



Safe and Sustainable Transport Program (SSTP)

Guidelines for Application – 2nd Call for Proposals

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1. Summary of the Call for proposal

At the European Union-Western Balkans Summit in Poznan in 2019, the EU pledged financial assistance to improve road safety, the efficiency of operations and the quality of infrastructure at border and common crossing points on the Trans-European Transport Network (TEN-T) in the Western Balkans. Following the adoption of strategic documents in 2020 linking transport with the European Green Deal and thus the need to invest more targeted into the Green Agenda in the Western Balkans, the European Commission (EC) decided in 2021 to step up its engagement and allocate €80 million towards the 'Safe and Sustainable Transport Program' (SSTP). Under this program, designed in close cooperation with the Transport Community Permanent Secretariat (TCT), funds are to be operationalized as grants matching World Bank lending under ongoing or pipeline projects.

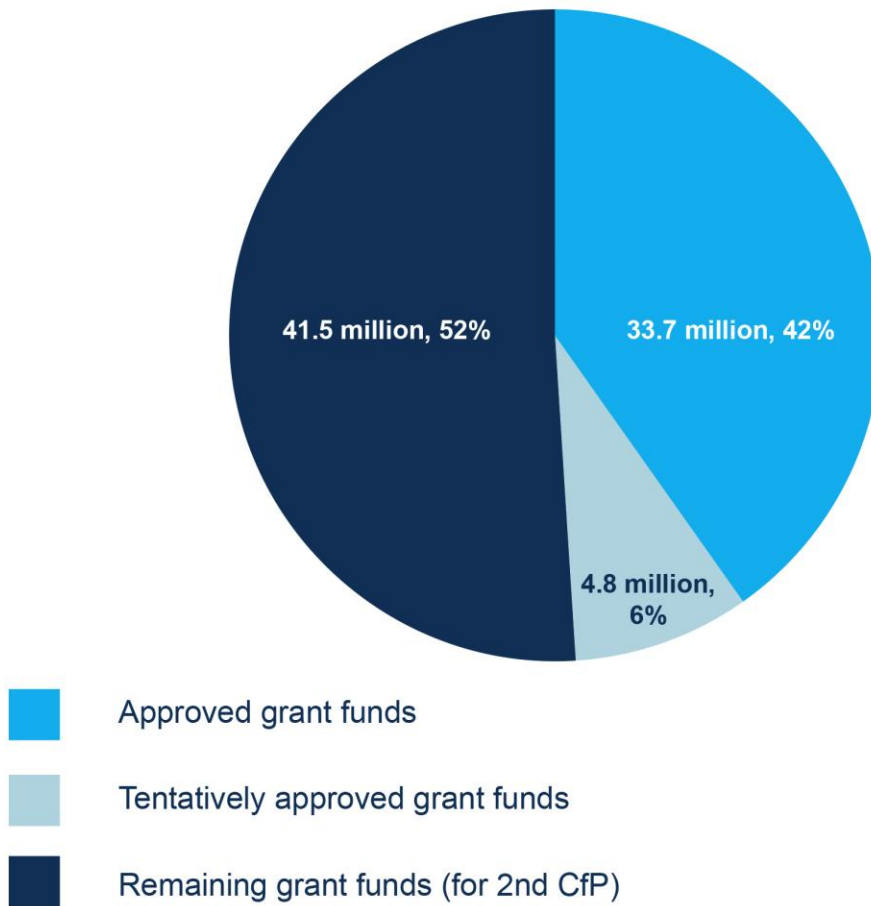
The SSTP is implemented and managed by the World Bank with technical guidance from the TCT, DG NEAR, and other partners. The program will specifically support the implementation of the sustainable transport component of the Economic and Investment Plan (EIP) for the Western Balkans and the Green Agenda for the Western Balkans, which aim to promote a greener and more sustainable transport network.

These Guidelines for Applicants aim to inform potential applicants on the rules of the SSTP Annual Grant scheme, which is the subject of the second SSTP Call for Proposals and provide guidance on the process of preparation and submission of proposals.

First Call for Proposals (April – June 2024)

First Call for proposals was opened from April 23, 2024 until June 30, 2024. In total 7 project applications were officially received out of which 5 have passed the eligibility criteria and were positively evaluated by the SSTP Technical and Steering Group members out of which 3 projects were from Serbia, 1 from North Macedonia and 1 from Montenegro. All eligible projects are falling under two intervention areas (Railway Safety and Deployment of Sustainable and Smart Mobility solutions) and are the continuation of ongoing activities under the TTFP 1.0 project in all 3 countries. A further two projects from Serbia were not eligible according to the SSTP evaluation criteria and will not be considered under this SSTP programme.

Utilization of SSTP Grant Funds (M€) after 1st CfP



As a part of the First Call for Proposals a total of EUR 33.7 million was allocated to Serbian (EUR 20.1 million) and North Macedonian (EUR 13.1 million) projects. *Accordingly, stated two countries (Serbia and North Macedonia) have fully used their share of grants and are not eligible to apply for grants provided under the 2nd Call for Proposals.*

The application from Montenegro in a total amount of EUR 4.8 million has been 'approved with comments'. The final approval will be granted after the submission of the final revised version of the application.

2. Rules of the 2nd SSTP Call for proposals

2.1 Eligibility requirements

Allocation of grant resources between the six countries is based on the fair-share principle. The SSTP supports eligible recipient-executed investments and very limited Technical Assistance (TA) activities directly related to the investments in all of the six Western Balkans economies¹.

Investment grants under the SSTP are contributions which can finance a predefined maximum percentage out of the total investment project cost (please see further in text). TA will be used exclusively for the analytical and preparatory work needed in the final stages of maturing an investment project that are proposed under the SSTP (such as selected updates of design and environmental and social studies). TA will be limited to EUR 500K per project.

1. Geographical coverage

Projects must be implemented on the territory of one or more of the following Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo*, and Montenegro.

For regional projects covering one or more of the Beneficiaries and other non-eligible countries, the grant financing provided through SSTP will cover only the part of the project implemented on the territory of the participating Beneficiaries.

The legal entity benefiting from the grant must be registered within the Beneficiary country. For regional projects involving also non-eligible countries, the institution or body in charge of the investment may be based in a non-eligible country, but the grant financing provided through SSTP will cover only the part of the project implemented on the territory of the participating Beneficiaries.

2. Eligible project implementing agencies

Projects must be implemented by public entities (i.e., ministries, government agencies, and state-owned enterprises)

3. Eligibility criteria for specific transport subsectors

- ✓ Projects shall relate to one of the three transport flagships (Connecting East to West, Connecting North to South, Connecting the Coastal Regions) suggested in the Annex of the Economic and Investment Plan and/or be located on the indicative extension of the TEN-T Core or Comprehensive network to the Western Balkans. Projects that match both criteria may be prioritized.
- ✓ Investment projects being proposed under the SSTP must meet a high level of technical maturity at the time of submission (e.g., completion of masterplans, preliminary design, draft environmental and social impact assessments, and as applicable: comprehensive risks assessments, including disasters and climate change risks and vulnerability).

* 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

¹ Serbia and North Macedonia have used available grants under the 1st Call for Proposals and accordingly are not eligible for the remaining grants available under the 2nd Call for Proposals

- ✓ Investment projects should be small scale (€5-15 million) and contribute to enhancing safety and sustainability in line with the objectives of the Green Agenda **targeting following four categories:**
 - Railway safety: Improvements in the rail network should focus on the improvement of safety at priority Rail Level Crossings - (max. co-financing rate 50%).
 - Road safety: Improvement of high-risk road sections, (max. co-financing rate 40%).
 - Border Crossing Points: Modernization and infrastructure capacity improvements at selected BCPs along the indicative extension of the TEN-T Core or Comprehensive network to the Western Balkans (max. co-financing rate 40%).
 - Deployment of Sustainable and Smart Mobility solutions (e.g. deployment of Intelligent Transport Systems for all modes of transport, alternative fuels infrastructure; implementation of measures linked to climate adaptation, biodiversity protection, pollution reduction; connectivity investments; maritime and inland waterways investments that enhance the resilience of port and other infrastructure to disasters and climate change; green multimodal transport solutions) - (max. co-financing rate 40%).
- ✓ Recipient executed TA refers only to the preparation of investment projects eligible to SSTP according to the previously defined criteria.

3. Project selection, submission, and evaluation process

A potential Beneficiary applying for grant financing from the SSTP must submit a grant application detailing essential information on the project they seek to have financed. This section describes the process: submission, assessment, and approval of TA /INV grant applications and summarizes the role of all parties involved in each step.

STEP 1 - Project identification

As a first step within the SSTP framework, each Beneficiary defines a list of priorities containing their respective country's national investment projects prepared and prioritized in line with the SSTP objectives and eligibility. The list of priorities should be in line with the Economic and Investment Plan (EIP) for the Western Balkans and the Green Agenda for the Western Balkans.

STEP 2 - Submission of applications

Discussions on the proposed scope of activities to be supported under the SSTP will first take place between the relevant Beneficiaries and the SSTP team and will include presentation of the draft Grant Application Form (GAF) and discussion on the SSTP list of priorities. Based on the consultations with the SSTP team, the authorities in the Beneficiary select projects for submission to the SSTP. These proposals will be pre-agreed with the SSTP team before being submitted. The SSTP team will assist the Beneficiary in the preparation of the application. The SSTP GAF is the

only document to be submitted by the Beneficiary to the SSTP team with the purpose of applying for financial assistance and includes relevant fields, in which specific information on the project has to be provided. This information ranges, for example, from the overall project context to the key data on the technical and financial architecture. The GAF should be carefully and accurately completed by Beneficiaries as it is the key reference document of reviewing entities during the screening and assessment phases leading up to financing decision of the World Bank. Any missing information risks rejection and delays in the project preparation. Beneficiaries are encouraged to seek additional guidance from the SSTP team if required.

Before final submission, all applications should be approved internally by all relevant ministries (i.e. Ministries of Transport, Ministry of Finance, etc.) as well as by the National IPA Coordinator (NIPAC) office.

All applications should be submitted officially to the World Bank SSTP team by e-mail to - sstp@worldbank.org.

The deadline for the submission of project applications is: 01/12/2024 (01 December 2024), 17.00 CET.

STEP 3 - Project screening and assessment

As a first step in the screening and assessment process, the SSTP team assesses the technical viability of the proposed projects as well as compliance with internal eligibility criteria regarding the loan component (i.e., World Bank investment lending project that the proposed activity will be linked to) and the bankability of the project. Further on, they would analyze Environmental and Social risk management, technical design, institutional capacity, and implementation arrangements according to the World Bank operational rules and procedures. The process includes the World Bank country units as well as World Bank specialists from the field as needed.

The screening focuses, inter alia, on checking the eligibility of grant requests and related investment projects in relation to:

- Project consistency with World bank and EU policies (pre-accession agenda, sector priorities, competition rules, grant co-financing principles etc.).
- Project consistency with national (sector) strategies, national and regional investment plans.
- Project development impact.
- Project maturity and adequate scope.
- Environmental and Social risk management.
- Technical design.
- Institutional capacity and implementation arrangements.
- General and specific eligibility rules set out for the call concerned.
- Financial considerations.

STEP 6 – Review and recommendation

Following the internal review process completed by the SSTP and World Bank team, the Technical Group (TG) is consulted for their inputs. Once the inputs of the TG are incorporated, the SSTP team discusses the technical details of the GAFs and concludes a list of eligible grant requests to be accepted for approval. Following the selection and assessment process detailed above, the positively screened and assessed TA and INV GAFs are approved by the World Bank based on the recommendation of the SSTP Team and TG and subject to funding being available.

4. Monitoring and supervision of SSTP grants

Successful Project implementation is conditioned by timely and synchronized implementation of all activities. This requires strong project implementation support and supervision, which cannot be successful without having a sound monitoring and evaluation system in place for Project activities.

The Bank will monitor the operational implementation of SSTP projects by closely following the progress of implementation through analyzing regular reports and carrying out periodical implementation support missions as foreseen under the Bank operational procedures. The purpose of these monitoring activities is to enable the Bank to detect at an early-stage problems or delays in implementation which could have an impact on the overall execution of the project. In the case of potential problems that requires strategic advice, the Bank will report to the SSTP Steering Group to discuss how best to mitigate and resolve any potential issues that could pose a risk to the successful implementation of the project.

Each World Bank lending project has been designed to include a set of monitoring indicators that are intended to work at both the national and corridor levels, in line with the Results Framework of the lending project. The indicators of the ongoing World Bank project to which the SSTP grant will be attached to, will be used for effective measurement of the outcome and results of the project, and aggregated to provide results for the overall program. Monitoring of progress on indicators and evaluation of results during implementation will be in accordance with the agreed Results Framework and based on Implementation Supervision Reports, published data, surveys, field visits, feedback from stakeholders, and mission Aide Memoires and other reports.

Annex 1 – SSTP Grant Application Form

PROJECT IDENTITY	
	Project title
	Country
	SSTP intervention area
	Beneficiary
	Responsible authority of the Beneficiary
	Implementing entity(ies)
FUNDING DETAILS	
	If this proposal will be hosted under an existing P code, provide code and title of activity
	Type(s) of SSTP contribution
	Requested SSTP grant amount (EURO)
	Estimated total cost of overall activity (EURO)

DESCRIPTION OF THE PROJECT	
	Background and context of the Project, including purpose and need
	Development objective:
<i>Describe the development objective of the proposed activity</i>	
	SSTP funding rationale: Make your case for why SSTP should fund this activity and why the activity would be transformational
<i>Please make sure to describe a) the country and sector context (including client interest and how the project fits into the country/region's Smart and Sustainable Transport agenda); b) the specific problem that the proposed project would address, and c) why the proposed project would be effective. Please also describe d) how this activity would lead to transport decarbonization and resilience, including how it may contribute to the "transformative criteria" and help develop future World Bank operations in the country or region</i>	
	Description of components/ activities
<i>Provide a brief summary of the tasks or activities that will be carried out under this proposal and the expected outputs/results for each</i>	
	Potential Impacts
<i>Describe your approach to developing strategic knowledge for the World Bank, and the activity's potential for replication, scale-up, and/or implementation follow-up</i>	

INDICATIVE PROJECT STATUS AND PLANNING

Describe the current stage and estimated planning of the Project in line with the instructions provided below.

The following key aspects should be covered in this section:

- **Technical:** status of/planning for preparing the masterplan, pre-feasibility study, feasibility study and cost-benefit analysis, environmental and social impact assessment (ESIA), preliminary and detailed designs, tender documents, etc. For each technical documentation, indicate title, author, issue, and approval dates.
- **Administrative:** status of/planning for urban planning, environmental permit, land availability, invitations to tender, construction permit, etc.
- **Financial:** status of/planning for loan agreement(s) with the WB and (e.g., under negotiation, signed, etc.).
- Ensure that the Project meets the maturity requirements, according to the clarification of mature and not mature projects from the table below.

No.	Project phase/criterion	Maturity	Comment
1.	Master plan or other relevant spatial planning document(s)	De facto not mature	
2.	Definition of the investment project	De facto not mature	
3.	Pre-feasibility Study	De facto not mature	(e.g., conclusion could be that the project is not bankable)
4.	Feasibility Study and Cost-Benefit Analysis	De facto not mature	(e.g., conclusion could be that the project is not bankable)
5.	Land ownership	Presumption of not mature	Unless land ownership can only occur after financing is secured.
6.	Preliminary Design	Presumption mature	Unless vital elements are missing, these projects are mature.
7.	Detailed Design	Presumption mature	Unless vital elements are missing, these projects are mature.
8.	Environmental and Social Impact Assessment	Presumption mature	Unless vital elements are missing, these projects are mature (it can occur at different steps of the project cycle). An adequate ESIA must be in place to facilitate loan signing. Mature if an adequate ESIA is in place; not mature if vital elements are missing.
9.	Loan and grant negotiations for the investments	De facto mature	
10.	Signing of loan and grant for the investments	De facto mature	
11.	Procurement	De facto mature	
12.	Contracting of works	De facto mature	
13.	Construction and supervision	De facto mature	

- The stage of the Project must reflect its status at submission: previous stages/phases of the Project must be completed, including conclusions.
- Ensure fulfilment of maturity requirements, e.g., confirmation of completion of the technical documentation and tender dossiers for all components associated with the Action, availability and suitability of land ownership, loan agreements with IFI(s).

If, for any reason, the activities financed by the grant are not ready to start, briefly present the issues.

Note:

^(a) If complete, provide exact dates; if only planned, indicate at least month and year.

^(b) Select one of the following statuses:

- Completed (C)
- Work in progress (WIP)
- Not started (NS)
- Not applicable (N/A).

^(c) Describe the current stage and/or planning for each activity following the instructions included in the table.

Activity	Duration ^(a)		Status ^(b)	Comments ^(c)
	Start date (MM/YYYY)	Completion date (MM/YYYY)		

Coherence with the WBIF objectives, EU policies, adopted national/sectoral strategies				
	Alignment with the Economic and Investment Plan for the Western Balkans			
	Alignment with Green Agenda objectives			
	Coherence with EU policies and core directives			
	Compliance with adopted national/sectoral strategies			
Project budget and financing plan				
Indicative total project budget (cost breakdown):				
Cost component description	Total costs (€)			
Planning/design (permits) fees				
Land purchase				
Technical assistance for project preparation (e.g., masterplan, pre-feasibility study, feasibility study, ESIA, detailed design, tender documents, procurement procedures)				
Technical support for project implementation (e.g., supervision of works, project management)				
Works (Building and construction)				
Supply (Plant and machinery)				
Evaluation and audit				
Contingencies				
	Total project cost			
Financing plan				
Source of funds	Cost component financed	Amount (€)	% / total	Remarks (i.e., Code/ Ref. of financing)
...
Total financing available				
Financial leverage of the Project				
Investment leverage ratio	<i>Value of investment (total project cost from section) divided by the total amount of SSTP grant(s) relating to this investment.</i>			
Total eligible IFI leverage ratio	<i>Amount of WB financing divided by the total amount of SSTP grant(s) relating to this investment.</i>			
Private loans/equity leverage ratio (if applicable)	N/A			

Risks assessment				
<i>Describe any risks that the proposed activity might pose to the World Bank or to achieving its stated objectives and include possible mitigating measures</i>				
Issues to be clarified before SSTP grant approval				
Contacts	Contact person	Function	Phone	Email
Date of submission by the Beneficiary				

* 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