on the implementation modes have been included in the previous section, provide here a justification of why such mode has been chosen and its added value compared to others.

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5.2. Indicator table

Indicator	Description	Baseline (year) (2)	Last available 2017	Target 2020	Final Target 2022 (5)	Source of information
CSP indicator (impact/outcome)....(1)						
WB transport logistics performance indicator	Logistics Performance Index (LPI) is the weighted average of a country's scores on six key dimensions	(2010) 2.66	(2017) 2.6	2.65	2.7	
Level of progress of transposition of EU acquis in the transport area	Progress made towards transposition of EU acquis in the transport area		(2017) Limited progress	(2020) Further alignment with EU acquis initiated	level of alignment with EU acquis improved	
% of tender dossiers	% of tender dossiers completed and ready for next stage of development of project documentation		0 tender dossiers foreseen in the SPD completed	10% tender dossiers foreseen in the SPD, and approved by EC, completed	50% tender dossiers foreseen in the SPD and approved by EC, are completed	
Level of regulatory measures enforcement	Regulatory measures in transport sub-sectors aligned with the EU acquis and legally enforced		Limited progress	Improved level of alignment in key subsectors	Improved level of alignment in key subsectors	
Safety, efficiency and level of services in all transport modes increased			Low level of safety, efficiency and level of services	Limited safety, efficiency and level of	Improved safety, efficiency and level of services	

				services		
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(1) This is the indicator as included in the Indicative Strategy Paper.

(2) The agreed baseline is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets.

(3) The last available data (and reference year)

(4) The milestone year CANNOT be modified: it refers to the mid-term review of IPA II.

(5) The target year CANNOT be modified.

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5.3. Assumptions, preconditions and risks

Assumptions: There is strong commitment at all levels of government to support future reforms and to fulfil their obligations in line with the EU integration process while all sector institutions coordinate efficiently during the the implementation of interventions planned under this SPD.

Preconditions: Demonstrated readiness for the implementation of each individual action, to ensure that the IPA II funds are allocated exclusively for the priorities that have been agreed with the required sector support. Furthermore, supported actions need to be aligned with the Framework Transport Strategy and Action Plan.

Risks: The risks are presented in the table below differentiated to the likelihood of their occurrence (high, medium or low probability of occurrence) with possible measures for mitigation of risks.

Risk	Level of risk- low(L), medium (M), high (H)	Mitigation measures
Following elections, new government may affect previous strategic decisions and commitments.	Medium (M) to High (H)	Regular alignment on vision and strategic decisions
Limited administrative and financial capacities of the institutions to implement proposed activities	Medium (M) to High (H)	Utilizing IPA 2017 TA support strengthen capacities at all government levels for coordination, strategic planning, evaluation and monitoring of Sector Strategy and Action Plan.
Delays or inability to introduce regulatory changes	Low (L) to Medium (M)	Support legislative processes by closely engaging operational staff, widely consulting all relevant stakeholders to secure public scrutiny, and advocating among policy-makers on the importance and implications of the proposed legislation.
Insufficient cooperation for implementation and progress monitoring of Sector Strategy and Action Plan	Medium (M) to High (H)	Establish working group responsible for implementation and progress monitoring of Sector Strategy and Actin Plan. Work with all stakeholders to raise their understanding of the importance of sector related policy documents and strengthen the quality while ensuring a transparent and participatory processes.

		mitigate the risk.
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6. COMPLEMENTARITY WITH OTHER FINANCIAL ASSISTANCE

According to the Donor Mapping Report 2015, Donor Coordination Forum (DCF) members active in the Transport sector in 2015 were EBRD, EIB, EU, Croatia and Sweden/Sida. Total disbursements to the sector in 2015 amounted to € 50.74 million, out of which € 4.74 million in the form of grants, and € 46.00 million in the form of loans. EU, Croatia and Sweden/Sida were the leading donors.

Sub-section 4.2. *Lessons Learned from Past and On-going Assistance* briefly describes previous and on-going IPA and other donor supported projects in the transport sector. IPA II support will follow up the activities implemented or being implemented through IPA 2011 and 2012, which delivered studies and design documents for priority infrastructure projects in BiH. IPA II funds will be primarily used for development of feasibility studies, impact assessments, design studies or other related services in order to prepare bankable investments which meet eligibility criteria for loan funding from IFIs or other donors.

With the aim to maximise the efficiency of the implementation of the foreseen activities, the coordinated approach of blending the grants with loans from IFIs and technical assistance through the Western Balkan Investment Framework (WBIF) will be used. In order to ensure that loans are able to address the priority development needs and to speed up investments considering the limited public resources available, the provision of IPA II funds will be coordinated in line with the WBIF to co-fund certain investments and combine the IFI loans with a limited amount of grant funding.

	Description	Source
Road transport		
Corridor Vc Bridge Svilaj (North)-Bijača (Sputh)	<ul style="list-style-type: none"> - Glavni projekat za dionicu Zenica sever-Nemila (IPA 2011); - Glavni projekat za međudržavni most Svilaj sa pristupnim putem (WBIF); - Izgradnja I nadzor većeg broja dionica (EIB, EBRD) 	IPA 2011, EBRD, EIB, WBIF
Route 2a Lašva-Jajce-Ugar-Banja Luka –Gradiška	<ul style="list-style-type: none"> - Glavni projekat za međudržavni most Gradiška (WBIF); - Glavni projekat (?) Mahovljani interchange (IPA 2009), izgradnja petlje (EBRD) - Prethodna dokumentacija s pratećim studijama za Lašva-Jajce-Ugar-Banja Luka, uključujući obilaznicu BanjaLuka 	WBIF IPA 2009, IPA 2012 EBRD

	(IPA 2012)	
Route 3 Sarajevo- Višegrad- Vardište	- Prethodna dokumentacija sa propratnim studijama	IPA 2012
Route 2b Sarajevo-Brod na Drini-Hum	<ul style="list-style-type: none"> - prethodna dokumentacija sa propratnim studijama za dionicu Brod na Drini - Hum uključujući međudržavni most preko rijeke Tare (IPF), - Glavni projekat za dionicu Brod na Drini - Hum uključujući međudržavni most preko rijeke Tare (IPA 2012); - prethodna dokumentacija sa propratnim studijama za dionicu Sarajevo –Brod na Drini (IPA 2012) 	IPF, IPA 2012
Railway transport		
Corridor Vc	- projektna dokumentacija za remont pruge i signalizaciju za veći broj sekcije (IPA 2009, IPA 2012, WBIF)	IPA 2009, IPA 2012, WBIF
Route 9a	<ul style="list-style-type: none"> - prethodna dokumentacija, overhaul, including electrification, telecommunications and signalisation of railway sections za Srpska Kostajnica - Doboj – Petrovo (IEBL)-Tuzla -IEB–Brcko (150 km) (IPA 2012); Prethodna dokumentacija za sekcije Tuzla–Caparde (IEBL) including reconstruction of tunnel Krizevici i Banja Luka–Novi Grad–Dobrljin, produžetak sekcije Srpska Kostajnica - Doboj – Petrovo (IEBL)-Tuzla -IEB–Brcko 	IPA 2012
Waterway transport		
Sava river	Rehabilitation and Development of Transport and Navigation on the Sava River Waterway (project suspended in xxx)	IPA 2010

	<ul style="list-style-type: none"> • Demining of the BiH bank of the Sava River and the associated riverbed; • Provision of main design for re-establishment of the navigation route from Bosanski Brod/Brcko to Belgrade 	
Capacity building		
	<p>Twinning Assistance in institutional building of BiH civil aviation authority related to European Common Aviation Area (ECAA)</p> <p>Twinning: Technical assistance to the Ministry of Communications and Transport of Bosnia and Herzegovina (MoCT) concerning implementation of projects under IPA</p>	<p>IPA 2008</p> <p>IPA 2007</p>
	Construction and equipment for BH RRB Head-quarters Building	IPA 2012

7. CROSS-CUTTING ISSUES

Equal opportunities and gender mainstreaming:

The impact of the actions are considered to be beneficial for both men and women. Gender mainstreaming will be ensured in all aspects whenever possible, e.g. composition of various implementing, administrative or supervising bodies, gender sensitive language etc. All collected data in the studies and analyses within the action – where applicable – will be gender segregated.

Equal opportunity principles and practices in ensuring equitable participation and non-discrimination within the action will be facilitated.

Minorities and vulnerable groups:

Practices ensuring equitable participation and inclusion of representatives of minorities and vulnerable groups (displaced person, refugees, Roma and youth) will be facilitated in all activities. Furthermore, the activities will incorporate risk assessments, ensuring that solutions, results and impacts correspond to identified risk needs and put special focus on vulnerable categories.

Engagement with civil society:

The involvement of civil society will be crucial during the implementation of activities. The civil society is expected to be actively involved in the consultation process during development of project documentation (particularly in Environmental Impact Assessments) and related public consultations.

Environment and climate change:

PA II assistance to the transport sector in Bosnia and Herzegovina will be programmed and implemented with careful consideration of the close interconnection between transport and environment, inclusive of climate change and related policies and the international obligations of Bosnia and Herzegovina. Given the environmental impact of transport networks all proposed infrastructure projects will need to undergo assessments in accordance with environmental impact assessment law.

8. SUSTAINABILITY

Sustainability of the interventions will be ensured through the involvement of all actors (at state level, level of entities as well as canton level). These structures will benefit from specific support to their capacities, for implementation of the Sector Strategy and Action Plan, and for the WBIF application process. The improved cooperation and coordination, which will remain once the actions are completed, will enable scaling up of good practices as well as lessons learned. All institutions will continue to use the models and tools that have been developed during the implementation process. Similarly, legislation introduced during the assistance will be beneficial for the EU accession process in the long term.

The priorities in the Framework Transport Strategy are focused on the development of a **sustainable** transport sector in BiH. Therefore, only activities that can realistically achieve the sustainability requirement set out by the Strategy are being proposed in this SPD.

Taking into account the crucial role played by this sector in the EU integration, the willingness of all involved institutions at all levels of government to optimise and profit from the IPA II assistance in view of eventual attainment of consolidated, robust and sustainable coordination must be assumed, and should be taken for granted.

9. SECTOR SUPPORT BUDGET

Programming period: 2018-2020

	ESTIMATED COSTS (EUR)	COMMENTS
Priority area 1		
Activity 1.1.1-1.1.3	7.170.000	IPA 2018
Activity 1.1.4, 1.1.5,1.1.7,1.2.1, 1.2.2	41.400.000	IPA 2018
Activity 1.1.6	12.000.000	IPA 2019?
Activity 1.1.8. 1.1.11	16.500.000	IPA 2019
Activity 1.1.9	2.000.000	IPA 2019
Activity 1.1.10	18.000.000	IPA 2020
Activity 1.2.3	1.000.000	IPA 2018
Activity 1.3.1	3.000.000	IPA 2018
Activity 1.3.2,1.3.3	2.500.000	IPA 2020
Activity 1.4	1.000.000	IPA 2020
Activity 1.5	1.000.000	IPA 2018
Activity 2.1.1	5.000.000	IPA 2020
Activity 2.1.2	2.000.000	IPA 2020
Activity 3.1	500.000	IPA 2019

Total for Priority 1	113.070.000	
Priority area 2		
Activity 4.1, 4.5, 4.7, 5.1, 5.2, 5.3	2.000.000	IPA 2018
Activity 4.2, 4.3, 4.4	1.000.000?	IPA 2020
Activity 5.4 5.5, 5.6, 5.7, 5.8	1.500.000	IPA 2019
Activity 4.6	500.000	IPA 2018 Twinning
Total for Priority 2	5.000.000?	
TOTAL FOR SECTOR		

10. CHRONOGRAM FOR PROGRAMMING AND IMPLEMENTATION

EXAMPLE BELOW

SECTOR TITLE	2014		2015				2016				2017				2018				2019				2020				2021				2022			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PRIORITY 1																																		
...																																		
PRIORITY 2																																		
...																																		

P = Programming (i.e. period when the IPA Action Programme is expected to be adopted)

C = Procurement and grant award procedures (i.e. up to Contracting)

I = Implementation period

Note re. Programming: all planned Activities under a given Action may not necessarily become part of the same IPA Action Programme but spread over successive programmes (e.g. 60% of Action 1 to be part of a Country Action Programme in 2014 and the remaining 40% - i.e. Action 1 part 2 - to feed into a Country Action Programme in 2016).

LIST OF ANNEXES

- **Annex 1:** Description of relevant institutions in transport sector
- **Annex 2:** Sector support roadmap
- **Annex 3:** Lista prioritetnih dionica predloženih aktivnosti za rezultat R1 i R2 (Tematski prioritet Infrastruktura i usluge), sa detaljima o vrsti potrebne dokumentacije i procijenjenim troškovima

DRAFT

Annex 1: DESCRIPTION OF RELEVANT INSTITUTIONS IN TRANSPORT SECTOR

Institution/ Body/ Organization	Description
State level	
Ministry of Communication and Transport of BiH (MoCT)	<p>Responsible for international and inter-entity transport and infrastructure, including related development of contracts, agreements and other acts, relations with international organisations, preparation and development of strategic and planning documents; control of unimpeded transport in international transport, civil aviation and civil air transport control.</p> <p>The Ministry of Communications and Transport of BiH (MoCT) includes Sector for Transport Infrastructure, Preparation and Implementation of Projects with Department for Roads, Railways, Waterways, Ports and Pipelines and Department/Unit for Implementation of Projects (PIU). PIU prepares and participates in the development and implementation of policies, strategies and studies in the field of transport and transport infrastructure, coordinates the activities related to the construction of infrastructure facilities of international and inter-entity character.</p> <p>Key roles of the MoCT are:</p> <ul style="list-style-type: none"> - Drafting the laws and other legal acts for road transport, including international agreements (bilateral and multilateral); - Monitoring the status and implementation of the international conventions and agreements related to the road transport; - Monitoring the international and inter-entity road transport; - Coordination in implementation of major road projects (e.g. Motorway in Corridor Vc); - Participation in relevant international organisations (SEETO, CEMT, etc.); - Participation in policy development in co-ordination with the entities and Brčko District.
BiH Directorate of Civil Aviation (BHDCA)	<p>BHDCA is an administrative organization within the MoCT BiH responsible for performing regulatory functions, certification of aviation entities and supervision in the area of civil aviation and air traffic control. Its organization and management, competences and responsibilities are regulated by the Aviation Law of Bosnia and Herzegovina.</p>
BiH Air Navigation Services Agency (BHANSa)	<p>BIHANSa is the authority/agency responsible for provision of the air traffic control services, provision of communication, navigation and surveillance services, provision</p>

Institution/ Body/ Organization	Description
	of aeronautical information services, provision of aeronautical meteorological services, operations of rescue coordination center in searching and rescuing, education and training of the air traffic control staff, export and import for the needs of the Agency, and other tasks and operations that are related to the provision of safe air navigation.
BiH Railway Regulatory Board (RRB)	Jurisdiction and responsibility of Railway Regulatory Board of Bosnia and Herzegovina are regulated by the Law on Railways of Bosnia and Herzegovina. The Railway Regulatory Board of Bosnia and Herzegovina lays down technical standards and technical specifications and controls the railway sector in BiH, taking into account the EU directives on railways. The Regulatory Board is the sole authority responsible for issuing, monitoring and revoking licenses, security certificates and permits. In that sense, the Railways Regulatory Board issues instructions and lays down forms regarding the submission of applications and conditions for issuing licenses, security certificates and permits. The Regulatory Board also issues instructions for the safety and interoperability of the rail system, monitors compliance with these instructions, and approves the railway equipment necessary for safety and interoperability. The Railways Regulatory Board BiH controls the railway sector and reports on inspection controls, carries out accidents investigations and reports on them, keeps records and publishes statistics on accidents, and acts as the appellate body for railway operators when the railway company considers that, it is unequally treated in relation to other railway companies at allocation of railway infrastructure capacity. The Railways Regulatory Board BiH is a designated body in Bosnia and Herzegovina for the certification of bodies responsible for the maintenance of freight wagons.
Bosnia and Herzegovina Railways Public Corporation (BHRPC)	<p>BHRPC has been established under the Agreement between the BiH Federation and Republika Srpska concluded on the basis of Annex 9 of the Dayton/Paris General Framework Agreement for Peace in BiH (Official Gazette of the Federation of BiH 46/98 and the Official Gazette of the Republika Srpska 21/99). From the institutional aspect, the responsibilities of the BHRPC are as follows:</p> <p>- to ensure the solutions which are fully in compliance with the EU Directives, in particular with the Directive 91/440/EEC and later texts (etc. Directive 2008/57,</p>

Institution/ Body/ Organization	Description
	<p>2001/14, 2004/49, 2016/796, 2016/797, 2016/798).</p> <ul style="list-style-type: none"> - concerning rail transport to ensure operation in accordance with the rules adopted by the International Union of Railways (UIC), OCTI, CIT or other similar organisations, - to develop rail transport on the Corridor Vc and the parallel Corridor X, - to secure international assistance for BiH railways reconstruction and modernisation, - to bring into the line the signaling, telecommunications and other railway systems between the Entities. - the train allocation path for inter-entity and international traffic and the preparation of publications of the relevant timetables, - checking the compliance between EU and BiH regulation, - determination and alignment the infrastructure charges and accounts payments between railway companies, - to look into possibilities for improving and increasing inter-entity and international railway transport services, - to investigate international requirements for the efficient railway traffic on the Corridor Vc and parallel Corridor X (railway section Zagreb-Dobrljin - Banja Luka – Doboj – Tuzla – Zvornik – Beograd), and to define the investments on these lines, - to seek, allocate and manage donations for railway sector, - to act as a joint international railway representative of the BiH railway sector entities, - to act in the capacity of a joint representative or independently in the procurement of railway equipment, the reconstruction of railway infrastructure elements or rolling stock with a special mandate given by the Entities or railway companies.
National Investment Committee (NIC)	NIC is composed by the Chairman of Council of Ministers of BiH, Minister of

Institution/ Body/ Organization	Description
	Finance and Treasury of BiH, Minister of Foreign Trade and Economic Relations of BiH, Minister of Foreign Affairs of BiH, Minister of Communications and Transport of BiH, Minister of Civil Affairs of BiH, National Coordinator for IPA, Prime Minister of FBiH, Prime Minister of RS, Mayor of BD) and is responsible for the promotion of systematic infrastructure investment planning and harmonisation between the financial resources during project preparation and implementation phases, coordination of activities related to the definition of the Single Project Pipeline based on the methodology on the project preparation and prioritisation for each infrastructure sector.
Entity level- FBiH	
Federation Ministry of Transport and Communications (MoTCFBiH)	<p>Responsible for administrative and professional work for railway, road, air, waterborne, traffic, safety and inspections in the same modes of transport and related infrastructure.</p> <p>The Ministry includes the Sector for Road Transport and Sector for Road Infrastructure which participates in coordination for implementation of the projects with international and inter-entity relevance (Corridor Vc) and drafting the strategic planning documents and infrastructure projects related to roads.</p> <p>Key roles of the MoTCFBiH are:</p> <ul style="list-style-type: none"> - Drafting the laws and other legal acts for road transport; - Managing and monitoring the law enforcement for the responsibilities given by the current legislation; - Participating in coordination for implementation of the projects with international and inter-entity relevance (CorridorVc); - Drafting the strategic planning documents and infrastructure projects related to roads.
Public Enterprise Highways of FBiH	Infrastructure manager for motorways and expressways in FBiH
Public Enterprise Roads of FBiH	In charge for infrastructure management for magisterial roads in FBiH
Railways of FBiH	Infrastructure manager and train operator for all traffic types on railways in FBiH
Entity level- RS	
Ministry of Transport and Communication of RS	The Ministry of Transport and Communications performs administrative and professional tasks related to: road traffic, road traffic safety, technical validity of motor vehicles and issuing approvals for the operation of stations for technical inspection of motor vehicles, public roads (motorways, main roads and regional roads), distribution of international bilateral licenses for the transport of goods in international road traffic, issuing licenses for drivers and vehicles in international

Institution/ Body/ Organization	Description
	road traffic; railway traffic, railway traffic safety, railway infrastructure, industrial railways, urban railways and cableways, verification of railway equipment production companies, approval of prototype devices and admission to the traffic of new railway vehicles; air traffic, airports, airline companies, associations in the field of air traffic; river and lake traffic, safety of river and lake traffic, regulation of waterways, vessels and their registration, waterway infrastructure (ports, docks, freight-loading points and other), issuance of certificates of competency for boat handling, traffic approvals and permissions for sailing ships; combined transport and transshipment services; communications system; radio-communications; postal, telegraph and telephone traffic; telecommunications, telecommunication infrastructure of the broadcasting system; monitoring and directing the development of all types of traffic and telecommunications; coordination of the traffic reform according to the rules of the European Union; proposing laws and passing bylaws in the field of traffic; coordination in the preparation of long-term and medium-term planning documents for the development of traffic in the Republika Srpska; development of strategic infrastructure projects and investment programmes in the field of traffic and other infrastructure works that are important for the sustainable development of the Republika Srpska, which are either fully or partially financed by the budget funds; provision of information through the media and other forms of information about its work, drafting of laws and bylaws within the competences of the Ministry and other tasks in accordance with the law.
Agency for Road Safety in RS	Administrative organization within the Ministry of Transport and Communication of RS, founded in 2011 by the Government of Republika Srpska.
Railways of RS	Infrastructure manager and train operator for the public transport of passengers and freight on the territory of RS.
Public Enterprise Motorways of the RS	Public Enterprise "Autoputevi RS" (Motorways of the RS) is in charge of organizing the planning and designing the construction of highways and expressways, the organization of financing, construction, reconstruction, maintenance and protection of the network and highways and expressways in the RS, and the maintenance of a single database of this network and other operational tasks.
Public Enterprise Roads of RS	Jurisdiction over main and regional roads. Public Enterprise "Putevi RS" (Roads of the RS) is in charge of organizing the planning and designing the construction of main and regional roads, the organization of financing, construction, reconstruction, maintenance and protection of the network of main and regional roads in the RS, and the maintenance of a single database of this network and other operational tasks.
Brčko District	
Government of Brčko District-Department of Public Affairs	Responsible for reparation of plans for rehabilitation, upgrade and construction of

Institution/ Body/ Organization	Description
	roads, railway and Port of Brčko in the Brčko District.
Public Enterprise Port of Brčko	Operator of Brčko port, primarily handling goods with reduced traffic volume over last years.
Canton level institutions	
Cantonal ministries	<ul style="list-style-type: none"> - Ministry of Transport, Communications, Tourism and Environmental Protection of Posavina Canton - Ministry of Trade, Tourism and Transport of Tuzla Canton - Ministry of Physical Planning, Transport and Communications and Environmental Protection of Zenica-Doboj Canton - Ministry of Transport and Communications of Herzegovina- Neretva Canton - Ministry of Transport of Sarajevo Canton - Ministry of Economy of West Herzegovina Canton - Ministry of Economy of Canton 10 - Ministry of Economy of Central-Bosnia Canton - Ministry of Economy of Bosna-Podrinje Canton - Ministry of Economy of Una-Sana Canton
Cantonal directorates for roads	<ul style="list-style-type: none"> - Public Administration Directorate for Regional Roads of Una-Sana Canton - Public Administration Directorate for Regional Roads of Tuzla Canton - Cantonal Directorate for Roads of Zenica- Doboj Canton - Directorate for Roads of Bosna- Podrinje Canton - Cantonal Directorate for Roads of Central-Bosnia Canton - Administration for Roads of West Herzegovina Canton - Directorate for Roads of Sarajevo Canton

SECTOR APPROACH ROADMAP

Sector: Transport

MAIN CRITERIA

CRITERIA	BASELINE		2018	2019	2020
Sector policy and strategy	<ul style="list-style-type: none"> Framework Transport Policy of Bosnia and Herzegovina for the period 2015-2030 in place, with the overall objective of sustainable development of the transport system of the country Framework Transport Strategy of Bosnia and Herzegovina (2016-2030) in place (foresees strategic actions to be implemented for each administrative level and includes an Action Plan with actions to be implemented in road, railways, air transportation and inland waterways sectors). 	STEPS	<ul style="list-style-type: none"> Implement selected priority infrastructure projects listed in the Sector Strategy 	<ul style="list-style-type: none"> Implement selected priority infrastructure projects listed in the Sector Strategy Develop an elaborated Action Plan for implementation of the Sector Strategy (utilizing IPA 2017 TA) 	<ul style="list-style-type: none"> Begin implementing Elaborated Action Plan
		TARGETS	<ul style="list-style-type: none"> Sector Strategy and action plan under implementation 	<ul style="list-style-type: none"> Sector strategic implementation framework with indicators fully elaborated Strategy and action plan under implementation 	<ul style="list-style-type: none"> Sector Strategy and Elaborated Action plan under implementation Short-term measures identified in the strategy largely implemented

CRITERIA	BASELINE		2018	2019	2020
Institutional setting and capacity	<ul style="list-style-type: none"> The Ministry of Communication and Transport of BiH has the overall responsibility for coordinating activities in the sector with cooperation from relevant entity ministries, particularly in the areas of international and inter-entity transport infrastructure, strategic planning and relations with international organizations. Entity ministries for transport are responsible for the infrastructure in the territory of the respective entity, policy, relevant legal and regulatory framework, and ensuring the provision of appropriate levels of funding to ensure the maintenance and development of the infrastructure. 	STEPS	<ul style="list-style-type: none"> Using available Technical Assistance support strengthening of administrative capacities at all government levels for WBIF application process, preparing a project pipeline, and other key capacity building areas. Establish working group responsible for implementation and progress monitoring of Sector Strategy and Actin Plan 	<ul style="list-style-type: none"> Utilizing IPA 2017 TA support strengthening of capacities at all government levels for strategic planning, evaluation and monitoring of Sector Strategy and Action Plan. Organize regular working group meeting(s) 	<ul style="list-style-type: none"> Utilizing IPA 2017 TA support strengthening of capacities at all levels of government for coordination and implementation of Sector Strategy and Action Plan. Organize regular working group meeting(s)
		TARGETS	<ul style="list-style-type: none"> The capacities of state, entity (FBiH, RS and BD) and cantonal institutions for infrastructure related applications improved 	<ul style="list-style-type: none"> Capacities of institutions at all levels of government to evaluate and monitor Sector Strategy and Elaborated Action Plan improved 	<ul style="list-style-type: none"> Capacities of institutions at all levels of government to coordinate and implement, Sector Strategy and Elaborated Action Plan improved
Sector and donor coordination	<ul style="list-style-type: none"> Sectorial coordination takes place as required within the scope of work of sectoral institutions. No specific sectorial coordination is in place. No regular sectorial donor coordination in place. Coordination with donors currently operates on an ad hoc on or project-by-project basis General donor coordination is carried out by BiH Ministry of Finance and Treasury (MoFT) 	STEPS	<ul style="list-style-type: none"> Organize regular annual sector coordination meeting with participation of relevant institutions and donors and IFIs in the transport sector Organize regular meetings of the Sector Working Group to support the annual update and monitor progress under the Single-Project-Pipeline (SPP). 	<ul style="list-style-type: none"> Organize regular annual sector coordination meeting with participation of all relevant institutions and IFIs in the transport sector Organize regular meetings of the Sector Working Group to support the annual update and monitor progress under the Single-Project-Pipeline (SPP) 	<ul style="list-style-type: none"> Organize regular annual sector coordination meeting with participation of all relevant institutions and IFIs in the transport sector Organize regular meetings of the Sector Working Group to support the annual update and monitor progress under the Single-Project-Pipeline (SPP)

CRITERIA	BASELINE		2018	2019	2020
	<p>through Donor Coordination Forum meetings and Donor Mapping database, including international financial institutions.</p> <ul style="list-style-type: none"> The Working Group for Preparation of List of Priority Projects oversees the implementation of the Single-Project-Pipeline (SPP). 	TARGETS	<ul style="list-style-type: none"> Regular sectorial coordination initiated Regular donor coordination initiated 	<ul style="list-style-type: none"> Harmonized coordination of relevant institutions in planning and implementation of activities in the transport sector operational Regular donor coordination established 	<ul style="list-style-type: none"> Harmonized coordination of relevant institutions in planning and implementation of activities in the transport sector operational Donor support consistent with priorities listed in the Framework Transport Strategy of Bosnia and Herzegovina (2016-2030).
Sector budget	<ul style="list-style-type: none"> Medium Term Expenditure Framework (MTEF) with three-year general budget planning of institutions in BiH in place. General annual budget planning of institutions in BiH in place. Public Investment Management Information System (PIMIS) in place and maintained by MoFT/MoFs to provide information on all public investment program (PIP) proposals and funded investment projects. 	STEPS	<ul style="list-style-type: none"> Regular update of Public Investment Management Information System (PIMIS) 	<ul style="list-style-type: none"> Utilizing IPA 2017 TA support strengthening for preparation of multi-year cost estimates for implementation of Sector Strategy and Elaborated Action Plan Regular update of Public Investment Management Information System (PIMIS) 	<ul style="list-style-type: none"> Prepare multi-year cost estimates for implementation of Sector Strategy and Elaborated Action Plan Regular update of Public Investment Management Information System (PIMIS)
		TARGETS		<ul style="list-style-type: none"> Sector specific capacities for estimating Sector Strategy and Elaborated Action Plan implementation costs in place 	<ul style="list-style-type: none"> Planning of sector strategy implementation costs within MTEF and annual budget planning of institutions in BiH at different government levels introduced
Sector monitoring system	<ul style="list-style-type: none"> Overall performance assessment framework does not exist Weak monitoring capacities Performance indicators not developed 	STEPS		<ul style="list-style-type: none"> Develop baselines and annual results targets/indicators Introduce regular data collection and reporting 	<ul style="list-style-type: none"> Introduce performance review of strategy and action plan Prepare annual report on implementation of Sector Strategy and Action Plan Regular data collection

CRITERIA	BASELINE		2018	2019	2020
		TARGETS	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Data collection and reporting for performance review operational 	<ul style="list-style-type: none"> Regular reporting on implementation of Sector Strategy and Action Plan established Annual progress report for the Sector Strategy published

ADDITIONAL CRITERIA

CRITERIA	BASELINE		2018	2019	2020
Public finance management (incl. budget transparency)	<ul style="list-style-type: none"> Summary based on analysis in Part I of the Sector planning document Xxx Xxx 	STEPS	<ul style="list-style-type: none"> e.g. conduct IMF fiscal transparency code 	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx
		TARGETS	<ul style="list-style-type: none"> e.g. PFM strategy under implementation 	<ul style="list-style-type: none"> e.g. SAI produces and publishes performance audits 	<ul style="list-style-type: none"> e.g. anti-corruption bodies, opposition and non-state actors use the increased information in their dialogue with the executive
Macro-economic context	<ul style="list-style-type: none"> Summary based on analysis in Part I of the Sector planning document Xxx Xxx 	STEPS	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx
		TARGETS	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx 	<ul style="list-style-type: none"> Xxx

Annex 3 Lista prioritetnih dionica predloženih aktivnosti za rezultat R1 i R2 (Tematski prioritet Infrastruktura i usluge), sa detaljima o vrsti potrebne dokumentacije i procijenjenim troškovima

Br.	Predložena aktivnost	Vrsta prometne komunikacije (u okviru koje SPD aktivnosti je dionica)	Vrsta potrebne projektne dokumentacije					Kojoj mreži pripada predložena dionica				Okvirni iznos potrebnih novčanih sredstava (Euro)	Predložena godina IPA II alokacije 2018, 2019, 2020
			Idejni projekat	Glavni projekat	Preliminarna studija	Studija opravdanosti	Studija utjecaja na okoliš	Core / osnovna mreža	Comprehens/sveobuhvatna mreža	Feeder (na koju dionicu unutar koje mreže)	Ni jednoj EU putnoj mreži		
1.1.1	Izraditi glavni projekat za putni pravac Tunel Ivan – Ovčari	Autoput Koridor VC (A 1.1)		+		+	+	da	da			3.000.000	2018
1.1.2	Izraditi glavni projekat na putnom pravcu Ovčari – tunel Prenj	Autoput Koridor VC (A 1.1)		+				da	da			2.670.000	2018
1.1.3	Izraditi glavni projekat na putnom pravcu Tunel Prenj - Mostar sjever	Autoput Koridor VC (A 1.1)		+				da	da			1.500.000	2018
1.1.4	Izraditi idejni i glavni projekat za autoput Banja Luka – Mliništa	Autoput (A 1.1)	da	da	završeno	da	da	djelimično	djelimično	Na rutu 2a		18.000.000	2018

1.1.5	Izraditi idejni i glavni projekat za autoput Banja Luka – Novi Grad	Autoput (A 1.1)	da	da	završeno	da	da	ne	ne	Na rutu 2a		14.000.000	2018
1.1.6	Izraditi preliminarnu studiju za autoput Vukosavlje – Bijeljina	Autoput (A 1.1)	da	da	djelimično	da	da	ne	ne			12.000.000	2019
1.1.7	Izraditi GP, FS, ESIA za obilaznicu oko Banja Luke – brzi put, na Rutu 2a; dionica Banja Luka – gr. Ugar	Brzi put (A 1.1)	da	da	urađeno	da	da	da	da			5.000.000	2018
1.2.1	Izraditi GP, FS, ESIA za magistralni put M-16, na Rutu 2a; dionica Banja Luka – gr. Ugar	Magistralni put (A 1.2)	da	da	urađeno	da	da	da	da			2.000.000	2018
1.2.2	Uraditi projektnu dokumentaciju za poboljšanje puta na Rutu 2b (Sarajevo-Brod na Drini (Foča)) (IP, GP, FS, ESIA, RSI)	magistralni put (A 1.2)	da	da	urađeno	da	da	ne	da			2.400.000	2018
1.1.8	Izraditi projektnu dokumentaciju (IP, GP, FS i ESIA) za izgradnju brzog puta za Rutu 3 (Sarajevo-	Brzi put (A 1.1)	da	da	urađeno	da	da	ne	da			15.000.000	2019

	Višegrad)												
1.1.9	Izraditi projektну dokumentaciju (GP, FS i ESIA) za izgradnju brze ceste na Rutu R2a, dionica Jajce-Travnik-Nević Polje	Brza cesta (A 1.1)		+		+	+	da	da			2.000.000	2019
1.2.3	Uraditi idejni i glavni projekat, studiju opravdanosti, ESIA za obilaznicu Stolac	(A 1.2)	+	+		+	+	ne	ne			1.000.000	2018
1.1.10	Izrada preliminarne studije i projekata, za brzu cestu/ magistralnu cestu na Rutu 9a, Doboj-Tuzla-Zvornik	Brzi put/magistralni put	da	da	da	da	da	ne	da			18.000.000	2020
1.1.11	Izraditi projektну dokumentaciju (GP, FS i ESIA) za izgradnju brze ceste na Rutu 3 (Sarajevo-Višegrad) dionica kroz FBiH, Prača-Hranjen-Goražde	Brza cesta (A 1.1)		+		+	+	ne	da			1.500.000	2019

1.3.1	Pripremiti tehničku dokumentaciju (idejni i glavni projekat i relevantna studija i tenderska dokumentacija); pruga Ruta 9a, sekcija Tuzla-Caparde-Zvornik-Srb. (uključujući tunel Križevići) i sekcija Banja Luka-Novi Grad-Dobrljin-Hrv.	Željeznička pruga (A 1.3)	+	+		+	+	ne	da			3.000.000	2018
1.3.2	Izraditi studiju izvodljivosti i glavni projekat za dionicu pruge Tuzla-Banovići	Željeznička pruga (A 1.3)		+		+	+	ne	ne			1.500.000	2020
1.3.3	Izraditi glavni projekat obnove pruge Zenica Putna – Zenička Željezara) (veza na koridor Vc)	Željeznička pruga (A 1.3)		+				ne	ne	Na Koridor Vc		1.000.000	2020
1.4	Prepare RSI for Core and Comprehensive Network in BiH							da	da			1.000.000	2020

1.5	Prepare Main Design for Railway level crossing safety (Railways of FBiH and Railways of RS)	Željeznička pruga (A 1.5)		+								1.000.000	2018
2.1.1	Izrada glavnog projekta i procjena utjecaja na okoliš za regulaciju plovnog puta rijeke Save za potrebe plovidbe (povećanje gabarita plovnog puta, uređenje obala, itd.)	Plovni put (A 2.1)		+			+	da	da			2.000.000	2020
2.1.2	Deminaranje desne obale rijeke Save od ušća Une do ušća Drine	Plovni put (A 2.1)						da	da			5.000.000	2020
	TOTAL											112.570.000	