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Projekat finansira Evropska unija

Municipal Infrastructure Support Programme

●●● Building together for the future

Program podrške razvoju infrastrukture lokalne samouprave

●●● Gradimo zajedno za budućnost





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Project Identification

Jean Claude Ah Man
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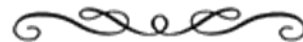
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The Problem

Funding has been identified, Which projects to select?

Needs are great, surely it is easy to identify projects but

- Funding Conditions
- Information Gathering
- Project Selection



No fund, no necessity to identify projects.



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Funding Conditions

Conditions grouped as follows:

- Amount Available
- Financial conditions
- Technical conditions
- Local regulatory conditions



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Funding Conditions

Source of funds (grants and loans) – Amount Available

- Serbia Budget depends on economic circumstances
- WB grants + loans minimum 10M€
- EBRD grants + loans minimum 5M€
- KfW MICLP grants + loans maximum 1.2M€
- Italian PUC Credit line soft loans 150,000€ - 2M€
- European Union generally grants dependent on programme



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Funding Conditions

Financial Conditions

- **Co-financing normally expected**
- **Obligatory positive financial analysis**
- **Can result in commitment to Tariffs increase**
- **Repayment of grants if conditions not followed**
- **Repayment terms for loans (grace period, duration)**
- **Financial charges (upfront fees, commitment fees etc)**
- **Interest rates depends on credit worthiness**



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Funding Conditions

Technical Conditions

- **Sectoral programme**
- **Compliance with IFI's contract preparation procedures**
- **Compliance with EU directives**
- **Positive cost benefit analysis**
- **Tied to goods/ services, particularly for bilateral assistance**



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Funding Conditions

Local Regulatory Conditions

- **Compliance with local Laws and Regulations**
- **Difficulties in obtaining Design conditions**
- **Complex land ownership issues**
- **Tortuous construction permitting procedures**



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Information Needs

Diverse information needs

Procedures have to be established. The following three steps are vital:

- **Generating information**
- **Gathering information**
- **Analysing information**



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Information Needs

Generating information

- Information not always available (non-existent, considered personal property, not compiled, not validated, not approved)
- Information has to be sector oriented to be relevant
- Information needs have to be identified at the various government level
- Too much information is also confusing



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Information Needs

Gathering Information

- **All relevant information is useful even if it is not detailed, validated, approved**
- **Formal procedures for collecting and managing project information on a continuous basis**
- **Should be easy in the information age**
- **Need for an information system**



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Information Needs

Analysing Information

- **Need of experienced staff to analyse the information in the database**
- **Selection criteria has to be established for each sector and subsector**
- **Data is useful not only for selection but also for budgeting and judging the needs of communities**



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Selection of Projects

Last but Critical Step

- **Need for specific numerical criteria for each sector**
- **Criteria has to be flexible to accommodate changes in State policies**
- **Criteria involve conflict and controversy**
- **Compromise is a necessity**



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Project Pipeline

Putting it all together

- Procedures for project proponents to gather project information
- Need of a container for gathered information - database
- Information has to be uploaded into database – open and transparent system
- Selection criteria to be determined by project selectors – Filters and marking
- **SLAP does all of the above !**



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QUESTIONS

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Thank you for your attention!