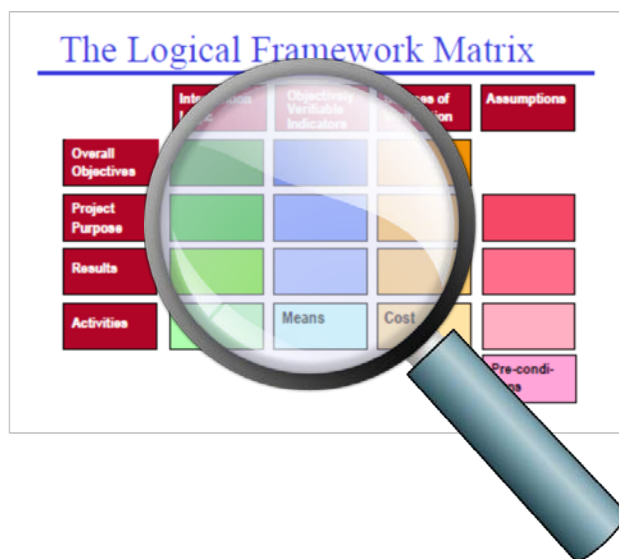




UNIT FOR DONOR COORDINATION, FINANCE, MONITORING AND EVALUATION

# MONITORING REPORT

for the project  
Public-Private Partnership



April 2017



# INFORMATION ON THE PROJECT

General Information on the Project:

**No. of the Contract:** 04-07-2-98-1/16  
**Title of the Project:** *Public-Private Partnership*  
**Implementer:** Consortium: AMAX bmr d.o.o. Sarajevo,  
BIČAKČIĆ d.o.o. Sarajevo,  
PAGE d.o.o. East Sarajevo,  
National consultant for public procurements  
Sofa, Bulgaria  
**Date of Signing of the Contract:** 26/05/2016  
**Duration of the Contract:** 18 months  
**Date of Completion:** 26/11/2017  
**Extension Duration:** n/a  
**Changed Date of Completion:** n/a  
**Status of the Project:** in implementation

## FINANCIAL INFORMATION

Table 1: Overview of the budget on: (26 February 2017)

NOTE: The spent funds presented in the table 1 are based on the financial part of the implementer's third interim report, which was not yet officially adopted at the moment of drafting of this report. The amounts presented in the table are the amounts without the VAT.

<b>CONTRACTED BUDGET in BAM</b>	<b>BAM 2,459,025.00</b>		
<b>SPENT FUNDS in BAM</b>	<b>BAM 1,242,550.86</b>		
<b>SPENT FUNDS in %</b>	<b>51%</b>		

	total planned	spent so far	%
<b>1. Work Days of the Experts</b>	<b>2300</b>	<b>977</b>	<b>43</b>
Expenses of the Work Days of the Experts	2,235,100.00	1,190,320.00	53
<b>2. Accompanying Expenses</b>	223,925.00	52,230.86	23
<b>TOTAL</b>	<b>2,459,025.00</b>	<b>1,242,550.86</b>	<b>51</b>

## 1. Overview of Project Activities

This Report covers the period of implementation of the project from May 2016 to April 2017. In the implementation phase so far, the project, within the component 1 "Development of the legal framework for PPP" successfully implemented four, out of five activities:

1. Evaluation and analysis of the existing local legislation in BiH regarding the legality within: the Republic of Srpska, the Federation of BiH, and the Brčko District, with the objective of establishing the legal harmonisation with the normative bases and other documents of the EU within the PPP;
2. Organisation of the panel discussions to give recommendations for consolidation of norms with the documents and policies of the EU, which would result in flexible and clear public framework, which would create opportunities for implementation of the PPP projects in practice;
3. Design and implementation of an adequate sector analysis with the objective of identifying the areas for potential PPP projects;
4. Defining the PPP criteria.

Within the fifth activity "Appointment of institutional expert teams and as necessary and with agreement of the Implementation Team, preparation of the draft legislation harmonised with specific needs of the main project users", which is currently in the phase of implementation, two out of four sub activities were implemented. Appointments of the representatives of the main project user institutions (institutional expert teams / representatives) were ensured, who also participated at the expert - working conference in Dubrovnik (16 - 19 February 2017), which had the objective of ensuring a comprehensive discussion and define the best legislation framework of the public private partnership in BiH. During the discussion a general model of the PPP Law was presented with the accompanying bylaws. The said model law was the subject of the discussion, during which the key areas were defined for intervention and amendment to the existing legal framework. The model PPP Law, with the accompanying bylaws was approved by the Implementation team, at the meeting that took place in March 2017. The remaining two subactivities will be implemented as needed and at the request of the main project users, i.e. the proposals of the laws would start to be drafted and/or amendments to the existing PPP Laws if the project users express their interest for it. Regarding that, the next step is on the main project users and establishment of the work groups for draft of the proposal of the legislative framework of the public private partnership, which is the competency of the users. The project team sent to the users / governments a letter of intention to provide expert capacities and resources during draft of the proposal of the law on public private partnership (considering that the Federation of BiH does not have a law on PPP), and during draft of the amendments to the existing laws on the PPP (considering that the RS and the BD BiH have the Law on PPP). It remains up to the users to establish within their line ministries a work group for draft of the law / amendments to the laws.

It should be mentioned here that within the first component a deadline was moved for implementation of the activity 1.2. Organisation of panel discussions. That is, according to the Inception report, the said activity was planned to be finalised by December 2016, but during implementation it became necessary to move the deadline for implementation of this activity to the end of the first quarter of 2017, which was done. Also, moving the deadline for implementation of this activity had no effect on implementation and deadlines of the related activities, nor it would have any effect on the overall length of the project.

Within the component 2. "Trainings and capacity building", the following activities were implemented:

1. Designing a training package (Module): PPP project cycle management;
2. Designing methodology for economic effectiveness and financial sustainability assessment (received value for received money), and evaluation of sustainability of the PPP project;
3. Designing and draft of the guidelines / guides for practical application of the competition procedures for contractual execution of the PPP project, and designing and draft of the

methodology for economic effectiveness and financial sustainability assessment of the PPP project, within which it provides a local legal framework for application of the PPP as an asset;

4. Designing and draft of the materials for trainings and methodologies for application of the procedures for selection of the PPP partners in practice: Negotiation procedures, competition dialogue and innovations for partnership.

Although according to the plan from the Inception report the fifth activity "Design and draft of the guidelines / guides and packages for trainings (Modules) for budget planning and for reporting for the PPP projects", was supposed to be finalised at the end of the first quarter of 2017, it is still in the phase of implementation. That is, within this activity a *Guide for budget planning and for reporting for PPP Projects* was drafted, whose draft was accepted by the Implementation Team at the meeting of 31st January 2017 in Teslić. At the same meeting, the members of the Implementation Team pointed to the importance of positioning the public sector in the budget, and regarding that they approved creation of the special guide for planning of the budget in the public bodies, although that implied widening of the originally foreseen tasks from the terms of reference. A special guide Treatment of the PPP in the public bodies budgets is in the phase of preparation, and it should be presented at the next meeting of the Implementation Team.

The sixth and the seventh activity are related with implementation of the trainings for the public sector and the business community, whose start is planned for May 2017. At the meeting of the Implementation Team, held on 31st March 2017 in Brčko, the project leader, Mr Zaimović, presented the plan of organisation and the proposal of the agenda for the trainings. He pointed out that the Project team, in this activity, went out of the framework set by the Terms of Reference. That is, the proposal was, instead of the foreseen four trainings for the public sector and three trainings for the business community, to have nine trainings for the employees of the public administration and nine trainings for the representatives of the private sector, which was finally accepted by the Implementation team. The trainings were planned to be implemented in the following cities: Bihać, Banja Luka, Brčko, Bijeljina, Tuzla, Sarajevo, Mostar, Zenica and Trebinje.

Within the eighth activity Study Visit, implementation of two study visits was planned. One study visit was planned to take place in the second quarter of 2017, and the second, in third quarter of 2017.

Pilot simulation of the PPP project, as the last activity within the second component of the project, and within which a technical support of the project team was foreseen, is in the phase of implementation. It should be mentioned here that within this activity, the manner of its implementation changed, so in that sense, it would be necessary to amend the project logical framework. That is, the Inception report, and the project Logical framework matrix stipulated that the pilot simulations of the PPP project would be proposed and approved based on the consensus from the Implementation Team. However, during implementation of this activity, the users / members of the Implementation Team decided that the competent ministries from all the levels of authority, involved in the project, would be the ones proposing and approving the said pilot simulations. At the moment of writing this monitoring report, the proposals of appropriate projects by the competent ministries are still pending.

The project activities within the 3rd component "*Publicity and awareness rising*" are in the phase of implementation. The objective of the third project component is promotion of the concept of the Public Private Partnership, and regarding that, so far the Communication strategy of the project was drafted, the project website is being designed and the first media conference is being prepared, planned for May 2015.

## 2. External Factors

The monitor did not notice external factors that affect or might affect the project implementation.

## 3. Description of the Level of the Achieved Results by the Plan of Activities and the LFA

Planned Results		Description of Achievement
R1	Proposal of the legal	This result will be achieved by implementing the

	frameworks for the PPP or possible amendments at the levels where the law already exists, sent by the implementer and adopted by the beneficiaries from the level of the FBiH, the RS and the BD	<p>activities and subactivities from the project component 1. The project team, so far, in accordance with the planned project activities, drafted the following documents (adopted by the Implementation Team): <i>Analysis of the existing legislation in the field of PPP and harmonisation with the relevant legislation of the EU</i> (activity 1.1.), <i>Sector analysis with the objective of identifying the fields for potential PPP projects</i> (activity 1.3.), and <i>Study of common criteria for identifying a project as a PPP</i> (activity 1.4.). The appointments of the representatives of the institutions of the main project beneficiaries have been ensured (institutional expert teams / representatives - activity 1.5.), who, with the objective of ensuring a discussion and an adequate preparation of the legal framework for PPP in BiH, in the period 16 - 19 February 2017 participated in the Dubrovnik expert and work conference (activity 1.2.). A total of 50 participants from different institutions participated in the work of the conference, as well as the regional experts, representatives of the implementation team, representatives of the Public Administration Reform Coordinator's Office, key experts and the project team. Objective of the conference is an expert discussion and defining the best legislative framework of the public private partnership in BiH, and regarding that, the model Law on PPP with the accompanying bylaws was presented at the conference. The key areas for intervention and amendment to the legal framework were identified during the discussion. The model PPP Law, with the accompanying bylaws was approved by the Implementation team, at the meeting that took place in Brčko on 31st March 2017. The Dubrovnik conference marked the start of the series of panel discussions on the public private partnership in BiH. During March and April 2017, there were also other panel discussions, where a total of 111 participants took part. Panel discussions were held in: Banja Luka, Sarajevo, Brčko, Tuzla, Bijeljina, Mostar, Trebinje. There is an ongoing implementation of the subactivities 1.5.3. <i>As necessary, establish a work group for draft of the law and/or amendments to the PPP Law</i> and 1.5.4. <i>As necessary and with agreement of the Implementation Team, draft of the proposal of the draft law and/or amendments to the existing laws on PPP</i>, so this result would be fully achieved.</p>
R2	Proposed legal regulations started with implementation, and improvement of the condition in the area is noticeable	<p>Proposed legal regulation did not start with implementation, considering that the members of the work group for draft of the law/proposal of improvement of the law were not yet selected. (activity 1.5.) Creating conditions to meet this result is expected in the next period.</p> <p>It is necessary to mention that achievement of this result is directly conditioned by fulfilment of certain assumptions that are beyond the reach of the project intervention. These are the following assumptions, that were as such stated in the logical framework, and they could not be influenced by the project:</p> <p>P1: The obligation at the political and senior administrative level to accept the proposal of the legal</p>

		<p>frameworks.</p> <p>P2: The existence of readiness at the political level to take into account the application of new regulations.</p> <p>This project will create assumptions for application of the proposed legal regulations and improvement of the condition in the field, and the very application would depend on the said assumptions, which imply taking over project deliveries from the beneficiaries, and readiness and will of the project beneficiaries to ensue a legal and institutional sustainability of the project results.</p>
R3	Pilot projects implemented at the level of the institutions of BiH, the FBiH, the RS and the BD BiH	<p>It should be mentioned here that the result 3, which has been set as such in the logical framework, would not be possible to be implemented as a whole, considering that the project is not implemented at the level of BiH. The result is achievable only in the part related with the FBiH, the RS and the BD BiH, so the logical framework should be corrected in that part.</p> <p>To achieve this result, it is necessary to identify up to three pilot projects, one at each of the said levels, the FBiH, the RS and the BD BiH. This result would be achieved by implementing the activity 2.9, which is in the preparatory phase. At the moment of writing the monitoring report, the competent ministries are yet to sent the proposals of the appropriate projects. In the RS, the competent ministry is the Ministry of Finance, in the BD, it is the Directorate for Finance of the BD BiH, and in the FBiH, the competent ministry is the Federal Ministry of Energy, Mining and Industry.</p>
R4	Staff of the relevant institutions trained for implementation of the PPP and preparation and implementation, to the extent possible, of the pilot projects	<p>This result, inter alia, is related with preparation and implementation, to the extent possible, of the pilot projects, which has already been mentioned in the previous result 3. Regarding that, it is necessary to correct this result in the logical framework, because there is no sense to state the pilot project implementation two times as the result of this project. Recommendation of the monitor is to rephrase this result so it would read: Staff of relevant institutions trained for implementation of PPP. Regarding that, the project team implemented so far a part of the activities contributing to achievement of this result. The project team drafted the following documents / guidebooks (adopted by the Implementation Team): <i>Life cycle of the public private partnership projects</i> (activity 2.1.), <i>Guide for estimation of the economic effectiveness and financial sustainability of the PPP projects</i> (activity 2.2.), <i>Steps in implementation of the public private partnership projects</i> (activity 2.3.), <i>Procedures of contract award through the negotiation procedure and competition dialogue</i> (activity 2.4.). The guide <i>Treatment of the PPP in the budgets of the public bodies</i> (activity 2.5.) is in the phase of amendment, considering that the users had certain objections to the said guide. Its adoption was planned at the following meeting of the Implementation Team. A start of public sector training implementation, which would also contribute to achievement of this result, is expected in the next reporting period.</p>
R5	- Business community, i.e. private sector is familiarized	Achievement of this result is expected in the next period, considering that the start of the training /

and R6	with the PPP and ready for its implementation - Business community accepted the PPP as an excellent way to achieve a general benefit	education for the business community was planned for May 2015.
R7	Business environment for PPP created	Achievement of this result would be contributed by implementation of the activities and subactivities from the third project component "Publicity and awareness rising". The project team so far drafted the Communication strategy of the Public Private Partnership, which was adopted by the Implementation Team. The Strategy consists of three phases of activity ( <u>Phase 1</u> . Promotion of the PPP concept, with an accent on positive aspects, target groups research and selection of quality and successful business leaders from BiH, who would be the brand faces of the project; <u>Phase 2</u> . Promotion of the significance and advantages of the PPP in BiH by using concrete projects and by intensifying the engagement of the public opinion makers / brand faces from the business community; <u>Phase 3</u> . Evaluation and presentation of the results), target groups defined, who would be addressed by various communication messages, and channels and tools also defined, which would be used in communication. The project website is being designed, and it should be operational soon.

#### **4. Overview of Achievements of the Planned Activities by the Logical Framework**

(see the attached Annex 4)

#### **5. Evaluation of the Implementer's Work**

##### **5.1. Engagement of the Project Manager**

Engagement of the project manager is satisfactory.

##### **5.2. Administrative-Technical Capacities**

Based on a review of the project documentation, as well as a conversation with Mr Tarik Zaimović, team leader, the contracting authority and the beneficiaries, the administrative technical capacities of the project were adequate for a successful implementation of the project activities.

##### **5.3. Reporting and Procedures**

The reports were submitted within a deadline and in accordance with the set procedures. So far, the contracting authority received the Inception Report, and three interim reports, with the note that the third interim report is in the phase of approval by the PARF management board.

##### **5.4. Project beneficiaries and partners**

Project beneficiaries, members of the implementation team and the supervisory team are satisfied with implementation of the activities so far. Cooperation with all the project actors is at a satisfactory level. Considering that in the inception phase of the project the Federation of BiH did not have a defined competency for public private partnership, the members of the implementation team from this entity were appointed from the Federal Ministry of Finance. In

the first quarter of 2017, the Government of the FBiH, appointed the Ministry of Energy, Mining and Industry as the ministry competent for public private partnership, so there is a need for a replacement or addition to the Implementation Team regarding the representative or representatives of the competent ministry, which is expected to happen in the next period.

## 6. Conclusions

In the implementation phase so far, the project team, in accordance with the planned activities, worked on implementation of all three project components. Implementation of all the project components is ongoing, considering that implementation of certain activities from the said components is in progress. There are no significant delays.

Based on the analyses of the relevant legislation in BiH, and the legislation in the EU and the neighbouring countries, and the experiences so far in the country and the region, a model law was prepared with bylaws, which in the next phase of the project implementation, at the request of the beneficiaries, would be re-written as the draft legal regulation in the Republic of Srpska, the Federation of BiH and the Brčko District of BiH.

A set of materials was prepared, which would serve as a basis for project beneficiaries training, and later on also as materials that would be distributed to the users for every day use in the form of practical guides for application of the PPP model in accordance with the legal regulations.

Preparatory activities in the form of development of the Communication Strategy and draft of the campaign plan, and preparation of the materials for TV, radio and internet campaign are mostly completed, and soon there will be a conference that would mark a start of the promotion campaign for promotion of the PPP concept.

## 7. Recommendations

### For the Implementer:

1. Revise the plan of activities, considering it is not in accordance with the plan of activities stipulated by the Inception Report.
2. Revise the logical framework matrix so it would reflect a clear link between the activities and the results of the project, and define the indicators adequately.
3. Quicken the activities of selection and implementation of the pilot projects, taking into account their dynamics, having in mind the period remaining for project implementation.

### For the beneficiaries:

4. Quicken the process of appointment of the member of the Implementation Team from the Federal Ministry of Energy, Mining and Industry.
5. Quicken the process of establishment of work groups for draft of new of amendment to the existing laws on public private partnership.

## List of Annexes

1. *Logical Framework Matrix*
2. *Plan of Activities*
3. *Plan of Expenses*
4. *Overview of Achievements of the Planned Activities by the Logical Framework*
5. *List of Interlocutors / Interviews*

Dates of monitoring visits: from 12 April to 26 April 2017

Interviews with: see the list of interlocutors in the Annex V.

Date: 28 April 2017



## ANNEX 1. Logical Framework Matrix

	Logic of work	Objectively Verifiable Indicators	Sources of Verification	Assumptions / Risks
<b>Overall objectives</b>	Establishment of functional systems of public private partnership in BiH, in accordance with the European law, European standards and the best European practices, and their implementation at the level of all the beneficiaries in accordance with the terms of reference: the Federation of BiH, the RS and the BD.	<p>All the activities stemming from this project successfully implemented.</p> <p>Legal preconditions created for Public Private Partnership, at the levels where those preconditions still do not exist.</p> <p>All the existing EU legislation on PPP researched and transposed in the legislation at the appropriate level of authority in BiH, all the legal solutions harmonised with the EU legislation.</p> <p>Capacities for implementation of the PPP in the relevant institutions improved (implementation, management and monitoring).</p>	<p>Annual European Commission Progress Report on BiH.</p> <p>Annual reports on work of the Ministry of Finance of the RS, the Federal Ministry of Finance, the Directorate for Finance of the BD, the Ministry of Transport and Communication, the DEI, the Commission for Concessions of BiH, the FBiH, the RS and the Commission for PPP of the Brčko District.</p> <p>Reports on work and progress of the whole business community.</p> <p>Reports on work of the private sector.</p> <p>Report on media commitment to the field of PPP.</p>	<p>P1: The obligation at the political and senior administrative level to accept the proposal of the legal frameworks.</p> <p>P2: The obligation at the political and senior administrative level to implement the proposals of the legal frameworks or possible amendments to the existing laws.</p> <p>P3: The existence of readiness at the political level to take into account the application of new regulations.</p> <p>P4: Creation and adequate selection of the necessary capacities at all the levels for strengthening the PPP system.</p> <p>P5: Readiness and openness of the business community to implement the PPP in</p>

## ANNEX 1. Logical Framework Matrix

				<p>practice.</p> <p>R1: PPP legislation is prepared, but not accepted by the beneficiaries.</p> <p>R2: Undefined relationship in the field of PPP between the Federation and the cantons, potential conflict of jurisdiction.</p> <p>R3: Business community is not interested in this form of investments.</p>
<b>Purpose of the Project</b>	<p>Development of legislation in the field of Public Private Partnership and harmonisation of the already existing legislation related with the field of PPP in BiH.</p> <p>Training and capacity building of the relevant institutions for implementation of PPP, and preparation and possible implementation, to the extent possible, of 2 pilot PPP projects (training at work).</p> <p>Training of the private sector on the possibilities for business within the PPP concept, and creation of a</p>	<p>Identifying the difference in legislation and methodologically planned way to remove them.</p> <p>The legislation in the field of PPP developed.</p> <p>Potential PPP projects identified.</p> <p>Human capacities for execution of jobs related with PPP established and strengthened.</p> <p>Rules and procedures for PPP harmonised with the EU regulations.</p> <p>Improvement of the general condition in Bosnia and</p>	<p>PARCO progress report on implementation of public administration reform.</p> <p>Annual reports on work of the Ministry of Finance of the RS, the Federal Ministry of Finance, the Directorate for Finance of the BD, the Ministry of Transport and Communication, the DEI, the Commission for Concessions of BiH, the FBIH, the RS and the Commission for PPP of</p>	<p>P1: Active participation of the beneficiary representatives in all the project phases and during implementation of the planned activities.</p> <p>P2: Active participation of the relevant institutions in the project training programme on PPP and understanding the significance of the trainings by the managers of the beneficiary institutions.</p> <p>R1: Lack of beneficiaries</p>

## ANNEX 1. Logical Framework Matrix

	<p>favourable business environment for business entities within the PPP concept.</p> <p>Education of a wider public on the advantages provided through an efficient PPP.</p> <p>Establishment of efficient and functional basis for the future PPP development in BiH.</p> <p>Improvement of the general condition in BiH, regarding efficient PPP systems, and harmonisation of the regulations with the EU regulations.</p>	Herzegovina regarding efficient PPP systems.	<p>the Brčko District.</p> <p>Reports on work and progress of the whole business community.</p> <p>Reports on work of the private sector.</p> <p>Report on media commitment to the field of PPP.</p>	<p>capacity.</p> <p>R2: PPP pilot projects are too ambitious.</p> <p>R3: Additional political instability, considering this is an election year.</p> <p>R4: Appropriate turn-out of the officers for education, but insufficient motivation for application of the newly adopted knowledge in their work place.</p>
<b>Results at the project level (expected)</b>	<p>Result 1: Proposal of the legal frameworks for the PPP or possible amendments at the levels where the law already exists, sent by the implementer and adopted by the beneficiaries from the level of the FBiH, the RS and the BD.</p> <p>Result 2: Proposed legal regulations started with implementation, and improvement of the condition in the area is</p>	<p>For R1: Harmonised, comprehensive analysis of the existing condition and normative regulation of the PPP in BiH, identification of the differences in legislation and methodologically planned way to remove them.</p> <p>for. R2: There were several meetings and consultations with the project beneficiaries, where they were presented with the</p>	<p>PARCO progress report on public administration reform.</p> <p>Regular reports of the project implementer.</p> <p>Reports of the supervisory teams.</p>	<p>P1: The obligation at the political and senior administrative level to accept the proposal of the legal frameworks.</p> <p>P2: The existence of readiness at the political level to take into account the application of new regulations.</p> <p>P3: Creation and adequate selection of the necessary capacities</p>

## ANNEX 1. Logical Framework Matrix

	<p>noticeable.</p> <p>Result 3: Pilot projects implemented at the level of the institutions of BiH, the FBiH, the RS and the Brčko District of BiH.</p> <p>Result 4: Staff of the relevant institutions trained for implementation of the PPP and preparation and implementation, to the extent possible, of the pilot projects.</p> <p>Result 5: Business community, i.e. private sector is familiarized with the PPP and ready for its implementation.</p> <p>Result 6: Business community accepted the PPP as an excellent way to achieve a general benefit.</p> <p>Result 7: Business environment for PPP created.</p>	<p>findings from the R1, and members of the work group were selected, responsibilities were set and a work group was established for draft of the proposal for improvement of legislation.</p> <p>For R3: after the meetings, potential PPP projects were identified, up to three pilot projects were identified.</p> <p>For R4: Human capacities for execution of jobs related with PPP established and strengthened. Developed mechanisms of better PPP system within the existing institutional capacities, with increased responsibility of all the ministries in accordance with their competencies.</p> <p>For R5 and R6: Private sector also trained on the possibilities and the advantages of doing business through the</p>		<p>at all the levels for strengthening the PPP system.</p> <p>P4: Implemented pilot projects served as a good example in the PPP practice.</p> <p>P5: Readiness and openness of the business community to implement the PPP in practice.</p> <p>R1: Proposals of legal frameworks for PPP or possible amendments are not harmonised</p> <p>R2: Failure to adopt the proposed amendments to the normative framework and lack of initiative at a political level on application of amendments</p> <p>R3: Lack of interest in attendees, and lack of will to pass the training</p>
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## ANNEX 1. Logical Framework Matrix

		<p>efficient PPP.</p> <p>For R7: A wider public educated on the advantages provided through an efficient PPP, which established an efficient and functional basis for a future PPP development in BiH.</p>		<p>programmes.</p> <p>R4: Business community does not wish to participate in implementation of the PPP in practice</p>
<b>Activities:</b>	<p>1.1. Evaluation and analysis of the existing local legislation in Bosnia and Herzegovina regarding the legality within: (1) the Republic of Srpska, (2) the Federation of Bosnia and Herzegovina, and (3) the Brčko District, with the objective of establishing the legal harmonisation with the normative bases and other documents of the EU within the PPP.</p> <p>1.2. Organisation of the panel discussions to give recommendations for consolidation of norms with the documents and policies of the EU, which would result in flexible and clear public framework, which</p>	<p>Detailed description of indicators, related with each of the output documents / deliveries, are stated in the Inception Report.</p>	<p>Interim reports of the project implementer for each activity and the Final Report.</p> <p>Reports of the Implementation Team</p> <p>Reports of the supervisory teams.</p> <p>Resources: Work days / budget for the expert fees in the total amount of: BAM 2,235,100.00 (without the VAT)</p> <p>Accompanying expenses in the total amount of: BAM 223,925.00</p>	<p>P1: Undeniable commitment of the beneficiary institutions representatives to give their active contribution to implementation of the planned activities and tasks and full cooperation of the implementer, the implementation and the supervisory teams.</p> <p>P2: No bottlenecks in implementation of the planned activities and results.</p> <p>P3: Timely preparation and agreement on the output documents.</p> <p>P4. Good cooperation with the institutions in charge of training and</p>

## ANNEX 1. Logical Framework Matrix

	<p>would create opportunities for implementation of the PPP projects in practice.</p> <p>1.3. Design and implementation of an adequate sector analysis with the objective of identifying the areas for potential PPP projects.</p> <p>1.4. Defining the PPP criteria.</p> <p>1.5. Appointment of the institutional expert teams and as needed with the agreement of the Implementation Team, preparation of the draft legislation harmonised with the specific needs of the main project beneficiaries.</p> <p>2.1. Designing a training package (Modules): PPP project cycle management</p> <p>2.2. Designing methodology for economic effectiveness and financial sustainability assessment (received value for</p>			<p>the planned number of attendees were ensured.</p> <p>R1: Time consuming procedure of agreement and approval of the output documents and interim reports.</p>
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## ANNEX 1. Logical Framework Matrix

	<p>invested money), and evaluation of sustainability of the PPP project.</p> <p>2.3. Designing and draft of the guidelines / guides for practical application of the competition procedures for contractual execution of the PPP project, and designing and draft of the methodology for economic effectiveness and financial sustainability assessment of the PPP project, within which it provides a local legal framework for application of the PPP as an asset.</p> <p>2.4. Designing and draft of the materials for trainings and methodologies for application of the procedures for selection of the PPP partners in practice: negotiation procedures, competition dialogue and innovations for partnership.</p> <p>2.5. Design and draft of the guidelines / guides and training packages (modules) for budget planning and reporting, regarding the PPP projects.</p> <p>2.6. Trainings and capacity</p>			
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## ANNEX 1. Logical Framework Matrix

	<p>building for relevant public institutions in both entities and the Brčko District</p> <p>2.7. Organisation of seminars for the business community</p> <p>2.8. Study visit</p> <p>2.9. Prepare up to three pilot projects through simulation of draft of the scope of the PPP projects, budget planning and reporting, selection of the competition PPP procedure and methodology for economic sustainability assessment. These pilot simulations of the PPP projects will be proposed and approved based on a consensus by the project Implementation Team.</p> <p>3.1. Design of the communication plan and the promotion campaign</p> <p>3.2. Design and maintenance of the project web site</p> <p>3.3. Establishment of the working relations with the relevant chambers of commerce</p>			
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## ANNEX 1. Logical Framework Matrix

	<p>and employer associations in both entities and the Brčko District, with the objective of building institutional cooperation with the business structures</p> <p>3.4. Presenting the main project product to the private sector and familiarising the parties from the private sector with the legal possibilities for doing business through application of the PPP concept.</p> <p>3.5. Composing a brochure illustrating successful PPP projects; the purpose of the brochure is to present very concrete applications of the implemented projects.</p> <p>3.6. Activities of awareness rising, education and informing through the PPP promotional and final conference and special brochures, so the wider public would become closer to the benefits the PPP projects might bring</p> <p>3.7. Identifying future project initiatives for effective application of the PPP in the</p>			
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ANNEX 1. Logical Framework Matrix

	practice.			
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ANNEX 3. Plan of Expenses

Objective/result/ component	Activities	Number of days of experts												Expert fees and overall expenses without the VAT												Accompanying expenses (VAT not included)				Total project expenses without the VAT	
		TL	KE2	JKE1	JKE2	JKE3	JKE4	JKE5	JKE6	JKE7	JKE8	JKE9	Total	TL	KE2	NKE1	NKE2	NKE3	NKE4	NKE5	NKE6	NKE7	NKE8	NKE9	Total expert fees without the VAT (BAM)	Description of Accompanying Expenses	Qty.	Unit price without the VAT	Total accompanying expenses without the VAT BAM		
Inception phase	Identification of project resources	13	13	0	0	0	0	0	0	0	0	0	26	40300,00	40690,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	80990,00				0,00	80990,00
	Establishment of partnership relations with the interested parties with the objective of having the first / initial meetings	11	11	0	0	0	0	0	0	0	0	0	22	34100,00	34430,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	68530,00				0,00	68530,00
	Total 1:	24	24	0	0	0	0	0	0	0	0	0	48	74400,00	75120,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	149520,00				0,00	149520,00
Component 1. Development of Legal Framework for PPP	Evaluation and analysis of the existing local legislation in Bosnia and Herzegovina regarding the legality within: (1) the Republic of Srpska, (2) the Federation of Bosnia and Herzegovina, and (3) the Brčko District, with the objective of establishing the legal harmonisation with the normative bases and other documents of the EU within the PPP.	30	25	0	10	30	0	0	0	30	10	10	145	93000,00	78250,00	0,00	3000,00	9000,00	0,00	0,00	0,00	0,00	9000,00	3000,00	3000,00	198250,00				0,00	198250,00
	Organisation of the panel discussions to give recommendations for consolidation of norms with the documents and policies of the EU, which would result in flexible and clear public framework, which would create opportunities for implementation of the PPP projects in practice.	26	15	25	20	25	0	0	0	30	10	10	161	80600,00	46950,00	7500,00	6000,00	7500,00	0,00	0,00	0,00	0,00	9000,00	3000,00	3000,00	163550,00				0,00	163550,00
	Design and implementation of an adequate sector analysis with the objective of identifying the areas for potential PPP projects.	19	10	15	0	20	0	0	0	25	10	10	109	58900,00	31300,00	4500,00	0,00	6000,00	0,00	0,00	0,00	0,00	7500,00	3000,00	3000,00	114200,00				0,00	114200,00
	Defining the PPP criteria.	8	8	15	0	0	0	0	0	0	0	0	31	24800,00	25040,00	4500,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	54340,00	Technical and logistics expenses	1	1000,00	1000,00	55340,00
	Appointment of the institutional expert teams and as needed with the agreement of the Implementation Team, preparation of the draft legislation harmonised with the specific needs of the main project beneficiaries.	3	0	0	20	20	0	0	0	20	10	10	83	9300,00	0,00	0,00	6000,00	6000,00	0,00	0,00	0,00	0,00	6000,00	3000,00	3000,00	33300,00	Technical and logistics expenses	1	7000,00	7000,00	40300,00
	Total 2:	86	58	55	50	95	0	0	0	0	105	40	40	529	266600,00	181540,00	16500,00	15000,00	28500,00	0,00	0,00	0,00	0,00	31500,00	12000,00	12000,00	563640,00				8000,00
Component 2. Building of capacities and engagement of the private sector	Designing a training package (Modules): PPP project cycle management	48	5	20	25	20	0	0	20	0	10	10	158	148800,00	15650,00	6000,00	7500,00	6000,00	0,00	0,00	0,00	6000,00	0,00	3000,00	3000,00	195950,00	Expenses of draft and printing of the training materials	1	5000,00	5000,00	200950,00
	Designing methodology for economic effectiveness and financial sustainability assessment (received value for invested money), and evaluation of sustainability of the PPP project.	50	10	20	25	20	0	0	15	0	10	10	160	155000,00	31300,00	6000,00	7500,00	6000,00	0,00	0,00	0,00	4500,00	0,00	3000,00	3000,00	216300,00	Expenses of draft and printing of the training materials	1	5000,00	5000,00	221300,00
	Designing and draft of the guidelines / guides for practical application of the competition procedures for contractual execution of the PPP project, and designing and draft of the methodology for economic effectiveness and financial sustainability assessment of the PPP project, within which it provides a local legal framework for application of the PPP as an asset.	39	13	25	20	10	5	0	5	0	10	10	137	120900,00	40690,00	7500,00	6000,00	3000,00	1500,00	0,00	0,00	1500,00	0,00	3000,00	3000,00	187090,00	Expenses of draft and printing of the training materials	1	5000,00	5000,00	192090,00
	Designing and draft of the materials for trainings and methodologies for application of the procedures for selection of the PPP partners in practice: negotiation procedures, competition dialogue and innovations for partnership.	8	4	20	20	20	0	0	10	15	10	10	117	24800,00	12520,00	6000,00	6000,00	6000,00	0,00	0,00	0,00	3000,00	4500,00	3000,00	3000,00	68820,00	Expenses of draft and printing of the training materials	1	5000,00	5000,00	73820,00
	Design and draft of the guidelines / guides and training packages (modules) for budget planning and reporting, regarding the PPP projects.	12	2	25	15	15	0	0	10	0	10	10	99	37200,00	6260,00	7500,00	4500,00	4500,00	0,00	0,00	0,00	3000,00	0,00	3000,00	3000,00	68960,00	Expenses of draft and printing of the training materials	1	5000,00	5000,00	73960,00
	Trainings and capacity building for relevant public institutions in both entities and the Brčko District	17	10	20	60	10	5	0	30	0	10	10	172	52700,00	31300,00	6000,00	18000,00	3000,00	1500,00	0,00	0,00	9000,00	0,00	3000,00	3000,00	127500,00	Expenses of organisation of the training for the representatives of the beneficiaries (including renting of the space and equipment, expenses of translation and interpretation, draft and reproduction of the training manuals and other materials, accompanying expenses of accommodation, food and refreshments for the participants, etc.) in accordance with the contents of the specific project activities	1	30000,00	30000,00	157500,00
	Organisation of seminars for the business community	29	8	20	40	15	5	0	20	0	10	10	157	89900,00	25040,00	6000,00	12000,00	4500,00	1500,00	0,00	0,00	6000,00	0,00	3000,00	3000,00	150940,00	Technical and logistical expenses of organisation of seminars, theme work shops, round tables and advising, including activities of organisation of the meetings of the implementation team or work meetings with the representatives of the beneficiaries (travel expenses, spece rent	1	10000,00	10000,00	160940,00

	Study visit	2	2	0	0	0	5	0	0	0	10	10	29	6200,00	6260,00	0,00	0,00	0,00	1500,00	0,00	0,00	0,00	3000,00	3000,00	19960,00	Expenses of organisation of study trips	1	60000,00	60000,00	79960,00
	Prepare two to three pilot projects through simulation of draft of the scope of the PPP projects, budget planning and reporting, selection of the competition PPP procedure and methodology for economic sustainability assessment. These pilot simulations of the PPP projects will be proposed and approved based on a consensus by the project Implementation Team.	7	7	12	10	10	0	0	0	0	10	10	66	21700,00	21910,00	3600,00	3000,00	3000,00	0,00	0,00	0,00	0,00	3000,00	3000,00	59210,00	Expenses of project justification study and promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional materials, publications, web contents, etc.	1	50000,00	50000,00	109210,00
	Total 3:	212	61	162	215	120	20	0	110	15	90	90	1095	657200,00	190930,00	48600,00	64500,00	36000,00	6000,00	0,00	33000,00	4500,00	27000,00	27000,00	1094730,00			175000,00	1269730,00	
Component 3. Promotional campaign	Design of the communication plan and the promotion campaign	3	3	0	0	0	15	0	0	0	0	0	21	9300,00	9390,00	0,00	0,00	0,00	4500,00	0,00	0,00	0,00	0,00	0,00	23190,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	3925,00	3925,00	27115,00
	Design and maintenance of the project web site	0	0	0	0	0	55	250	0	0	0	0	305	0,00	0,00	0,00	0,00	0,00	16500,00	75000,00	0,00	0,00	0,00	0,00	91500,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	2500,00	2500,00	94000,00
	Establishment of the working relations with the relevant chambers of commerce and employer associations in both entities and the Brčko District, with the objective of building institutional cooperation with the business structures	17	12	0	0	5	25	0	0	0	10	10	79	52700,00	37560,00	0,00	0,00	1500,00	7500,00	0,00	0,00	0,00	3000,00	3000,00	105260,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	5000,00	5000,00	110260,00
	Presenting the main project product to the private sector and familiarising the parties from the private sector with the legal possibilities for doing business through application of the PPP concept.	4	3	0	0	5	25	0	0	0	5	5	47	12400,00	9390,00	0,00	0,00	1500,00	7500,00	0,00	0,00	0,00	1500,00	1500,00	33790,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	5000,00	5000,00	38790,00
	Composing a brochure illustrating successful PPP projects; the purpose of the brochure is to present very concrete applications of the implemented projects.	3	3	13	10	10	25	0	10	0	0	0	74	9300,00	9390,00	3900,00	3000,00	3000,00	7500,00	0,00	3000,00	0,00	0,00	0,00	39090,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	10000,00	10000,00	49090,00
	Activities of awareness rising, education and informing through the PPP promotional and final conference and special brochures, so the wider public would become closer to the benefits the PPP projects might bring	3	3	0	0	0	45	0	0	0	0	0	51	9300,00	9390,00	0,00	0,00	0,00	13500,00	0,00	0,00	0,00	0,00	0,00	32190,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	12000,00	12000,00	44190,00
	Identifying future project initiatives for effective application of the PPP in the practice.	3	3	0	10	5	0	0	5	0	0	0	26	9300,00	9390,00	0,00	3000,00	1500,00	0,00	0,00	1500,00	0,00	0,00	0,00	24690,00	Expenses of promotional activities, including dissemination of the project results and various activities on ensuring visibility of the project during its implementation (press and promotional conferences, promotional material, publications, web contents, etc.).	1	2500,00	2500,00	27190,00
	Total 4:	33	27	13	20	25	190	250	15	0	15	15	603	102300,00	84510,00	3900,00	6000,00	7500,00	57000,00	75000,00	4500,00	0,00	4500,00	4500,00	349710,00	0		40925,00	390635,00	
Reporting		25	0	0	0	0	0	0	0	0	0	0	25	77500,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	77500,00	0		0,00	77500,00	
Promotional activities and visibility		0	0	0	0	0	0	0	0	0	0	0	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0		0,00	0,00	
	TOTAL PROJECT (without the VAT)	380	170	230	285	240	210	250	125	120	145	145	2300	1178000,00	532100,00	69000,00	85500,00	72000,00	63000,00	75000,00	37500,00	36000,00	43500,00	43500,00	2235100,00			223925,00	2459025,00	
	Amount of VAT													200260,00	90457,00	11730,00	14535,00	12240,00	10710,00	12750,00	6375,00	6120,00	7395,00	7395,00	379967,00			38067,25	418034,25	
	TOTAL with the VAT													1378260,00	622557,00	80730,00	100035,00	84240,00	73710,00	87750,00	43875,00	42120,00	50895,00	50895,00	2615067,00			261992,25	2877059,25	

Name and Surname of the Authorised Person:

Function of the authorised person:

Signature and Stamp:

Altijana Softić
Director

## ANNEX 4: Overview of Achievements of the Planned Activities by the Logical Framework

Planned Activities	Objectively Verifiable indicators (OVI) / Funds / Expenses	Planned (yes/no)	Achieved (yes/no)	Comment
<b>Component 1. LEGAL FRAMEWORK</b>				
<b>Activity 1.1.</b> Evaluation and analysis of the existing local legislation in BiH regarding the legality within: the RS, the FBiH, and the BD, with the objective of establishing the legal harmonisation with the normative bases and other documents of the EU within the PPP		YES	YES	The project team implemented this activity fully in accordance with the set deadline.
<b>Activity 1.2.</b> Organisation of the panel discussions to give recommendations for consolidation of norms with the documents and policies of the EU, which would result in flexible and clear public framework, which would create opportunities for implementation of the PPP projects in practice		YES	YES	The project team implemented this activity fully in accordance with the set deadline.
<b>Activity 1.3.</b> Design and implementation of an adequate sector analysis with the objective of identifying the areas for potential PPP projects		YES	YES	The project team implemented this activity fully in accordance with the set deadline.

## ANNEX 4: Overview of Achievements of the Planned Activities by the Logical Framework

<b>Activity 1.4.</b> Defining the PPP criteria		YES	YES	The project team implemented this activity fully in accordance with the set deadline.
<b>Activity 1.5.</b> Appointment of the institutional expert teams and as needed with the agreement of the Implementation Team, preparation of the draft legislation harmonised with the specific needs of the main project beneficiaries.		YES	ONGOING	Within this activity, the representatives of the main project beneficiary institutions were appointed, who also participated in the expert and work conference in Dubrovnik, where the model PPP Law was presented as well as the accompanying legal acts. The said model law, as well as the accompanying bylaws are approved by the Implementation Team. Within this activity, there are two tasks remaining, which will be, as needed and as requested by the main project beneficiaries, implemented, i.e. concrete proposals of the draft laws would be written, and/or amendments to the existing laws on PPP. On that matter, the project team sent a letter of intention to the beneficiaries / governments, intending to provide its expert capacities and resources during draft of the proposal of the draft law on public private partnership, and/or during draft of amendments to the existing laws on PPP. It is up to the beneficiaries to establish within their line ministries a work group for amendment to the existing legislation in the domain of public private partnership at the level of the FBiH, the RS and the BD BiH.
<b>Component 2. TRAININGS AND CAPACITY BUILDING</b>				
<b>Activity 2.1.</b> Designing a training package (Modules): PPP project cycle management		YES	YES	The project team implemented this activity fully in accordance with the set deadline.
<b>Activity 2.2.</b> Designing methodology for economic effectiveness and financial sustainability assessment (received value for invested money), and evaluation of sustainability of the PPP project.		YES	YES	The project team implemented this activity fully in accordance with the set deadline.

#### ANNEX 4: Overview of Achievements of the Planned Activities by the Logical Framework

<b>Activity 2.3.</b> Designing and draft of the guidelines / guides for practical application of the competition procedures for contractual execution of the PPP project, and designing and draft of the methodology for economic effectiveness and financial sustainability assessment of the PPP project, within which it provides a local legal framework for application of the PPP as an asset.		YES	YES	The project team implemented this activity fully in accordance with the set deadline.
<b>Activity 2.4.</b> Designing and draft of the materials for trainings and methodologies for application of the procedures for selection of the PPP partners in practice: negotiation procedures, competition dialogue and innovations for partnership.		YES	YES	The project team implemented this activity fully in accordance with the set deadline.
<b>Activity 2.5.</b> Design and draft of the guidelines / guides and training packages (modules) for budget planning and reporting, regarding the PPP projects.		YES	ONGOING	Within this activity, at the meeting of the Implementation Team, held on 31st January 2017 in Teslić, a draft Guide for budget planning and reporting for the PPP projects was accepted. At the same meeting the members of the Implementation Team pointed to the importance of positioning the public sector in the budget. Regarding that, all the present members of the Implementation Team approved drafting of the special guide for budget planning, although it implies widening of the previously foreseen tasks from the terms of reference. A guide Treatment of the PPP in the public bodies budgets is in the phase of preparation, and it should be presented at the next meeting of the Implementation Team.
<b>Activity 2.6.</b> Trainings and capacity building for relevant public institutions in both entities and the Brčko District		YES	NO	The trainings were planned to begin in the II quarter of 2017.



## ANNEX 4: Overview of Achievements of the Planned Activities by the Logical Framework

<b>Activity 2.7.</b> Organisation of seminars for the business community		YES	NO	The trainings for the business community were planned for the II quarter of 2017.
<b>Activity 2.8.</b> Study visit		YES	NO	The first study visit was planned for the II quarter of 2017, and the second for the III quarter of 2017
<b>Activity 2.9.</b> Prepare up to three pilot projects through simulation of draft of the scope of the PPP projects, budget planning and reporting, selection of the competition PPP procedure and methodology for economic sustainability assessment. These pilot simulations of the PPP projects will be proposed and approved based on a consensus by the project Implementation Team.		YES	ONGOING	Within this activity, there was a change in the manner of its implementation. That is, it is stated here, and as stipulated by the Inception Report, that the pilot simulations of the PPP project would be proposed and approved based on the consensus from the Implementation Team. However, during implementation of this activity, the users / members of the Implementation Team decided that the competent ministries from all the levels of authority, involved in the project, would be the ones proposing and approving the said pilot simulations. This activity is ongoing, considering that proposals of the appropriate projects from the competent ministries are pending.
<b>Component 3. pUBLICITY AND AWARENES RISING</b>				
<b>Activity 3.1.</b> Design of the communication plan and the promotion campaign		YES	ONGOING	So far, the project team drafted the Communication strategy of the PPP, which was adopted by the Implementation Team.

## ANNEX 4: Overview of Achievements of the Planned Activities by the Logical Framework

<b>Activity 3.2.</b> Design and maintenance of the project web site		YES	ONGOING	The project web site was designed, and in the next period it should be made operational.
<b>Activity 3.3.</b> Establishment of the working relations with the relevant chambers of commerce and employer associations in both entities and the Brčko District, with the objective of building institutional cooperation with the business structures		YES	ONGOING	Working relations are being established with the relevant chambers of commerce and employers associations in both entities and the BD.
<b>Activity 3.4.</b> Presenting the main project product to the private sector and familiarising the parties from the private sector with the legal possibilities for doing business through application of the PPP concept.		YES	ONGOING	Preparatory activities are ongoing for start of implementation of this activity.
<b>Activity 3.5.</b> Composing a brochure illustrating successful PPP projects; the purpose of the brochure is to present very concrete applications of the implemented projects.		YES	ONGOING	Preparatory activities are ongoing for start of implementation of this activity.
<b>Activity 3.6.</b> Activities of awareness rising, education and informing through the PPP promotional and final conference and special brochures, so the wider public would become closer to the benefits the PPP projects might bring		YES	ONGOING	Preparatory activities are ongoing for start of implementation of this activity.

**ANNEX 4: Overview of Achievements of the Planned Activities by the Logical Framework**

<b>Activity 3.7.</b> Identifying future project initiatives for effective application of the PPP in the practice.		<b>YES</b>	<b>ONGOING</b>	Preparatory activities are ongoing for start of implementation of this activity.
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ANNEX 5. List of Interlocutors / Interviews

No.	Name and Surname	Position, Sector	Institution	Place	Date	Meeting held (yes / no)
1.	Vedad Nezirić	Member of the IT	Government of the Federation of BiH Federal Ministry of Finance	Sarajevo	12/04/2017	YES
2.	Tarik Zaimović	KE1 – Project Leader		Sarajevo	21/04/2017	YES
3.	Miroslav Zeković	Expert Advisor for the Reform Area of Public Finance	PARCO	Sarajevo	26/04/2017	YES