

EU PPF6 - Training #8

Preparation of technical documentation with main emphasis on preparing FSs

JASPERS Contribution (practical application)

Belgrade, 12 March 2019

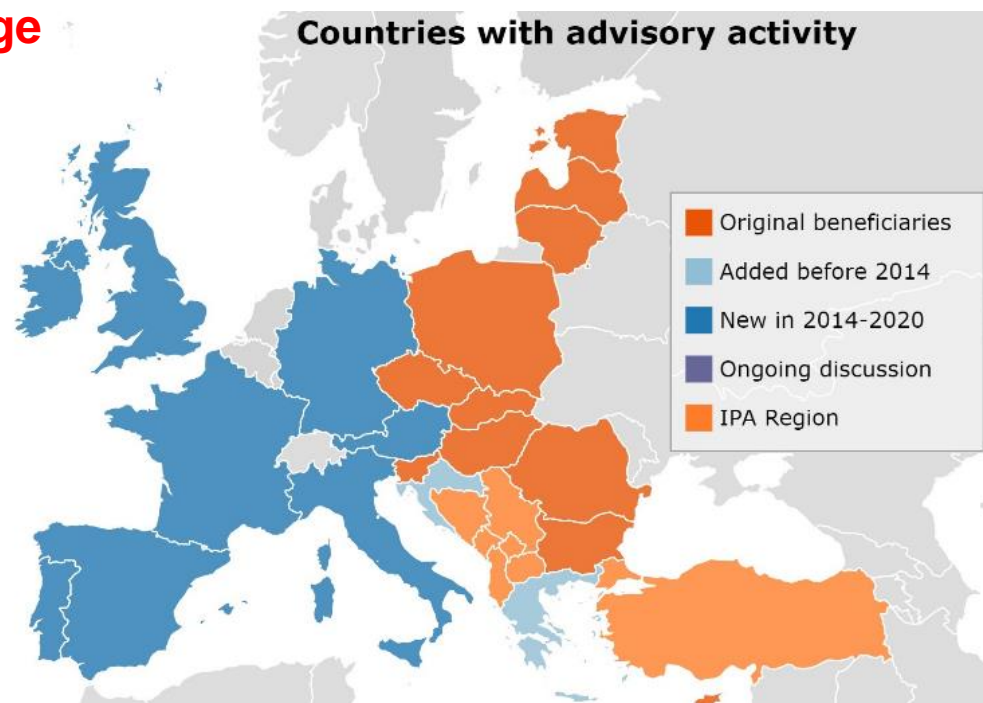
1. Denis Jakubik, Senior Transport Engineer, RAM Division (Railway, Air and Maritime Activities); Sofia Office; (past experience in (waste)water services)
2. Based on JASPERS summarized experience (applicable to all sectors with “flavor of (waste)water projects”)
3. **Re to Agenda:** Preparation of technical documentation for infrastructure projects - JASPERS role:
 - Introduction (**about JASPERS**);
 - key screening elements (**– elements of support**);
 - (**some practical**) tips and suggestions (**– some common mistakes**)

} combined

Please interrupt (comment, ask, share your experience) - particularly if something is questionable / unclear

‘Joint Assistance to Support Projects in European Regions’

- A **technical assistance** partnership between Commission’s [DG Regional and Urban Policy](#), and [EIB](#) started in 2006.
- Provides **independent advice** and capacity building **support** to [beneficiary countries](#) to help prepare and assess high quality major projects to be co-financed by [EU Structural and Cohesion Funds](#).
- JASPERS assistance **is free of charge**
- Available to EU 28 + IPA region
- Main focus on **major projects** with eligible cost exceeding EUR 50m (EUR 75m for sustainable transport and networks)
- Supports also **smaller** innovative projects, grouping of investments
- Knowledge sharing and public **administrations’ strengthening**



Functional areas of activity 2014-2020



Project Advisory

Project advisory in
EU20+IPA

Expansion to other EU
MS based on demand

Focus on Major Projects
and sectoral issues



Capacity building and cross- sectoral issues

All EU28 and IPA

EU-wide multi-country
capacity building
(Networking Platform)

In-country capacity
building and training

Advisory on cross-
sectoral topics



Independent Quality Review

Independent expert
appraisal of cohesion-
funded Major Projects as
envisaged by EU
Regulations and relevant
Implementing Acts

Support to CEF and Investment Plan for Europe (European Investment Advisory Hub)

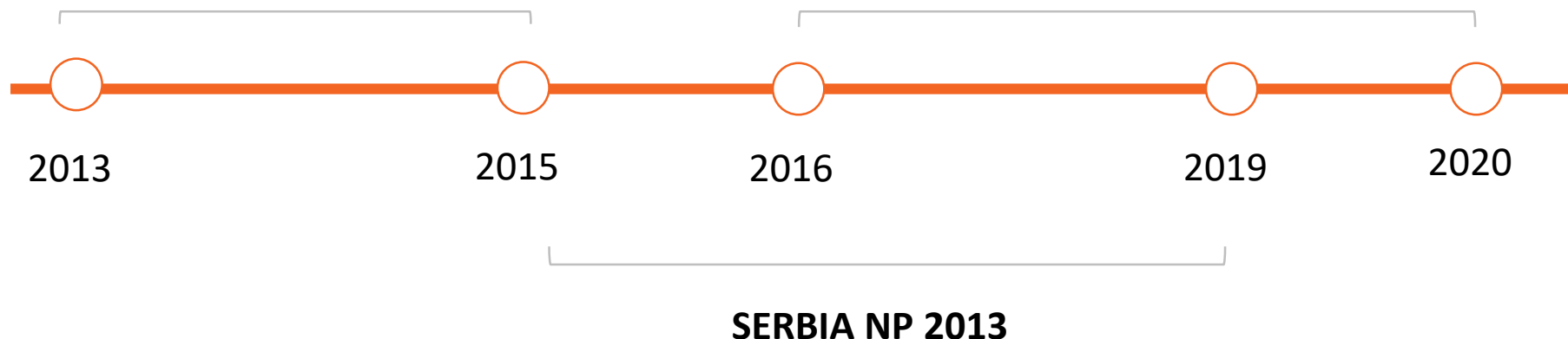
Eligible for WBIF activities

IPA I

- Serbia
- the former Yugoslav Republic of Macedonia / North Macedonia
- Montenegro

IPA II

- Albania
- **Bosnia and Herzegovina**
- Kosovo*
- Montenegro
- Serbia
- the former Yugoslav Republic of Macedonia / North Macedonia
- Turkey



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Introduction - JASPERS Sectors (4/6)

1. Energy and Solid Waste Division

2. Rail, Air and Maritime Division

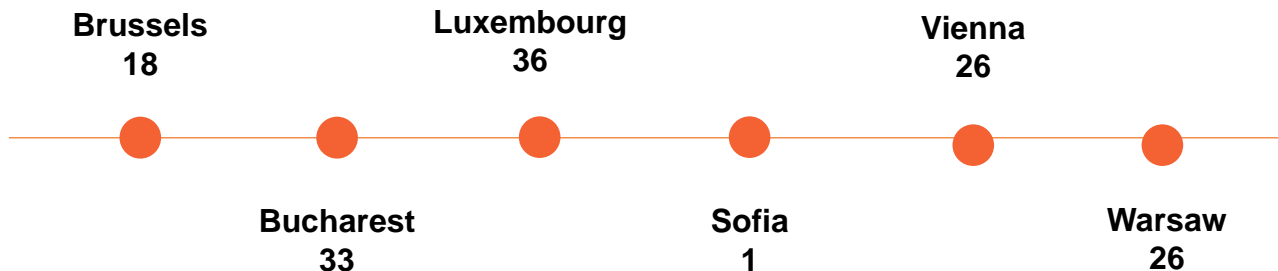
**4. Smart Development
Division (incl. RDI)**

**5. Water and
Wastewater Division**



3. Roads Division

6. JASPERS Networking and Competence Center – Capacity Building, Knowledge Sharing and Advisory on Horizontal Issues (i.e. State aid, climate change, PPPs, CBA, EIA, etc.)

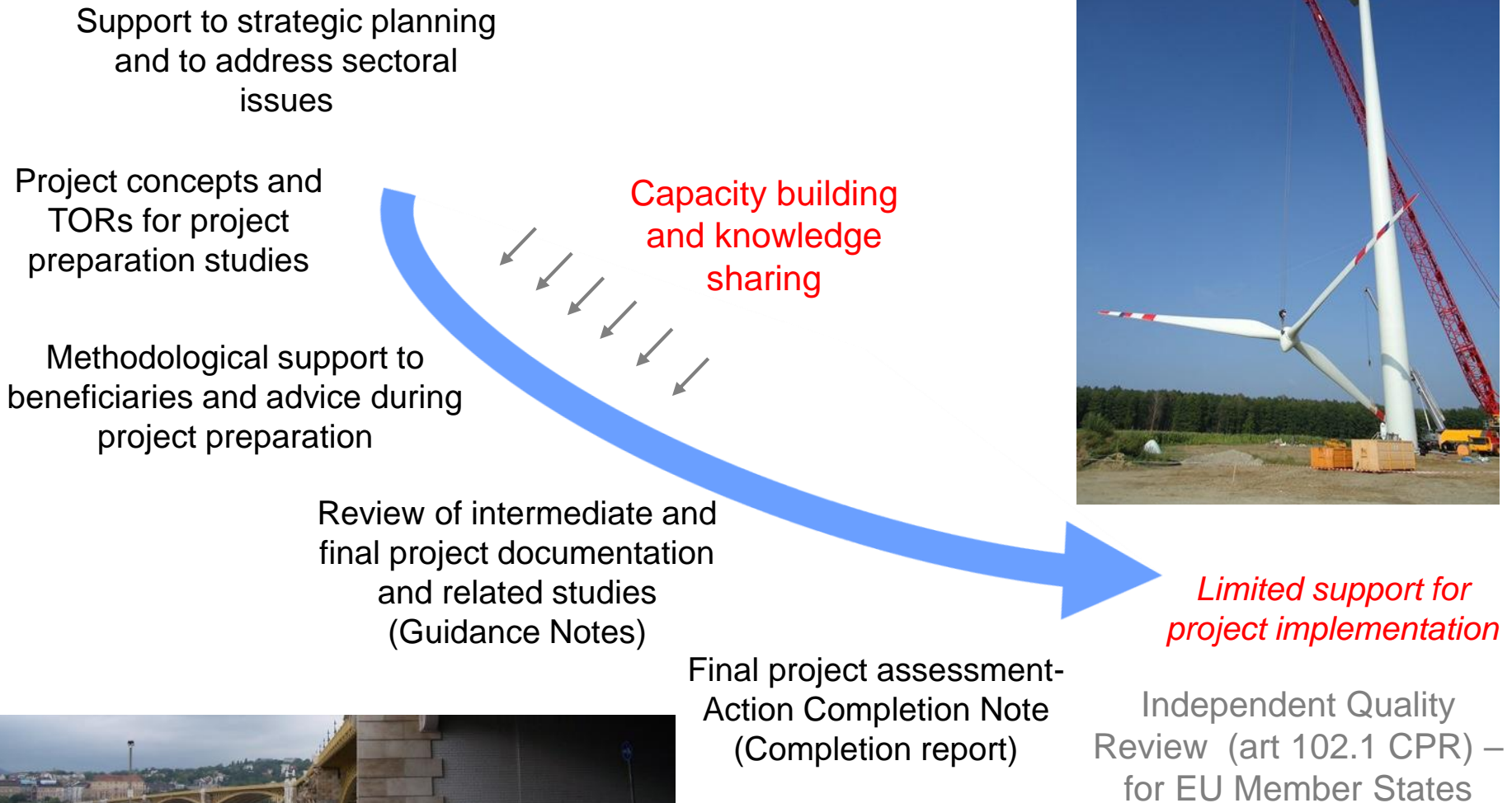


Introduction - JASPERS portfolio of services (5/6)

- 1** Support for the preparation of sector strategies and Master Plans
- 2** Support to project screening and prioritisation to maximise effectiveness of available funds in a sector
- 3** Support to project preparation through methodological advice and review and comments on intermediate and final project document
- 4** Capacity building through hand-on approach during project preparation support, dedicated training events, train-the-trainers workshop, and working papers
- 5** Integrated support in cross-sector projects (e.g. urban development projects in the context of the Smart Cities concept)
- 6** Support to the preparation of programmes and schemes (e.g. calls for proposals for non-Major projects, energy efficiency schemes)
- 7** Support for the definition and standardisation of project approval criteria and clarification of issues arising during the approval process
- 8** Support for the removal of bottlenecks to realise projects (e.g. advice on State-aid)
- 9** General methodological guidance (e.g. on cost-benefit analysis, climate change adaptation)
- 10** Appraisal of projects to ensure their soundness, quality, and compliance with relevant regulations (e.g. Independent Quality Review to facilitate approval)
- 11** Support to project implementation through advice on procurement strategies, draft tender documents and establishment of Projects Implementation Units, limited ad-hoc support for contract administration; **HIGH DEMAND IN ANNUAL PROGRAMMING APPROACH**
- 12** Preparation of technical assessments to serve as the basis for policy decisions and regulations

- Engineers, Economists, Urban planners, State Aid and Environmental/Climate specialists
- Multilingual and multicultural teams and local presence
- Relevant expertise from regional offices could be mobilized elsewhere, where needed

Introduction - JASPERS in project cycle (6/6)



- The Legal Basis for (Major) **Projects Appraisal** (e.g. Regulation No. 1303/2013; Delegated Regulation (EU) No 480/2014 supplementing 1303/2013; Implementing Regulation 2015/207 laying down detailed rules for 1303/2013). Link to relevant IPA regulation;
- **Guide to CBA** of Investment Projects (2014-2020);
- Above documents set **information required for project appraisal**;
- Supported with **comprehensive and logical** sequences of good engineering practice and overall needed expertise;
- The main principles of the above are applicable to **all EU grant and IFIs projects** (including the IPA countries);
- Independent advisory role (**not consultants, auditors, inspectors**) without commercial interest;
- **FINAL Decisions** with the Project Promoters;
- **Action Completion** Notes summarise activities and conclusions per required information (including significant outstanding issues) – **see page 15**;

Thus,

- Independent support for a sort of “quality assurance” of the planning and project preparation process (projects “fit for purpose”);
- Helping in rational use (the most effective for the highest possible added value for the society) of (EU) money through ensuring reasonable and acceptable (minimal) level of needed planning aspects (including affordability and sustainability);
- Project Application Forms (whatever EU-grant is concerned) only Administrative Process based on quality inputs;
- (IPA) Programming / Financing Application Procedure – Operational Programmes (DGREGIO) and Annual Action Programmes (DG NEAR);

Elements of support (3/13) – SHORTLY ABOUT STRATEGIES, MP ... (1/1)

- One of the **core activities** of JASPERS (planning and identification);
- **Simplified**: Existing situation → Problems → Needs → Objectives →
→ **Measures (soft and infrastructure)**; independent of financing; base for further steps (project pipeline and relevant FS);
- Main issues (**past spatial planning decisions-also for FS?**):
 - ✓ Needed level of **details**;
 - ✓ **Retrofitted** to existing (detail) designs and “other pressures”;
 - ✓ Even if the entire process is properly done, usually ends with **wish lists of projects** (instead with measures linked to analyses) making further planning process (practically) redundant;
 - ✓ **Single Project Pipeline** (is it always relevant? (in all IPA countries))
- Often **need for regionalization** for infrastructure and institutional / affordability needs;
- Needs to look also at the **capacity of the service providers** to improve efficiency (soft measures);
- ***Surveys and (GIS) data base of existing infrastructure asap (creates problems from the beginning throughout project realization process)*** ¹¹

MAIN SUGGESTION:

Perhaps to apply “private sector philosophy” using tools eligible for public sector?

BACKGROUND (details about FS/CBA in next session)

- Project Preparation (or formulation) mostly **seen as a unnecessary bureaucracy** which takes time (and money) instead of constructing something – lack of familiarization with relevant regulations;
- **Lack** of national (and in-house) **knowledge of and experience** in the methodology (EU recognized);
- **Reluctance/fear of changes** (new solutions / approaches including regionalization, operation, affordability and sustainability) influenced sometimes also politically and by the (waste)water companies (interrelated); **or** the other extreme: **aiming for highly sophisticated technologies and over-ambitious requirements;**

- 1. TIMING – TOO FAST TOO URGENT:** Fast-tracking preparation (insufficient time for rigid and strict approval process (elongated approach to finalizing projects)), underestimated budget => **insufficient quality** (one of the main issues for further implementation);
- 2. CONCLUSIONS BEFORE ANALYSIS:** Reluctance to move away from past spatial planning decisions (**“break administrative borders”**), pre-defining key design parameters before studying the needs (higher projections resulting in reduced sustainability), heavily relying on existing situation and in-house “experience” (**knowledge gap**) aiming for ambitious requirements – **linked to below**;
- 3. TO NEED OR NOT:** Lack of appropriate analysis of the actual problems and needs – shall be problem driven and not “because”; heavy needs for reconstruction, but often with over reliance on models and not practical experience;

- 4. OPTIONS:** Lack of appropriate option analysis (“creation of artificial options”): all-inclusive solutions shall be considered; pre-defined technology (start with analyzing simple, solid and proved solutions); achievement of overall objectives can be phased;
- 5. TOO MUCH DESK, TO LITTLE GROUND:** Lack of sufficient investigation works (geo, topo, existing situation); transferred to implementation with large risks of uncontrolled costs and time overruns;
- 6. ECONOMICS, ENVIRONMENT (legal obligation) and CLIMATE CHANGE:** Often treated as formalities but actually key for financing approval; however, sometimes “CBA” overused (retrofitted) instead to confirm the appropriateness, *what would be “private sector approach”?*;
- 7. IMPLEMENTATION? and O&M?:** Implementation starts at the initial project stage! mistakes of preparation result in snowball effect in **implementation (time and money) and O&M (sustainability)**

EXAMPLES OF JASPERS ACTION COMPLETION NOTES:

[ACNDB ACN Upgrading Water Supply and Construction of the Sewerage Network and Waste Water Treatment Plant in the municipality of Berane.pdf](#)

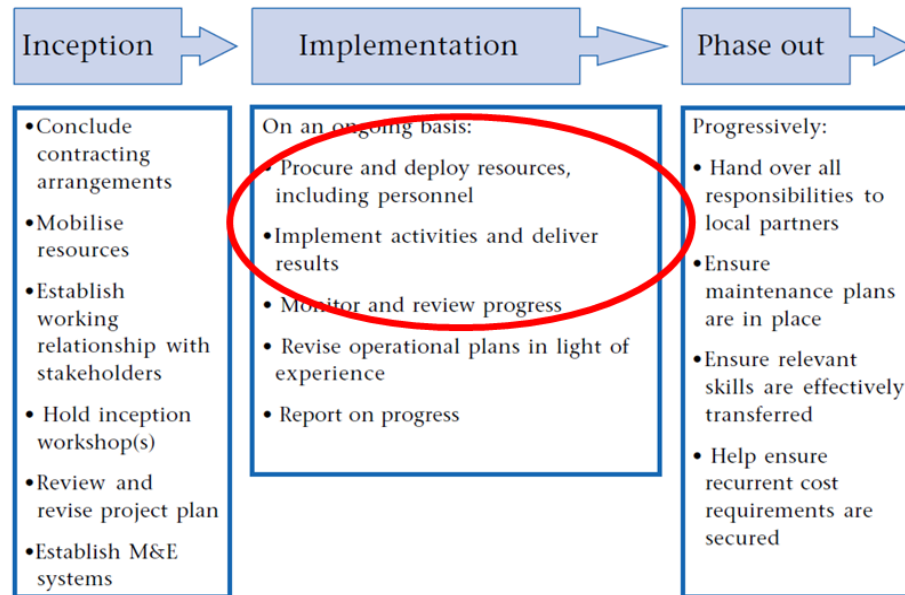
[2016_145_MK_WAT_WAT_ACNLONG_2017-12-18.pdf](#)

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NOT FOR FURTHER DISTRIBUTION !!!**

Elements of support (8/13) – SHORTLY ABOUT IMPLEMENTATION (1/6)

- “Visions and plans become reality” - delivers the results, achieves the purpose(s) and contributes effectively to the overall objective of the project
- Implementation assistance is not within the “core activities” of JASPERS
- Limited and subject-focused assistance can be provided (requested in context of IPA Annual Programming), e.g.:
 - ✓ Preparation of TDs (excluding detailed review of Technical Parts – ownership of national authorities and their designers / consultants)
 - ✓ Preparation of ToRs for development of Technical Parts (designs) and follow up process but only for content and some methodological tasks (pure technical tasks beyond the scope of assistance)
 - ✓ Establishment of and implementation manuals for PIUs
 - ✓ (Ad-hoc) support for capacity building for contract administration
- SRB: Rail Nis-Brestovac (IPA 2015); Djerdap “Iron Gate I” (CEF)

IMPLEMENTATION IN PCM?



- Extensive (EU) framework for preparation but **fairly silent on actual Implementation** – why?
 - ✓ Basically, **all responsibilities** for actual implementation assigned to **National Promoters / Authorities** (also linked to National legislations) – decentralized management mode
 - ✓ However, a lot of monitoring and **auditing activities!!!**

MAIN ASSUMPTIONS FOR POTENTIAL SUCCESS (all interrelated):

- **Financing ensured** based on clear cost estimates? (focus on EU and IFI grants (and loans), as applicable) – also for potential additional costs. Procurement can start only after financing has been ensured (suspension clause?);
- Clear and **manageable timeframe** - very frequently also linked to eligibility of financing, e.g. IPA; late completion of preparation process (inputs for tenders), political pressure;
- **Clear scope and its limits** including expected quality -pressure to lunch procedures (political, eligibility of financing), lack of expertise, incorrect/incomplete/obsolete info also due to interrupted realization (lack of timely financing);
- **Clear and skilled project implementation structure** in place – project/contract **ownership** ensured (a **large problem** when working with local governments / **municipalities**), lack of expertise in **contract administration (PRAG and FIDIC?) and “legal”**

SOME MAIN CONCLUSIONS AND SUGGESTIONS:

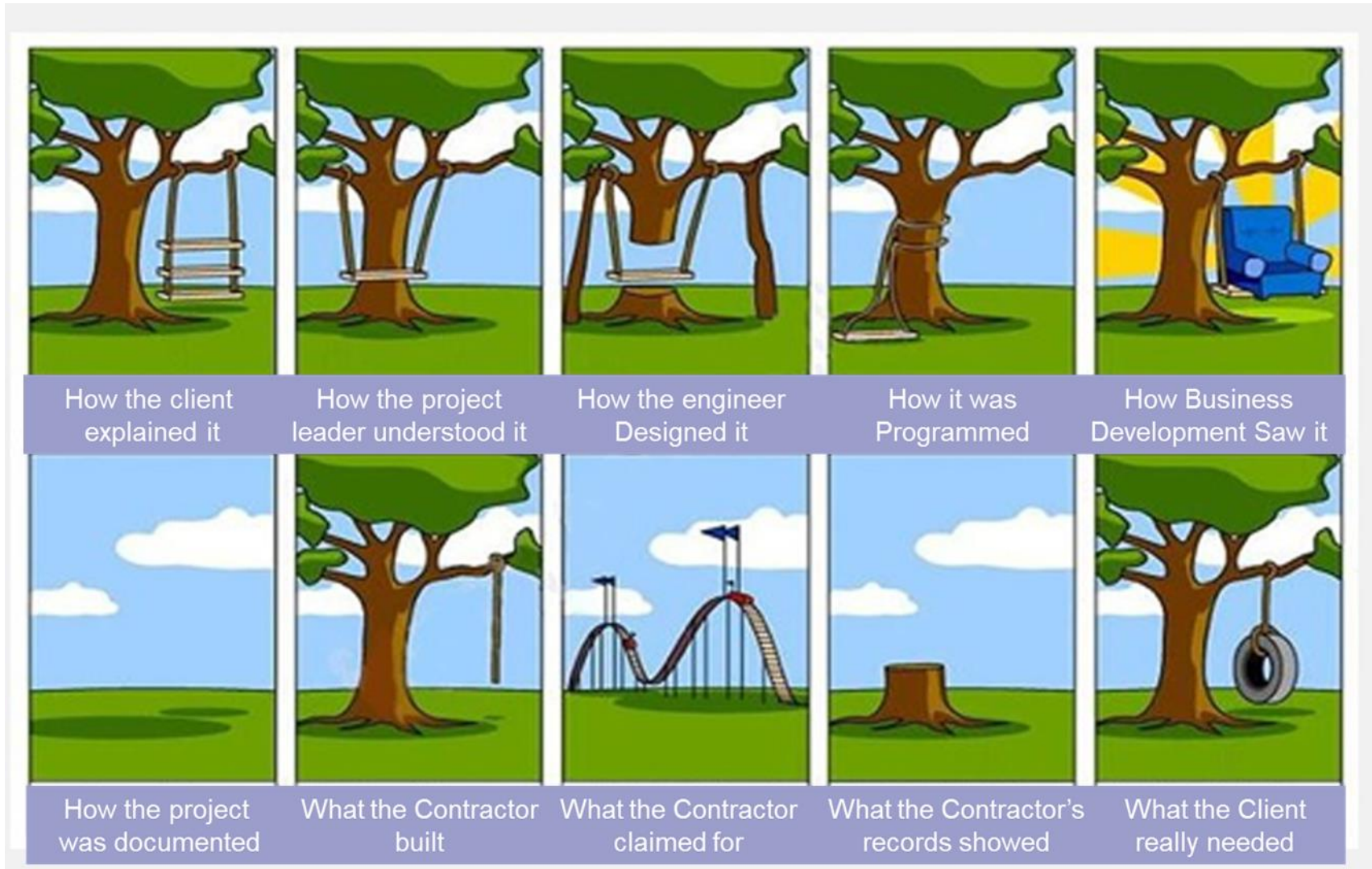
- **Procurement Strategy** (usually “does not exist” – the fastest assumed delivery based on available Technical Docs due to time limits - resulting in wrong approach) - **part of FS!**
- **EU PRAG (2018)** Administrative Part (Volumes 1-2) Technical Part (Volumes 3-5);
- Administrative Part:
 - ✓ FIDIC (usually Yellow and Red Books; Gen. and Particular CC)
 - ✓ Main Problems: (i) Incorporation of national legal framework, (ii) harmonization with Procurement Rules concerned (e.g. EU PRAG, (iii) Harmonization with requirements in Technical Parts, and vice-versa; (iv) lack of national expertise resulting in over-specifications (mostly by national legal experts)

SOME MAIN CONCLUSIONS AND SUGGESTIONS:

- Technical Part:
 - ✓ Usually **a source of the largest problems** (along with timeframe) during implementation;
 - ✓ Main Problems: **(i)** Incomplete / incorrect info on existing situation (e.g. topo, geo, existing utilities, technical requirements) due to: obsolete designs, lack of expertise or time constraints for lunching; **(ii)** unresolved land-ownership issues; **(iii)** accordingly, inadequate / incomplete technical solutions envisaged; **(iv)** No methodological approach for preparation of BoQ (and schedule of prices) – own “methodologies” of designers (perhaps to consider CESMM or similar?)
- **Contractors aware** of all Administrative (institutional capacities and eligibility of financing) and Technical Problems

Elements of support (13/13) – SHORTLY ABOUT IMPLEMENTATION (6/6)

RESULTING IN:



THANK YOU !

More information:
<http://jaspers.eib.org/>

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