

IPA National Programme 2011 – Bosnia and Herzegovina

1. Identification

Project Title	Support to the improvement of the institutional and legal framework as well as the coordination and harmonisation of private sector development related public policies
CRIS Decision number	
Project no.	5
MIPD Sector Code	3. Private Sector Development
ELARG Statistical code	02.07 Economic Criteria/Intellectual Property Law
DAC Sector code	33110 Trade policy and administrative management
Total cost (VAT excluded) ¹	EUR 7 184 000
EU contribution	EUR 7 000 000
Management mode	Component I, III, IV, V: centralised Component II: European Patent Office (EPO) through joint management with the European Commission
EU Delegation in charge	Delegation of the European Union to Bosnia and Herzegovina
Implementation management	Delegation of the European Union to Bosnia and Herzegovina
Implementing modality	Stand alone project
Project implementation type	C01
Zone benefiting from the action(s)	Bosnia and Herzegovina

2. Overall Objective and Project Purpose

2.1 Overall Objective

¹ The total project cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

Improve the institutional and legal framework as well as the coordination and harmonisation of private sector development related public policies and support Bosnia and Herzegovina to adhere to its obligations under the SAA.

2.2 Project purpose

Component I

Strengthened enforcement capacity and knowledge regarding intellectual property rights within enforcement authorities.

Component II

Strengthen the information and educational function of the Institute for Intellectual Property of Bosnia and Herzegovina.

Component III

Develop further the capacity of the Competition Council of BiH to become fully able to fulfil its mandate.

Component IV

Promote Bosnia and Herzegovina's integration into the world economy in general and the EU economy in particular, through the expansion of trade, and in particular an increase in exports.

Component V

Implementation of obligations by the ITA deriving from the SAA and Multilateral/Bilateral agreements and improvement of performance of the ITA which will lead to further harmonization with the EU Customs and Taxation systems.

2.3 Link with AP/NPAA / EP/ SAA

Stabilization and Association Agreement

The preamble of the SAA stipulates the commitment of the parties to free trade, in compliance with the rights and obligations arising out of the WTO membership and to apply them in a transparent and non-discriminatory manner.

The SAA shall be fully compatible with and implemented in a manner consistent with the relevant WTO provisions, in particular Article XXIV of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article V of the General Agreement on Trade in Services (GATS).

Article 1 states that the aims of the Association are "...to support the efforts of Bosnia and Herzegovina to complete the transition into a functioning market economy" and „to promote harmonious economic relations and develop gradually a free trade area between the Community and Bosnia and Herzegovina".

Article 14 obliges Bosnia and Herzegovina to implement fully the existing bilateral Free Trade Agreements negotiated pursuant to the Memorandum of Understanding on Trade Facilitation and Liberalisation signed in Brussels on 27 June 2001 by Bosnia and Herzegovina and the Central European Free Trade Agreement signed in Bucharest on 19 December 2006.

Article 15 calls for cooperation of BiH with other countries having signed a Stabilisation and Association Agreement, with a view to concluding bilateral conventions on regional

cooperation. The establishment of free trade areas, consistent with relevant WTO provisions shall be one of the main elements of the conventions. These conventions shall contain provisions for the creation of the necessary institutional mechanisms, as appropriate.

Article 18, paragraph 1 states that „The Community and Bosnia and Herzegovina shall gradually establish a free trade area over a period lasting a maximum of five years starting from the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with those of the GATT 1994 and the WTO“ and in paragraph 6 that „If, after the signature of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions resulting: (a) from the tariff negotiations in the WTO or, (b) in the event of the accession of Bosnia and Herzegovina to the WTO or, (c) from subsequent reductions after the accession of Bosnia and Herzegovina to the WTO, such reduced duties shall replace the basic duty referred to in paragraph 4 as from the date when such reductions are applied.

Article 71 defines in the paragraph 1 actions incompatible with the proper functioning of the Agreement:

- (a) "all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition
- (b) abuse by one or more undertakings of a dominant position in the territories of the Community or of Bosnia and Herzegovina as a whole or in a substantial part thereof
- (c) any State aid which distorts or threatens to distort competition by favouring certain undertakings or certain products"

and states that the "...Parties shall ensure that an operationally independent public authority is entrusted with the powers necessary for the full application of paragraph 1(a) and (b), regarding private and public undertakings and undertakings to which special rights have been granted" and that "Bosnia and Herzegovina shall establish an operationally independent public authority, which is entrusted with the powers necessary for the full application of paragraph 1(c) within two years from the date of entry into force of this Agreement".

Article 73 stipulates that Bosnia and Herzegovina shall take all necessary measures to, the latest five years after coming of the Agreement into force, guarantee the level of intellectual, industrial and commercial property rights protection similar to the one in the Community, including effective means for the enforcement of such rights. Bosnia and Herzegovina has committed itself to join multilateral conventions in this field related to the TRIPS.

Article 87 stipulates that "The Community and Bosnia and Herzegovina shall facilitate the process of economic reform by cooperating to improve understanding of the fundamentals of their respective economies and the formulation and implementation of economic policy in market economies".

Article 97 stipulates that "The Parties shall establish cooperation in this area with a view to guarantee compliance with the provisions to be adopted in the area of trade and to achieve the approximation of the customs system of Bosnia and Herzegovina to that of the Community..." and that "Cooperation shall take due account of priority areas related to the Community acquis in the field of customs."

Article 98 stipulates that "The Parties shall establish cooperation in the field of taxation including measures aiming at the further reform of Bosnia and Herzegovina's fiscal system

and the restructuring of tax administration with a view to ensuring effectiveness of tax collection and reinforcing the fight against fiscal fraud...".

2.4 Link with MIPD

The present project is addressing the priorities of the MIPD 2011-2013 as follows:

Chapter 3.3. Private Sector Development

Section 3.3.2. "Sector Objectives for EU support over next three years" reads:

Based on the conclusions of the 2010 Progress Report and the Enlargement Strategy, the provisions of the SAA/IA and the respective country strategies, the following sector objectives have been identified:

Improve the institutional and legal framework as well as the coordination and harmonisation of SME related public policies and support Bosnia and Herzegovina to adhere to its obligations under the IA/SAA.

Indicators:

- Improved capacities at State- and Entity-level, in particular of key institutions such as the Institute for Intellectual Property Rights, the Indirect Taxation Authority, the Competition Council, and, once established, the State aid Authority and the SME Department in the Foreign Investment Agency.

2.5 Link with National Development Plan

Bosnia and Herzegovina has prepared a country development strategy (CDS) and a social inclusion strategy which will serve as basis for the national development plan. Both strategies and the related action plans are yet to be adopted by the Council of Ministers. The proposed goals and priorities for the CDS are strengthened macroeconomic stability, sustainable development, competitiveness, employment, EU integration and social inclusion.

In the document, under the Strategic goal of "Macro stability" Sub goal 2 - Foreign sector, the priority 3 is the Strengthening of the role of BiH in the trade integrations. Two measures are envisaged:

- Membership of BiH in the WTO
- Strengthening of the BiH position in CEFTA

The Strategies' future activities assigned to the ITA are covered under the Strategic goal "Competitiveness", and the priority "Single economic space". It is expected that the list of concrete activities for accomplishment of this priority will be completed soon. It is also expected that adequate national budgetary resources will be allocated through the activities of the Directorate for Economic Planning using the National Fiscal Council for the whole period of the NDS duration which is until 2013.

2.6 Link with national/sectoral investment plans

Component I and II

The project is in line with the Development Strategy of the Institute for Intellectual Property of Bosnia and Herzegovina for the period 2008-2015.

Component IV

An Action Plan for BiH's accession to the WTO has been developed and is used to monitor the implementation of scheduled activities and the planning of further activities related to the harmonisation of legislation. The Action Plan is updated continuously in accordance with the progress made in the process of accession and in line with future membership requirements.

An Action plan for the implementation of CEFTA has been developed and is used to monitor the implementation of scheduled activities.

In 2008, a "Trade Related Needs Assessment" was prepared and developed. It defines the priorities in the foreign trade policy of BiH. The main link is the alignment of trade legislation with the EU *acquis*. This activity is envisaged as the medium term priority and falls in the scope of this project.

3. Description of project

3.1 Background and justification

Component I

The Progress Report on Bosnia and Herzegovina in 2010 finds that further efforts are required to strengthen the administrative and enforcement capacity of the Institute for Intellectual Property, as well as to further improve cooperation among law enforcement agencies and relevant stakeholders. It also stipulates that it is necessary to strengthen law enforcement because piracy and counterfeiting are still widespread, and that the country is still a centre of distribution towards the rest of Europe. No significant activities in awareness raising have taken place, indicating the need for an action plan to build capacity to strengthen coordination between law enforcement agencies on the different levels.

The Development Strategy of the Institute for Intellectual Property of Bosnia and Herzegovina for the period 2008-2015 defines the Institute as an umbrella state institution in the system of intellectual property protection, and gives the Institute the role of coordinator in the system of intellectual property rights enforcement. The Strategy particularly highlights the significance of institutional capacity building of institutions whose jurisdiction includes enforcement of intellectual property rights and the importance of coordination of the Institute for Intellectual Property and institutions for the enforcement of intellectual property rights. The objective of component I of the project is the creation of a comprehensive Strategy for the Development of Intellectual Property System in BiH for the period of 2013 to 2020, by virtue of which a system of intellectual property rights, consistent with that in the member states of the European Union, will be gradually established in Bosnia and Herzegovina. Besides the expert team, all actors in the system of intellectual property rights in BiH will be involved in preparing the Strategy.

The focus of this Strategy will be placed on the enforcement of intellectual property rights in BiH, improvement of institutional framework in particular concerning the other users, awareness raising on intellectual property, including training and education.

Component II

The Development Strategy of the Institute for Intellectual Property of Bosnia and Herzegovina for the period 2008-2015 highlighted the importance of the development of the user component in the system of intellectual property protection (economic entities, small and medium entrepreneurs, research and development institutions, artisans, inventors). It also provides for designing training programs for the users of intellectual property systems that will acquaint them with the concepts of intellectual property, and develop awareness of its importance. It will encourage the establishment of internal offices for intellectual property in Mostar, Banja Luka and Sarajevo. The Strategy also greatly emphasizes the educational function of the Institute, which is one of its legal obligations under the Law on the Establishment of the Institute.

Bosnia and Herzegovina is a party to 21 treaties in the system of WIPO. The rest are in the process of ratification. The Council of Ministers of Bosnia and Herzegovina and the European Patent Organization (EPO) have concluded an agreement on cooperation and extension in the field of patents (Co-operation and Extension Agreement). On the basis of this Agreement, Bosnia and Herzegovina was granted the status of observer in the Administrative Council and the EPO Patent Law Committee, starting on 17 December 2005. One of the requirements for full membership in the European Patent Organization is the digitalization and free access to patent files.

This component will provide assistance in the establishment of the information-educational centers in the area of intellectual property and the development of a publication server, including digitalization of documentation to allow on-line search. The technically equipped help-desk placed in the information centers will provide answers to customers' questions relating to the protection and use of information from national, regional and global funds of intellectual property, especially in more complex issues such as comprehensive search, analysis and interpretation of data from the fund of information on intellectual property. Special emphasis will be given to cooperation with scientific and research sector, primarily universities, with the aim of assisting and encouraging their innovation activities, as well as with economic entities in order to incorporate intellectual property as a development resource in their development programs, also to keep pace with modern technological trends. The project will procure necessary equipment, provide training for the staff of information centers, as well as publicize these activities. The final objective is to make the information centers in Mostar, Sarajevo and Banja Luka part of the network of PATLIB centers.

Component II shall be implemented through a Contribution Agreement with the European Patent Office (EPO), for the following reasons: digitalization and free access to patent files is one of the remaining requirements for full membership in the EPO; databases to be established through the project must be in accordance with EPO standards; EPO is the most experienced and has the best experts for the implementation of proposed activities; EPO was the implementing agency in many similar projects in other countries; if some other agency were to be selected to implement the project, this would significantly increase expenses as additional licenses would need to be obtained since their holder is the EPO; information-educational centres should become a part of the European network of PATLIB centres, the centres which will ultimately be verified by the EPO.

Component III

The European Commission Progress Report 2010 reported that the administrative capacities of Competition Council are still insufficient to ensure satisfactory implementation of the Stabilization and Association Agreement.

Since only symbolic progress has been made in the establishment of functional market competition, it is necessary to strengthen the activities to prepare the country to withstand

international competition and market forces upon accession to the European Union. The Component III will provide assistance for the transposition of European Union regulations in the field of competition and further strengthen the capacities of the Competition Council. Improved capacity of the staff of the Competition Council through trainings and analyses of the key market areas will result in improved quality of the decisions of the Competition Council and a higher level of competition protection in general. Continued implementation of bylaws in the area of competition, which will be supported by this project, will result in a larger number of competition cases initiated and assessed. One of the key issues for proper competition protection is to ensure good cooperation between competition authorities and sector regulators. Therefore, this component is also expected to provide transfer of know-how and good practices for the establishment of mechanisms which will ensure efficient cooperation between the institutions involved in competition issues. This component will also implement activities related to competition advocacy and raising awareness concerning the nature of market competition and the benefits of a competitive market environment among key interest groups, such as business associations, and other relevant professional bodies, academic institutions, and consumer groups.

The control of State Aid is a part of the market competition policy of the European Community. The European Commission 2010 Progress report reported that substantial further efforts are needed to remedy the absence of state aid control. At the time of preparing this project fiche, legislation in this field is being prepared and the establishment of the State Aid Authority is considered a high priority.

Component IV

The BiH Ministry of Foreign Trade and Economic Relations (MoFTER) is the lead Ministry responsible for negotiation, development and implementation of trade policy, so the main goal of the assistance to be provided under this Component is to ensure that MoFTER will be able to implement policy reforms in the area of Foreign Trade to enable the economy to maximize the benefits from economic integration processes. Assistance provided to BiH by previous projects has been instrumental to improving the BiH legal environment, but certain legal areas still require reforms (this is stipulated in the schedules and commitments of the Protocol of Accession to the WTO). The legal support activities will therefore assist BiH authorities in harmonising trade legislation with the EU *acquis*, and support their efforts to improve the legal and regulatory framework in compliance with WTO agreements, the Protocol of Accession and commitments and schedules contained therein, as well as SAA chapters and CEFTA requirements. No specific areas are defined a priori. The legal support will need to be flexible in order to meet evolving needs and remain relevant to BiH's trade policy context, and can potentially cover any area deriving from the WTO, SAA and CEFTA commitments, including, inter alia: technical regulations; agriculture-related issues; trade remedies; customs; tariff regulations; export stimulation; sanitary and phyto-sanitary regimes; etc.

Besides the legal support, this component will also improve the institutional and administrative capacities in BiH to implement the activities related to CEFTA commitments. Bosnia and Herzegovina is chairing the Subcommittee on TBT and NTB in 2011, the Subcommittee on Customs and Rules of Origin in 2012, and the entire CEFTA 2006 and the Subcommittee on agriculture and SPS in 2013.

The project will assist BiH to implement the schedules and commitments contained in the protocols of accession to each of the trade agreements by providing expert legal advice, institutional capacity building and training, as well as awareness raising. This is likely to entail technical support to negotiation positions. In addition, this may entail supporting MoFTER and other trade related institutions in drafting required legislation.

The negotiation processes underway (e.g. EFTA) and planned accession to the WTO will require assistance in developing more sophisticated data management. The newly staffed Statistics and Analyses Unit of MoFTER based its work on the model provided by the EU support. However, further development of the model is needed through the expansion of the data analysed. The objective is to strengthen the Unit in carrying out trade analyses, as well as providing new software and hardware. Further work will be needed to establish the new functional elements such as tariff modules and updating the tariff elements that are essential for the improvement of the trade strategic documents and decision-making process in the future negotiation rounds.

Further strengthening of the capacities of MoFTER staff for the implementation of the SAA will be necessary once it enters into force. Currently this Ministry performs activities related to the implementation of the Interim Agreement, including chairing of 3 out of the 7 Subcommittees. At the moment, BiH instructional structures for the implementation of the SAA are not yet established and the implementing legislation is under preparation.

MoFTER BiH prepared the BiH Customs Tariff for 2011, which is fully harmonised with the Combined Nomenclature for 2011, and it is applied as of January 1st, 2011. Current development and changes in the HS system (application of HS 2012) and the changes in the BiH Customs Tariff Law (Implementation of the Customs Tariff) necessitate improved implementation of the Customs and Tariff policies in BiH. This Component shall provide support for drafting Tariff Classification Explanatory Note on the new Customs Tariff Law. Moreover, the new Customs Tariff Law will require better cooperation between all departments in MoFTER and with relevant authorities in BiH which are entrusted with licensing procedures related to the importation and exportation of goods (such as PHPA, Veterinary office, etc.).

Component V

The European Commission 2010 Progress Report reports that the preparations in the areas of customs and taxation are not very advanced. Further alignment with EU VAT rules needs to be ensured. In the area of business taxation, some measures do not comply with the Code of Conduct. As regards administrative and operational capacity, the ITA's organisational structure needs strengthening to address present and future challenges. Advanced training on risk analysis and IPR enforcement as well as training for the customs laboratory remains to be delivered. Cooperation and coordination within the ITA and with other authorities remain weak. The effectiveness of border crossing checks needs to be improved. The functionalities of customs laboratories remain limited. The IT system cannot cope with the necessary changes in customs and tax administration, such as simplification, risk analysis, integrated enforcement, local clearance, the guarantee procedure and e-government. The assistance under this component shall address most of these weaknesses.

The ITA has introduced the notion of "authorised exporter" in the field of goods origin and local (house) clearance at export. However, further assistance is necessary for the continuation of practical application of the mentioned simplifications to daily export procedures. In addition, it is necessary to start applying all other types of simplified procedures, including local clearance at importation and authorised consignee/consignor in transit procedure and centralised clearance. Furthermore, assistance is necessary in establishing the operational implementation of regulations for safety and security and for the preparations for status of "AEO – authorised economic operator" with the support at economic operators in BiH, as well as in the operational introduction of incoming and outgoing summary declarations with appropriate IT support and training, which are important for safety and security (AEO).

It is necessary to continue to work on the permanent alignment of BiH legislation in the field of indirect taxes with the EU legislation and the most recent Directives in the field of VAT. Given that the existing law was drafted following the provisions of the 6th Directive, any further upgrade of EU Directives requires further work on harmonising national norms with the framework. Since there were some changes made to the Directive 2006/112/EC in the past, e.g. passing of the Council Directive 2008/8/EC of February 12, 2008 the obligation arose to further harmonise the Law on VAT therewith.

As regards excise duty and road toll, it should be emphasised that the Law on Excise Duty has been adopted and applied since July 1, 2009. The Law is in line with the EU Directive 92/12/EC which represents the starting framework for this field.

It is necessary to modernise the existing tax application ALICE which will be compatible with the customs application and EU requirements. Modernisation means an upgrade of the existing subsystem with the same but more modern software tools in programming terms which are compatible with the “up-to-date” hardware and software.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

Component I

The project will assist in the creation of a planning document that will systematically provide for the further development of the intellectual property system in Bosnia and Herzegovina, especially in law enforcement. The project will contribute to reduce infringements of intellectual property rights, particularly piracy and counterfeiting. The project will contribute to improve the functioning of the Institute for Intellectual Property as a key state institution in the system of intellectual property protection and developing of the capacity of other institutions in the system of intellectual property rights protection. The project will be of special importance for the coordination of the institutions in the system of intellectual property protection and enhancement of the Council for Intellectual Property Protection as an advisory and coordination body of the Institute. The establishment of an effective system for the protection of intellectual property rights is in direct connection with foreign investments, and on a long-term basis it will have positive impact, in particular in financial, economic and social areas (increase in public revenue, attracting investments and therefore fostering employment). The project will contribute to the intellectual and industrial property policy in particular in the area of intellectual property rights, improvement of the institutional framework and raising awareness on intellectual property in accordance with obligations under the Stabilization and Association Agreement with the European Union and TRIPS Agreement. It will also have an impact on the fight against cross-border crime, organized crime and corruption.

Sustainability of the project will be ensured by the training of instructors, who will implement continuous specialized training for the institutions in the system of intellectual property protection after the project, and by putting in place the system for measuring infringements of intellectual property rights as well as by integration in the state budget.

Component II

The project will significantly contribute to the improvement of information and educational functions of the Institute for Intellectual Property. With the development of a publication server and digitalization of patent files conditions will be met for full membership in the European Patent Organization. Digitalization and free access to patent files will contribute to their licensing, which will stimulate inventors to create new inventions. With regard to users,

particularly small and medium enterprises, the project will contribute to economic development. Technical information contained in patent files will give economic entities key information in order to avoid the costs of finding a solution already known; the identification process and technologies for licensing, and technology transfer; help find ready solutions to technical problems and obtain ideas for future innovations that will indirectly contribute to reducing infringements of intellectual property rights. The project will also contribute to economic entities identifying free market for their products; avoid infringement of others' intellectual property rights and assess patentability of their own inventions. The project will contribute to improving the functioning of the Institute for Intellectual Property as a key state institution in the system of intellectual property protection. Capacity building of the Institute will contribute to increasing trade and increasing public revenues. This will also have an impact on the fight against cross-border crime, organized crime and corruption. Thanks to all these activities, the project will contribute to further integration of Bosnia and Herzegovina in the WTO and the European Union. Project sustainability will be ensured through the establishment of information-educational centers of the Institute in Mostar, Sarajevo and Banja Luka, which will become part of PATLIB network as organizational units of the Institute, as well as through constant improvement of technical solutions which come up through the project. Sustainability of the project will be provided through the training of instructors in the educational-information centers of the Institute, who will carry on continuous specialized training for the users after the project and the budget will be secured.

Component III

Further implementation of bylaws in the competition area will result in an increased number of cases regarding determination of dominant position, forbidden agreements and assessment of concentrations. Furthermore, trainings planned for employees of the Competition Council and studies of key market sectors will help the Competition Council to improve the decision making process and protection of competition in general. Previous practice of EU member countries has shown that the adequate cooperation between competition authorities and sector regulators is necessary for the efficient protection of competition law in key sectors such as telecommunication, banking, and energy. Therefore, this component will ensure the necessary knowledge and good practice for the establishment of mechanisms for efficient cooperation between these authorities. In the area of State Aid control, the project will contribute efficiently operate a provision of the SAA.

Component IV

The main goal of this Component is to ensure that MoFTER will be able to implement relevant policy reforms in the area of Foreign Trade in order to enable the BiH economy to maximize the benefits from economic integration processes.

Additionally, the project will support the pre-accession and post-accession efforts of BiH with regard to all main trade agreements (i.e. SAA, WTO, CEFTA, EFTA and other FTAs or PTAs). It will be implemented in parallel with the negotiation processes and cover legal and regulatory reforms preparing for accession. In the post-accession phase, the project will assist BiH to implement the schedules and commitments contained in the protocols of accession to each of the trade agreements, and to support further negotiations within the WTO framework by providing expert legal advice, institutional capacity building and training.

The BiH Customs tariff law will be newly prepared and BiH will need support in its implementation.

Better functionality of the statistical analyses will add to the better quality of the assessments and analyses of the trade data and will provide for better formulated BiH policies in the framework of the world trading system.

The provision of the new software and hardware will lead to more efficient completion of the tasks.

Component V

Support to strengthening the institutional and administrative capacities of the ITA will lead towards the improvement of the ITA functioning and creation of conditions for increase in revenues collected from the indirect taxes. Efficient functioning of an updated IT system will contribute to accomplishing the required standards for EU accession in the fields of customs and taxation and will also improve compliance with International standards (standards of World Trade Organisation – WTO, World Customs Organisation – WCO, EU Customs Blueprints, Convention such as Kyoto Revised, Council Directive 2006/112/EC).

The planned improvements to the customs, taxation and IT will have immediate effect in improving the administrative capacity of the ITA and this will feed through the operational level. Integrity as well, will be improved within the ITA. The eventual outcome will be a proficient and more effective Indirect Taxation Authority. Improved functioning of the ITA system will contribute to promotion of trade which in turn will lead to trade facilitation and increased prosperity and revenue yield. Further inroads will be made to the fight against cross-border crime, organised crime and corruption.

3.3 Results and measurable indicators

Component I

Result 1.1.: The capacities of the enforcement authorities of intellectual property rights are strengthened

Measurable indicators:

- 1.1.1. Analysis of current state of intellectual property rights enforcement performed;
- 1.1.2. IPR enforcement regulations (legislation and procedures) reviewed;
- 1.1.3. IPR Enforcement Strategy prepared;
- 1.1.4. At least 200 participants attended organised workshops, seminars and trainings;
- 1.1.5. Prepared methodology for the compilation of information on the sanctioning of IPR infringements;
- 1.1.6. At least 20 employees in the relevant institutions passed the necessary training for the implementation of methodology.

Result 1.2: Cooperation among institutions within the system of the enforcement of intellectual property rights strengthened

Measurable indicators:

- 1.2.1. Prepared necessary documents for the establishment of the State Coordination Body for Intellectual Property Rights Protection at an operational level;
- 1.2.2. The Council for Intellectual Property Rights Protection operational and meets by-monthly;

- 1.2.3. Procedures for cooperation between IPR Institute and enforcement institutions determined (8 months from the beginning of the project).

Result 1.3: Raised awareness on intellectual property in accordance with obligations under the SAA and the TRIPS.

Measurable indicators:

- 1.3.1. Reduction of piracy and counterfeiting as a result of raising public awareness about the importance of intellectual property;
- 1.3.2. Public awareness campaign is delivered by the end of the project;
- 1.3.3. Production of adequate number of brochures and leaflets.

Component II

Result 2.1: Information-educational centers at the Institute's headquarters in Mostar and at Sarajevo and Banja Luka branch office operational

Measurable indicators:

- 2.1.1. Equipment procured and in use by the 6th month of project implementation;
- 2.1.2. Publication server fully compatible with the EPO standards;
- 2.1.3. Free access to on-line information on intellectual property rights kept by the Institute through its webpage, for the Institute's staff, other institutions in the system of intellectual property and the users;
- 2.1.4. Train the trainer scheme established;
- 2.1.5. Issuance of number of quality research reports by the Institute on the state of the art;
- 2.1.6. Reduction of the time-limit by 6 months for the processing of applications for the grant of intellectual property rights, especially patents;
- 2.1.7. At least 20 Institute's staff trained for comprehensive searches, analysis and interpretation of information from national, regional and global information funds on intellectual property and professional information on intellectual property in BiH and the world;

Result 2.2: Cooperation with scientific-research sector, primarily universities and research institutes, companies, small and medium size enterprises, associations of innovators, with the aim to assist and encourage their innovative activities strengthened

Measurable indicators:

- 2.2.1. Conclusion of a protocol on cooperation and joint activities with universities, scientific institutes, associations of inventors, innovation centers and chambers of commerce and the beginning of the implementation of joint activities;
- 2.2.2. Increased number of applications for protection of patents and other intellectual property rights as a result of promotional activities of the Institute;

- 2.2.3. Increased number of contracts on technology transfer, particularly the European patent;

Result 2.3: Raised awareness on intellectual property in accordance with obligations under the SAA and the TRIPS.

Measurable indicators:

- 2.3.1. Reduction of piracy and counterfeiting as a result of raising public awareness about the importance of intellectual property;
- 2.3.2. Public awareness campaign is delivered by the end of the project;
- 2.3.3. Personnel of information education center is trained by the end of the project;
- 2.3.4. Production of adequate number of brochures, analysis and guidelines.

Component III

Result 3.1. The institutional structure that regulates EU competition strengthened

Measurable indicators:

- 3.1.1. At least 7 European Union regulations transposed from the field of competition until the end of the project;
- 3.1.2. At least 10% annual increase in number of cases regarding determination of dominant position, forbidden agreements and assessment of concentrations;
- 3.1.3. At least 20 market studies carried out in different economy sectors until the end of the project;
- 3.1.4. At least 10 trainings on the topic of all fields of forbidden competition conduct organized for the staff of the Competition Council;
- 3.1.5. Equipment procured and in use by the end of the project.

Result 3.2.: Strengthened cooperation between Competition Council and regulators and governmental institutions

Measurable indicators:

- 3.2.1. At least 70 participants attended organized workshops, seminars and on the job trainings in competition fields until the end of the project;
- 3.2.2. Memorandum of Understanding between the Competition Council and regulators signed and implemented until the end of project;
- 3.2.3. Number of antitrust cases in relevant sectors increased at least by 10%.

Result 3.3.: Raised awareness on EU competition policies and law

Measurable indicators:

- 3.3.1. At least 300 participants from chambers of commerce, lawyer chambers, business associations, among the judges, authorities, business community and universities trained until the end of the project ;
- 3.3.2. Production of adequate number of brochures, analysis and guidelines regarding the competition policy;
- 3.3.3 Public awareness campaign is delivered by the end of the project.

Result 3.4.: State Aid control operational

Measurable indicators:

- 3.4.1. Institution for State Aid control operational and functional
- 3.4.2. All members of State Aid control institution trained in State Aid control issues

Component IV

Result 4.1.: Institutional capacity of MoFTER and related institutions developed for successful implementation of SAA, WTO, CEFTA, EFTA and further trade negotiations

Measurable indicators:

- 4.1.1. Positive Progress Reports 2012 in implementing SAA provisions;
- 4.1.2. Legislative action plan for SAA prepared in accordance with SAA obligations and updated yearly;
- 4.1.3. Legislative action plan for WTO accession updated and implemented in accordance with WTO obligations;
- 4.1.4. At least 20 civil servants dealing with trade relations and trade related European integrations trained in negotiations skills and EU policies;
- 4.1.5. Equipment procured and in use by the end of the project;
- 4.1.6. One successful public awareness campaign is delivered by the end of the project;
- 4.1.7. At least 200 participants attended organized workshops and seminars related to trade and EU integrations until the end of the project;
- 4.1.8. Legislative amendments drafted and submitted for approval by the end of the project as required by MoFTER;
- 4.1.9. Unit for Statistics and Trade Analysis produces specific trade reports by the end of project.

Result 4.2.: Customs Department in MoFTER able to fulfil the requirements from the modernised Customs tariff Law

Measurable indicators:

- 4.2.1. Tariff Classification Explanatory Notes on the new Customs Tariff Law prepared and published by the end of the project implementation;

- 4.2.2. At least 20 staff trained on Tariff Classification Explanatory Notes;
- 4.2.3. Equipment procured and system in use by the end of the project.

Component V

Result 5.1.: Further alignment of legislation, procedures and practices of indirect taxation with the Acquis

Measurable indicators:

- 5.1.1. Drafted regulations that define the rules and ways for performing the rest of the simplified procedures and regulations on safety standards in the simplified procedures, trainings completed.
- 5.1.2. Drafted changes and amendments in line with newest changes and EU Directives referring to VAT and excise legislation
- 5.1.3. Prepared operational instructions in line with changes

Result 5.2.: Transit procedures harmonized with the procedures in the EU

Measurable indicators:

- 5.2.1. Regulations for transit procedure harmonized with the procedure in the EU in order to prepare applications for joining the Common Transit Convention (CTC)

Result 5.3.: Improved system of post-clearance customs control in organizational and procedural terms

Measurable indicators

- 5.3.1. Harmonized regulations on performing the post-clearance customs control to the procedures in the EU and in accordance with it, improved organization and methodology of work.

Result 5.4.: Improving the work of the Intellectual Property Rights Unit (IPR)

Measurable indicators

- 5.4.1. Developed and implemented Action Plan for work of the IPR Unit
- 5.4.2. Database of IPR Right Holder established
- 5.4.3. Trained ITA officers in the field of IPR enforcement

Result 5.5.: Improved system of monitoring of prohibitions and restrictions on imports and exports of goods

Measurable indicators

- 5.5.1. At least 20 ITA officers trained annually in the field of classification of goods and integrated tariff

Result 5.6.: Improvement of methodology for upgrading the risk analysis

Measurable indicators

- 5.6.1. Manual for enhanced methodology for risk analysis including the activities of the Law Enforcement Sector prepared in BiH languages

Result 5.7.: Defined role of Internal Audit

Measurable indicators

- 5.7.1. Increased effectiveness of the Department of Internal Audit by 20 %
- 5.7.2. Manual of Internal Audit

Result 5.8.: Improving Management and Human Resource Management

Measurable indicators

- 5.8.1. Enhanced Management and implemented Human Resources Management System and strategies

Result 5.9.: The ITA IT systems provides the adequate support to newly introduces procedures

Measurable indicators

- 5.9.1. Exchange of information with customs administrations of other countries increased by 30%;

Result 5.10.: Tax software upgraded

Measurable indicators

- 5.10.1. Changes in taxation subsystems in line with the changes in certain laws
- 5.10.2. Fully automated data exchange makes customs and tax transactions possible by using the network infrastructure

3.4 Activities

Component I (Technical assistance contract)

Activities related to the result no 1.1.

- 1.1.1. Prepare the plan for the drafting of the Strategy for the Enforcement of Intellectual Property Rights by each institution;
- 1.1.2. Analyse experience/practice of courts, inspectorates, customs authorities and police agencies in the sanctioning of intellectual property rights infringement;
- 1.1.3. Analyse the regulations pertaining to the enforcement of intellectual property rights and make proposals for possible amendments to such regulations;

- 1.1.4. Draft the Strategy for the Enforcement of Intellectual Property Rights;
- 1.1.5. Create the methodology for the collection of information on the sanctioning of intellectual property rights infringement;
- 1.1.6. Train staff to apply methodologies;
- 1.1.7. Perform specialized training for each institution within the system of the enforcement of intellectual property rights, for the staff members of the collective management organisation and for intellectual property right holders.

Activities related to the result no 1.2.

- 1.2.1. Support to the establishment of the State coordinating body for the protection of intellectual property rights at the operational level;
- 1.2.2. Support to the strengthening of cooperation and information exchange between the Institute for Intellectual Property and institutions within the system of the enforcement of intellectual property rights;
- 1.2.3. Administrative support to the Council for the Protection of Intellectual Property Rights;
- 1.2.4. Implementation of specialized training for instructors in the system of intellectual property protection.

Activities related to the result no 1.3.

- 1.3.1. Public campaign aimed at raising social awareness on the importance of intellectual property;
- 1.3.2. Conduct seminars and workshops in order to raise public awareness on the importance of intellectual property;
- 1.3.3. Publish appropriate brochures in order to popularize intellectual property.

Component II (Contribution agreement with the European Patent Office, supply contract)

Activities related to the result no 2.1.

- 2.1.1. Procure necessary equipment (server, scanners, printers, etc.) and develop publication server.
- 2.1.2. Digitalize patent files;
- 2.1.3. Enable free on-line access to patent files to facilitate licensing, especially with a view to stimulate export-oriented programs;
- 2.1.4. Conduct training of the Institute's staff for work in the information centers;
- 2.1.5. Conduct training of the Institute's staff for comprehensive search, analysis and interpretation of data from national, regional and global information funds on intellectual property and professional information on intellectual property in BiH and the world;
- 2.1.6. Conduct training for users to be carried out by Institute's staff at the information-educational centers of the Institute in Mostar, Sarajevo and Banja Luka;
- 2.1.7. Establish help-desk which will be technically equipped and will have personnel to provide answers to customers' questions
- 2.1.8. Organize study visits to EPO and other national and international organizations.

Activities related to the result no 2.2.

- 2.2.1. Promote technology dissemination towards economic entities in particular small and medium enterprises and strengthen their capacity to identify, select and adopt new technologies and to ensure that new technologies, particularly European patents are easily accessible to small businesses;
- 2.2.2. Improve cooperation with the innovation centers in all major regional centers in BiH, as well as chambers of commerce;
- 2.2.3. Cooperate with universities, scientific institutes and associations of manufacturers in order to provide appropriate training that will meet their needs.

Activities related to the result no 2.3.

- 2.3.1. Conduct seminars and workshops in order to raise public awareness on the importance of intellectual property;
- 2.3.2. Organize and deliver public campaign on the importance of intellectual property through media;
- 2.3.3. Publish appropriate brochures in order to popularize intellectual property;
- 2.3.4. Publish professional literature in the field of intellectual property.

Component III (Technical assistance and supply contract)

Activities related to the result no. 3.1.

3.1.1. Transposition of European Union regulations in the field of competition:
Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (the EC Merger Regulation);

Commission Regulation (EU) No 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of specialisation agreements;

Commission Regulation (EU) No 1217/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of research and development agreements;

Council Regulation (EC) No 169/2009 of 26 February 2009 applying rules of competition to transport by rail, road and inland waterway;

Commission Regulation (EU) No 267/2010 of 24 March 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of agreements, decisions and concerted practices in the insurance sector;
Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices;

Commission Regulation (EU) No 461/2010 of 27 May 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector.

3.1.2. Support to implementation of following bylaws:

- Decision on the Definition of a Relevant Market;
- Decision on the Definition of a Dominant Position;
- Decision on Agreements of Minor Importance;
- Decision on Notification and Criteria for the Assessment of a Concentration of Economic Entities;
- Decision on the Procedure of Granting Immunity from Fines (Leniency Policy);
- Decision on the Definition of Period Fine Payments;
- Decision on Block Exemption Granted to Certain Categories of Horizontal Agreement Relating Particularly to Research, Development and Specialisation Agreements;
- Decision on Block Exemption Granted to Certain Categories of Vertical Agreements;
- Decision on Block Exemption Granted to Insurance Agreements;
- Decision on Block Exemption Granted to Agreements on Distribution and Servicing of Motor Vehicles;
- Decision on Block Exemption Granted to Certain Categories of Technology Transfer Agreements;
- Decision on Agreements of the Minor Importance.

3.1.3. Support to preparation of market analysis as a key assumption for carrying out procedures for assessment of forbidden activities;

3.1.4. Perform training and improvement of institutional capacities of the Competition Council;

3.1.5. Organize study visits in order to gain practical knowledge on competition;

3.1.6. Prepare technical specification for purchasing the equipment and software;

3.1.7. Procure equipment and software.

Activities related to the result no. 3.2.

3.2.1. Transfer of knowledge and good practice of European Union regarding cooperation between competition body and sector regulators;

3.2.2. Improve coordination of all activities and procedures among regulators.

Activities related to the result no. 3.3.

3.3.1. Further support to competition advocacy through improved information sharing and understanding of target groups and general public on benefits of efficient market competition for consumers and tax payers;

3.3.2. Prepare, publish and distribute brochures, analyses and guidelines regarding the competition policy;

3.3.3. Strengthen the capacity of the Competition Council to raise awareness and disseminate information about the competition policy.

Activities related to the result no. 3.4.

3.4.1. Support the State Aid control institution and other implementing authorities in implementing EU state aid control legislation and in related technical, legal, and organizational issues.

Component IV (Technical assistance and supply contract)

Activities related to the Result no. 4.1.

SAA

- 4.1.1. Support Working Groups which will be established under the SA Subcommittees and which will be dealing with trade related issues²;
- 4.1.2. Support for the harmonisation of the BiH trade related legislation with the *acquis*.
- 4.1.3. Support MoFTER in fulfilling notifications requirements in the SAA;
- 4.1.4. Support MoFTER in the area of trade analyses and trade policy mechanisms assessments;
- 4.1.5. Support to the BiH negotiators within the framework of the EU Accession negotiations in the trade related Chapters;

WTO

- 4.1.6. Support MoFTER in implementation of WTO obligations including:
 - Implementation of the specific WTO Uruguay Round Agreements;
 - Support MoFTER in fulfilling notifications requirements in the WTO;
 - Observation and participation in the current or any subsequent round of the multilateral trade negotiations on liberalisation of the world trading system;
 - Participation in the WTO member's Trade Policy Review procedures;
 - Settlement of potential trade disputes with WTO members.

CEFTA

- 4.1.7. Support MoFTER and other relevant institutions in charge of implementing CEFTA, as well as their activities within the CEFTA bodies;
- 4.1.8. Support MoFTER in fulfilling notifications requirements in the CEFTA;
- 4.1.9. Prepare technical specification for Procurement of the Software and Hardware needed for ensuring trade negotiations capacities of MoFTER;
- 4.1.10. Capacity building of institutions and private sector to benefit from the implementation of SAA, WTO and CEFTA;
- 4.1.11. Public awareness campaign.

Activities related to the result no. 4.2.

- 4.2.1. Support to MoFTER in drafting by-law on Tariff Classification Explanatory Notes on the new Customs Tariff Law;
- 4.2.2. Strengthening cooperation in the customs tariff aspects related to the nomenclature changes (MoFTER, ITA, PHPA, Veterinary Office, Agency for Statistics);
- 4.2.3. Prepare technical specification.

Component V (Twinning Contract)

Activities related to the result no. 5.1.

²These working groups should prepare the positions of BiH under the relevant sub-committees. The Sub Committees shall discuss issues according to a multidisciplinary structure including topics such as Trade, Industry, Customs, Agriculture and Fisheries, Economic and Financial Issues and Trade statistics.

- 5.1.1. Draft Operational Guidelines for issuing permits and the manner of implementation of Simplified Procedures,
- 5.1.2. Prepare Operational Guidelines for the implementation of security standards and procedure of issuing AEO (Authorized Economic Entity) license
- 5.1.3. Customizing the implementation of the previous control in the process of issuing permits for simplified procedures and AEO
- 5.1.4. Creating a central database of procedures for approval for simplified procedures and AEO
- 5.1.5. Train officers on the application of simplified procedures and AEO
- 5.1.6. Improve cooperation with economic entities and raising awareness on safety and security and status of AEO
- 5.1.7. Analyse of the current state of legislation concerning VAT and Excise
- 5.1.8. Develop primary and secondary legislation and practical training in the field of VAT and Excise
- 5.1.9. Perform workshops in order to present court practice and decisions and EU court practice in the field of VAT, excise duties, origin, tariff, value, and prohibition
- 5.1.10. Conduct comparative analysis of the BiH situation and verdicts of the European Court

Activities related to the result no. 5.2.

- 5.2.1. Draft regulations and methodology on procedure harmonized with the transit procedure of the EU and which are necessary for joining the CTC

Activities related to the result no. 5.3.

- 5.3.1. Harmonize regulations on carrying out the post-clearance customs control and in accordance with mentioned, improved organization of post-clearance controls and working methodologies
- 5.3.2. Improve the methodology of prior control in the procedure of issuing licenses for Simplified Procedures and AEO
- 5.3.3. Train officers on performance of post-clearance and previous control

Activities related to the result no. 5.4

- 5.4.1. Raise awareness of the ITA employees on the importance of the IPR
- 5.4.2. Establish tools for IPR Management
- 5.4.3. Create data base of IPR Right Holders related to the customs procedures
- 5.4.4. Train customs officers on IPR (including training for trainers scheme)

Activities related to the result no. 5.5.

- 5.5.1. Train customs officers regarding integrated tariff and classification of goods³

Activities related to the result no. 5.6.

- 5.6.1. Improve the methodology for managing risk analysis
- 5.6.2. Collect and process information and inclusion of other organizational units in the risk analysis
- 5.6.3. Create risk profiles

³ After the drafting of the Tariff Classification Explanatory Notes on the new Customs Tariff Law is finished (activity 4.2.1. of the Component IV)

5.6.4. Train officers about creation and use of risk profiles

Activities related to the result no. 5.7

5.7.1. Define the methodology and organizational standards in internal audit

5.7.2. Prepare Internal Audit Manual with the application of international standards on the internal audit

5.7.3. Apply practices and experiences of members states countries with similarly organised Administration (customs and taxation combined), study visit

Activities related to the result no. 5.8.

5.8.1. Develop a strategy for Human Resources Management aligned with the Administration Business Strategy

5.8.2. Develop a Human Resources Management System that will define functions, roles and responsibilities in the Administration

5.8.3. Develop a Human Resources Management System that will allow the ITA to make their own decisions about hiring staff, promotion issues, career advancement, training, disciplinary measures and dismissals of employees in accordance with legislation and systems for controlling the work performance of all employees

Activities related to the result no. 5.9.

5.9.1. Provide adequate communication infrastructure using a security policy defined by the ITA IT Sector allowing secure transfer of information within the ITA, as well as to external customers-including the purchasing of an adequate routers, switches, firewalls and software for communication control.

Activities related to the result no. 5.10.

5.10.1. Establish Tax Software that will allow implementation of all legislative changes concerning VAT and Excise, possibility of changes in VAT returns, strengthening system of risk analysis and upgrade of the existing modules.

3.5 Conditionality and sequencing

Component I

The Institute for Intellectual Property will be directly responsible for the coordination and management of the project. The Institute will provide assistance in organizational and technical issues and provide office space for the project team. The Institute will make available sufficient human and other resources to ensure sustainability of the project.

The Component I will be carried out in two phases, as follows:

- Preparatory phase (development of the methodology etc.);
- Preparation of the Strategy for the Enforcement of Intellectual Property Rights; and other documents and organization of different types of training.

Component II

Bearing in mind that the project anticipates procurement of IT and other necessary equipment, it will be necessary to make a preliminary detailed analysis of the needs of the Institute with

the specification of necessary equipment. The Institute has, through its own funds and other projects, provided a part of IT equipment. In this context one should bear in mind that the publication server must be separated from the databases maintained by the Institute. To protect these databases, they must be placed on a separate server. Considering that EPO is designated as implementing agency of the project, software owned by the EPO will be used for this purpose. To that end, it will be necessary to conclude appropriate license agreements. It will be useful, before equipment and software are selected, that the project team and Institute staff carry out adequate study visits.

The project will be implemented in four stages:

- procurement and installation of necessary equipment;
- training Institute's staff to operate equipment and work in the information-educational centers to qualify them, according to their previous experience and personal preferences, to be instructors in the appropriate field of intellectual property
- scanning patent files and uploading them in the system;
- organizing seminars, workshops and other forms of cooperation with the users (which will partly be implemented by the instructors from the Institute)

It is an option to implement some of these phases simultaneously.

Component III

The activities related to the State aid control require adequate legislation to be in place which provides the legal framework for the institutions entrusted with State Aid control.

Component IV

In order to successfully implement the activities related to the Result no. 4.2., BiH needs to adopt the new Law on Customs Tariff of BiH.

Component V

ITA must have an adopted business strategy in place. In order to assure smooth implementation of this IPA 2011 project, it is expected that the results are achieved in the Twinning project IPA 2008 "Support to further EU Acquis alignment of the Indirect Taxation Authority of BiH" which is currently being implemented. Particularly important for the project are the results on the part of customs procedures.

Activities related to the result 5.5. Training of customs officers regarding integrated tariff and classification of goods can be implemented only after the completion of the Activities related to the result no. 4.2. drafting of Tariff Classification Explanatory Notes on the new Customs Tariff Law.

3.6 Linked activities

Component I and II

The CARDS 2006 project "Capacity Building in Protection of Intellectual Property Rights in Bosnia and Herzegovina" (EUIPR project) was implemented in the period from September 2007 to September 2009. Through this project a new legislative framework was prepared in

accordance with the standards set by the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), the Stabilization and Association Agreement and the *acquis communautaire*. The project gave significant support to the development of the administrative capacity of the Institute for Intellectual Property, enforcement of intellectual property rights and to raising public awareness on intellectual property.

Bosnia and Herzegovina was one of beneficiaries of the IPA Regional Programme on industrial and intellectual property in the Western Balkans and Turkey, funded by the EU and implemented by the EPO. In order to meet the needs of the Institute this project organized training and study visits for the Institute's staff related to administrative procedures for the acquisition, maintenance, transfer and termination of intellectual property rights.

The USAID project „Intellectual Property Rights Protection in Bosnia and Herzegovina” is being implemented in the period 2010 - 2013. It is planned that the project prepares by-laws and a database of patents and organizes training for employees regarding the application of new laws.

Components I and II of this project will be a natural extension of three previous projects in order to fully develop the administrative capacity of the Institute, especially in the part of its new role as an umbrella institution in the system of intellectual property protection, anticipated by the Development Strategy of the Institute. The successful implementation of the Components I and II of this fiche will be of crucial importance for the further development of the system of intellectual property in Bosnia and Herzegovina.

Component III

The CARDS 2005 project “EU Support to competition and state aid in Bosnia and Herzegovina” provided necessary expert assistance in the field of competition in Bosnia and Herzegovina. After completion of the project, as to the competition policy and law component, BiH was in full compliance with the EU competition rules, apart from some changes and amendments to the current Law in Competition and its secondary legislation Acts. The Council of Competition has gained through the project assistance and through substantial case law knowledge to fulfil all criteria necessary for the SAA.

As to the development of a BiH State Aid System, the project helped the BiH Government substantially with proposals for State Aid legislation, a State Aid inventory and mapping reports and a model for a future annual report to Brussels in this field.

Component IV

The project «EU Support to Trade Policy and Capacity Building to BiH» (hereinafter EU TPP2), started in August 2010 and will end in November 2012.

The specific objectives are to support: (1) the BiH institutional capacity, in particular of MoFTER, in formulating and implementing policies and strengthening the regulatory framework for trade (particularly with regard to increasing trade exports relative to imports) focusing on the provision of support to priority negotiation issues (WTO, CEFTA, SAA). EU TPP2 continued work of the EU TPP and builds upon its achievements.

Moreover, all the projects contained in this fiche will be in close coordination with this project.

Component V

One of the key target areas of the EU financial and technical support has been public administration reform (including customs and taxation). The European Union launched the Customs and Fiscal Assistance Office Programme (CAFAO) in 1996 in order to support, inter alia, the establishment of a customs service in Bosnia and Herzegovina. The Customs Information System ASYCUDA 1.16f, financed by the European Commission, has been implemented in the Entity's Customs Administrations during 2002. An information system created with modern tools and on a modern software and hardware platform for the support of introduction of VAT in BiH (ALICE) has been developed and implemented by the CAFAO European Commission Team during 2005 and was fully operational as of the 1st of January 2006, when the VAT was introduced in BiH.

The CAFAO Mission was operational in BiH until the end of 2007 and as of 1 January 2008 the technical assistance has continued in the field of indirect taxation for a period of twelve months under the auspices of a new project known as TACTA (Technical Assistance to Customs and Tax Administrations). Expert assistance in customs policy and procedures and VAT Policy within TACTA covered the following areas: Origin of goods, Customs procedures, Post-clearance Audits, Expert-legal assistance to the Legal Department, Governance, Internal Audit, Law Enforcement, Enforced Collection, IT support, VAT policy and procedures and provision of trainings.

The IPA 2008 Twinning project: "Support to further EU Acquis alignment of the Indirect Taxation Authority of BiH" is being implemented since December 2010. The purpose of the project is to support the modernisation of the BiH Indirect Tax Authority by further aligning Customs and Tax legislation, procedures and standards with the EU *acquis* and to strengthen the administrative capacity in order to implement and support trade and investment policy with the aim to facilitate legitimate trade in a consistent manner, whilst implementing traditional controls in the fight against fraud and in the area of safety and security. This IPA 2011 project should be the continuation of the activities and results achieved in the Twinning project.

The ITA BiH is one of the agencies which, mainly through the Customs Sector, takes part in the implementation of the Integrated Border Management project.

Under IPA 2010 funds have been allocated for modernisation of Customs Declaration Processing System (CDPS). It is expected that the project will commence in the second half of 2011, pending adoption of ITA's business strategy and IT strategy as well. Assistance for preparation of the strategies will be ensured through on going twinning project..

This project represents the continuation of activities and results achieved in the project which is part of IPA 2008 - Support to further EU Acquis alignment of the Indirect Taxation Authority of BiH.

3.7 Lessons learned

Component I and II

The Institute for Intellectual Property has sufficient administrative capacity for the implementation of the project. For the sustainability of the Component I it is necessary to

ensure transfer of skills from the project team and experts from Bosnia and Herzegovina. It is also required to ensure participation of other state institutions (The Indirect Taxation Authority of BiH, Agency of the Market Surveillance Agency of BiH, Investigation and Protection Agency (SIPA), Court of BiH, Prosecutor's Office of BiH, Inspectorate of the Federation of BiH, Inspectorate of the Republic of Srpska, Inspectorate of the BiH Brčko District, judicial authorities of the FBiH, RS and Brčko District of BiH). For the sustainability of the Component II it is necessary to ensure transfer of skills from the project team and experts to Institute's staff, especially in the part relating to IT component. It is required that the project activities related to the field of information technology are defined in detail and that sufficient time for testing, training and implementation is ensured. It is also required to ensure participation of other state institutions in order to enable free access to information at disposal of the Institute's information-educational centers. It is necessary that the project creates methodological standards in advance, which ought to be applied strictly.

Component III

The project "EU Support to competition and state aid in Bosnia and Herzegovina" has helped the establishment of Competition Council of Bosnia and Herzegovina and provided necessary expert assistance for efficient functioning and completion of legislative framework in the field of competition. However, the EC Progress report states that the administrative capacity of the Competition Council still remains insufficient, and this component aims at strengthening its capacity.

Component IV

The progress achieved by BiH in the area of trade policy is to date, still limited and fragile. The institutional structure of the country and especially of the MoFTER is not sufficiently developed to meet the challenges it is currently facing (accession to WTO, implementation of the CEFTA and SAA/IA, negotiations and implementation of EFTA and other FTAs and PTAs).

BiH will require support in further developing the necessary capacity in the area of data analyses and customs. This will need to be in a participatory way to maximise transfer of know-how and involve different stakeholders. Previous projects have shown the necessity to procure the equipment in order for MoFTER to be able to absorb most efficiently the provided assistance. Therefore, the procurement of necessary equipment is envisaged.

Improvement in BiH trade performance depends on the ability to formulate and implement an appropriate trade policy mix. This requires the strengthening of the regulatory framework for trade in line with international practices and with the country's economic interests. This process should be built on a broad constituency, involving the Government, private sector, and civil society.

Component V

Implementation of the project in the Indirect Taxation Authority is faced with insufficient administrative capacity of the beneficiary due to the lack of experienced staff and lack of strategic unit. In order to provide sustainability the project must provide transfer of knowledge/experience from the experts employed to the ITA staff of the key beneficiaries.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Component 1	X		1 500 000	1 500 000	100							
Contract 1.1. Technical Assistance	-	-	1 500 000	1 500 000	100							
Component 2			1 053 000	1 000 000	94.97	53 000	5.03					
Contract 2.1 Contribution Agreement with the EPO	X		700 000	700 000	100							
Contract 2.2 Supply		X	300 000	300 000	100							
Contract 2.3 Supply		X	53 000			53 000	100					
Component 3			1 521 000	1 500 000	98.62	21 000	1.38					
Contract 3.1. Technical Assistance	X		1 380 000	1 380 000	100							
Contract 3.2. Supply		X	120 000	120 000	100							
Contract 3.3. Supply		X	21 000			21 000	100					
Component 4			1 010 000	1 000 000	99	10 000	1					
Contract 4.1. Technical	X		900 000	900 000	100							

Assistance												
Contract 4.2. Supply		X	100 000	100 000	100							
Contract 4.3. Supply		X	10 000			10 000	100					
Component 5	X		2 100 000	2 000 000	95.24	100 000	4.76					
Contract 5.1. Twinning	-	-	2 100 000	2 000 000	95.24	100 000	4.76					
TOTAL IB			6 580 000	6 480 000	98.48	100 000	1.52					
TOTAL INV			604 000	520 000	86.1	84 000	13.9					
TOTAL PROJECT			7 184 000	7 000 000	97.44	184 000	2.56					

Amounts net of VAT

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1. Technical Assistance	Q2/2012	Q1/2013	Q4/2014
Contract 2.1 Contribution Agreement with the EPO		Q1/2013	Q4/2014
Contract 2.2 Supply	Q3/2012	Q1/2013	Q3/2013
Contract 3.1. Technical Assistance	Q3/2012	Q1/2013	Q4/2014
Contract 3.2. Supply ⁴	Q2/2013	Q4/2013	Q2/2014
Contract 4.1. Technical Assistance	Q2/2012	Q1/2013	Q4/2014
Contract 4.2. Supply	Q2/2013	Q4/2013	Q2/2014
Contract 5.1. Twinning	Q2/2012	Q3/2013	Q3/2015

⁴ Contract 3.2. and Contract 4.2. will be merged during the procurement procedure.

6. Cross cutting issues

6.1 Equal Opportunity

Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed.

6.2 Environment

The project will not have any negative environmental effects.

6.3 Minorities

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

ANNEX I: Logical framework matrix

LOGFRAME PLANNING MATRIX		IPA National Programme 2011– Bosnia and Herzegovina		
		Fiche 5 "Trade"		
		Contracting period expires: Three years following the date of the conclusion of the Financing Agreement		Disbursement period expires: One years following the end date for the execution of contracts
CRIS Number:		Total budget: EUR 7 184 000	IPA budget: EUR 7 000 000	
Overall objective	Objectively verifiable indicators	Sources of Verification		
Improve the institutional and legal framework as well as the coordination and harmonisation of private sector development related public policies and support Bosnia and Herzegovina to adhere to its obligations under the SAA	<p>Fulfilment of remaining commitments from the Stabilization and Association Agreement</p> <p>Fulfilment of remaining obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)</p> <p>Fulfilment of remaining technical requirements for the full membership in the EPO</p> <p>Increased level of protection of competition</p> <p>BIH has acceded WTO, given EU candidate status, negotiations on EFTA concluded and implementing other international trade agreements</p> <p>Increased revenue collection by ITA</p> <p>Improved administrative capacity of</p>	<ul style="list-style-type: none"> - European Commission Progress Report on Bosnia and Herzegovina - Minutes of SAA Committees and Subcommittees meetings - Periodic and Annual reports of the Institute for IPR, of other institutions in the system of intellectual property rights enforcement, Competition Council - Final project Reports 		

	ITA		
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1.To strengthen enforcement of capacity and knowledge regarding intellectual property rights within enforcement authorities</p> <p>2.To strengthen information-educational functions of the Institute for Intellectual Property of Bosnia and Herzegovina</p> <p>3.To further develop a capacity of the Competition Council of BiH in becoming fully able to fulfil its mandate</p>	<p>1.1.Increased number of successfully processed cases of IPR infringement;</p> <p>1.2.Increased number of granted industrial property in Bosnia and Herzegovina;</p> <p>1.3.Increased quantities of seized counterfeited goods</p> <p>1.4.Increased amount of fees collected by collective societies;</p> <p>1.5.Increased income from IPR transactions in relevant sectors and number of new employments;</p> <p>1.6. Reduction of the levels of piracy and counterfeiting;</p> <p>1.7. Improved public perception of the importance of IPR, and of the benefits from IPR protection and enforcement on economic development.</p> <p>2.1. Technical conditions (development of publication server and digitalization of patent files) for full membership in the EPO and the obligations under the Stabilization and Association Agreement fulfilled.</p> <p>3.1.At least 10% increase in number of cases and proceedings by the end of the project implementation;</p>	<p>- Periodic and annual report of the Institute;</p> <p>- European Commission Progress Report on Bosnia and Herzegovina;</p> <p>- Periodic and annual reports of other institutions in the system of intellectual property rights enforcement (The Indirect Taxation Authority of BiH, Investigation and Protection Agency (SIPA), Court of BiH, Prosecutor's Office of BiH, Inspectorate of the Federation of BiH, Inspectorate of the Republic of Srpska, Inspectorate of the BiH Brčko District, judicial authorities of the FBiH, RS and Brčko District of BiH).</p> <p>- European Commission Progress Report on Bosnia and Herzegovina</p> <p>- Periodic and annual report of the Institute</p> <p>- European Commission Progress Report on Bosnia and Herzegovina</p> <p>- Report on work of BiH Competition Council</p> <p>- project reports</p>	<p>Commitment of the enforcement agencies to work together</p>

<p>4.To promote Bosnia and Herzegovina's integration into the world economy in general and the EU economy in particular, through the expansion of trade, and in particular an increase in exports.</p> <p>5.Further harmonisation to EU practice and acquis on customs and taxation</p>	<p>4.1.BIH has acceded WTO, given EU candidate status, negotiations on EFTA concluded and implementing other international trade agreements.</p> <p>5.1.Increased revenue collection by ITA;</p> <p>5.2. Aligned customs procedures with EU</p>	<p>- European Commission Progress Report on Bosnia and Herzegovina - Minutes of SAA Committees and Subcommittees meetings - WTO WG Reports - CEFTA Reports</p> <p>- European Commission Progress Report on Bosnia and Herzegovina - ITA periodical and annual reports - project Reports</p>	<p>Readiness WTO members to conclude BiH negotiations on WTO membership</p> <p>Political willingness to conduct reforms that affect the progress of BiH in EU Integrations; SAA in force; BiH has opened Accession Negotiations until the start of the Implementation;</p> <p>Sustainable human and financial resources intended for modernization of the ITA.</p> <p>National and international cooperation with other Law Enforcement Agencies</p> <p>More efficient cooperation between the ITA's Sectors, particularly in the field of operational implementation of regulations</p>
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1.1. Capacities of the enforcement authorities of intellectual property rights strengthened</p>	<p>1.1.1.Analysis of current state of intellectual property rights enforcement performed;</p> <p>1.1.2.IPR enforcement regulations (legislation and procedures) reviewed;</p> <p>1.1.3.IPR Enforcement Strategy prepared;</p> <p>1.1.4.At least 200 participants</p>	<p>1.1.1.European Commission Progress Report on Bosnia and Herzegovina</p> <p>1.1.2.Periodic and annual report of the Institute;</p> <p>1.1.3.Periodic and annual reports of other institutions in the system of intellectual property rights enforcement (The Indirect Taxation Authority of BiH, Investigation and Protection Agency (SIPA), Court of BiH, Prosecutor's Office of BiH, Inspectorate of the Federation of BiH, Inspectorate of the Republic of Srpska, Inspectorate of the BiH Brčko District, judicial authorities of the FBiH, RS and Brčko District of BiH);</p> <p>1.1.4.Training Evaluation sheets;</p>	<p>Other institutions in the system of intellectual property rights enforcement get actively involved in the implementation of the project</p>

<p>1.2. To Strengthen cooperation among institutions within the system of the enforcement of intellectual property rights</p> <p>1.3. Raised awareness on intellectual property in accordance with obligations under the SAA and the TRIPS.</p> <p>2.1. Information-educational centers at the Institute's headquarters in Mostar and at</p>	<p>attended organised workshops, seminars and trainings;</p> <p>1.1.5.Prepared methodology for the compilation of information on the sanctioning of IPR infringements;</p> <p>1.1.6. At least 20 employees in the relevant institutions passed the necessary training for the implementation of methodology.</p> <p>1.2.1.Prepared necessary documents for the establishment of the State Coordination Body for Intellectual Property Rights Protection at an operational level;</p> <p>1.2.2.The Council for Intellectual Property Rights Protection operational and meets by-monthly;</p> <p>1.2.3.Procedures for cooperation between IPR Institute and enforcement institutions determined (8 months from the beginning of the project)</p> <p>1.3.1. Reduction of piracy and counterfeiting as a result of raising public awareness about the importance of intellectual property;</p> <p>1.3.2. Public awareness campaign is delivered by the end of the project;</p> <p>1.3.3. Production of adequate number of brochures and leaflets.</p> <p>2.1.1.Equipment procured and in use by the 3rd month of project implementation;</p>	<p>1.1.5. Media coverage of the public awareness campaign.</p> <p>2.1.1.European Commission Progress Report on Bosnia and Herzegovina,</p> <p>2.1.2.Periodic and annual report of the Institute</p>	<p>The Institute for Intellectual Property of Bosnia and Herzegovina has the capacity,</p>
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Sarajevo and Banja Luka branch office operational	<p>2.1.2.Publication server fully compatible with the EPO standards;</p> <p>2.1.3.Free access to on-line information on intellectual property rights kept by the Institute through its webpage, for the Institute's staff, other institutions in the system of intellectual property and the users;</p> <p>2.1.4.Train the trainer scheme established;</p> <p>2.1.5.Issuance of number of quality research reports by the Institute on the state of the art;</p> <p>2.1.6.Reduction of the time-limit by 6 months for the processing of applications for the grant of intellectual property rights, especially patents;</p> <p>2.1.7.At least 20 Institute's staff trained for comprehensive searches, analysis and interpretation of information from national, regional and global information funds on intellectual property and professional information on intellectual property in BiH and the world;</p>	<p>2.1.3.Training Evaluation sheets</p> <p>2.1.4.Media coverage of the public awareness campaign</p> <p>2.1.5.Published brochures, analysis and guidelines</p> <p>2.1.6.Memorandum of Understandings</p>	<p>including staff, for project implementation at the headquarters of the Institute in Mostar and in the Institute's offices in Sarajevo and Banja Luka.</p>
2.2. Cooperation with scientific-research sector, primarily universities and research institutes, companies, small and medium size enterprises, associations of innovators, with the aim to assist and encourage their innovative activities strengthened	<p>2.2.1.Conclusion of a protocol on cooperation and joint activities with universities, scientific institutes chambers of commerce, associations of inventors, innovation centers and chambers of commerce and the beginning of the implementation of joint activities;</p>		<p>Other institutions in the system of intellectual property protection and the users are also interested for the implementation of this type of project</p>

<p>2.3. To raise awareness on intellectual property in accordance with obligations under the Stabilisation and Association Agreement and the TRIPS.</p>	<p>2.2.2. Increased number of applications for protection of patents and other intellectual property rights as a result of promotional activities of the Institute;</p> <p>2.2.3. Increased number of contracts on technology transfer, particularly the European patent.</p> <p>2.3.1.Reduction of piracy and counterfeiting as a result of raising public awareness about the importance of intellectual property;</p> <p>2.3.2.Public awareness campaign is delivered by the end of the project;</p> <p>2.3.3.Personnel of information education center is trained by the end of the project;</p> <p>2.3.4.Production of adequate number of brochures, analysis and guidelines.</p>	
<p>3.1.To strengthen the institutional structure that regulates EU competition</p>	<p>3.1.1.At least 7 European Union regulations transposed from the field of competition until the end of the project;</p> <p>3.1.2.At least 10% annual increase in number of cases regarding determination of dominant position, forbidden agreements and assessment of concentrations;</p> <p>3.1.3.At least 20 market studies carried out in different economy sectors until the end of the project;</p> <p>3.1.4.At least 10 trainings on the</p>	<p>3.1.1. European Commission Progress Report on Bosnia and Herzegovina</p> <p>3.1.2.Report on work of BiH Competition Council</p> <p>3.1.3.BiH Official Gazette</p> <p>3.1.4.Report on harmonization of legal regulation of Bosnia and Herzegovina with EU <i>acquis communautaire</i></p> <p>3.1.5.Training Evaluation sheets</p>

<p>3.2.To strengthen cooperation between Competition Council and regulators and governmental institutions</p>	<p>topic of all fields of forbidden competition conduct organized for the staff of the Competition Council;</p> <p>3.1.5. Equipment procured and in use by the end of the project.</p> <p>3.2.1. At least 70 participants attended organized workshops, seminars and on the job trainings in competition fields until the end of the project;</p> <p>3.2.2. Memorandum of Understanding between the Competition Council and regulators signed and implemented until the end of project;</p> <p>3.2.3. Number of antitrust cases in relevant sectors increased at least by 10%;</p>	<p>3.2.1.Report on work of BiH Competition Council</p> <p>3.2.2.Memorandums of Understanding</p> <p>3.2.3.Training Evaluation sheets;</p> <p>3.2.4. Training pamphlet with list of subjects and participants</p>	<p>Readiness of regulators to cooperate with Competition Council</p> <p>Readiness of target groups to cooperate and gain new knowledge from the field of competition</p>
<p>3.3.To raise awareness on EU competition policies and law</p>	<p>3.3.1.At least 300 participants from chambers of commerce, lawyer chambers, business associations, among the judges, authorities, business community and universities trained until the end of the project;</p> <p>3.3.2.Production of adequate number of brochures, analysis and guidelines regarding the competition policy;</p> <p>3.3.3. Public awareness campaign is delivered by the end of the project.</p>	<p>3.3.1.Project Report; Report on work of BiH Competition Council</p> <p>3.3.2.Published brochures, analysis and guidelines</p> <p>3.3.3.Media coverage of the Public awareness campaign</p>	
<p>3.4.To strengthen State Aid policy</p>	<p>3.4.1. State Aid Authority established.</p>		

<p>4.1. To develop Institutional capacity of MoFTER and related institutions for successful implementation of SAA, WTO, CEFTA, EFTA and further trade negotiations through the coherent trade policy measures</p>	<p>4.1.1. BiH made progress in implementing SAA provisions by the end of project;</p> <p>4.1.2. Legislative action plan for SAA implemented in accordance with SAA obligations;</p> <p>4.1.3. Legislative action plan for WTO accession updated and implemented in accordance with WTO obligations;</p> <p>4.1.4. MoFTER's Civil servants dealing with trade relations and trade related European integrations trained in negotiations skills and EU policies (20 – 30 employees);</p> <p>4.1.5. Equipment procured and in use by the end of the project;</p> <p>4.1.6. Public awareness campaign is delivered by the end of the project;</p> <p>4.1.7. At least 200 participants attended organized workshops and seminars related to trade and EU integrations until the end of the project;</p> <p>4.1.8. Legislative amendments drafted and submitted for approval by the end of the project;</p> <p>4.1.9. Unit for Statistics and Trade Analysis produces specific trade reports by the end of project.</p>	<p>4.1.1. European Commission Progress Report on Bosnia and Herzegovina</p> <p>4.1.2. SA Committee and Subcommittees reports</p> <p>4.1.3. CEFTA reports</p> <p>4.1.4. WTO WG Reports</p> <p>4.1.5. Official Gazette of BiH containing the relevant legislation and concluded international trade agreements</p> <p>4.1.6. BiH CoM Conclusions</p> <p>4.1.7. Training Reports</p> <p>4.1.8. Notifications submitted to WTO Secretariat</p> <p>4.1.9. Trade reports produced by the Unit for Statistics and Trade Analyses based on the procured software</p>	<p>Political willingness to conduct reforms that affect the progress of BiH in EU Integrations</p> <p>SAA in force</p> <p>BiH has opened Accession Negotiations until the start of the project implementation</p> <p>White paper on BiH Trade Policy adopted</p> <p>Readiness for cooperation expressed by the business community</p> <p>A New BiH Customs Tariff Law is enforced</p> <p>ITA get actively involved in the project on the Customs tariff</p>
<p>4.2. Customs Department in MoFTER able to fulfil the requirements from the modernised Customs tariff Law</p>	<p>4.2.1. Tariff Classification Explanatory Notes on the new Customs Tariff Law prepared and published by the end of the project implementation;</p> <p>4.2.2. At least 20 staff trained on</p>	<p>4.2.1. CT published in the Official Gazette;</p> <p>4.2.2. Tariff Classification Explanatory Notes published</p> <p>4.2.3. Training Reports.</p>	

<p>5.1. Further alignment of legislation, procedures and practices of indirect taxation with the Acquis</p> <p>5.2. To harmonize transit procedures with the procedures in the EU</p> <p>5.3. To improve system of post-clearance customs control in organizational and procedural terms</p> <p>5.4. To improve the work of the Intellectual Property Rights Unit (IPR)</p>	<p>Tariff Classification Explanatory Notes;</p> <p>4.2.3. Equipment procured and system in use by the end of the project.</p> <p>5.1.1. Drafted regulations that define the rules and ways for performing the rest of the simplified procedures and regulations on safety standards in the simplified procedures, trainings completed.</p> <p>5.1.2. Drafted changes and amendments in line with newest changes and EU Directives referring to VAT and excise legislation</p> <p>5.1.3. Prepared operational instructions in line with changes</p> <p>5.2.1. Regulations for transit procedure harmonised with the procedure in the EU in order to prepare application for joining the Common Transit Convention (CTC)</p> <p>5.3.1. Harmonized regulations on performing the post-clearance customs control to the procedures in the EU and in accordance with it, improved organization and methodology of work.</p> <p>5.4.1. Developed and implemented Action Plan for work of the IPR Unit</p> <p>5.4.2 Data base of IPR Right Holders established</p>	<p>5.1.1. Reports on the harmonization of customs and tax legislation with the EU legislation before and after completion of project</p> <p>5.1.2. Progress Report</p> <p>5.1.3. ITA periodical and annual reports</p>	
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<p>5.5. To improve system of monitoring of prohibitions and restrictions on imports and exports of goods</p>	<p>5.4.3.Trained ITA officers in the field IPR enforcement</p> <p>5.5.1.At least 20 ITA officers trained annually in the field of classification of goods and integrated tariff</p>		
<p>5.6. To improve methodology for upgrading the risk analysis</p>	<p>5.6.1.Manual for enhanced methodology for risk analysis including the activities of the Law Enforcement Sector prepared in BiH languages</p>		
<p>5.7. To define a role of Internal Audit</p>	<p>5.7.1.Increased effectiveness of the Department of Internal Audit by 20%</p> <p>5.7.2 Manual on Internal audit</p>		
<p>5.8. To improve Management and Human Resource Management</p>	<p>5.8.1.Enhanced Management and implemented Human Resources Management System and strategies</p>		
<p>5.9. The ITA IT systems provides the adequate support to newly introduces procedures</p>	<p>5.9.1.Increased exchange of information with customs administrations of other countries for 30%;</p>		
<p>5.10. To upgrade of tax software</p>	<p>5.10.1.Changes in taxation subsystems in line with the changes in certain laws</p> <p>5.10.2.Fully automated data exchange makes customs and tax transactions possible by using the network infrastructure</p>		

Activities	Means	Costs	Assumptions
<p>1.1.1.Prepare the plan for the drafting of the Strategy for the Enforcement of Intellectual Property Rights by each institution;</p> <p>1.1.2.Analyse experience/practice of courts, inspectorate, customs authorities and police agencies in the sanctioning of intellectual property rights infringement;</p> <p>1.1.3.Analyse the regulations pertaining to the enforcement of intellectual property rights and making proposals for possible amendments to such regulations;</p> <p>1.1.4.Draft the Strategy for the Enforcement of Intellectual Property Rights;</p> <p>1.1.5.Create the methodology for the collection of information on the sanctioning of intellectual property rights infringement;</p> <p>1.1.6.Train staff to apply methodologies;</p> <p>1.1.7.Perform specialized training for each institution within the system of the enforcement of intellectual property rights, for the staff members of the collective management organisation and for intellectual property right holders;</p> <p>1.2.1.Support to the establishment of the State coordinating body for the protection of intellectual property rights at the operational level;</p> <p>1.2.2.Support to the strengthening of cooperation and information exchange between the Institute for Intellectual Property and</p>	<p>Technical Assistance</p>	<p>EU Contribution 1 500 000</p>	

<p>institutions within the system of the enforcement of intellectual property rights;</p> <p>1.2.3. Administrative support to the Council for the Protection of Intellectual Property Rights;</p> <p>1.2.4. Conduct specialized training for instructors in the system of intellectual property protection.</p> <p>1.3.1 Public campaign aimed at raising social awareness on the importance of intellectual property;</p> <p>1.3.2. Conduct seminars and workshops in order to raise public awareness on the importance of intellectual property;</p> <p>1.3.3. Publish appropriate brochures in order to popularize intellectual property.</p> <p>2.1.1. Procure necessary equipment (server, scanners, printers, etc.) and develop publication server;</p> <p>2.1.2. Digitalize patent files;</p> <p>2.1.3. Enable free on-line access to patent files to facilitate licensing, especially with a view to stimulate export-oriented programs;</p> <p>2.1.4. Conduct training of the Institute's staff for work in the information centers;</p> <p>2.1.5. Conduct training of the Institute's staff for comprehensive search, analysis and interpretation of data from national, regional and global information funds on intellectual property and professional information on intellectual property in B&H and the world;</p> <p>2.1.6. Conduct training for users</p>	<p>Contribution Agreement with the EPO: EUR 700 000</p> <p>Supply EUR 300 000</p>	<p>EU Contribution EUR 1 000 000</p> <p>BiH Cofinancing EUR 53 000</p>	
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to be carried out by Institute's staff at the information-educational centers of the Institute in Mostar, Sarajevo and Banja Luka;

2.1.7. Establish help-desk which will be technically equipped and will have personnel to provide answers to customers' questions;

2.1.8. Organize study visits to EPO and other national and international organizations.

2.2.1. Promote technology dissemination towards economic entities in particular small and medium enterprises and strengthen their capacity to identify, select and adopt new technologies and to ensure that new technologies, particularly European patents are easily accessible to small businesses;

2.2.2. Improve cooperation with the innovation centers in all major regional centers in BiH, as well as chambers of commerce;

2.2.3. Cooperate with universities, scientific institutes and associations of manufacturers in order to provide appropriate training that will meet their needs.

2.3.1. Conduct seminars and workshops in order to raise public awareness on the importance of intellectual property;

2.3.2. Organize and deliver public campaign on the importance of intellectual property through media;

2.3.3. Publish appropriate brochures in order to popularize

intellectual property; 2.3.4. Publish professional literature in the field of intellectual property.			
3.1.1. Transposition of European Union regulations in the field of competition ⁵	Technical assistance contract EUR 1 380 000	EU Contribution EUR 1 500 000 BiH Cofinancing EUR 21 000	
3.1.2. Support to implementation of following bylaws: -Decision on the Definition of a Relevant Market; -Decision on the Definition of a Dominant Position; -Decision on Agreements of Minor Importance; -Decision on Notification and Criteria for the Assessment of a Concentration of Economic Entities; -Decision on the Procedure of Granting Immunity from Fines (Leniency Policy); -Decision on the Definition of Period Fine Payments; -Decision on Block Exemption Granted to Certain Categories of Horizontal Agreement Relating Particularly to Research, Development and Specialisation Agreements; -Decision on Block Exemption Granted to Certain Categories of Vertical Agreements; -Decision on Blok Exemption Granted to Insurance Agreements;	Supply of software and hardware EUR 120 000		

⁵ Regulations described in the chapter 3.4. of the project Fiche

-Decision on Block Exemption Granted to Agreements on Distribution and Servicing of Motor Vehicles;

-Decision on Bloc Exemption Granted to Certain Categories of Technology Transfer Agreements;
-Decision on Agreements of the Minor Importance.

3.1.3.Support to preparation of market analysis as a key assumption for carrying out procedures for assessment of forbidden activities;

3.1.4.Perform training and improvement of institutional capacities of the Competition Council

3.1.5.Organize study visits in order to gain practical knowledge on competition;

3.1.6.Prepare technical specification for purchasing the equipment and software;

3.1.7.Procure equipment and software.

3.2.1.Transfer of knowledge and good practice of European Union regarding cooperation between competition body and sector regulators;

3.2.2 Improve coordination of all activities and procedures among regulators.

3.3.1Further support to competition advocacy through improved information sharing and understanding of target groups and general public on benefits of efficient market competition for consumers and tax payers;

<p>3.3.2. Prepare, publish and distribute brochures, analyses and guidelines regarding the competition policy;</p> <p>3.3.3. Strengthen the capacity of the Competition Council to raise awareness and disseminate information about the competition policy.</p> <p>3.4.1. Support to the State Aid Council and the Implementing Authorities regarding the EU-<i>acquis</i> on state aid with a particular view to state aid schemes, public undertakings, services of general economic interest and state aid for SMEs.</p>			
<p>SAA</p> <p>4.1.1. Support Working Groups which will be established under the SA Subcommittees and which will be dealing with trade related issues⁶;</p> <p>4.1.2. Support for the harmonisation of the BiH trade related legislation with the <i>acquis</i>;</p> <p>4.1.3. Support MoFTER in fulfilling notifications requirements in the SAA;</p> <p>4.1.4. Support MoFTER in the area of trade analyses and trade policy mechanisms assessments;</p> <p>4.1.5. Support to the BiH negotiators within the framework of the EU Accession negotiations in the trade related Chapters;</p>	<p>Technical Assistance contract 900 000 EUR</p> <p>Supply of software and hardware 100 000 EUR</p>	<p>EU Contribution EUR 1 000 000</p> <p>BiH Cofinancing EUR 10 000</p>	

⁶These working groups should prepare the positions of BiH under the relevant sub-committees. The Sub-Committees shall discuss issues according to a multidisciplinary structure including topics such as Trade, Industry, Customs, Agriculture and Fisheries, Economic and Financial Issues and Trade statistics.

WTO

4.1.6.Support MoFTER in implementation of WTO obligations including:

- Implementation of the specific WTO Uruguay Round Agreements;
- Support MoFTER in fulfilling notifications requirements in the WTO;
- Observation and participation in the current or any subsequent round of the multilateral trade negotiations on liberalisation of the world trading system;
- Participation in the WTO member's Trade Policy Review procedures;
- Settlement of potential trade disputes with WTO members;

CEFTA

4.1.7.Support MoFTER and other relevant institutions in charge of implementing CEFTA, as well as their activities within the CEFTA bodies;

4.1.8.Support MoFTER in fulfilling notifications requirements in the CEFTA;

4.1.9.Prepare technical specification for Procurement of the Software and Hardware needed for ensuring trade negotiations capacities of MoFTER;

4.1.10.Capacity building of institutions and private sector to benefit from the implementation

<p>of SAA, WTO and CEFTA; 4.1.11.Public awareness campaign.</p> <p>4.2.1.Support to MoFTER in drafting by-law on Tariff Classification Explanatory Notes on the new Customs Tariff Law; 4.2.2.Strengthening cooperation in the customs tariff aspects related to the nomenclature changes (MoFTER, ITA, PHPA, Veterinary Office, Agency for Statistics); 4.2.3.Prepare technical specification.</p> <p>5.1.1.Drafting Operational Guidelines for issuing permits and the manner of implementation of Simplified Procedures, 5.1.2.Preparation of Operational Guidelines for the implementation of security standards and procedure of issuing AEO (Authorized Economic Entity) license 5.1.3.Customizing the implementation of the previous control in the process of issuing permits for simplified procedures and AEO 5.1.4.Creating a central database of procedures for approval for simplified procedures and AEO 5.1.5.Training of officers on the application of simplified procedures and AEO 5.1.6.Improving cooperation with economic entities and raising awareness on safety and security</p>	<p>Twinning project</p>	<p>EU contribution EUR 2 000 000 BiH cofinancing EUR 100 000</p>	
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⁷ After the drafting of the „Interpretation and explanation of the BiH Customs Tariff“ (Explanatory notes) is finished (activity 4.2.1. of the Component IV)

<p>and status of AEO</p> <p>5.1.7. Analysis of the current state of legislation concerning VAT and Excise</p> <p>5.1.8. Development of primary and secondary legislation and practical training in the field of VAT and Excise</p> <p>5.1.9. Performing workshops in order to present court practice and decisions and EU court practice in the field of VAT, excise duties, origin, tariff, value, prohibition</p> <p>5.1.10. Comparative analysis of our situation and verdicts of the European Court</p> <p>5.2.1. Drafting regulations and methodology on procedure harmonized with the transit procedure of the EU and which are necessary for joining the CTC</p> <p>5.3.1. Harmonization of regulations on carrying out the post-clearance customs control and in accordance with mentioned, improved organization of post-clearance controls and working methodologies</p> <p>5.3.2. Improving the methodology of prior control in the procedure of issuing licenses for Simplified Procedures and AEO</p> <p>5.3.3. Training of officers on performance of post-clearance and previous control</p> <p>5.4.1. Raising awareness of the ITA employees on the importance of the IPR</p> <p>5.4.2. Establishing tools for IPR Management</p> <p>5.4.3. Creating data base of IPR</p>			
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<p>Right Holders related to the customs procedures</p> <p>5.4.4.Training of customs officers on IPR (including training for trainers scheme)</p> <p>5.5.1.Training of customs officers regarding integrated tariff and classification of goods⁷</p> <p>5.6.1.Improving the methodology for managing risk analysis</p> <p>5.6.2.Collecting and processing of information and inclusion of other organizational units in the risk analysis</p> <p>5.6.3.Creating risk profiles</p> <p>5.6.4.Training of officers about creation and use of risk profiles</p> <p>5.7.1.Define the methodology and organizational standards in internal audit</p> <p>5.7.2.Preparation of Internal Audit Manual with the application of international standards on the internal audit</p> <p>5.7.3.Apply practices and experiences of members states countries with similarly organized Administration (customs and taxation combined), study visit</p> <p>5.8.1.Development of strategy for Human Resources Management aligned with the Administration Business Strategy</p> <p>5.8.2.Development of Human Resources Management System that will define functions, roles and responsibilities in the</p>			
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<p>Administration</p> <p>5.8.3. Development of Human Resources Management System that will allow the ITA to make their own decisions about hiring staff, promotion issues, career advancement, training, disciplinary measures and dismissals of employees in accordance with legislation and systems for controlling the work performance of all employees</p> <p>5.9.1. Providing adequate communication infrastructure using a security policy defined by the ITA IT Sector allowing secure transfer of information within the ITA, as well as to external customers-including the purchasing of adequate routers, switches, firewalls and software for communication control.</p> <p>5.10.1. Establishment of Tax Software that will allow implementation of all legislative changes concerning VAT and Excise, possibility of changes in VAT returns, strengthening system of risk analysis and upgrade of the existing modules.</p>			
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ANNEX II: Amounts (in EUR) Contracted and disbursed by quarter for the project

Contracted	Q1/2013	Q2/2013	Q3/2013	Q4/2013	Q1/2014	Q2/2014	Q3/2014	Q4/2014	Q1/2015	Q3/2015
Contract 1.1. Technical Assistance	1 500 000									
Contract 2.1 Contribution Agreement with the EPO	700 000									
Contract 2.2 Supply	300 000									
Contract 3.1. Technical Assistance	1 380 000									
Contract 3.2. Supply				120 000						
Contract 4.1. Technical Assistance	900 000									
Contract 4.2. Supply				100 000						
Contract 5.1. Twinning			2 000 000							
Cumulated	4 780 000	4 780 000	6 780 000	7 000 000						
Disbursed										
Contract 1.1. Technical Assistance	450 000			375 000		375 000		300 000		
Contract 2.1 Contribution Agreement with the EPO	630 000							70 000		
Contract 2.2 Supply	180 000		120 000							
Contract 3.1. Technical Assistance	415 000			345 000		345 000		275 000		
Contract 3.2. Supply				72 000		48 000				
Contract 4.1. Technical Assistance	270 000			225 000		225 000		180 000		
Contract 4.2. Supply				60 000		40 000				
Contract 5.1. Twinning			800 000		300 000		300 000		300 000	300 000

Cumulated	1 945 000		2 865 000	3 942 000	4 242 000	5 275 000	5 575 000	6 400 000	6 700 000	7 000 000
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ANNEX III Description of Institutional Framework

Component I and Component II

The Institute for Intellectual Property of Bosnia and Herzegovina was established under the Law Establishing the Institute for Intellectual Property of Bosnia and Herzegovina (B&H Gazette volume 43/04). The Institute has been operating as an independent, administrative state organization since January 1, 2007 and it is responsible to the Council of Ministers of Bosnia and Herzegovina. The Institute is funded from the budget of Bosnia and Herzegovina. The Institute is headquartered in Mostar. The Institute has branch offices in Sarajevo and Banja Luka.

The Role of the Institute is as follows:

- the Institute conducts the procedure for the acquisition, maintenance, transfer and cessation of industrial property rights (patent, utility model, trademark/service mark, industrial design, geographical indication) in Bosnia and Herzegovina.
- the Institute conducts the procedure for the registration of integrated circuit layouts in Bosnia and Herzegovina
- the Institute conducts the procedure for the international registration of industrial property rights under the international conventions to which Bosnia and Herzegovina acceded
- the Institute carries out information and documentation tasks in accordance with the standards set out by the World Intellectual Property Organization (WIPO/OMPI), laws and implementing regulations governing intellectual property
- the Institute prepares the ground for the accession of Bosnia and Herzegovina to bilateral and multilateral agreements, conventions and treaties in the domain of intellectual property
- the Institute drafts laws and implementing regulations in the domain of intellectual property
- the Institute fosters international cooperation with the institutions in other countries, as well as with the international intellectual property organizations operating at world, regional or other levels
- the Institute promotes the protection of intellectual property rights
- the Institute organizes seminars and other meetings in the domain of intellectual property
- the Institute maintains registers of industrial property rights applied for and granted
- the Institute publishes data on industrial property rights in Bosnia and Herzegovina in the Institute Gazette
- the Institute provides information on the manner of the exercise of rights before other institutions in Bosnia and Herzegovina
- the Institute maintains registers of attorneys for industrial property rights protection

The Development Strategy of the Institute gave it a status of an umbrella organization in the system of intellectual property protection. In order to achieve maximal coordination and synergy in the establishment, development and functioning of the new intellectual property system in BiH, it was proposed to constitute the Council for Intellectual Property Protection,

with representatives of all institutions in the system of intellectual property rights enforcement as its members. In order to achieve these tasks, the Council of Ministers passed in mid 2010 the Decision on Constituting the Council for Intellectual Property Protection as an advisory body of the Institute. The Council was formally constituted and started to work in February 2011. The Institute provides administrative support to the Council for Intellectual Property Rights Protection.

Customs supervision over intellectual property rights enforcement is conducted by the Indirect Taxation Authority. This Authority was established by the Law on the Establishment of Indirect Taxation Authority in 2003, as an administrative organization on the state level. There is a Customs Sector in the Authority which is responsible for this area.

Inspection of the market in the area of intellectual property rights enforcement is conducted by the inspections in the Federation of BiH, Republika Srpska and the Brčko District, responsible for enforcement of legislation concerning traffic of goods and services (market inspections).

The Court of Bosnia and Herzegovina and the Prosecutor's Office of Bosnia and Herzegovina are responsible for criminal-law protection of intellectual property rights. Civil courts in the Federation of BiH and the Brčko District and commercial courts in the Republika Srpska are responsible for civil-rights protection.

- the Institute conducts the procedure for the acquisition, maintenance, transfer and cessation of industrial property rights (patent, utility model, trademark/service mark, industrial design, geographical indication) in Bosnia and Herzegovina.
- the Institute conducts the procedure for the registration of integrated circuit layouts in Bosnia and Herzegovina
- the Institute conducts the procedure for the international registration of industrial property rights under the international conventions to which Bosnia and Herzegovina acceded
- the Institute carries out information and documentation tasks in accordance with the standards set out by the World Intellectual Property Organization (WIPO/OMPI), laws and implementing regulations governing intellectual property
- the Institute prepares the ground for the accession of Bosnia and Herzegovina to bilateral and multilateral agreements, conventions and treaties in the domain of intellectual property
- the Institute drafts laws and implementing regulations in the domain of intellectual property
- the Institute fosters international cooperation with the institutions in other countries, as well as with the international intellectual property organizations operating at world, regional or other levels
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- the Institute maintains registers of attorneys for industrial property rights protection

Component III

The Competition Council was established in 2004 as an independent public body mandated to ensure consistent implementation of the Act on Competition passed in 2001. It is located in Sarajevo and it has exclusive competence to decide on the presence of prohibited competition activities in the market of Bosnia and Herzegovina. The Competition Council has 6 councillors, 12 case handlers, and 8 administrative and technical support employees.

Component IV

The lead Ministry responsible for foreign trade policy is the Ministry of Foreign Trade and Economic Relations (MoFTER). This Ministry works in co-operation with the competent bodies of the Entities to negotiate, develop and ensure the effective implementation of obligations under all international multilateral, regional and bilateral treaties, agreements and conventions committed to by the Government of BiH.

In the existing BiH Law on Ministries and other Bodies of Administration, MoFTER has an extremely wide mandate, being responsible for the following activities, not only focussed on foreign trade:

- foreign trade policy and customs tariff policy of BiH;
- preparation of contracts, agreements and other acts in the domain of economic relations and trade with other countries;
- relations with international organisations and institutions in the area of foreign trade and economic relations;
- preparation and drafting of macroeconomic or strategic documents in the field of economic relations;
- business environment, single economic space;
- development and promotion of entrepreneurship;
- control of goods and services of special regime in trade or in import and export;
- consumer protection;
- competition;
- co-ordination of international economic aid to BiH, except for the part relating to the EU aid; and
- veterinary issues.

World Trade Organisation (WTO) accession

In July 1999, when BiH applied for WTO membership, the Working Party for accession of BiH to the WTO was established. So far, eight meetings of the Working Party were held in the process of negotiations. In parallel with this activity, the bilateral negotiations on market access in goods and services, as well as plurilateral negotiation on domestic support in agriculture and export subsidies are ongoing. The last Draft Report of the Working Party indicates a significant progress made by BiH in this segment of negotiations. BiH considers that several open issues remain, and that they could be resolved by the exchange of additional information.

CEFTA

On the 19th December 2006, BiH signed the CEFTA Agreement, and it entered into force in November 2007. Besides the establishment of a free trade area among its members, The CEFTA agreement serves as preparation for full European Union membership. The CEFTA replaces the bilateral agreements, which were in place between BiH and individual CEFTA members.

Component V

On December 29, 2003 the Parliament of Bosnia and Herzegovina adopted the Law on Indirect Taxation System and thus ensured the legal basis for establishing the Indirect Taxation Authority (ITA), the biggest state level institution with over 2200 employees all together. The Indirect Taxation Authority is an autonomous administrative organisation responsible for its activities, through its Governing Board, to the Council of Ministers of Bosnia and Herzegovina.

It is responsible for enforcement of legal provisions and policy on indirect taxation, as well as for the collection and allocation of indirect taxes revenue (of all indirect taxes in Bosnia and Herzegovina: value added tax, customs duties, excise duties and road taxes) The ITA keeps the Single account, and all indirect tax based revenues are paid to this account, with the allocation and disbursement of indirect tax based revenues defined in the law on allocation and disbursement of the aforementioned revenues. The ITA has branch offices and sub-offices in the entire BiH territory.

Only 18 months after its official establishment, the Indirect Taxation Authority entered the final stage of preparations for the introduction of value added tax and commenced with the registration of VAT taxpayers. According to the data provided by entities' tax administrations 20,000 VAT taxpayers were anticipated, however the Indirect Taxation Authority has currently registered and is maintaining a VAT taxpayer population of over 37,200. Since its establishment, the Indirect Taxation Authority has posted continuous revenue increases. Our priorities are to achieve the high goals set by the process towards future EU integration, such as:

- To accelerate the flow of goods and people while simultaneously intensifying the controls,
- To enhance the level of security of citizens, to develop cooperation with other national and international institutions aimed at harmonizing the procedures and aligning the legislation with the EU standards,
- Better exchange of information between other institutions and the successful fight against illicit trafficking and all other types of customs or tax frauds.

The ITA has a Governing Board established under articles 14 – 20 of the Law on Indirect Taxation System in Bosnia and Herzegovina (BiH) with the following responsibilities:

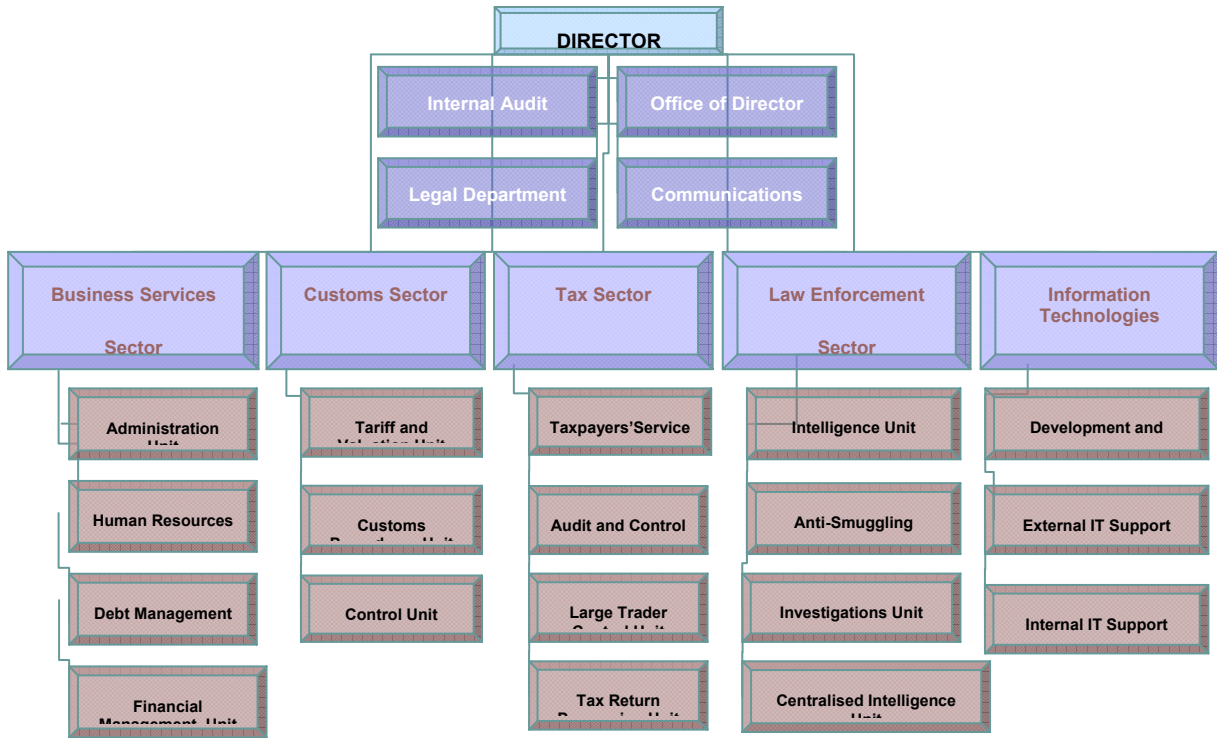
- Determining policies on indirect taxation for application throughout Bosnia and Herzegovina;
- Advising the Council of Ministers of Bosnia and Herzegovina, as well as the Governments of the Federation, Republika Srpska and the District, on policy and implementation regarding indirect taxes and the resulting implications for public finances, in order to facilitate the preparation of fiscally responsible budgets;

- Defining the strategic objectives of the Authority and appraising the performance of the Authority against such objectives;
- Approving the budget proposal of the Authority pursuant to Article 13 of this Law;
- Approving the annual work plan and Book of Rules on Internal Organization prepared by the Director pursuant to Article 8, paragraph 7 of this Law;
- Making decisions in disputed cases on distribution of revenues;
- Any other tasks as provided for by law;
- The Board is responsible for initiating the preparation of legislation and amendments on indirect taxation, including legislation on tax rates and structures, as it deems necessary for the purpose of implementing this Law.
- The Board is responsible for issuing regulations for the implementation of the activities set forth in this Article.
- The Board, on a proposal from the Director, adopts instructions specifying information or documents as official secrets in the operations of the Board and the Authority. In so doing, the Board shall pay due regard to applicable legislation of Bosnia and Herzegovina, as well as applicable legislation of the Federation, Republika Srpska and the District.
- The ITA is represented by the Director who is responsible for management of the ITA,
- The Director appoints and dismisses operational managers of the ITA,

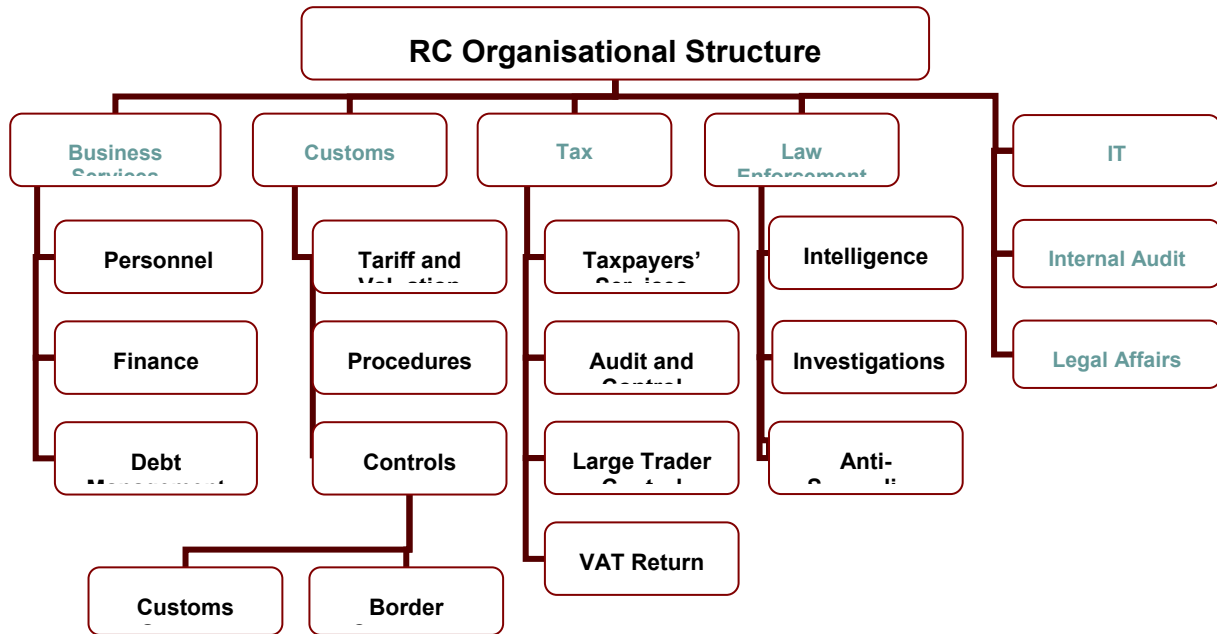
Operational line of responsibility extends throughout the headquarters and all the way to the branch office and sub-office and encompasses taxes, customs, law enforcement, business services and information technology.

The organisational structure of the Indirect Taxation Authority (Head Quarters and Regional Centres) is presented down below as follows:

ITA HQ STRUCTURE ORGANOGRAM



ITA RC STRUCTURE ORGANOGRAM



ANNEX IV Reference to laws, regulations and strategic documents

Component I and II

Laws

- Law on the Establishment of the Institute for Intellectual Property of Bosnia and Herzegovina ("Official Gazette of B&H", No. 43/04)
- Trademark Law ("Official Gazette of B&H", No. 53/10)
- Patent Law ("Official Gazette of B&H", No. 53/10)
- Law on Industrial Designs ("Official Gazette of B&H", No. 53/10)
- Law on the Protection of Indications of Geographical Origin ("Official Gazette of B&H", No.53/10)
- Law on the Protection of Topographies of Integrated Circuits ("Official Gazette of B&H", No.53/10)
- Criminal Law of Bosnia and Herzegovina ("Official Gazette of B&H" No. 3/2003)
- Infringements Law (Federation of B&H, Republic of Srpska and Brčko District)

Bylaws

- Trademark Regulations ("Official Gazette of B&H", No. 22/02),
- Industrial Designs Regulations ("Official Gazette of B&H", No. 22/02),
- Geographical Indications Regulations ("Official Gazette of B&H", No. 22/02),
- Regulations Concerning Procedure for the Grant of a Patent ("Official Gazette of B&H", No.22/02),
- Decision on Special Costs of the Procedure for the Acquisition, Maintenance and Transfer of Industrial Property Rights ("Official Gazette of B&H" No. 29/02).
- Decision on Constituting the Board of Appeal ("Official Gazette of B&H", No. 26/05),
- Regulations on the Professional Examination for Industrial Property Protection Representatives and the Program of Professional Examination ("Official Gazette of B&H", No. 26/05),
- Decision on the Conditions for the Entry in the Register of Representatives for the Protection of Industrial Property ("Official Gazette of B&H", No. 26/05)

Implementing regulations

Pursuant to adopted laws governing *industrial property* the Institute prepared and enacted the following implementing regulations within the statutory time limit:

- Rulebook on procedure for granting patents and consensual patents, with the application forms (BiH Official Gazette, no. 105/10),
- Rulebook on procedure for granting trademarks, with the application forms (BiH Official Gazette, no. 105/10),

- Rulebook on procedure for granting industrial design, with the application forms (BiH Official Gazette, no. 108/10)
- Rulebook on procedure for granting product's indication of origin, appellation of origin and geographical indication, with the application forms (BiH Official Gazette, no. 109/10),
- Rulebook on procedure for protection of topography of integrated circuits, with the application forms (BiH Official Gazette, no. 5/11),
- Decision on requirements for entering into register of representatives for protection of industrial property kept by the BiH IPR Institute (BiH Official Gazette, no. 108/10),
- Decision on special costs of procedure for obtaining and maintaining of industrial property right and tariffs of special procedure costs (BiH Official Gazette, no. 109/10),
- Decision on selection of members of the BiH IPR Institute Appeal Commission. Decision was submitted for opinion of the relevant institutions in order to provide proposal to the BiH Council of Ministers for consideration and adoption.

Ratified international conventions:

- Convention Establishing the World Intellectual Property Organization (1 March 1992)
- Paris Convention for the Protection of Industrial Property (1 March 1992)
- Madrid Agreement Concerning the International Regulation of Marks (1 March 1992)
- Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of Registration of Marks (1 March 1992)
- Locarno Agreement Establishing an International Classification for Industrial Design (1 March 1992)
- Berne Convention for the Protection of Literary and Artistic Works (1 March 1992)
- Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (1 March 1992)
- Universal Copyright Convention (1 March 1992)
- Patent Cooperation Treaty (PCT) (7 September 1996)
- Patent Law Treaty (22 December 2006)
- Singapore Trademark Law Treaty (Revised Trademark Law Treaty) (31 March 2006)
- Treaty on Intellectual Property in Respect of Integrated Circuits (8 March 2007)
- Convention on Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms (25 May 2009)
- Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (25 May 2009)
- Protocol to Madrid Agreement Concerning the International Regulation of Marks (27 January 2009)
- Budapest Treaty on the International Recognition of the Deposits of Microorganisms for the Purposes of Patent Procedure (27 January 2009)
- International Patent Classification Treaty (27 October 2009)
- Hague Agreement Concerning the International Regulation of Industrial Designs (Geneva Act, 1999) (27 December 2008)
- WIPO Copyright Treaty – (25 November 2009)
- WIPO Performances and Phonograms Treaty (25 November 2009)

Conventions and treaties in the process of ratification:

- Patent Law Treaty,
- Vienna Agreement Establishing an international classification of figurative elements of Marks,
- Nairobi Treaty on the Protection of the Olympic Symbol.

Bilateral agreements

- The Cooperation and Extension Agreement concluded with the European Patent Organisation (EPO) in Munich (entered into force on 1 December 2004). On the basis of this Agreement BiH is one of 35 European countries where the European patent, granted by the European Patent Office in Munich, has legal effect in BiH.
- The Agreement with the Austrian Patent Office in Vienna, signed in 2022 with the BiH Institute for Intellectual Property, in order to implement the full patent examining procedure in accordance with Article 23 of the Agreement on Cooperation in the field of patents.

Strategic documents

- Development Strategy of the Institute for Intellectual Property of Bosnia and Herzegovina (2008 – 2015)

Component III

The Act on Competition, passed in 2001, comprised the basic rules of the competition within the meaning of Article 81 and 82 of the EC Treaty, but it did not apply to practices and resolutions of the modern European legislation - *acquis* in this field. Therefore, the new Act had been adopted, and it has been in effect since 2005. Compatibility of new Act on Competition with stipulations and regulations of the European Union legislation in the field of the market competition (i.e. Regulations adopted in 2003 and 2004. - EC Council-No. 1/2003; 139/2004; 773/2004; 802/2004; etc.) ensures the effective and transparent application of the law, simple procedures, reduced duration of the proceedings and in general, reduced level of the state intervention in this field. In late 2007 and 2009 the amendments to the Act on Competition were made. Following the amendments of the Act, existing bylaws were also annexed and amended in 2010.

Certain provisions of the Competition Act were further regulated by adoption of 12 bylaws.

Law

- Act on Competition (BiH Official Gazette, No.48/05,76/07 i 80/09)

Bylaws

- Regulation on the Procedure for Granting Immunity from Fines (Leniency Policy) (B&H Official Gazette No. 34/10)
- Regulation on Notification and Criteria for Assessing a Concentration (B&H Official Gazette No. 34/10)
- Regulation on the Definition of a Relevant Market (B&H Official Gazette No. 18/06 and 34/10)

- Regulation on Definition of a Dominant Position (B&H Official Gazette No. 18/06 and 34/10)
- Decision on vertical agreements (B&H Official Gazette No. 11/06)
- Decision on horizontal agreements (B&H Official Gazette No. 15/06)
- Regulation on Block Exemption on transfer of Technology, License and Know-how (B&H Official Gazette No. 15/06)
- Regulation on Block Exemption Granted to Insurance Agreements (B&H Official Gazette No. 15/06)
- Regulation on Block Exemption Granted to Agreements on Distribution and Servicing of Motor Vehicles (B&H Official Gazette No. 16/06)
- Regulation on Definition of the Periodic Fine Payment (B&H Official Gazette No. 31/06)
- Regulation on Agreements of Minor Importance (B&H Official Gazette No. 86/05 i 34/10)

Component IV

- Law on Foreign Trade Policy (Official gazette of BiH, No.7/98, No. 35/04)
- Law on Customs Tariff (Official gazette of BiH, No 1/98, No. 5/98, 7/98, 22/98, 31/02, 32/04, 48/05, 76/06, 35/09, 14/10).

Component V

Laws

- Law on Indirect Taxation System in Bosnia and Herzegovina (“Official Gazette of BiH”, No 44/03 & 52/04),
- Law on Payments into the Single Account and Distribution of Revenues (“Official Gazette of BiH”, No 55/04),
- Law on Indirect Taxation Authority (“Official Gazette of BiH”, No 89/05),
- Law on Indirect Taxation Procedure (“Official Gazette of BiH”, No 89/05),
- Law on Enforced Collection (“Official Gazette of BiH”, No 89/05),
- Law on Custom Policy (“Official Gazette of BiH”, No 57/04),
- Law on Changes and Amendments to the Law on Custom Policy (“Official Gazette of BiH”, No 51/06),
- Law on Customs Offences (“Official Gazette of BiH”, No 88/05),
- Law on Customs Tariff of B&H (“Official Gazette of BiH”, No 58/04 & 11/05),
- Law on Value Added Tax (“Official Gazette of BiH”, No 09/05),
- Law on Changes and Amendments to the Law on Value Added Tax (“Official Gazette of BiH”, No 35/05),
- Law on Amendments to the Law on Value Added Tax (“Official Gazette of BiH”, No 100/08),
- Law on Excise Duties (“Official Gazette of BiH”, No 49/09)

Regulations:

Book of Rules on the Implementation of the Law on Value Added Tax ("The Official Gazette of B&H", no. 93/05),

- Book of Rules on Amendments to the Book of Rules on the Implementation of the Law on Value Added Tax ("The Official Gazette of B&H", no. 21/06),

- Book of Rules on Amendments to the Book of Rules on the Implementation of the Law on Value Added Tax ("The Official Gazette of B&H", no. 60/06),
- Book of Rules on Amendments to the Book of Rules on the Implementation of the Law on Value Added Tax ("The Official Gazette of B&H", no. 06/07),
- Book of Rules on Supplements to the Book of Rules on the Implementation of the Law on Value Added Tax ("The Official Gazette of B&H", no. 100/07),
- Book of Rules on Supplements to the Book of Rules on the Implementation of the Law on Value Added Tax ("The Official Gazette of B&H", no. 35/08),
- Book of Rules on Registration and Entry into Single Taxpayers' Registry ("The Official Gazette of B&H", no. 28/07),
- Book of Rules on Indirect Taxes Control ("The Official Gazette of B&H", no. 78/07),
- Decision on Implementing Regulations to the BiH Customs Policy Law ("The Official Gazette of B&H", no. 63a/04),
- Decision on Changes and Amendments to the Decision on Implementing Regulations to the BiH Customs Policy Law ("The Official Gazette of B&H", no. 60/06),
- Book of Rules on Powers and Authorised Officials of the ITA ("The Official Gazette of B&H", no. 98/06),
- Criminal Code of BiH ("The Official Gazette of B&H", no. 03/03),
- Criminal Procedure Code of BiH ("The Official Gazette of B&H", no. 03/03)

ANNEX V- Indicative details per EU funded contract:

Contract 1.1

Key Experts

Team Leader/Key Expert 1: 18 months

Key Expert 2: 18 months

Pool of Short Term Experts –650 days

Project duration- 20 months

The project will be implemented through Technical Assistance Contract.

The contractor shall strengthen administrative capacity of the Indirect Taxation Authority, State Investigation and Protection Agency, judicial authorities, market inspections of the Federation of BiH, the Republic of Srpska and Brčko District as well as the Institute for Intellectual Property, insofar as it relates to enforcement of intellectual property rights.

For more details on specific tasks to be performed under this contract, please refer to 3.4.

Contract 2.1

The actions will be implemented by joint management in accordance with Article 53 (d) of the Financial Regulation through the following:

Contribution Agreement with European Patent Office.

Contract 2.2

The Contractor shall procure necessary equipment (server, scanners, printers, etc.) and develop publication server.

Contract 3.1

Key Experts

Team Leader/Key Expert 1: 18 months

Key Expert 2: 18 months

Pool of Short Term Experts –650 days

Project duration- 20 months

The project will be implemented through Technical Assistance Contract.

The contractor shall further develop capacity of the Competition Council of BiH in becoming fully able to fulfil its mandate.

For more details on specific tasks to be performed under this contract, please refer to 3.4.

Contract 3.2

The Contractor shall procure hardware and software.

Contract 4.1

Key Experts

Team Leader: Key Expert 1: 15 months

Key Expert 2: 13 months

Pool of Short Term Experts –400 days

Project duration- 18 months

The project will be implemented through Technical Assistance Contract.

The contractor shall promote Bosnia and Herzegovina's integration into the world economy in general and the EU economy in particular, through the expansion of trade, and in particular an increase in exports.

For more details on specific tasks to be performed under this contract, please refer to 3.4.

Contract 4.2

The contractor shall procure hardware and software.

Contract 5.1

Key Experts

Resident Twinning Adviser – 22 months

Pool of Short Term Experts – 500 days

Project duration- 24 months

The project will be implemented through Twinning Contract.

The contractor shall assist with the implementation of obligations deriving from the SAA and Multilateral/Bilateral agreements and improve performance of the ITA which will lead to further harmonization with the EU Customs and Taxation systems

For more details on specific tasks to be performed under this contract, please refer to 3.4.