ECONOMIC COMMISSION FOR EUROPE

TRANS-EUROPEAN NORTH-SOUTH MOTORWAY (TEM)

7-9 November 2017, Sarajevo, Bosnia and Herzegovina
Road network in BiH

• Total length: 25,000 km:
  – 3,970 main roads (16%) – out of which almost 200 km of motorways
  – 4,611 regional roads (18.6%)
  – 14,200 local roads (53.7%)
Map of BiH
The management, construction, maintenance and protection of motorways and highways in the territory of the Republic of Srpska are performed by the Public Company “Republic of Srpska Motorways ltd.

• construction of commenced motorway sections in the Republic of Srpska,
• development of planning and other documents required for the construction of new sections of motorways and expressways,
• introduction and application of modern methods in the field of environmental protection in the construction of motorways and expressways,
• development of cooperation in the field of construction with domestic and international governmental and non-governmental organizations,
• permanent introduction of new organizational methods within the company business in order to achieve the set goals in a timely manner with as less funds as possible; and
• achieving other goals that are directly related to the construction of motorways

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Projects: completed, current, planned

• By the National Strategic plans (Spatial Plan RS up to the 2025) motorway network include the following sections:

  • Banja Luka - Gradiska, L = 35 km
  • Banja Luka-Doboj, L = 72 km
    • Prnjavor-Doboj, L = 36.6 km
    • Banja Luka-Prnjavor, L = 35.3 km
      • Laktaši-Drugović, L = 10.4 km
      • Drugović-Prnjavor, L = 24.9 km

  • Glamočani - Mliništa, L = 92 km
  • Doboj - Vukosavlje, L = 46.6 km,
  • Banja Luka - Prijedor - Novi Grad, L = 71 km,
  • Brčko - Bijeljina, L = 31 km.
  • Vukosavlje - Brcko, L = 35 km.

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In addition to the planned sections of the highways, the construction of highways is planned for the following sections:

– Lukavica - Pale - Sokolac - Rogatica - Višegrad (128 km)
– Sokolac - Rogatica - Foca - Gacko - Bileća - Trebinje (160 km)
– Bijeljina - Zvornik - Sokolac (145 km),
– Prijedor - Kozarska Dubica - Donja Gradina (50 km),
– Banja Luka - Celinac - Kotor Varos - Obodnik (50 km) i
– Stolac - Ljubinje - Trebinje - border with Montenegro (95 km)
Motorway and Expressway Network in RS

How do you define Key Performance Indicators (KPI) and Level Of Services (LOS) in the field of structural (periodical) maintenance?

- Technical
- Non-technical, eg: Throughput - Economical - other

Other types of LOS/KPI

What is Your strategy?
- Preventive, reactive?

What types of tools do You use for structural maintenance?

How do You optimize resources allocation?

TRANS-EUROPEAN NORTH-SOUTH MOTORWAY (TEM)
TEN-T Network and BiH

Route 2a: Croatian border – Banja Luka – Ugar (Preliminary Studies completed)

Banja Luka-Doboj – route 9a (Completion phase)

Corridor Vc (Preparation phase)

Route 3: Sarajevo-Vardište (Preliminary studies)
Source of Fundings

- Toll revenue
- Fuel levy
- Special services income (renting, using road equipment...)
- GSM licences income (Mobile operators concession)
- Deposit interest rate
- Government resources (expropriation)
- IFIs (EBRD, EIB, World Bank)
- Grant funds (EC, WBIF, IPA)
The stages of project financing

- Project selection
- Project preparation
- Procurement
- Project construction
- Project operation

10-12 years
Financing Mechanism Contracts

- Traditional financing
- Special Road funds
- Design and Build
- Concession
- PPPs
## Classification of Risk for Infrastructure Projects

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<th>Risk Categories</th>
<th>Development Phase</th>
<th>Construction Phase</th>
<th>Operation Phase</th>
<th>Termination Phase</th>
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<td>Political and regulatory</td>
<td>Environmental review</td>
<td>Cancellation of permits</td>
<td>Change in tariff regulation</td>
<td>Contract duration</td>
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<td>Rise in pre-construction costs (longer permitting process)</td>
<td>Contract renegotiation</td>
<td>Change in taxation</td>
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<td>Social acceptance</td>
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<td>Change in regulatory or legal environment</td>
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<td>Enforceability of contracts, collateral and security</td>
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<td>Macroeconomic and business</td>
<td>Prefunding</td>
<td>Default of counterparty</td>
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<td>Financing availability</td>
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<td>Inflation</td>
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<td>Exchange rate fluctuation</td>
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<td>Technical</td>
<td>Governance and management of the project</td>
<td>Environmental</td>
<td>Qualitative deficit of the physical structure/service</td>
<td>Termination value different</td>
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<td>Project feasibility</td>
<td>Environmental</td>
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<td>from expected</td>
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<td>Archaeological</td>
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<td>Technology and obsolescence</td>
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<td></td>
<td>Force majeure</td>
<td>Environmental</td>
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</table>
What is PPP?

Planning
+ Building
+ Financing
+ Operation
(+ Post-contract life)

= PPP
In a PPP, government starts to pay only once the asset is in service, paying for the value of the construction and O&M costs all together. In this way it finances the construction while at the same time incentivizes the contractor (the private partner) to construct as scheduled or sooner, and embed the payment for operations and maintenance with the compensation for the works constructed.
General Commitments:

• create conditions for sustainable and balanced economic development.
• to improve the living standard, and
• accelerate EU
Conclusions:

• Coordinated development of transport infrastructure
• Access to the market, on a reciprocal basis, in the field of transport infrastructure,
• Essential legal and administrative support measures, including commercial, tax, social technical measures,
• Developing a transport system that meets environmental needs, as well as regular exchanges of information about transport policy, especially in relation to transport infrastructure