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Synopsys

Project title:	Horizontal Support to Coordination with International Financial Institutions (IFIs) and bilateral donors in the Western Balkans
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** This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.*

Abbreviations

Abbreviation	Meaning
ALB	Albania
BiH	Bosnia and Herzegovina
BRI	Business Related Infrastructure
CBA	Cost Benefit-Analysis
COM	European Commission
DDPFFA	Department of Development Programming, Financing and Foreign Aid
DG NEAR	Directorate General Neighbourhood and Enlargement Negotiations
EIA	Environmental Impact Assessment
ENE	Energy Sector
ENV	Environment Sector
EUD	Delegation of the European Union
FBiH	Federation Bosnia and Herzegovina
GAF	Grant Application Form
GDP	Gross Domestic Product
IFICO	International Finance Institutions' Coordination Office
IFIs	International Finance Institutions
INV	Investment
IPA	Instrument for Pre-Accession Assistance
KOS	Kosovo
LM	Line Ministry
MIS	Management Information System
MKD	The former Yugoslav Republic of Macedonia
MNE	Montenegro
MoE	Ministry of Economy
MoF	Ministry of Finance
MTBP	Medium Term Budgetary Programme
NIC	National Investment Committee
NIC TS	NIC Technical Secretariat
NIPAC	National Instrument for Pre-Accession Assistance Coordinator
PFG	WBIF Project Financiers' Group
PIF	Project Identification Form
PIP	Project Investment Programme (World Bank initiative in certain WB6 countries)
PIU	Project Implementation Units
PM Office	Prime Minister's Office
PMU	Project Management Units
PPF5	Project Preparation Facility 5
PPP	Public Private Partnership
PPP	Public Private Partnership
ReSPA	Regional School of Public Administration
RS	Republika Srpska

SC	WBIF Steering Committee
SOC	Social Sector
SPC	Inter-Ministerial Strategic Planning Committee
SPD	Sector Planning Document
SPP	Single Project Pipeline
SRA	Strategic Relevance Assessment
SRB	Serbia
SSMG	Strategic Sector Managing Group
SSPPs	Single Sector Project Pipelines
SWG	Sector Working Groups
TA	Technical Assistance
TRA	Transport Sector
WB6	Western Balkans Six
WBIF	Western Balkans Investment Framework

Foreword

This report was originally assigned to and prepared by IFICO 2, a consortium led by Mott MacDonald, whose service contract ended on 31 January 2018. The report was submitted as draft to the WBIF Secretariat in December 2017. The IFICO 3 contract commenced on 27 February 2018, and the consortium is led by GIZ InS in partnership with Mott MacDonald. The key staff of IFICO 2 and IFICO 3 projects is largely the same, except for Mr H Warsmann, IFICO 2 Key Expert, who was one of the main authors of the report. The report was updated and finalised by IFICO 3.

Executive Summary

- The National Investment Committee (NIC) frameworks have been transposed, are operational and are functioning reasonably well within beneficiaries' administrative structures;
- Patchy progress can be noted in the full integration of the NIC framework in the national administrations;
- Stakeholders report increased clarity and transparency in public investment processes;
- International Finance Institutions (IFIs) report positive experience and welcome increased clarity on national priorities which reduced the need for coordination meetings with Line Ministries;
- Main areas for improvement concern: (i) closer link between Single Project Pipeline (SPP) size and medium-term fiscal capacity and (ii) better prioritisation criteria and methodologies;
- In particular and across the WBs the following can be noted:
 - Additional capacity building is needed at technical and final beneficiary level;
 - Greater focus on maturity issues and applying criteria objectively during prioritisation process at SPP level are needed, as well as the introduction of additional project indicators such as availability of funding and target implementation dates;
 - The prioritisation process could benefit from additional efforts at scoring homogeneity within and across sectors;
 - Retaining institutional memory during staff turnover by creating routine capacity building activities for new personnel;
 - Implementation capabilities remain weak, including for Project Implementation Units (PIU) and Project Management Units (PMUs);
 - Fiscal capacity constraints remain significant and available capacity is not always used effectively, for instance when project implementation is delayed due to deficient planning or weak capabilities;
 - The Social sector is receiving increased attention under the Framework but struggles with several issues: (i) large sector size as such, (ii) smaller individual project size, (iii) responsibilities split among several ministries and across several administrative levels, and (iv) reduced high level focus and lower priority relative to other sectors;
 - Monitoring systems are often multiple and incomplete or sometimes missing altogether;
- The main axis for framework evolution:
 - Further operating experience is needed to develop capacities and stabilise routines. Single Project Pipeline (SPP) revision processes are ongoing or expected later in 2018;
 - SPP size must be better tailored to expected national financing capabilities over a manageable timeframe;
 - Closer integration of the SPP with medium term budget processes to ensure effective use of all available investment capacity.

1. Background and Introduction: NIC Framework Development

In September - November 2017, at the request of DG NEAR, IFICO undertook a new evaluation of the NIC framework implementation after two years of operation in Western Balkans 6 beneficiaries (WB6). This evaluation included a preliminary desk research followed by missions to each country, meetings with relevant NIC bodies, NIPACs, NIC Technical Secretariats, as well as other stakeholders concerned, such as the EU Delegations (EUDs), Bilateral Donors (BDs) and IFIs. The purpose of these missions was to collect information regarding the integration of the framework within state institutions, the status of the Single Sector Project Pipelines (SSPPs) and SPPs, the impact of the NIC framework on project development and implementation, as well as the perception of the main stakeholders on the framework and its operation.

In order to facilitate the assessment of how the NIC framework and SPPs have operated and evolved since 2016, IFICO prepared a checklist to be filled by the NIC Technical Secretariat (NIC TS) and collating quantitative operational data for the period (see Annex 1) as well as a questionnaire destined to all stakeholders and assessing their perception of the framework and its operation (see Annex 2). This is further described in the following section.

Regarding the NIC framework itself, this concept was first communicated by DG NEAR at the 16th Project Financiers' Group (PFG) meeting on 20 May 2014. At the 11th WBIF Steering Committee (SC) meeting in Berlin in June 2014, the NIC framework was introduced as future requirement for European Commission (COM) support to infrastructure investment. This was followed by a first COM note Ares (2014)2188025 of 2/7/2014 concerning the main elements of the NIC framework and further detailing the conceptual approach of the NIC process. Finally, note Ares (2105)4684503 specified that the first prioritised and NIC-endorsed SPP must be submitted to Directorate General Neighbourhood and Enlargement Negotiations (DG NEAR) ahead of the 13th WBIF SC meeting.

The NIC framework is a national strategic investment review and prioritisation process, which leads to an informed and structured endorsement of a prioritised Single Project Pipeline (SPP) by beneficiary countries, with the involvement of key players, such as IFIs, the EUDs or bilateral donors, etc. The NIC process has three main requirements: (a) ownership, (b) transparency, and (c) prioritisation of all projects, and further calls for a structured involvement of partners (IFIs, EUDs, COM, etc.). These lead to the endorsement of the prioritised SPP by the NIC (or similar coordination mechanism), the latter headed by or under the auspices of the Ministry of Finance (MoF) or the Prime Minister's Office (PM Office).

In July 2014 IFICO started supporting the WB6 by conducting a fact-finding mission to determine the beneficiaries' readiness to implement the necessary changes where required and to provide recommendations matched with high-level assistance proposals, where deficiencies were identified.

In February 2015, IFICO drafted NIC implementation Action Plans together with the beneficiaries. Later in 2015 a NIC 'Guidance Package' was delivered, consisting of several methodologies and guidelines, as well as training material. The beneficiary countries adjusted these supporting documents to their own circumstances and adopted them. IFICO was present in each of the beneficiary country, supporting and training the beneficiaries on how to implement and operationalise the NIC framework. The whole exercise culminated in the submission of prioritised SPPs by all WB6 beneficiaries to the European Commission prior to the 13th Steering Committee in Paris which took place in December 2015. Bosnia and Herzegovina (BiH) submitted only a transport SSPP, as this was the only sector for which it had a countrywide sector policy and strategy. In January 2016, IFICO performed an analysis of the

transposition of the NIC framework in WB6 (except Serbia), as well as an initial review of the SSPPs and SPPs prepared by all WB6 countries.

IFICO did not provide the same level of support to Serbia, because it received dedicated Technical Assistance (TA) through the Project Preparation Facility 5 (PPF5). During this project, PPF5 developed an innovative assessment methodology for project selection and prioritisation. This enabled the systematic appraisal of infrastructure project proposals to decide which merit investment of additional resources for further preparation and ultimate construction. Following this filtering step, ‘strategically relevant’ projects across five sectors – environment (ENV) including the water/wastewater, solid waste sub-sectors, energy (ENE), transport (TRA) and Business-Related Infrastructure (BRI) were assessed, and an SPP for Serbia was defined in 2014.

In 2016 and 2017, with the NICs and SPPs operational and functioning as the main investment mechanisms for infrastructure projects, IFICO supported the WB6 beneficiaries on the basis of ad hoc assistance requests. This included support to additional sectors created by beneficiaries (such as “business related infrastructure” and others), as well as the provision of various concept papers on stakeholder engagement, regional NIC cooperation, and a methodology for updating the SSPPs and SPP. An overview of all supporting documents produced by IFICO can be found in the NIC Compendium (attached as a separate document to this report).

2. Methodology

The 2016 NIC review focused on the beneficiaries’ transposition of mandatory NIC framework requirements as outlined in Ares (2015)1150242 and Ares (2015)1360530 (and earlier COM methodological concept note of 2014), in which the main indicators were:

- The NICs have been established and are operational;
- A prioritised SPP was produced in time for the 13th WBIF SC meeting in Paris.

The results of this transposition are shown below:

Table 1: Overview of the 2016 NIC framework transposition status

	Albania	Bosnia and Herzegovina	Kosovo	The former Yugoslav Republic of Macedonia	Montenegro	Serbia	Comments
NIC established	√	√	√	√	√	√	
Sector Working Groups (SWGs) established	√	x	√	√	√	√	BiH: only TRA operational, ENV wip ¹ , ENE efforts started
Strategic Relevance Assessments (SRAs) conducted	√	x	√	√	√	√	BiH: only TRA, ENV wip, ENE efforts started

¹ Wip: work in progress.

	Albania	Bosnia and Herzegovina	Kosovo	The former Yugoslav Republic of Macedonia	Montenegro	Serbia	Comments
Single Sector Project Pipelines (SSPPs) produced	√	x	√	√	√	√	BiH: only TRA, ENV wip, ENE efforts started
Technical Secretariat (TS) operational	√	√	√	√	√	√	
IFIs, EUDs, Bilateral donors involved	√	√	√	√	√	√	BiH: stakeholder engagement started
Single Project Pipeline (SPP) produced	√	x	√	√	√	√	BiH: only TRA, ENV wip

Whilst this analysis provided useful information with regards to the ‘static’ NIC framework transposition, the purpose of the present evaluation was to build on these findings and to evaluate the dynamics of the framework since its roll-out by investigating how much these structures, procedures, and mechanisms have been used and updated during the first two years of operation in WB6. One of the main assessment purposes was thus to examine how thoroughly the NIC framework and SPP have been integrated in the state structures and whether they are used as the main mechanisms for project prioritisation and selection in WB6.

a) Quantitative Assessment

To perform this assessment, the checklist in Annex 1 was used to acquire information about several NIC framework indicators. It was provided to the NIC TS and NIPAC prior to the field missions; thus, enabling these actors to collect and provide relevant information.

During IFICO’s mission to the beneficiary countries, the input provided in the assessment table was discussed in detail with NIC key stakeholders to clarify any outstanding issues and to extract additional information, whenever possible. Unfortunately, questionnaires were not always fully completed.

The quantitative checklist contains specific indicators for each level of the NIC framework (NIC, NIC TS and SWG/Final Beneficiary levels). This structure enables assessment of all the main actors and structures of the NIC framework.

b) Qualitative perception of the NIC framework

In order to achieve a comprehensive approach in the assessment, the perceptions of the stakeholders involved in the framework (final beneficiaries, SWG members, MoF, IFIs, etc.) were appraised/surveyed through a questionnaire (see Annex 2). Further, face to face interviews structured around the questionnaire offered the opportunity to obtain detailed views and comments from participants.

The questionnaire was sent to the respective stakeholders prior to the meeting with the purpose to evaluate the adhesion on a four-point scale of stakeholders to predefined statements in order to compile answers and present the findings in a coherent manner. The questionnaire featured queries regarding

the fulfilment of the three key NIC framework principles of ownership, transparency, and prioritisation as well as communication and coordination. It also offered the option to complement each answer with comments.

Based on the answers to the questionnaire and the checklist, NIC's effectiveness perception of the actors involved in the process/framework is analysed. The highest level on the analysis scale is "completely fulfilled" meaning that the functionality and objectives of the NIC framework are achieved. The lowest level is "not fulfilled", meaning the scope of the NIC framework was not realized and/or achieved in a satisfactory manner. The answers provided in both survey documents were used as a tool to verify the concordance in the analysis below - e.g. the results of the question "Do you consider the structure of the NIC framework effective" from the qualitative questionnaire, should be correlated with the answers provided in the section 1 of the quantitative checklist which refers to Continuity of activities; NIC Output(s) and Involvement of and collaboration with stakeholders.

Not all Questionnaires were fully completed ahead of the interviews and a number of them were received only during or after the various missions. However nearly all stakeholders that took part in interviews had read the questionnaire and were familiar with the approach. Interviews were largely structured around the questionnaires and sought to elicit detailed comments and reactions to complement the rankings provided. The interviews were overwhelmingly open and constructive. They provided the opportunity to obtain more detailed information from the stakeholders about their experience and perceptions with the NIC framework, especially the coordination and communication benefits (or lack thereof), as well as comment on satisfactions and frustrations.

3. Country Assessment Results

This Section structures and summarises the information collected during IFICO's missions in October 2017 to all WB6 beneficiaries and further information received up until end of May 2018. It draws on the answers to the questionnaires and checklists and on the outcome of the numerous interviews carried out in each country to assess the continuity of activities, the framework output, and the cooperation between various stakeholders.

It also outlines the main actions to be implemented for each country, in the near and medium term to enhance the framework's effectiveness. This individual action plan suggests measures mainly for implementation at NIC level, NIC TS level, and line ministry or SWG level. Timelines for implementation should be defined at a later stage together with the beneficiary.

While the assessment is carried out on a beneficiary country basis, several key issues emerged, including:

- Need to improve framework effectiveness by creating conditions for a more inclusive NIC framework where all government levels actively participate; and, where outstanding, create Sector Working Groups and Single Sector Project Pipelines for remaining (WBIF) sectors;
- Inter-institutional cooperation, communication, and information sharing among relevant counterparts should be improved;
- Greater focus on maturity issues and applying criteria objectively during prioritisation process at SPP level are needed, as well as the introduction of additional project indicators such as availability of funding and target implementation date;

- The prioritisation process could benefit from additional efforts at scoring homogeneity within and across sectors;
- Retaining institutional memory during staff turnover, creation of routine capacity building activities for new personnel is necessary;
- Parallel frameworks for non-IPA projects requires further scrutiny to ensure that the SPP and NIC framework remain the main tools for infrastructure project prioritisation and selection;
- There is an urgent need in all countries to establish a centralised monitoring and reporting system for SSPPs and SPP.

The NIC framework remains young and further operating experience is needed to develop capacities and stabilise the routines involved. The next major evolution of the framework is the development of a closer integration of the SPP with medium term budget processes to ensure effective use of all available investment capacity.

Due to conditionality concerns, the individual Action Plans are only disseminated to the relevant beneficiaries. A summary of the findings is shown in the following sections.

3.1. Albania

3.1.1. Institutional Framework

The NIC/SPP implementation process started at the beginning of May 2015, with the Department of Development Programming, Financing and Foreign Aid (DDPFFA), within the PM Office, appointed as NIC TS. Under the Prime Minister Order No. 113 of 26/8/2015 for Amendment of Prime Minister Order No 18 of 22/1/2014 the existing Inter-Ministerial Strategic Planning Committee (SPC) was charged with performance of all mandatory NIC functions. Following the latest restructuring of the Albanian government, the NIC TS function is currently performed by the Office for National Development Projects in the PM Office.

Ten Strategic Sector Managing Group (SSMGs) - the SWG equivalent – for energy, environment, social and transport sectors were formally established and became operational through separate ministerial orders at the end of July 2015. Additionally, an SSMG for Business Related Infrastructure was established in June 2016. SSPPs are applied and in place for all the sectors. The NIC TS is tasked with merging these SSPPs into one SPP following consultation with the Budget Management Group, which contains MoF and NIPAC as well. The NIC makes the final decision to adopt the SPP.

3.1.2. Findings

There is an ongoing process of ministerial restructuring following parliamentary elections which impacts several processes related to infrastructure investments/NIC framework in Albania. The Ministry of European Integration will be incorporated in the Ministry of Foreign Affairs; therefore, the Ministry of Foreign Affairs will act as NIPAC Office. There is a possibility that this merger process can cause a loss of institutional memory related to the NIC process in certain sectors/sub-sectors. However, the transport and energy sectors will most likely not be affected.

The new SPP was adopted by NIC in May 2017; the NIC TS mentioned that the SPP will remain stable following the elections and restructuring process.

Generally, the mechanism at SSPP level for collection, evaluation and scoring of infrastructure projects functions reasonably well in Albania. The various SSMGs apply the procedure for their work consistently. Any new project which is considered for funding must pass through the procedure for SSPP drafting (Project Identification Form (PIF)/SRA/SSPP). Following formulation of SSPPs, the SSMGs together with NIC TS organise donor conferences on a yearly basis, in which the projects of the SSPPs are discussed with potential financiers.

After the donor conference, the NIC TS activates the Budget Management Group, in which Line Ministers are invited to come and defend the projects considered priority (in accordance with SRA and SSPP principles) in the respective sectors. MoF and NIPAC participate as well, to indicate the possible financial arrangement in addition to donor requirements, criteria, and priorities. Based on their discussion, projects are then proposed to the NIC for decision-making on the SPP.

The major obstacle for Albania, similar to other countries, is related to linking the SPP with the Medium Term Budgetary Programme (MTBP) to ensure more consistent and reliable investment programming. This an issue echoed by the IFIs, which consider that the SPP in Albania contain a large volume of projects inconsistent with fiscal space limitations.

Another issue mentioned by the IFIs, is that the accuracy of the current MTBP is quite low, and although monitoring is undertaken serious discrepancies still exist; this issue must be redeemed in order for proper investment planning to take place and to ensure the integration of MTBP with SPP.

During the interview with EUD and IFIs, the stakeholders underlined the necessity to organise additional consultations for preparation of TA/INV grant applications in order to avoid the submission of pre-mature projects, and to ensure that the applications fulfil all eligibility criteria and EU requirements.

For the next revision process of the SPP, the Albanian government should continue to ensure transparency during the selection and prioritisation process.

Fiscal space remains a key issue in Albania, with a debt to Gross Domestic Product (GDP) level of approximately 70%. The Albanian government is currently looking at Public Private Partnership (PPP) as possible funding scheme to help alleviate some of these fiscal constraints. Some IFIs noted that the introduction of PPP as a possible form of funding should be included in the NIC framework similarly to other sources of funding.

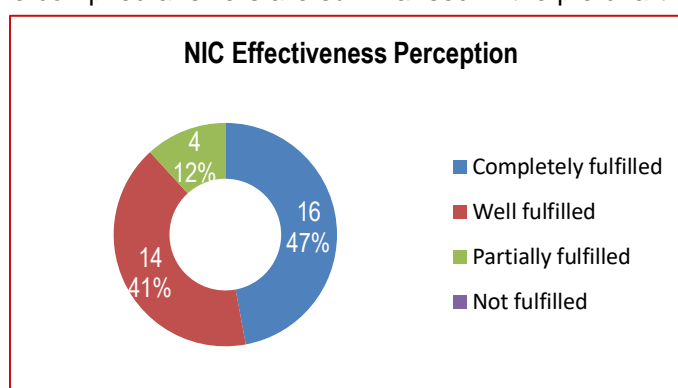
It is necessary to increase the institutional capacities of key actors at the national level for the programming and monitoring of projects at SSPPs and SPP level, especially for the routine update of these pipelines following project progress. An additional issue is the reliance on outside support for the drafting and processing of GAFs, in order to increase absorption of EU funds.

Quantitative and qualitative aspects (survey of official stakeholders)

NIC convened a total of seven times in the period April 2015 to October 2017; where it discussed matters related to the SPP two times in 2015 and an additional five meetings were organised after January 2016. The SPP revision process started in April 2016 and was finally adopted in May 2017. Following the latest revision, the SPP was expanded from an initial list of 41 projects to 143 projects, in the BRI (22), ENE (33), ENV (27), SOC (19), and TRA (42) sectors – it has a cumulative value of EUR 13.7 billion.

According to the information provided by the Albanian authorities, 71 of the projects listed in the SPP from May 2017 are either partly or fully funded, through the state budget, grants, and loans. Total investment costs of these 71 projects are EUR 5.3 billion. The Albanian government has assumed loans of approximately EUR 1.6 billion, in addition to an allocation of EUR 391 million from the state budget to the 71 projects benefitting from financial support in the SPP from 2017.

Regarding the qualitative aspects of the NIC framework, a total of 9 questionnaires were returned by Albanian institutions. The compiled answers are summarised in the pie chart below.



Based on the questionnaires received, it is clear from these and from IFICO's discussions with the various institutions and stakeholders in Albania that the stakeholders consider the NIC framework to function either well or very well. The process follows a structured approach and has significantly increased ownership and objective prioritisation of infrastructure at the sector level. Most stakeholders from the Albanian institutions consider that access to finance is more structured.

3.2. Bosnia and Herzegovina

3.2.1. Institutional Framework

The NIC was established through an Official Decision of the Council of Ministers on 7 May 2015 and is composed of all government levels in BiH, including State BiH, Republika Srpska, Brcko District, and Federation BiH representatives. In the same Official Decision of 7 May 2015, NIPAC Office was appointed as Technical Secretariat to the NIC.

The NIC framework in BiH has only one operational SWG and one SSPP related to the transport sector. During 2017, an environment strategy for the approximation to the EU acquis and a strategy for Higher Education Development were adopted by the BiH Council of Ministers and recently, in August 2018, BiH adopted the strategy for the energy sector. Assistance is currently² provided to the authorities in establishing the SSPP (together with the PIF, SWGs, etc) for the energy and environment sectors; the environment sector might be included in the next SPP and the related NIC decision.

Republika Srpska (RS) has not participated in the NIC framework since its inception. RS considers the responsibilities related to the selection and prioritisation of infrastructure projects should be exclusively carried out at Entity level; however, the RS has nevertheless submitted applications under the WBIF for funding of projects. The ultimate responsibility regarding financial commitment (funding allocation)

² This assistance is provided by IFICO starting from June 2018 to the current date (October 2018).

lies with the Ministries of Finance at Entity level, due to the decentralised structures operating in BiH (except for projects which are the competence of the State level).

The working groups for IPA are already in place and function relatively well, according to all relevant stakeholders (including both Entities, State level, and Brcko District). The Instrument for Pre-Accession Assistance (IPA) is mostly focused on horizontal TA support, with limited financial support for investment projects. The experience of these working groups in elaborating the Sector Planning Documents could be useful for the work of the NIC/SWGs.

There is a Project Investment Programme (PIP) at State, Entity, and Cantonal level which prioritises the investments in BiH, under the management of the Ministries of Finance. The principles used in the PIP framework's prioritisation processes by each level of government are relatively homogenous. Additionally, the application of Public Financial Management and Medium Term Budgetary Programme (MTBP) are already approved by the Entities.

Direct cooperation on infrastructure projects between the two Entities functions well, yet the State level institutions are not adequately involved in accordance with their responsibilities. However, the overall fragmentation of the public structures led the IFIs to directly contact and cooperate with direct beneficiaries of the projects (Autoceste/Autoputevi) often with a minor involvement of the State level institutions.

3.2.2. Findings

The SPP includes 16 projects though only from the transport sector, mainly related to the Core Network of the South-East Europe Transport Observatory. Recent positive development regarding the strategic framework in the environment, energy and education sectors could open a possibility to establish SWGs for these sectors/sub-sectors, concretely efforts are under way for the environment sector at the time of drafting.

The overall integration of the NIC framework within the BiH structures is patchy, given the lack of participation of the RS and the still missing sectors.

Fiscal space is not a constraining issue, considering that BiH's overall level of debt to Gross Domestic Product is at relatively low level of approximately 40%. MTBP is in place at Entity level.

The existing PIP system could facilitate the establishment of SSPPs for all sectors, since this system includes all investment projects eligible for funding in BiH.

Quantitative and qualitative aspects (survey of official stakeholders)

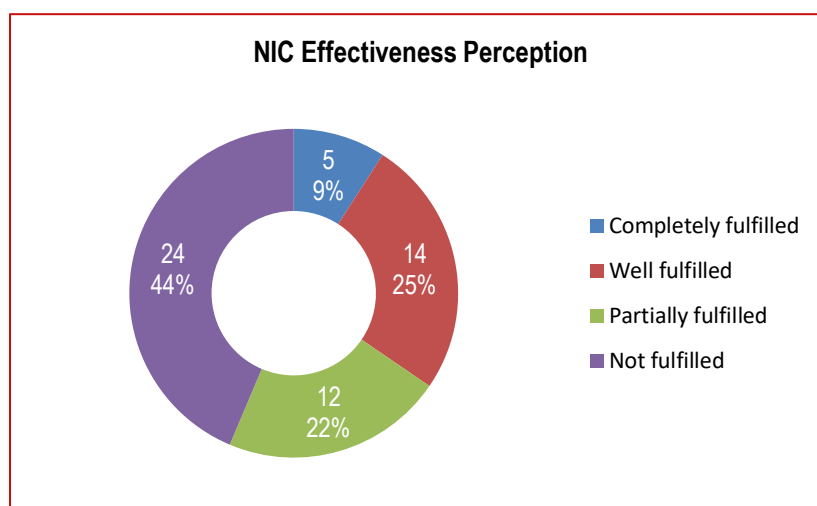
The first SPP was adopted in 12/2015, it has however, not been updated since. NIC has convened 10 times since 23 June 2015. An official meeting was organised with IFIs and bilateral donors on the endorsed SPP, EUD was involved in this process.

Information regarding projects included in the SPP that benefitted from financial support irrespective of financing source could not be retrieved.

Regional cooperation is enhanced through meetings organised by Regional School of Public Administration (ReSPA). 2 annual regional/bilateral NIC/NIC TS meetings have been organised in this format, ensuring an efficient use of existing structures and, hence, avoid duplication of activities.

A total of 8 questionnaires detailing the perception of the effectiveness of the framework based on experience to date were returned, the aggregated answers are summarised in the chart below.

Interpretation however is hampered by sample size and feedback provided by RS interviewees which includes many negative answers reflecting the non-recognition of the NIC framework by RS. The stakeholders perceive that inter-institutional cooperation, communication, and information sharing among relevant counterparts should be improved.



3.3. Kosovo

3.3.1. Institutional Framework

The NIC framework was introduced and the first SPP was approved in December 2015. In principle, the SPP should be revised annually. A first revision took place in August 2016. A second one took place in 2017 and was approved by the NIC on 18 December 2017. The SPP has grown from 39 projects with a value of €2.4 billion in 2015 to 63 projects with a value of €3.4 billion in 2017.

3.3.2. Findings

NIC framework is well integrated within central state structures and successfully went through a period of political uncertainty and a change of majority. Incoming senior Government staff was largely new and had limited knowledge about the framework. The NIC TS ensured familiarisation with the framework took place prior to discussing the latest SPP revision.

Operations are not focussed on WBIF sector priorities or as the main source of finance and sectors with lesser IFI-exposure have gained increased visibility as well as some new finance thanks to the NIC. The SPP is the simple collection of SSPPs with no cross-sector prioritisation in place.

The framework is perceived as an improvement on the existing PIP framework because: (i) clear priorities are set; (ii) selected projects are closely aligned with strategies; and (iii) Line Ministries (LMs) have more control on project and priority choices. The NIC framework also addressed a number of IMF concerns on Kosovo's public investment planning.

According to the Finance Ministry the NIC framework allows a clearer perception of investment needs and of projects than PIP (PIP has more than 10,000 projects in its database) and that decisions are more structured and transparent with limited room left for bilateral discussions.

A medium-term planning tool integrating the SPP and budget is missing as their MTBP is not sufficiently detailed, not binding and frequently revised. Lifetime cost planning remains problematic with frequent underfunding for maintenance.

Kosovo is in a relatively unique situation regarding fiscal space, due to their low level of public debt and an investment clause in IMF agreement (which excludes under certain conditions capital projects financed either from privatisation proceeds or IFI loans from the deficit calculation). Key WBIF supported projects benefit from the investment clause. This situation should be exploited through effective and timely implementation of projects approved and financed.

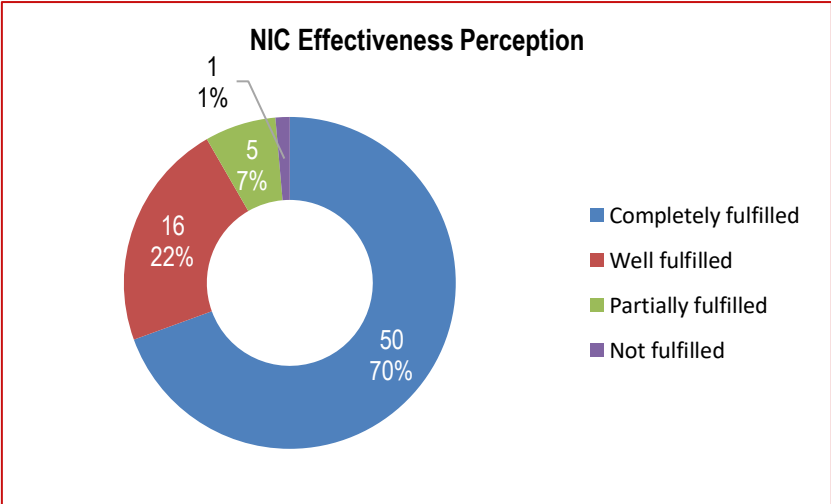
IFI are positive towards the framework, considering that it includes better clarification of strategic priorities, streamlining of the investment selection process, increased overall transparency and more a structured access to financing. Yet, IFIs raised concerns about Kosovo’s weak implementation capacities across the board.

Main functional issues are lack of implementation capacity at final beneficiary level for projects that received finance (PIU/PMU weakness) and need for Grant Application Form (GAF)/PIF preparation support when current PPF ends mid-2018.

Quantitative and qualitative aspects (survey of official stakeholders)

Since the creation of the NIC framework, the NIC has met 6 times and extensive coordination with IFIs and bilateral donors took place through 9 sessions. The social sector was added to the framework in 2016 resulting in 11 additional projects in the SPP.

A total of 7 institutions returned 9 questionnaires detailing their perception of the effectiveness of the framework based on their experience to date. Aggregated answers summarised in the chart below show a high level of satisfaction among framework stakeholders. Partial satisfaction points relate mostly to lack of finance availability and emanate from social sector institutions.



3.4. The former Yugoslav Republic of Macedonia

3.4.1. Institutional Framework

The NIC framework was introduced in December 2015 at three levels. It has become fully functional and serves as programming basis for all available financing sources, including IPA National, other donors and national budget. The first SPP for investment projects was adopted in December 2015, based on the 2014-2018 Government Programme, IPA I and IPA II Operational Programmes; it includes 4 SSPPs, namely for transport, energy, environment, and social sectors.

3.4.2. Findings

The NIC framework is functioning within central state structures and covers almost all projects, only small 100% donor funded projects are outside its reach. The political crisis over the past two years has restricted operations and prevented SSP revision. The first top level NIC meeting under the new government took place on 29 November 2017. Given the political context, NIC operations appear rather reactive and were closely linked to WBIF / IPA priorities in terms of sector weights, financing sources and calendar. While the SPP shows approximately 120 projects, attention has been focussed on a limited number of mature projects with better implementation prospects.

The SPP is made of 4 separate SSPPs. Technical staff is uneasy at arbitrating between sectors to merge the SSPPs into an SPP. The issue is viewed as a political decision and no clear medium-term framework is in place to provide guidance. The SSPPs are linked to multi annual programmes such as the Government Programme and IPA Sectoral Operational Programmes and are expected to follow a medium term 4-year budgetary programme in due course (efforts to operationalise this are under way).

The NIC TS provided information on the framework to the new government. A comprehensive SPP / SSPPs update and revision is expected to take place early in 2018. NIC TS checked the SPP against the new government programme for the 2017–2020 period and could not identify any major discrepancy. The sector likely to be most affected by the proposed revision effort is SOC.

Official stakeholders generally agree that the framework implementation brought better communication and coordination across the board as well as improved transparency in priorities and projects. No improvement in terms of access to finance is reported in any sector, however the social sector is receiving increased exposure and visibility following framework implementation. LMs' regional interest and engagement increased after NIC framework implementation as other countries have gone through similar processes.

The NIC TS confirmed that the NIC framework has generated additional interest from bilateral donors, including non WBIF donors like China and Japan, who participate in NIC meetings. There is, however, little progress so far in terms of financing.

IFIs also welcomed the implementation of the NIC/SPP system. Main benefits include improved SPP transparency and greater clarity on national priorities. Concerns relate to the mismatch of the number of projects included in the SPP and the fiscal and implementation capacities.

Main functional issues are: staff turnover at all levels, lack of capacity at technical level and final beneficiary level (maturity assessment, project documents' quality assessment and language skills); limited awareness at decentralised levels (mostly municipalities and for SOC and ENV); and need for rationalisation/integration of monitoring systems for TA and Projects.

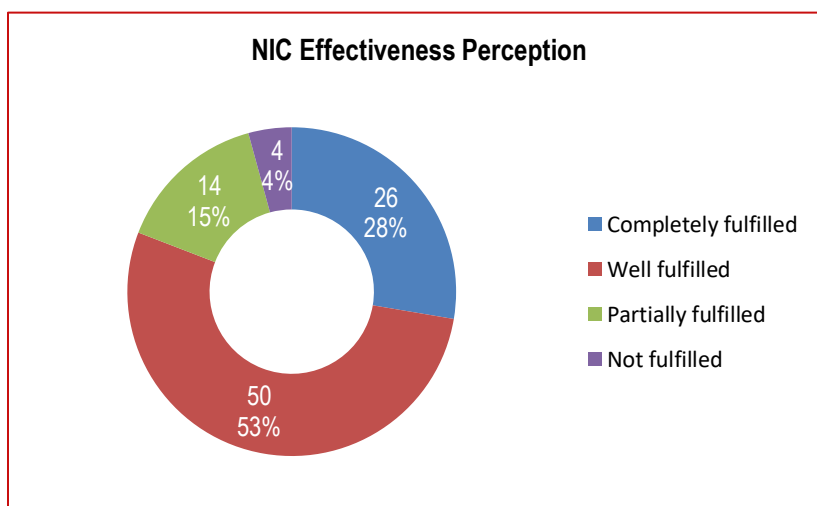
Quantitative and qualitative aspects (survey of official stakeholders)

Since 2016, due to the internal political situation in the country, only 2 NIC meetings took place in July and December 2016 at the intermediary level. June 2017 general elections have affected the composition of the NIC, at top and intermediary levels, and the NIC TS initially focussed on providing all necessary details to the new comers on NIC framework functions. A top level NIC meeting, took take place on 29 November 2017. The meeting confirmed the importance of the NIC framework and of the connectivity agenda.

The SPP contains 114 projects (31 TRA, 29 ENE, 31 ENV, 23 SOC). The incoming government requested an alignment of the SPP with its programme for the 2017–2020 period. This did not result in any major change, especially in TRA and ENE sectors, as the main strategic priorities remain valid. Many projects' documents (PIF and SRA) need updating as no revision process took place since the SPP creation while further prioritisation is needed in ENV which near tripled the number of pipeline projects

WBIF has financed so far 26 projects from the SPP (TRA, ENE, SOC) for a total of EUR 110.7 million, and 2 projects, not included in the SPP (ENE, ENV) for a total of EUR 0.8 million.

In total 7 institutions returned 12 questionnaires detailing their perception of the effectiveness of the framework based on their experience to date. The aggregation of results summarised in the table below show a high level of satisfaction with the framework. Areas showing lesser satisfaction levels are all related to finance availability and relations with IFIs and such evaluations emerge mostly from institutions in the SOC sector.



3.5. Montenegro

3.5.1. Institutional Framework

The Government of Montenegro, at its session held on 19 February 2015, passed the Decision Establishing the National Investment Commission (Official Gazette of Montenegro 17/15); this decision was further amended in 2016. Pursuant to Article 5 of the Decision Establishing the National Investment Commission, administrative and technical tasks for the purpose of the National Investment Commission

are performed by the Secretariat for Development Projects as the technical secretariat of the National Investment Commission (NIC).

The National Investment Commission (NIC) reviews and adopts the Single Project Pipeline composed by the Technical Secretariat based on proposals from the Sector Working Groups formed by line ministries. The NIC TS responsibilities are carried out by the Secretariat for Development Projects. There are 5 SWGs under the remit of NIC (TRA, ENE, ENV, SOC, Other Infrastructure) feeding their SSPPs and ultimately, the SPP of Montenegro.

3.5.2. Findings

The adopted SPP is very large and considering the financial capabilities of the country, it can only be implemented in the long-term. It is however exhaustive and covers most of the major developmental needs. The MTBP is managed by and under the responsibility of MoF and cooperation with the NIC TS is to be operationalised. The MoF confirmed its intention to appoint a contact person. Furthermore, monitoring of project development in relation to the SPP should be improved.

The interviewed stakeholders consider the SPP as consistent, even if political changes occur. There is no necessity to revise the SPP (updates might be needed) within the next 3 years, due to a stable economic environment. Beneficiaries reported difficulties in contacting IFIs; visibility and understanding of bilateral donors has a high potential for improvement. IFIs reported of other potential investment projects, which are not included in the SPP, but might be eligible and reasonable for funding under the WBIF framework.

It is understood that bundling of smaller projects (especially in the social sector) can enhance financing opportunities. At present the SPP mainly reflects projects intended for EU funding (but also includes projects intended to be financed by the national budget), despite the methodology's emphasis that the prioritisation of investment projects should serve as basis 'for programming of all available financing sources'. The amount and details about investments outside of the NIC framework were not immediately accessible by the interviewees.

Fiscal space is a general issue, especially related to the transport sector. The MTBP contains the country's priority list for the next 3 years. Fiscal space is expected to remain stable and with limited growth potential. The country's strategies are generally recognised as stable.

The WBIF is an important source for financing investments in Montenegro by blending grants and loans, while National IPA focuses on soft measures. IFI support for social sector appears to be at a low level. An existing (but out-dated) database (managed by the donation council under the prime minister) should be revived to avoid overlaps of donor and other funds.

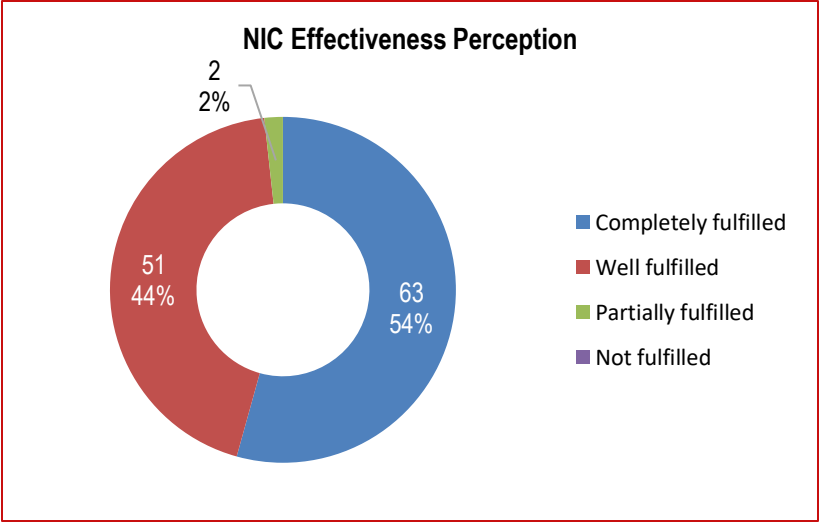
Quantitative and qualitative aspects (survey of official stakeholders)

The first SPP was adopted in 12/2015 and updated in 06/2017. 2 meetings were organised with IFIs and bilateral donors on the endorsed SPP(s), and the EUD was also invited. An increased number of organisational meetings (5) due to political changes (elections) demonstrates the continuity of the NIC framework application.

Information regarding projects included in the SPP that benefitted from financial support irrespective of financing source could not be retrieved. This is because of the monitoring weakness of investment projects and their development/implementation.

The SPP includes an overall of 57 projects for all sectors. 23 new projects were included during an SPP update, with 16 projects from the new sector/SSPP “Other infrastructure”. Regional cooperation is enhanced through meetings organised by ReSPA. 2 annual regional/bilateral NIC/NIC TS meetings have been organised in this format, ensuring an efficient use of existing formations.

The effectiveness of structure and functioning of NIC framework is perceived as good or very good, based on the 15 returned questionnaires. The overall stakeholder statements “completely fulfilled / well fulfilled” underline the participants’ perception of a good functioning of the NIC framework. This includes coordination and communication facilitating funding as well as the key issues of prioritisation objectivity and transparency.



3.6. Serbia

3.6.1. Institutional Framework

A comprehensive NIC framework was introduced in September 2014 and a Single Project Pipeline (SPP) prepared with separate technical assistance (PPF5).

While established prior to the roll out of the New Methodology to support Infrastructure Projects in the Western Balkans (July 2014), the framework is largely in line with what was deployed in the rest of the region later. It builds upon a National Development Strategy and sector strategies, and the SPP covers TRA, ENE, BRI (business related infrastructure), ENV / water, and ENV / solid waste sectors. The main differences are that the SPP does not include an individualised SOC sector, and a gap assessment is performed for each project (review of existing project documentation). The Ministry of European Integration, with support from PPF and in cooperation with relevant line ministries, plans to the scope of the Methodology for selection and prioritisation of infrastructure projects to the social sector in 2019.

Upon proposal of the Ministry of Finance, the Government adopted the “Decree on content, methodology for the preparation and assessment, assessment and reporting on the implementation of capital projects”, published on 28 June 2017 and taking effect in 2018. Its provisions do not apply to capital projects that are financed from pre-accession funds of the European Union. The decree will become operative after the development and adoption of supporting rule books and procedures for its implementation.

3.6.2. Findings

The framework is operating within the state's central structures. The SPP was set up in 2014, a revision took place in 2016 and another one is planned for 2018. The Serbian SPP preparation relies on TA support and such support is expected again for the 2018 revision. Finance ministry participates in operations, but its involvement could profitably deepen.

The SPP size relative to GDP is among the most moderate in the region, however the Serbian coverage is not complete (no dedicated SOC SSPP and numerous local projects not included, incl. ENV projects attracting IFI interest). The NIPAC considers that the pipeline is oversized compared to financing capabilities and should be reduced to reflect postponement of EU accession and the need to prepare projects to absorb structural funds. Framework operations however do not focus on EU funded projects.

The framework has resulted in improved project quality and in a better alignment between projects and strategy papers. However, the focus of strategy papers needs improvement and the issue is addressed at the SRA stage. This stage is outsourced to TA and LMs have limited understanding of the prioritisation process (although they do not dispute the outcome). LMs however generally welcome the systematisation of the investment process, the increased clarity in project selection and the additional input of LMs.

Fiscal space constraints are acute in a period of fiscal consolidation and the NIC framework has not resulted in increased project volumes except for one river navigation project. The NIC framework is expected to result in better utilisation of fiscal capacity as many immature projects block fiscal capacity and reduce investment efficiency, the full effects will need more time to materialise.

Integration of the NIC Framework with the budget process remains problematic. The World Bank pointed out the limited reliability of the MTEF process and of medium term planning. However, the "Decree on content, methodology for the preparation and assessment, assessment and reporting on the implementation of capital projects" published on 28 June 2015 is expected to rationalise the preparation and implementation of capital projects and result in effective management of public funds. The decree defines preparation processes and introduces a prioritisation system, a central project database as well as budget inclusion procedures. EU-funded projects are excluded from the scope of the decree, which suggests a parallel framework to the NIC framework is being created. The rationale seems to be that EU procedures are too stringent for regular projects (primarily regarding the CBA's scope and depth).

The implementation of this Decree is underway, and the Finance Ministry is tasked with preparing rule books and setting up of a central database. It is unclear how the two systems for EU-funded and other projects will coexist and interact. Considering the need for a synergic planning of resources from different sources, a coherent system for the selection and prioritisation of infrastructure projects needs to set up in the context of the NIC framework and following the principles of ownership, transparency, and prioritisation. This is already clearly stipulated in the Methodology for selection and prioritisation of infrastructure projects that was adopted for defining the SPP.

Funding for ENV projects may improve from 2018 as some proceeds from environmental taxes may be reallocated to a Green Fund. Currently, the Green Fund finances projects based on a competitive procedure. Amendments to the Law on environmental protection envisaged to be adopted in Q1 2019 are expected to facilitate the financing of IPA projects from the fund, including by covering the national contribution for EU funded projects for instance, without applying a public competition procedure. The Law on environmental protection regulates that the resources of the fund can be allocated for

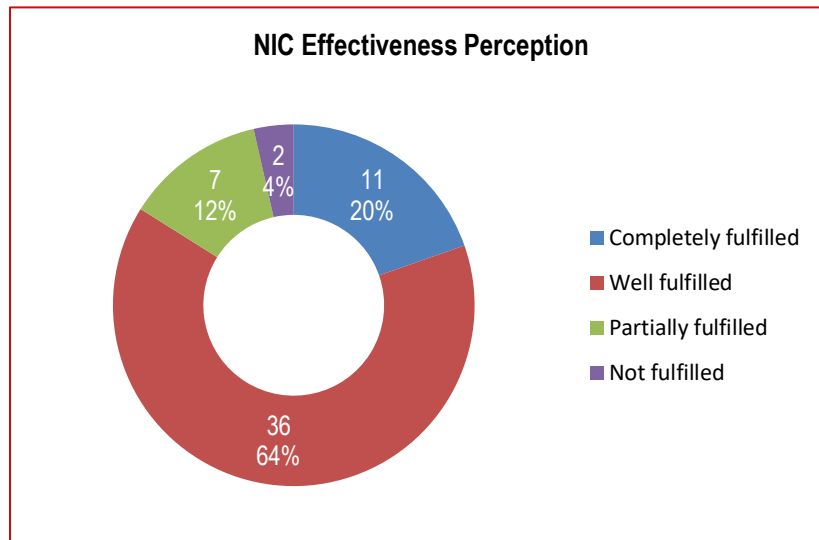
infrastructure projects included in the SPP, in accordance with the Methodology for selection and prioritisation of infrastructure projects.

Implementation is problematic, particularly for decentralised projects; for example, 20 IPA-funded ENV projects were blocked in 2013. The reasons were a too price-focussed procurement and a lack of engineering skills at the Contracting and Financing of EU Funded Programmes Department at MoF which acts as the contracting authority for EU-funded projects.

IFIs welcome the NIC framework for the increased transparency and facility of communication it brings. However, SPP coverage is not exhaustive and LMs often lack full overview of their sectors, especially for local projects. IFIs recommend wider communication and roll out of understanding of the NIC framework and a bottom up approach to SSPP identification and better communication between central and local levels.

Quantitative and qualitative aspects (survey of official stakeholders)

A total of 7 institutions returned qualitative questionnaires detailing their perception of the effectiveness of the framework. Aggregated data summarised in the chart below shows a predominantly positive assessment, with financing questions receiving a more sceptical view, particularly in the ENE sector.



Annexes

Annex 1: Quantitative Checklist



NIC Quantitative Assessment Checklist

Addressees: NIC TS; NIPAC.

This checklist has been developed with a scope to determine how effective and efficient the NIC Framework is functioning and facilitating project prioritisation and selection. The checklist is organised in accordance with the three-tier analytical framework which adheres to the general structure of the NIC (NIC, NIC TS, LM/SWG levels) as implemented in WB6. This approach will facilitate the investigation of the evolution of the NIC framework and SPPs by looking at certain milestones and indicators.

The checklist should be filled in with respective numbers for the indicated periods, respectively from the status of these key NIC framework implementation indicators in January 2016 (should be presented in column 3 underneath), and from February 2016 up to present-day (should be provided in column 4 below).

The interviewee can use the comment section when it is necessary.

Quantitative Assessment Checklist for NIC Assessment

Institution: _____ Date: _____

Level	NIC framework Indicator	Status Jan. 2016	Period Feb. 2016 - Oct. 2017	Comment
(1)	(2)	(3)	(4)	(5)
1	NIC level			
	<i>Refers to the highest decision-making body in the NIC framework. Based on the data provided in this table, the input will present information regarding the following factors:</i> <ul style="list-style-type: none"> ▪ Continuity of activities; ▪ Output(s) – the number of revised SPPs; ▪ Involvement of and collaboration with stakeholders; ▪ Quantification of performance focused on project development. 			
1.1	How many NIC meetings were organised? <i>[Present the number of NIC meetings held]</i>			
1.2	How many times were the SPP(s) endorsed/adopted? <i>[This includes all SPP endorsements due to revisions/updated versions etc.]</i>			
1.3	How many meetings were organised with IFIs and bilateral donors on the endorsed SPP(s)? <i>[Present all joint meetings held with these stakeholders on the final SPP]</i>			
1.4 a.	How many invitation letters were sent to EUD/EC for consultation on the adopted SPP? <i>[Number of invitation letters sent to EUD/EC for NIC meetings]</i>			

1.4 b.	How many times were the EUD/EC participating in NIC meetings regarding SPP? <i>[Present EUD/EC attendance to NIC meetings]</i>			
1.5a.	How many projects – included in SPP – benefitted from financial support (irrespective of financing source)? <i>[Indicate the number of projects, included in the SPP, which received some kind of financial support (grant, loan, subsidy, national contribution etc.)]</i>			
1.5b.	What are the total investment costs of the projects indicated under 1.5.a.?			
1.5c.	What is the total amount appropriated from the national budget to the projects included in the SPP? <i>[Appropriation refers to an authorization made by law or legislative enactment directing payment out of government funds to projects in the SPP]</i>			
1.5d.	What is the total loan amount appropriated to projects listed under 1.5.a.?			
1.5e.	How many projects from the SPP reached further stages of development (maturity)? <i>[Further stages of development refer to changes in project maturity status. E.g. from pre-feasibility study to feasibility study; that land ownership has been resolved; environmental impact assessment finalised; detail design or main design completed; move from design stage to tender/construction etc.]</i>			
1.6	How many projects were developed outside the NIC framework? <i>[Number and total investment value of these projects]</i>			

1.7	How many new projects included in SPP? <i>[Number of new projects included when the SPP update was done]</i>	-		
1.8	How many projects from the SPP were excluded? <i>[Number of projects excluded when the SPP revision/update was conducted]</i>	-		
2	NIC TS Level			
	<i>Refers to the technical work necessary to amalgamate SSPPs into the draft SPP, taking into consideration the following:</i>			
	<ul style="list-style-type: none"> ▪ Stakeholder collaboration; ▪ Regional cooperation; ▪ Staff turnover. 			
2.1	How many donor conferences/bilateral meetings were organised with IFI, EUD, bilateral donors on the draft SSPPs/SPP?			
2.2	How many regional/bilateral NIC/NIC TS meetings have been organised? <i>[Indicate how many meetings – and with which country - were held with other WB6 NICs]</i>			
2.3	What is the level of fluctuations of staff which are responsible for tasks related to NIC TS/SWG activities (number of employees who left / total number of staff)			NIC TS: ENE: ENV: SOC: TRA: Others (if applicable):
3	Sector Working Group/Line Ministry Level			
	<i>Refers to the collection, categorisation and technical prioritisation of projects, with a focus on the subsequent elements:</i>			
	<ul style="list-style-type: none"> ▪ Continuity of activities; ▪ Outputs – number of revised PIFs, SRA grids, draft SSPPs. 			

3.1	How many times did the SWGs meet?			ENE: ENV: SOC: TRA: Others (if applicable):
3.2	How many PIFs were revised / added <i>[Number of PIF revised/new PIFs added to the SSPP]</i>			ENE: ENV: SOC: TRA: Others (if applicable):
3.3	Following revision of PIFs/or new PIFs added, how many of these underwent SRA? <i>[Number of SRA conducted]</i>			ENE: ENV: SOC: TRA: Others (if applicable):
3.4	How many times were the SSPPs revised? Note: this only applies to changes after the December 2015 submission of SPP to EC			ENE: ENV: SOC: TRA: Others (if applicable):

Annex 2: Qualitative Questionnaire



NIC Perception Assessment Questionnaire

Addressees: Final beneficiaries/LM/SWGs; IFIs; EUD, NIC TS; MoF/MoE, NIPAC.

This questionnaire has been developed with a scope to determine how effective and efficient the NIC Framework is functioning and facilitating project prioritisation and selection. A main purpose is to understand how the involved stakeholders' view the organic or dynamic growth of the framework by investigating how these structures, procedures, and mechanisms have been used and updated during the three years of operation in Western Balkans 6.

IFICO would like to know your experience and perceptions with the NIC framework, and especially the resulting coordination and communication benefits (or lack thereof).

You as an interviewee will be asked to complete a questionnaire by filling in the appropriate box. Please note that for certain questions, there might be additional requirements to fill in depending on your answer.

This questionnaire will help IFICO to compile and quantify the information. However, IFICO would also like you to elaborate your answer in the comment section.

The following key questions are envisaged:

NIC Perception Assessment Questionnaire

Institution: _____ **Date:** _____

1. Do you consider the structure of the NIC framework effective (please elaborate your answer)

<input type="checkbox"/> Fully Effective	<input type="checkbox"/> Partially effective	<input type="checkbox"/> In place but ineffective	<input type="checkbox"/> In place but not in use
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If you choose other than fully effective, please indicate by ticking the box which part of the NIC framework you consider the most ineffective:

- Functioning of the inter-institutional cooperation structure
- Political intervention
- Decision-making process
- Availability of financial resources availability / Fiscal space
- Information sharing and reporting
- Communication among stakeholders
- Human resources availability
- Any other (Please specify)

2. Do you consider that coordination and communication regarding infrastructure project development have improved due to the NIC framework?

[coordination between: final beneficiaries and SWGs/LMs; NIPAC Office/NIC TS and Ministry of Finance; highest decision-makers and lower levels in the state structures]

<input type="checkbox"/> Fully improved	<input type="checkbox"/> Partially improved	<input type="checkbox"/> Not improved	<input type="checkbox"/> No coordination
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Comments:

3. Is the NIC framework facilitating access to financial resources for project preparation and implementation?

[in other words, has it become easier to get a grant/loan from IFIs/EU as a result of NIC activities?]

<input type="checkbox"/> Access to finance is easier	<input type="checkbox"/> Access to finance is partially facilitated	<input type="checkbox"/> Access to finance is the same (prior to introduction of NIC)	<input type="checkbox"/> Access to finance has become more difficult
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Comments:

4. Have coordination and support of IFIs/bilateral donors improved with the introduction of the NIC framework?

<input type="checkbox"/> Strongly improved	<input type="checkbox"/> Partially improved	<input type="checkbox"/> Lack of coordination	<input type="checkbox"/> Not improved
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Comments:

5. Do you consider that the NIC framework contributes to the long-term sustainability of investment projects?

[have more projects been realised due to an increased responsibility assumed by key decision-makers (when comparing to previous experience prior to the NIC framework)]

<input type="checkbox"/> Completely	<input type="checkbox"/> Well	<input type="checkbox"/> Partially	<input type="checkbox"/> Not at all
Comments:			

6. Has transparency increased with the introduction of the NIC framework during project prioritisation and selection?

[i.e. accessibility, openness, inclusion – criteria, SRA scoring, and system per se known to all; on which basis a project is prioritised and selected]

<input type="checkbox"/> Framework fully understood and openness ensured	<input type="checkbox"/> Framework openness and understanding partially ensured	<input type="checkbox"/> Framework understanding and openness exists at a limited level	<input type="checkbox"/> No openness and understanding of the framework
Comments:			

7. Under the NIC framework, are projects proposed on the basis of objective criteria rather than subjective opinion?

<input type="checkbox"/> Objective project prioritisation is prevalent	<input type="checkbox"/> Objective project prioritisation is partially ensured	<input type="checkbox"/> Subjective opinion is more important in project prioritisation than objective criteria	<input type="checkbox"/> Subjective opinion(s) still has/have a dominant influence on project prioritisation
Comments:			

8. Do you consider the existing guidance documentation, methodologies/guidelines, and rules/procedures sufficient for effective and efficient functioning of the NIC framework?

[Particularly the PIF, SRA grid (and guidelines), SWG rules of procedure etc.]

<input type="checkbox"/> No amendments needed	<input type="checkbox"/> Some amendments needed	<input type="checkbox"/> Major amendments needed	<input type="checkbox"/> Full revision needed
Comments:			

9. Please list the most important constraints affecting the proper functioning of the NIC framework

[Please tick as you feel appropriate].

- Legal aspects
- Inter-institutional cooperation
- Professional staff availability
- Staff fluctuation
- Inadequate strategic approach on development priorities
- Insufficient programming knowledge
- Decentralised decision on priority projects
- Political changes
- Enhancing Community participation
- Better coordination and reporting mechanisms
- Projects Cycle Management activities
- Any other (Please specify)

Annex 3: NIC Compendium

(separate document)