

SERBIAN GOVERNMENT



MINISTRY OF FINANCE

Selection Process for IPA Funding

Support for Municipal Infrastructure Projects

Coordination Group for Support to Development of Local Infrastructure

June 30, 2009



Outline

- ✓ 5 Steps procedures applied under the current MISP Project (2008 - 2009)
- ✓ Lessons Learned & Suggestion for selection improvement under future IPA funding



Three Levels of Project Scoring

- **Level 1: Scoring for Eligibility into Sectoral Project Pipeline**
- **Level 2: Scoring for Project Preparation Support (finance for feasibility study)**
- **Level 3: Scoring for Project Financing for Implementation (finance for construction)**



Step 1- Project identified in SLAP Database

- Project is identified and presented by municipality or group of municipalities or RDA (ownership on municipalities)
- Bottom-up approach
- PPD to be inputted in SLAP

Outcome

Project visible in the SLAP as potential candidate for financial support



Step 2- EU Feasibility Study

- Eligibility check (SLAP Level 1)
- If a project is too small bundling will be considered
- Eligible project are scored for Level 2 support (Feasibility Study) and presented to the GoS and other potential financiers
- GoS approves FS preparation through majority decisions taken at the MISP Steering Committee
- Possible decision by other donor to support FS development

Outcome

Project is documented by a Feasibility Study Report (EU standards) that assesses its implementation and sustainable operation potential



Step 3- Project Prepared for Realization

- *Project owner* is encouraged to update project PPD in the SLAP in line with FS report results
- SLAP projects are scored for Level 3 using updated PPD information
- “Best in Class” Level 3 projects are periodically presented to GoS and other interested financiers
- The GoS decides through majority decisions at the MISP Steering Committee meetings which project will be further supported through IPA funds for Tender Documentation preparation

Outcome

Project has a Tender Dossier prepared for one of its works components.



Step 4- Financial Support for Realization

- When full financing is not secured, the project owner is stimulated and supported by relevant ministries, MISP team to seek for additional (non EU) parallel co financing
- Only projects with complete Tender Dossier and full confirmed financing prospects are presented to the GoS
- The GoS decides through majority decisions at the MISP Steering Committee meetings which projects are to be financially supported through IPA funds for implementation

Outcome

EU launches the tender procedure for the implementation of the EU financed works component of the project



Step 5- Contractor selected

- The EU act as the Contracting Authority for the implementation of the project
- An evaluation committee convened consisting of representatives of the EU and the beneficiary select the contractor
- EU finances the supervision of the Works Contract

Outcome

The contractor starts project construction



Suggestion for Improvement Selection of the Municipal Projects for Support under IPA (8 steps process)

- Step 0: Project Identification by Municipality
- Step 1: Project Registration in SLAP 2.0
- Step 2: Mobilization of Support for Feasibility Study
- Step 3: Development of Feasibility Study
- **Step 4: Endorsement of Feasibility Study Recommendation**
- **Step 5: Working Group of Project Financing Sources**
- **Step 6: Agreement on Funding Sources**
- Step 7: Final Design and Tender Documentation
- Step 8: Tendering and Construction

SERBIAN GOVERNMENT



MINISTRY OF FINANCE

THANK YOU!

**Sector for programming and management of EU Funds and
Development Assistance
Ministry of Finance**

ISDACON IS www.evropa.gov.rs

SLAP IS www.skgo.org