



ITALIAN TRADE AGENCY

ICE - Agenzia per la promozione all'estero e
l'internazionalizzazione delle imprese italiane



Ministero dello Sviluppo Economico



Association of Italian Engineering, Architectural
and Technical-Economic Consulting Organizations



CONFINDUSTRIA

Mediterranean Engineering Group 2014 International Conference Working Session I-Infrastructures Project: TRAMWAY LINE ILIDZA- HRASNICA

M. Sc. Enes Čovrk-ACE BiH

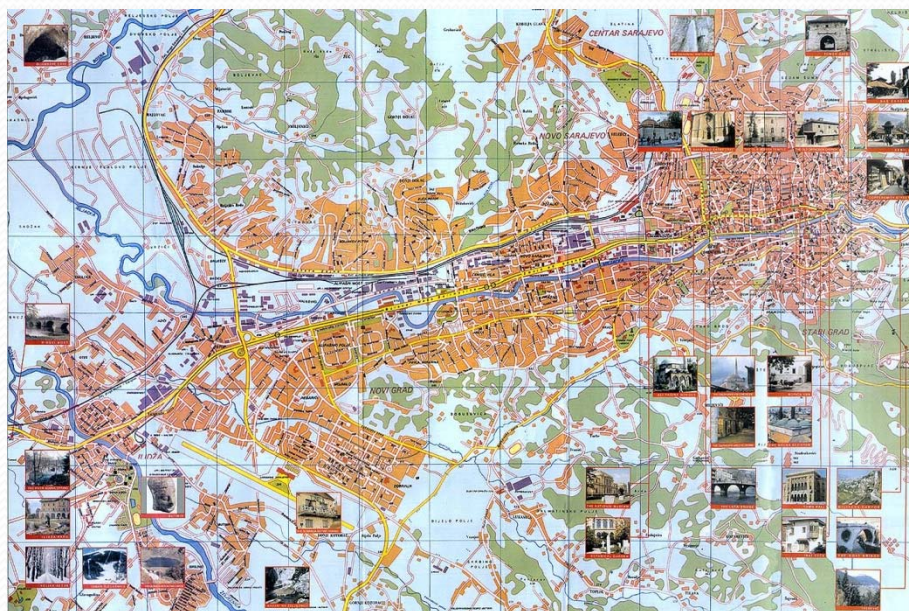
Rome (Italy), 27-28 November 2014



Presentation highlights

- ❑ Canton Sarajevo-facts and developments
- ❑ Agreements with Italian partners
- ❑ Developments of the Project: Tramway Line Ilidza-Hrasnica

Canton Sarajevo-facts and developments



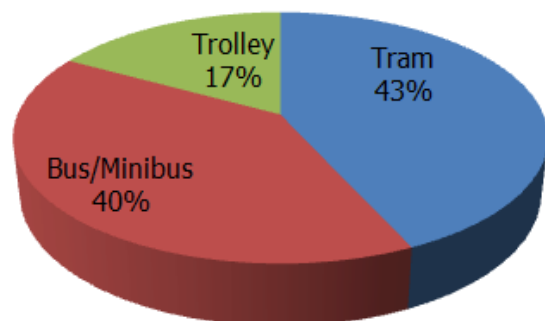
Figures from 2013:

- ❑ Population: **442.000**
- ❑ Employment: **123.000**
- ❑ GDP: **3 billion Euros**
- ❑ Av. wage: **526 Euros**
- ❑ Investments: **461 mil. Euros**
- ❑ Export: **468 mil. Euros**
- ❑ Import: **1,8 billion Euros**
- ❑ Reg. vehicles: **126.319**
(113.268 cars)

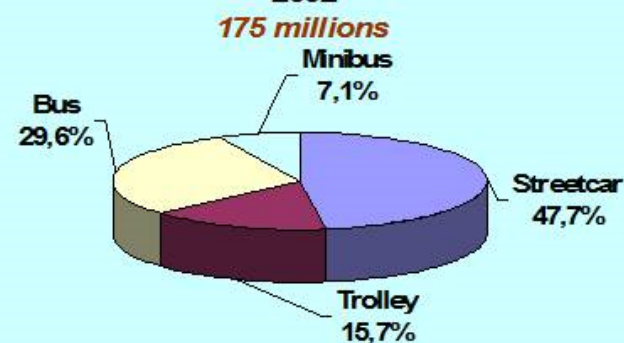
Public urban transportation system

Indicator	2009	2010	2011	2012	2013
Number of passengers	112.524.000	117.058.000	112.966.000	108.090.000	98.927.000
Trams	46.339.000	48.497.000	48.136.000	47.193.000	42.734.000
Buses and minibuses	47.694.000	49.184.000	45.865.000	42.507.000	39.386.000
Trolleybuses	18.491.000	19.377.000	18.965.000	18.390.000	16.807.000
Number of vehicle-kms					
Trams	2.735.000	2.789.000	2.782.000	2.376.000	2.318.000
Buses and minibuses	11.463.000	11.048.000	9.973.000	8.469.000	8.504.000
Trolleybuses	2.067.000	2.203.000	2.155.000	1.881.000	1.681.000

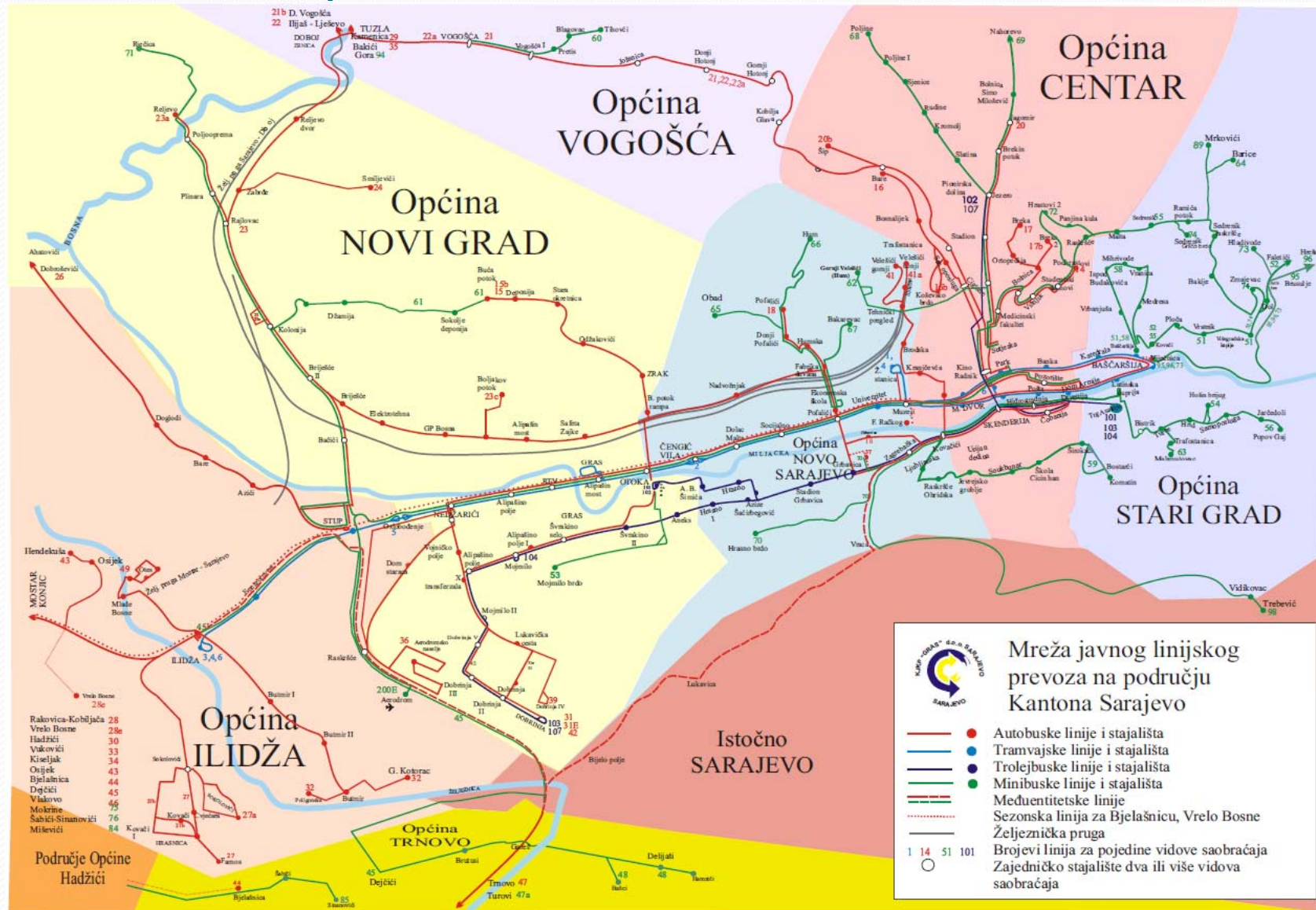
PUT Market distribution in 2013



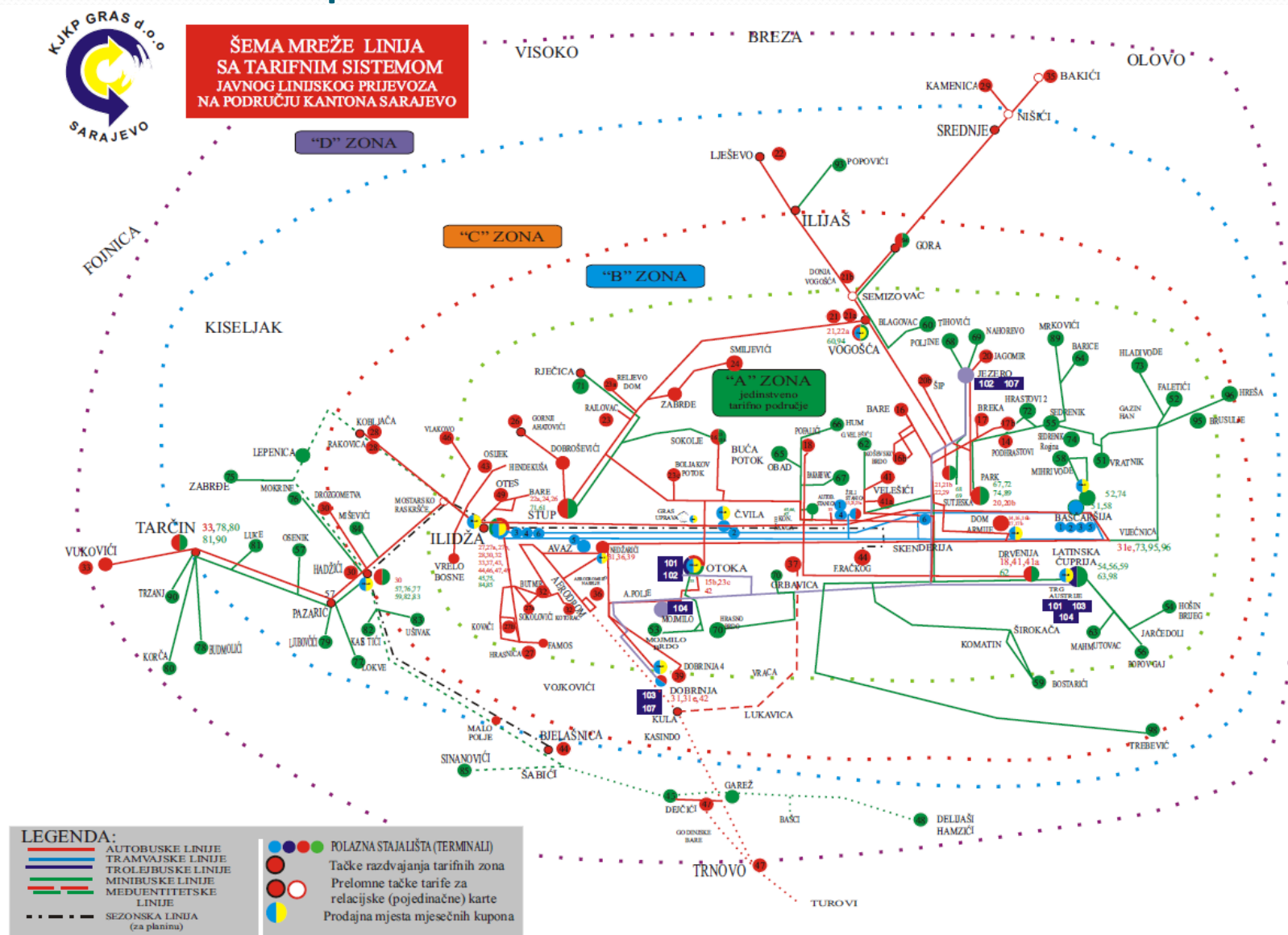
Number of transported passengers in 2002



Public transportation lines in the Canton



Public transportation tariff zones in the Canton



Public urban transportation system-plans

- ☐ Refurbishment of the existing trams („SATRA 2“) and building new trams („SATRA 3“, partially low-floor).
- ☐ Further reconstruction of the existing tramway lines and construction of a new tramway lines.
- ☐ Introduction of integrated tram-train system in the PUT system.
- ☐ Purchase of new buses powered on natural gas.
- ☐ Refurbishment of the existing trolleybuses.
- ☐ Introduction of controller-based priority system for the city-traffic on the existing traffic lights.
- ☐ Upgrade of the city-traffic control based on centralised remote traffic control, tracking, radio, etc.
- ☐ Installation of magnetic ticketing machines in all-modes vehicles.
- ☐ Construction of new terminals at the intersection of two or more modes.
- ☐ Reconstruction of the cableway from downtown to hill Trebevic.

Agreements with Italian partners

- ❑ the cooperation agreement on September 23rd 2013
- ❑ amendment to the agreement on November 14th 2013
- ❑ initiative of CS Ministry of Transport on June 5th 2014
- ❑ involvement to MEG on October 20th 2014



International Cooperation Agreement 23/09/13

Both parties agreed to develop a proper PPP instruments, which ought to be activated in efficient and transparent manner in the following sectors:

1. Integration process of the country to the EU
2. Legislation and administration
3. Social-economic and agricultural-food processing development and technological innovations
- 4. Infrastructure and transportation**
5. Environmental protection and development of renewable energy sources
6. Public education and training activities aimed for employment
7. Cultural, scientific, research and tourist activities
8. Sport activities



Amendment to the Agreement 14/11/13

The Government (CS), in line with the International Cooperation Agreement, signed on 14 November 2013, gives full powers to the President of the Association "John Paul II Foundation", Doc. Federico Cempella, to carry out the tasks under below:

- a) Taking necessary steps for the start-up of public-private partnership with leading international companies and expert consultants in the interest of the Government and the population of the Canton of Sarajevo;
- b) Taking action in the name and on behalf of the Government, with international organisations and financial institutions for the eligibility for funding of the feasibility studies and projects aimed at the implementation of public works;
- c) Evaluating and analysing every technical, economic, financial and contractual element concerning the feasibility studies and the priority projects identified by the Government.



Initiative of CS competent ministry 05/06/14

1. The Government (CS) accepts the initiative given by the Ministry of Transport **to implement project of Ilidza-Hrasnica Tramway Line as one of the priorities of the Canton/Government.**
2. This project **will be implemented by a PPP model or in some other way.**

Involvement to the MEG 20/10/14

- 1) Economic participation of the Government of the Canton of Sarajevo to the financial costs of planning and execution of the works; this involvement (public contribution) shall be calibrated according to the availability of funds and is a prerequisite for eligibility for funding by international organisations;
- 2) Update, as assured by IPSA INSTITUT, of the data concerning the financial plan for the project of the Ilidza-Hrasnica tramway (from feasibility studies to the subsequent project phases) in which we'll have clear elements about investment opportunities through the use of project-financing. In the absence of these elements it's extremely difficult to involve any private company;
- 3) The involvement of this Foundation and its Italian Partners (private contribution) can't be activated without complying the points 1) and 2), because they are required for the activation of funding procedures at International Organisations (EIB, EBRD, EU, etc.).

Development of Project: T.L. Ilidza-Hrasnica

- ❑ Public contribution in documentation at this stage: **Preliminary Design and Feasibility Study.**
- ❑ Status: consultancy services contract has been already **signed for Preliminary Design** whereas **Feasibility Study contract is in a procurement procedure but to be signed by end of November 2014.**
- ❑ Expected schedule: **both services completed in two months** from the start of the contracts.

Situation layout from the Conceptual Design



Feasibility Study methodology

The methodology of the Study will principally follow the “Guide to Cost-Benefit Analysis of investment projects”, which is issued by the EC DG Regional Policy in June 2008 for the purpose of use the EU funding instruments, such as Structural Funds, Cohesion Fund and Instrument for Pre-Accession (IPA). This guide has to be regarded as the recommended tool for further development of the Project and the final implementation of it will mainly depend on the following:

- ☐ wider development scheme (development plans) of tramway system in CS,
- ☐ scope and objectives to be reached by the Project from the standpoint of the Promoter (CS Government),
- ☐ sources of funding used for implementation of the Project,
- ☐ relevant legislation framework to be applied for the Project, and
- ☐ composition of main stakeholders in implementation of the Project.

Feasibility Study content

1. INTRODUCTION

- 1.1 General info about the Project
- 1.2 Scope and objectives of the Study
- 1.3 Methodology of the Study
- 1.4 Available docs and sources of info

2. SOCIAL-ECONOMIC ANALYSIS OF THE AREA

- 2.1 Population
- 2.2 GDP and per capita
- 2.3 Employment
- 2.4 Motorisation

3. MARKET ANALYSIS

- 3.1 Demand analysis
- 3.2 Competition
- 3.3 Market approach
- 3.4 Market share assesment

4. TECHNICAL AND OPERATIONAL ANALYSIS

- 4.1 Spatial plans and land use pattern

4.2 Preliminary EIA

- 4.3 Preliminary Design of the alignment
- 4.4 Required facilities and rolling stock
- 4.5 Cost-effectiveness analysis
- 4.6 Cost breakdown for adopted option

5. SOCIAL-ECONOMIC EVALUATION

- 5.1 Conversion to economic prices
- 5.2 Valuation of non-market impacts
- 5.3 Determination of discount rate
- 5.4 CBA and economic indicators

6. FINANCIAL EVALUATION

- 6.1 Total investment costs of the Project
- 6.2 Total op. costs and revenues
- 6.3 CF and financial indicators
- 6.4 Funding sources, ROC and ROE

7. RISK ASSESMENT

- 7.1 Sensitivity analysis
- 7.2 Risk analysis

8. CONCLUSIONS



Conclusions

- ❑ to complete the initial documentation in order to help both parties in identification of the most favourable strategic solution in implementation of the Project.
- ❑ to prepare public sector representatives for further acting in the Project once it is confirmed feasible for a PPP model („project financing“).



Thanks on your attention!

Contact details:

mob. +387 61 173 859

e-mail: covrk.enes@gmail.com

**Address: Put zivota bb, 71000 Sarajevo
Bosnia and Herzegovina**