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ANNEX

**to the Commission Implementing Decision amending Commission Implementing Decision C(2019)8730 of 28.11.2019 adopting an Annual Action Programme for Bosnia and Herzegovina for the year 2019**

**1 IDENTIFICATION**

<b>Beneficiary</b>	Bosnia and Herzegovina
<b>Basic act:</b> <b>CRIS/ABAC Commitment references and budget line(s):</b> <b>Total cost:</b> <b>EU Contribution:</b>	Instrument for Pre-accession Assistance (IPA-II) 2019/041-213 EUR 41 000 000 22.020101 2019/041-214 EUR 40 898 200 22.020102 EUR 85 490 154 EUR 81 898 200
<b>Method of implementation</b>	Direct management by the European Commission <i>and</i> Indirect management by the entrusted entities listed below: - Action 8: Result 1: Entity to be selected in accordance with the criteria set out in section 2.2(3)(a); Result 2: International Labour Organisation or entity to be selected in accordance with the criteria set out in section 2.2(3)(a) - Action 9: European Bank for Reconstruction and Development (EBRD) in partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
<b>Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary</b>	At the latest by 31 December 2020
<b>Final date for contracting, including the conclusion of contribution/delegation agreements</b>	3 years following the date of conclusion of the Financing Agreement
<b>Indicative operational implementation period</b>	6 years following the date of conclusion of the Financing Agreement.
<b>Final date for implementing the Financing Agreement</b> (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.

## 2 DESCRIPTION OF THE ACTION PROGRAMME

### 2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

- Rationale for the selection of the specific sectors under this programme:

To address strategically the sectors, foster needed reforms and allow beneficiaries to focus on the preparatory work for IPA III as of Autumn 2019, the Commission decided to jointly program the Annual Action Programs for the year 2019 and 2020.

The priorities of the 2019 Action Programme for Bosnia and Herzegovina are in line with the revised Indicative Strategy Paper for Bosnia and Herzegovina. This document sets out the priorities for EU financial assistance for the period 2014-2020<sup>1</sup> to support Bosnia and Herzegovina on its path to EU accession based on two pillars: Democracy and Rule of Law, and Competitiveness and Growth.

The selection of the sectors to be financed was made by assessing the results of previous IPA assistance, absorption capacity, sustainability, maturity for additional projects, as well as assistance by other donors. The selected actions under this programme aim at consolidating the sector approach, contribute to country-wide sector strategies, address the recommendations of the Commission Reports and ultimately support the Country in the integration process.

The present programme has been prepared in close cooperation with Bosnia and Herzegovina's authorities, coordinated by the National IPA Coordinator (NIPAC), as well as in consultation with other donors including international financial institutions, and civil society organisations.

The following sectors were identified for this Action Programme:

Democracy and Governance, with three actions contributing to the implementation of public administration reform (PAR) and further development of an effective and professional public administration capable of providing better services to the citizens and businesses, assistance for capacity building to support accession negotiations and participation to EU programmes;

Rule of Law and Fundamental Rights with an action contributing to the alignment of Bosnia and Herzegovina's justice system with European standards and the *acquis* and enhance independence, effectiveness, accountability and efficiency in the justice sector; and an action to accelerate the transitional justice process by supporting the processing of the war crime cases and the accounting for missing persons from the conflict of 1992-1995 and the reconciliation process;

Environment, Climate Action and Energy, supporting energy for the first time under IPA II, to ensure access to affordable, reliable, sustainable and modern energy for citizens and contribute to the fulfilment of Bosnia and Herzegovina's obligations under international agreements;

Education, Employment and Social Policies aiming at contributing to the improvement of Bosnia and Herzegovina's socio-economic situation and living conditions by enhancing the responsiveness of education to labour market needs, improve internationalisation and mobility in higher education, contribute to the development of

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<sup>1</sup> The Indicative Strategy Paper has been amended and extended until 2020 with the Commission Decision C(2018) 5021 of 3 August 2018.

social inclusion policies in sport and pre-school at relevant levels, and better employability in local communities.

Competitiveness, innovation, agriculture and rural development, with actions supporting digital transformation of small and medium-sized enterprises (SMEs) in the aftermath of the COVID-19 crisis; and the increasing of the level of EU integration and regional cooperation in trade sector through improved capacities and an enhanced regulatory framework.

- Overview of past and on-going EU, other donors' and/or IPA II beneficiary's actions in the relevant sectors:

The EU has been supporting capacity building of the civil service since 2004, including the action 'EU support to an efficient and responsible public administration' (IPA 2017 Programme) and the IPA regional 'Young Civil Servants' programme. Bosnia and Herzegovina – as other Western Balkans countries - has received support to the design of its Economic Reform Programmes (ERPs), such as the IPA regional programme implemented by the Organisation for Economic Cooperation and Development (OECD). The EU will build-up on the assistance provided and will continue supporting the improvement on the ERP under IPA 2018, especially regarding capacity building of the institutions of all levels of government to prepare and implement the ERP

The EU has provided and will provide substantial support to Bosnia and Herzegovina authorities in the areas of justice, fight against corruption, war crime cases processing and other topics affecting these areas. The present action shall notably build upon the expected results of the phase 1 of the EU4Justice grant project for Bosnia and Herzegovina funded under IPA 2015 Programme and the phase 2 which is planned under IPA 2018 Programme. Earlier support in the home affairs sector has shown that the success of any intervention is directly proportionate to the extent to which the involved institutions cooperate, share and exchange information.

In the energy sector, a few projects were implemented under IPA I focusing primarily on the alignment of Bosnia and Herzegovina's legislative electricity framework with the Third Energy Package and the preparation of energy efficiency investments in selected local communities. As of 2012, the absence of a countrywide energy sector strategy prevented Bosnia and Herzegovina from benefiting from further IPA funds in the sector. A number of donors in the past years supported the Country's efforts to fulfil a number of obligations, particularly stemming from the Energy Community Treaty. The adoption of the Framework Energy Strategy of Bosnia and Herzegovina 2035 enables a first EU programme in the sector, focusing on further institutional and legislative development. Bosnia and Herzegovina can now also benefit from EU support under the Western Balkans Investment Framework (WBIF), including for the implementation of energy infrastructure investments under the Connectivity Agenda in cooperation with International Financing Institutions (IFIs).

Over the past years the sector of, employment, education and social policies has received support from EU and other bilateral and multilateral donors (the main ones being: World Bank, Swiss co-operation, SIDA, GIZ) on the development of the Vocational and Educational Training (VET) system, improvement of the public employment programmes and services and building social inclusion and social protection mechanisms. Results obtained in previous EU projects regarding the qualification framework in Bosnia and Herzegovina in the field of general and VET education and

lifelong learning will be used as a starting point for future actions. In the last five years investments in pre-school education and infrastructure at all levels of education have been marginal. Since substantive evaluations were not carried out, an analysis of existing infrastructure will be carried out before starting the actions. Finally in the last three years, it was successfully implemented in the area of employment and labour, the project Local Employment Partnerships in Bosnia and Herzegovina. Local employment partners have shown that open dialogue between key players in the employment sector is a necessary prerequisite for generating new jobs at the local level. The results obtained with this project will be used as a starting point for future activities.

The European Union's orientation in the past to focus the largest part of its IPA II support for the economic development on grants and business advisory services. This has enabled for some of the supported companies an easier shift of production into emergency supplies in the current COVID-19 crisis. The EBRD-administered "SME Competiveness Facility" (IPA 2014) provides an example in which the EU funding of EUR 4 million has leveraged EUR 20 million worth EBRD financed credit line for the company investments in EU standards related to health, safety and environment protection. EU grants provided to SMEs in metal, wood and agri-food industry from the recently finished EU ProLocal programme (IPA 2014, EUR 9 million) have increased Bosnia and Herzegovina companies' floods resilience by opening over 600 local jobs that need to be sustained after the COVID-19 crisis. The "EU4Business programme" (IPA 2016, EUR 16.1 million) currently under implementation provides EUR10 million into grants for competitive export-oriented SMEs, tourism and agri-rural development, with innovation, digitalization and employment being the cross-cutting themes in supporting the sectors severely affected by COVID-19. The proposed Action should further enhance a business environment in favour of the technological transformation of SMEs in competitive sectors.

This Action is also highly relevant for mitigating the economic effects of COVID-19 on Bosnia and Herzegovina's economy since the digitalisation and automation of production and distribution processes have actually emerged as a necessity and the outcome of the current worldwide COVID-19 pandemic. It will provide for the synergies with the Western Balkans Guarantee Facility (worth EUR 150 million) by leveraging SMEs grants with lending under more favourable terms for enterprises affected by reduced business activities due to COVID-19.

The Annual Action Programme for Bosnia for the year 2018 included an Action supporting trade and aiming at increasing Bosnia and Herzegovina's share in international and regional trade by improving its trade in goods and services in line with international integration requirements. Previous IPA assistance included institutional capacity development and the strengthening of the legal framework. Nevertheless, despite the progress so far, further technical assistance is needed to boost the country's long-lasting processes. To do so a lesson learned is to look not only at laws alignment with the *acquis*, but also to ensure that the legislative drafting and policy-making processes ensure proper inter-ministerial coordination, impact assessment of proposed laws and policies as well as external (public) consultation of the relevant stakeholders. Furthermore, successful coordination of assistance provided through national and multi-beneficiary IPA projects is crucial.

Bosnia and Herzegovina is part of two EU macro-regional strategies, namely the EU Strategy for the Danube Region (EUSDR) and the EU Strategy for the Adriatic and

Ionian Region (EUSAIR). They are focusing on improved connectivity of transport and energy networks, better environmental protection, sustainable tourism actions, and socio-economic development measures in the geographically specific context, and they aim to improve the cooperation with EU Member States and to facilitate the preparation of candidate and potential candidate countries for EU integration. IPA support under this Programme will seek to align with the objectives of the EU macro-regional strategies and contribute to addressing some of their priorities in the relevant sectors, where relevant in coordination with other regional stakeholders.

*List of Actions foreseen under the selected Sectors/Priorities:*

Sector/Action	Direct management	Indirect management	
		With entrusted entity	With IPA II beneficiary
<b>Democracy and Governance</b>			
1. EU4 Efficient Public Administration	EUR 13 000 000		
2. EU Integration Facility	EUR 1 242 590		
3. EU Support to Bosnia and Herzegovina participation in Union Programmes	EUR 1 757 410		
<b>TOTAL</b>	<b>EUR 16 000 000</b>		
<b>Rule of Law and Fundamental Rights</b>			
4. EU4 Justice	EUR 17 500 000		
5. EU4 Transitional Justice	EUR 7 500 000		
<b>TOTAL</b>	<b>EUR 25 000 000</b>		
<b>Environment, climate action and Energy</b>			
6. EU4 Energy	EUR 4 998 200		
<b>TOTAL</b>	<b>EUR 4 998 200</b>		
<b>Education, Employment and Social Policies</b>			
8. EU4 Employment and Education	EUR 12 900 000	EUR 5 000 000	
<b>TOTAL</b>	<b>EUR 12 900 000</b>	<b>EUR 5 000 000</b>	

<b>Competitiveness, innovation, agriculture, and rural development</b>			
9. EU4 SMEs		EUR 14 000 000	
10. EU4 Trade	EUR 4 000 000		
<b>Total</b>	<b>EUR 4 000 000</b>	<b>EUR 14 000 000</b>	
<b>PROGRAMME TOTAL</b>	<b>EUR 62 898 200</b>	<b>EUR 19 000 000</b>	<b>EUR 81 898 200</b>

## 2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU<sup>2</sup>.

<b>SECTOR</b>	<b>Democracy and Governance</b>	<b>EUR 16 000 000</b>
<b>Action 1</b>	<b>EU4 Efficient Public Administration</b>	<b>EUR 13 000 000</b>

### (1) Description of the Action, objectives, expected results and key performance indicators

#### (1) Description of the Action, objectives, expected results and key performance indicators

##### Description of the action and objectives

This Action aims at contributing to the implementation of public administration reform and further development of the effective, accountable, professional public administration which provides better services to the citizens and business.

The objective is to improve quality and inclusiveness of policy making system, including robust statistics, greater accountability in public administration and ability to provide e-services in line with EU standards. Overall, it is expected that this Action will ensure better openness, greater accountability, higher quality policies and fully operational e-services.

##### Expected results

Result 1: The system of policy making and planning is improved through open and participatory processes, quality control, supervision and monitoring of the implementation of policies at all the levels of administrative authorities in Bosnia and Herzegovina.

Result 2: Improved overall organisation of public administration

Result 3: Strategic framework and capacities for management and coordination of public administration reform are further developed to ensure progress in fulfilment of requirements of the EU integration process in PAR area

<sup>2</sup> www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

Result 4: Statistics production in Bosnia and Herzegovina is expanded and further harmonised with the EU standards and the use of administrative sources is increased

Result 5: Increased availability of precise spatial data of high resolution

Result 6: Strengthened the Identification Documents, Registers and Data Exchange (IDDEEA) system for the improvement of the security, quality and availability of e services provided to citizens, business community and public institutions in area of Open Data

#### Key performance indicators

- Adequacy of the policy and regulatory framework to manage central government institutions (SIGMA indicator)
- Strength of basic accountability mechanisms between ministries and subordinated bodies (SIGMA indicator)
- Coverage and scope of PAR strategy (SIGMA indicator)
- Volume of statistical data sent to EUROSTAT
- % of surface measured by LiDAR (Light Detection and Ranging) technology

#### **(2) Assumptions and conditions**

##### *Assumptions:*

- Bosnia and Herzegovina remains committed to the process of EU integration and the process of public administration reform;
- The beneficiary institutions have enough capacity to fully participate in the implementation of actions;
- Achieved the necessary inter-institutional cooperation and coordination among the users;
- Access to relevant statistical data available;
- Agreed date for agriculture census in Bosnia and Herzegovina and financial sources provided.

##### *Conditions:*

Main condition for implementation of PAR related activities is existence of mid-term PAR strategy and appropriate structure for implementation of reform measures.

All necessary legal preconditions for the implementation of the proposed action to support the land administration sector are in place, since the direct coordinating authorities are responsible for INSPIRE<sup>3</sup> service provision and will be responsible for final acceptance and confirmation in accordance with already existing legislation and standards.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

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<sup>3</sup> The INSPIRE Directive of 2007 aims to create an EU spatial data infrastructure for the purposes of EU environmental policies and policies or activities, which may have an impact on the environment. Full implementation is required by 2021.

**(3) Implementation modalities:**

**(3)(b) Direct management (project approach)**

**Procurement:**

The procurement will contribute to achieving all six expected results.

The global budgetary envelope reserved for procurement: EUR 11 200 000

**Grants - Twinning:**

- a) The twinning contracts envisaged under this action will contribute to achieving results 4 and 6. Type of applicants targeted:

Applicants must be EU Member State administrations or mandated bodies.

The **global** budgetary envelope reserved for grants: EUR 1 800 000.

**(4) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>Action 2</b>	<b>EU Integration Facility</b>	<b>EUR 1 242 590</b>
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**(1) Description of the Action, objective, expected results and key performance indicators**

**Description of the action and objectives**

The Action will provide flexible support to institutions at various levels in Bosnia and Herzegovina to address specific needs identified in the European integration process. These institutions will be provided a variety of technical assistance and other types of support to enable them to respond swiftly to challenges and requirements of the integration process and to better implement IPA programmes/Actions funded by the Instrument for Pre-accession Assistance 2014 –2020 (IPA II)

Expected results: Result 1: The authorities at all levels in Bosnia and Herzegovina are enabled to provide more effective and timely responses to priorities stemming from EU integration requirements.



Key performance indicators:

- Frequency of requests received by the EU Delegation for EU Integration Facility assistance from Bosnia and Herzegovina authorities to address specific EU integration requirements
- % of tender procedures launched and finalised, % of IPA funds contracted and disbursed

**(2) Assumptions and conditions**

*Assumptions*

- Political support to institutions in Bosnia and Herzegovina to participate in the EU integration process;
- Identification of priority areas for assistance in a timely manner;
- Good cooperation with all relevant stakeholders established and maintained during implementation;
- Adequate technical, financial and human resources allocated by the beneficiaries to the implementation of the activities.

**(3) Implementation modalities**

***(3)(b) Direct management (project approach)***

**Procurement:**

The procurement will contribute to achieving the sole expected result of this action.

The global budgetary envelope reserved for procurement: EUR 842 590

**Grants - Twinning light:**

The twinning light will contribute to achieving the sole result of this action.

b) Type of applicants targeted:

Applicants must be EU Member State administrations or mandated bodies.

The global budgetary envelope reserved for grants: EUR 400 000

**(4) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>Action 3</b>	<b>EU Support to Bosnia and Herzegovina participation in Union Programmes</b>	<b>Direct management</b>	<b>EUR 1 757 410</b>
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**(1) Description of the Action, objective, expected results and key performance indicators**

Description of the action and objectives

The Action provides support to Bosnia and Herzegovina participation in EU Programmes, through co-financing the costs of the entry tickets for specific EU programmes. As a result, Bosnia and Herzegovina will actively participate in various EU programmes, such as Horizon 2020, Creative Europe, Erasmus+, Customs 2020, Fiscalis 2020, Europe for Citizens, COSME and Third Health Programme 2014-2020. This Action will further support the EU cooperation with Bosnia and Herzegovina and preparation for EU integration in the areas covered by the EU programmes.

The objective is to ensure participation of Bosnia and Herzegovina in European Union Programmes by co-financing the costs of the entry-tickets/participation fees in areas such as research and innovation, culture and audio-visual activities, education, customs and fiscal policies, competitiveness of enterprises and small and medium-sized enterprises (SMEs), health and civil society.

Expected results:

Result 1: Enhanced participation of Bosnia and Herzegovina in European Union Programmes, including increased exchanges with EU Member States

Result 2: Strengthened ownership and responsibility of Bosnia and Herzegovina (including in financial terms) for participation in European Union Programmes

Key performance indicators:

- Number of programmes for which an International Agreement has been concluded
- Bosnia and Herzegovina's participation rates in the respective European Union Programmes
- Ratio of amount paid for entry tickets and amount of co-financing of projects that applicants in Bosnia and Herzegovina annually receive

**(2) Assumptions and conditions**

*Assumptions:*

- Each institution signatory to an agreement for participation to a Union Programme has earmarked sufficient budget allocation for its annual contributions;
- Agreement signatories establish necessary support systems such as intermediary organisations or helpdesks and contact focal points per programme to support applicants and promote the EU programmes.

### **(3) Implementation modalities**

#### ***(3)(b) Direct management (project approach)***

##### **Grants:**

##### a) Purpose of the grants:

The grants will contribute to the achievement of the two expected results of this action.

The Action will support and facilitate Bosnia and Herzegovina's participation in EU Programmes in targeted areas, through co-financing of entry tickets, and enable enhanced participation of Bosnia and Herzegovina and its actors in European Union programmes.

The amount of co-financing is reimbursed by the European Commission to Bosnia and Herzegovina on the basis of a reimbursement request. The contracting of the reimbursable amounts is done as soon as i) the bilateral Agreement ("Agreement") between Bosnia and Herzegovina and the Commission Directorate General in charge of each Programme is signed and ratified, by both parties, and, ii) the IPA Financing Agreement envisaging the contribution is signed by Bosnia and Herzegovina authorities.

##### b) Type of applicants targeted:

The Action will benefit a wide range of institutions at all levels of government in Bosnia and Herzegovina. The respective line ministries and institutions will undertake the coordination role for the programmes they are in charge of namely Ministry of Civil Affairs for EU Programmes Horizon 2020, Creative Europe, the 3rd Health Programme, Erasmus+, Ministry of Justice for EU Programme Europe for Citizens, Ministry of Foreign Trade and Economic Relations for EU Programme COSME, Indirect Taxation Administration for EU Programmes Fiscalis 2020, Customs 2020.

The global budgetary envelope reserved for grants: EUR 1 757 410.

### **(2) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the

eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>SECTOR</b>	<b>Rule of Law and Fundamental Rights</b>	<b>EUR 25 000 000</b>
<b>Action 4</b>	<b>EU4 Justice</b>	<b>EUR 17 500 000</b>

**(1) Description of the Action, objective, expected results and key performance indicators**

Description of the action and objectives

This Action is set out to enhance the independence, efficiency and quality of the justice system in Bosnia and Herzegovina, in particular by improving the mechanisms for alternative dispute resolution, increasing the technical security of the judiciary, developing judicial infrastructure and strengthening the rule of law through capacity building with EU Member State expertise and improving penitentiary infrastructure. This would contribute to reinforcing public trust in the Rule of Law and Bosnia and Herzegovina becoming a sustainable partner in this crucial field for EU Member States.

The objective is to align the justice system of Bosnia and Herzegovina with European standards and the EU acquis and enhance independence, accountability efficiency and quality of Bosnia and Herzegovina's justice system.

Expected results:

Result 1. Effectiveness of the justice system increased

Result 2. Independence, impartiality and accountability of the judiciary increased

Result 3. Increased technical security measures for court proceedings

Result 4. Court settlement and alternative dispute resolution are accessible and accepted by citizens

Result 5. Justice system further aligned with the EU pre-accession requirements

Result 6. Conditions for housing of prisoners and provision of judicial services improved

Key performance indicators:

- Length of unsolved solvable non-utility cases in all courts
- Quality of Judicial Office Holders (JOHs) work measured by the new appraisal system
- Percentage of positively reviewed reports on implementation of judicial institutions' integrity plans
- Percentage of JOH's financial reports verified as correct

- Level (%) of compliance of judicial institutions' buildings with the mandatory Standards and Security Measures Guidelines issued by HJPC's Working Group for Security of Judicial Office Holders and judicial institutions
- Level (%) of compliance of court police means for transportation with the European Committee for Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) Standards
- Number of court settlements
- Number of fulfilled European Commission recommendations and benchmarks for the justice sector
- Number of buildings for the executions of criminal sanctions (re)constructed

## **(2) Assumptions and conditions**

### *Assumptions*

- Bosnia and Herzegovina remains committed to the process of EU integration and the process of judicial reform
- All courts apply available tools for completing cases exceeding the reasonable time requirement.
- Commitment of all relevant stakeholders to enhance the use of alternative dispute resolution.
- All relevant justice sector institutions partake in the implementation of the Justice Sector Reform Strategy (JSRS) and other sector-relevant strategic documents.

### *Conditions*

For all infrastructure activities under this Action (Result 6), the beneficiary institutions shall complete any property and legal activities before the start of the tendering procedures.

Completion of IPA 2017 construction works is precondition for IPA 2019 construction works

In addition to this, the successful relocation of the Miljacka Penal and Correctional Facility will ensure the needed space to expand the existing Sarajevo Courthouse facilities. The above stands under the condition that the new Penal and Correctional Facility construction at the new location (first phase) financed from IPA 2017 is finished by the date of start of the implementation of IPA 2019.

Due to the specificities of the assistance required to achieve the other results of the Action, no other preconditions are to be met to start with the implementation of this Action.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

## **(3) Implementation modalities:**

### ***(3)(b) Direct management (project approach)***

#### **Procurement:**

The procurement will contribute to achieving expected results 1, 3, and 6 of the action.

The global budgetary envelope reserved for procurement, including evaluation of the Action: EUR 7 400 000

**Grants:**

a) Purpose of the grants:

The grants will contribute to achieving expected results 1,2,4, and 5 of the action through calls for proposals and direct grant award.

b) Type of applicants targeted (calls for proposals):

Public institutions, authorities, or administrations of the Member States of the European Union entrusted with responsibilities related to the implementation of activities relevant to the grant.

c) Direct grant award:

The direct grant will contribute to the achievement of expected results 1, 2 and 4 of the action.

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the HJPC.

With the HJPC being the key institution in administrating the judiciary throughout the country and given its institutional independence and capacity, this institution remains a unique partner of the European Union when it comes to judicial reform in Bosnia and Herzegovina. The direct grant to the HJPC represents the most efficient financial instrument to support a wide range of activities aiming to improve the operations of courts and prosecutors' offices throughout the country.

The recourse to an award of a grant without a call for proposals is justified. The direct agreement with the HJPC will be concluded in accordance with Article 195 1 c, alt. 1 Financial Regulation since the HJPC is an institution with a de jure monopoly. The use of the exemption will be further substantiated in the award decision. The global budgetary envelope reserved for grants: EUR 10 100 000

**(4) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility based on urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>Action 5</b>	<b>EU4 Transitional Justice</b>	<b>Direct management</b>	<b>EUR 7 500 000</b>
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**(1) Description of the action, objective, expected results and key performance indicators**

Description of the action and objectives

This Action will contribute to implementation of transitional justice process in Bosnia and Herzegovina, the rule of law, reconciliation process, and stability. The target areas will be enhancing the effectiveness of war crime cases processing and addressing the issue of the missing persons. The assistance will build human and institutional capacities in Bosnia and Herzegovina's judiciary required for efficient processing of war crime cases and will further enhance the process of identification and accounting for missing persons.

The overall objective is to accelerate the transitional justice process by supporting processing of the war crime cases and accounting for missing persons from the conflict of 1992-1995. The specific objectives are to fully implement National War Crime Strategy (NWCS) objectives and measures and increase domestic ownership of the missing persons' processes and to ensure continuity in resolving missing persons' issue.

Expected results:

Result 1: The efficiency of war crime cases processing in the judiciary of Bosnia and Herzegovina is further improved

Result 2: Established policy dialogue with domestic authorities and families of the missing on sustainability of the missing persons process

Result 3: Scientifically verifiable methods applied in search and identification of missing persons

Key performance indicators:

- Backlog of known criminal offence with known suspect (KTRZ) cases in all Prosecutor Offices in Bosnia and Herzegovina
- Number of conclusions and recommendations resulting from the policy dialogue
- Number of deoxyribonucleic acid (DNA) matching reports produced and submitted to domestic authorities

**(2) Assumptions and conditions**

*Assumptions*

- Efficient distribution of less complex KTRZ cases from the state to the entity and Brčko District judiciary
- Adequate functioning of the regional cooperation mechanism in processing of war crimes.
- Efficient and timely employment of additional staff

- Domestic institutions and family associations support the increased domestic ownership of the missing persons process
- Clandestine gravesites continue to be located and excavated, Court orders issued in timely manner, continuity in access to DNA testing secured
- The judicial institutions throughout Bosnia and Herzegovina, including Prosecutors' Offices and Courts, should be equipped with requisite staff and material resources to efficiently and effectively process war crimes cases
- Bosnia and Herzegovina has set up institutional capacities to deal with missing persons issues and that are sufficiently funded to participate in this Action

### Grants:

#### a) Purpose of the grants:

The direct grants will contribute to the achievement of the three expected results of the action.

#### b) Direct grant award:

The grants will accelerate the processing and monitoring of war crime case and help to build human and institutional capacities within Bosnia and Herzegovina's judiciary to handle the most sensitive cases.

To meet the objectives set in the National War Crimes Strategy - processing the most complex war crimes cases within seven years and all other war crimes cases within 15 years - it is necessary to continue the support and to enhance the capacities of the prosecutors' offices and the courts to speed up the processing of war crime cases.

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Ministry of Finance and Treasury of Bosnia and Herzegovina (MoFT).

The direct grant agreement with the Ministry of Finance and Treasury (MoFT) of Bosnia and Herzegovina will be concluded in accordance with article 195 1 c, alt. 1 Financial Regulation due to its 'de jure' monopoly. The use of the exemption will be further substantiated in the award decision.

Direct Grant to Organisation for Security and Cooperation in Europe (OSCE): The agreement with the OSCE is planned to be signed in accordance with article 195 1 f Financial Regulation due to its technical competence and high degree of specialisation with regard to war crimes case monitoring in Bosnia and Herzegovina. More specifically, the OSCE has many years of experience of war crimes case monitoring and has over 15 field offices throughout the country where staff is available to monitor case processing on a daily basis.

Direct Grant to the International Commission on Missing Persons (ICMP): The direct grant agreement with the ICMP shall be concluded in accordance with Article 195 1(c), alt. 2 of the Financial Regulation on account of ICMP monopoly in the sector covered.



The ICMP has a de facto monopoly on DNA identification of all victims in the country being the only organisation with the necessary equipment and skills to carry out this task. With the ICMP being the key competence and also the only international organization working exclusively on the issue of missing persons, and given its institutional independence and technical capacities, it represents a unique partner for the EU when it comes to search for missing persons and empowering domestic institutions to takeover those activities.

The global budgetary envelope reserved for grants: EUR 7 500 000

#### **(4) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility based on urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>SECTOR</b>	<b>Environment, climate action and energy</b>		<b>EUR 4 998 200</b>
<b>Action 6</b>	<b>EU4 Energy</b>	<b>Direct management</b>	<b>EUR 4 998 200</b>

#### **(1) Description of the Action, objective, expected results and key performance indicators**

##### Description of the action and objectives

The Action will provide valuable support in harmonizing Bosnia and Herzegovina legislation with EU energy acquis and in continuing energy sector reforms, including energy and climate policies development. Institutions at all levels of government in Bosnia and Herzegovina will be strengthened to assume their role in the process of energy *acquis* transposition and implementation, meeting energy market requirements and energy policy planning and implementation.

The overall objective is to ensure access to affordable, reliable, sustainable, and modern energy for citizens in Bosnia and Herzegovina. The specific objective is to contribute to the fulfilment of the obligations of Bosnia and Herzegovina under the Energy Community Treaty, Paris Agreement and other international agreements.

##### Expected results:

Result 1.1: Regulations, policies and operational practices aligned with applicable EU energy-*acquis* package

Result 1.2: Effective country-wide system for EU energy *acquis* transposition established.  
 Result 1.3: Institutional capacities of relevant stakeholders at all levels of government strengthened as to be able to cope with competitive energy market requirements

Key performance indicators:

- % of documents related to energy *acquis* transposition and monitoring drafted annually
- Extent to which a functional countrywide communication system is in place (including procedures needed for implementation, monitoring and reporting)
- Extent to which capacity building plans are implemented in line with gap assessment recommendations
- Level of public awareness related to sustainable energy concept (measurement unit is % of respondents and their level of awareness before and after implementation of the promotional campaign).

**(2) Assumptions and conditions**

*Assumptions*

- Good co-operation and co-ordination among key stakeholders including local communities
- Proactive involvement of all stakeholders involved in implementation of the Action
- Technical and human resources required for Action implementation are allocated

**(3)(b) Direct management**

**Procurement:**

The procurement will contribute to achieving all expected results of the action.

The **global** budgetary envelope reserved for procurement: EUR 4 998 200.

**(4) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility based on urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>SECTOR</b>	<b>Education, Employment and</b>	<b>EUR 17 900 000</b>
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	<b>Social Policies</b>		
<b>Action 8</b>	<b>EU4 Employment and Education</b>	<b>Direct management</b>	<b>EUR 12 900 000</b>
		<b>Indirect management</b>	<b>EUR 5 000 000</b>

**(1) Description of the Action, objective, expected results and key performance indicators**

Description of the action and objectives

This Action aims at contributing to improving the socio-economic situation and living conditions in Bosnia and Herzegovina. Specific objectives are: (i) to improve the responsiveness of education to labour market needs, (ii) to improve internationalisation and mobility in higher education, (iii) to contribute to development of social inclusion policies in sport and pre-school at relevant levels, and (iv) to contribute to better employability in local communities.

These objectives will be achieved through activities aimed at strengthening the VET education and training systems and labour market-education partnerships, targeting, *inter alia*, students and professors and vulnerable groups, as well as specific activities focused on improving pre-school infrastructure and sport infrastructure in schools throughout Bosnia and Herzegovina and creating new skills to enhance employability. With a solid education system in line with market needs, Bosnia and Herzegovina will be better equipped to meet the economic challenges it is facing.

Expected results:

Result 1: Improved quality of VET education in Bosnia and Herzegovina (Qualification framework for the levels 2-5)

Result 2: Fostered sustainable, partnership-driven labour market frameworks at the local level for an increased access to formal employment (LEP II)

Result 3: Increased mobility of students and academic staff in Bosnia and Herzegovina and abroad through joint research initiatives

Result 4: Increased - quality in preschool education

Result 5: Fostered positive social development through improvement of the sports infrastructure in schools

Key performance indicators:

- Number of VET institutions covered by infrastructure /equipment supplied out of total number of VET institutions in the country.
- Number of final beneficiaries (number of people trained; number of jobs created/number of people employed; number of enterprises actively engaged)
- Number of staff and students involved in mobility
- Number of new and revised preschool programs based on learning outcomes

- Number of developed new programs for initial and continuous training of teachers
- Number of sport halls and playgrounds renovated and equipped

## **(2) Assumptions and conditions**

### *Assumptions:*

- Commitment of the authorities at all levels to fulfil their responsibilities in line with the EU integration process and defined priorities
- Adequate institutional capacities at all levels of administration for the implementation of planned interventions in the sector

### *Conditions:*

A number of preparatory activities will be carried out to ensure successful implementation. These activities are related to the analysis of needs for infrastructure, equipment and training related to current reform projects, namely VET, and sport halls in schools and preschool institutions.

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding.

## **(3) Implementation modalities:**

### **(3)(a) Indirect management**

(i) Part of this action may be implemented in indirect management with an entity, which will be selected by the Commission services using the following criteria:

- The entrusted entity is to be selected following a call for expression of interest submitted either by an international organisation or a Member State organisation individually, or, by a partnership, in which an international organisation or a Member State organisation is a lead partner.
- An entity to be entrusted with the implementation of an Action shall possess operational capacity for managing grants and to demonstrate transparency of the grant award and management procedures.
- Technical competences shall be demonstrated by an entrusted entity (either individually or within a partnership) in the following fields relevant to the intervention: good knowledge of VET sector; experience in dual education; collaboration between government, schools, the private sector and professional associations; quality assurance in VET; qualifications and occupational standards; development of skills, knowledge and competences in VET and teacher training
- In addition, the entrusted entity should demonstrate practical experience in implementing the relevant EU policies preferably gained in the region.

The entrusted entity must prove previous experience in procurement of grants and ensure transparent management and coordination for an overall Action.

The implementation by this entity entails the development and management of a grant scheme, which will contribute to achieving the expected result 1 of the action.

(ii) **Indirect management** with an international organisation:

Part of this Action may be implemented in indirect management with the International Labour Organisation (ILO). This implementation entails the development and management of a grant scheme for concrete employment measures and technical assistance to the local employment offices/bureaus to support institutional development of the LEPs and to design and implement active labour measures in line with specific local needs.

This modality will contribute to achieving the expected result 2 of the action.

The envisaged entity was selected using the following criteria:

The International Labour Organization' (ILO) underlying objective is the cooperation between governments and employers and workers organisations in fostering social and economic progress, and its main aims are to promote rights at work, to encourage decent employment opportunities, to enhance social protection and to strengthen the dialogue on work-related issues. These objectives match with the objectives of the Result 2: Foster sustainable, partnership-driven active labour market frameworks at the local level in order to increase access to formal employment (LEP II) at all levels of authority, which will be addressed by this IPA 2019 Action. The selection of ILO as an entrusted entity for this Action is based on its record of accomplishments of effective cooperation in Bosnia and Herzegovina and its expertise, which is well recognised by local communities and at the state, entity and Brčko District level. Its expertise in the sector and its experience in implementing employment projects in Bosnia and Herzegovina make it a unique partner for the implementation of the Action at hand, especially taking into account that they have successfully implemented the pilot LEPs project.

The global budgetary envelope reserved for indirect management is EUR 5 000 000.

### **(3)(b) Direct management**

#### **Procurement:**

The procurement will contribute to the achievement of expected results 1, 4 and 5 of the action.

The global budgetary envelope reserved for procurement, including evaluation of the Action, is EUR 11 900 000.

#### **Grants – call for proposals:**

##### a) Purpose of the grants:

The grants will contribute to the achievement of the expected result 3 of the action.

##### b) Type of applicants targeted

The applicants shall be EU and Bosnia and Herzegovina's universities with possible partnership with ministries of education and/or science, research institutions and/or technological parks.

The global budgetary envelope reserved for grants: EUR 1 000 000.

**(4) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions:

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

<b>SECTOR</b>	<b>Competitiveness, innovation, agriculture and rural development</b>		<b>EUR 18 000 000</b>
<b>Action 9</b>	<b>EU4 SMEs</b>	<b>Indirect management</b>	<b>EUR 14 000 000</b>

**(1) Description of the Action, objectives, expected results and key performance indicators**

Description of the action and objectives

The Action aims at strengthening Bosnia and Herzegovina’s capacity to generate economic growth and stabilise employment rates after the COVID-19 crisis. It will support creation of business environment for technological transformation of SMEs in competitive sectors to mitigate the effects of COVID-19 on Bosnia and Herzegovina’s economy, through better access to innovative technologies, skills and services across the value chains. It will also support the development of a more conducive operational framework for innovative business models, thus strengthening Bosnia and Herzegovina’s capacities for collaborating on advanced technology solutions in the joint regional and EU projects, following the best EU practice, namely Digital Innovation Hubs. Finally, it will provide support to initiatives for citizens' enhanced digital skills. The Action will result in an increased performance of companies, in particular SMEs, start-ups and mid-caps, to become more competitive with regard to their business/production processes, product and services by using digital technologies.

This Action is highly relevant in the aftermath of the COVID-19 crisis for mitigating its economic impact on Bosnia and Herzegovina’s economy since the digitalisation and

automation of production and distribution processes have actually emerged as a necessity and the outcome of the current worldwide pandemic.

The objectives are also contributing to the implementation of the Regional Economic Area Multi Annual Plan (REA MAP)/ Digital Integration Pillar and Digital Agenda for the Western Balkans and accelerate technological (digital) transformation and digital innovation of SMEs in Bosnia and Herzegovina.

#### Expected results

Result 1: Access to digital innovations for SMEs is strengthened

Result 2: Policy framework for the SME digital ecosystem is improved

Result 3: Capacities of SMEs in Bosnia and Herzegovina for participation in digital high-tech innovations are strengthened

#### Key performance indicators

- Number of SMEs access to finance (in EUR million)
- Status of operational framework for SME digital transformation
- Number of harmonized measures related to SME digital ecosystem developed through an inclusive and evidence-based process and implemented
- Number of innovative services provided by digital innovative hubs (DIHs) to SMEs
- Number of SMEs using services of DIHs
- Status of operational framework supporting Bosnia and Herzegovina researchers to collaborate in regional and EU projects

## **(2) Assumptions and conditions**

### *Assumptions*

- International market responses positively to the increased up take of digital technologies by SMEs in Bosnia and Herzegovina.
- Strong inter-sectoral cooperation between all actors relevant for the process of digital transformation.
- Infrastructure and operational environment for e-services is in place.

## **(3) Implementation modalities:**

### ***(1)(a) Indirect management***

*(i)* This Action may be implemented in indirect management with the partnership of the European Bank for Reconstruction and Development (EBRD) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). EBRD will act as the lead partner. Each partner will be responsible for the implementation of specific parts of the project.

**EBRD** will be responsible for the implementation of Output 1: *Access to digital innovations for SMEs* (“SME digitalization and automation”).

**GIZ** will be responsible for the implementation of Output 2: *Policy framework for the SME digital ecosystem* (“Policy dialogue for digital ecosystem) and Output 3: *Capacities of SMEs in Bosnia and Herzegovina for participation in digital high-tech innovations are strengthened* (“High-tech industry innovation”).

The overall duration of the Action is five years. However, the implementation of the activities related to Outputs 2 and 3 will focus on the first three years of the project.

The entrusted entities have been selected by using the following criteria:

Both EBRD (an international organisation) and GIZ (a Member State organisation) have the operational capacity for managing large scale interventions which was demonstrated on a number of EU funded projects which combined technical assistance and grants, including transparency and efficiency in the management procedures. The existence of country offices in Bosnia and Herzegovina by both partners provides an additional added value that has enabled them to perform a rapid assessment on the COVID-19 effects on SMEs and, subsequently, to make proposal for assistance closely adapted to the needs.

The individual sectoral/technical competences of EBRD and GIZ are also matching the fields relevant to the intervention, namely introduction of innovative business and financial models; digital technologies and skills for SME; development of ecosystem for competitive value chains, R&D and smart specialisation at local level.

EBRD’s capacity for leveraging the additional finance through the targeted SMEs credit line provides a distinct synergic potential for the Action to mobilise a more substantial private investment, as opposed to SMEs solely provided with grant support. EBRD’s assignment relevant to the Action include WBEDIF funded SME finance and “Bosnia and Herzegovina SME competitiveness support programme”.

GIZ is presently implementing the German Government funded “Innovation and digitalisation for SMEs in Bosnia and Herzegovina” until mid of 2021 as well as EU funded “EU4Business programme” in consortia with UNDP and ILO. The programme is providing grants to SMEs in Bosnia and Herzegovina’s competitive export-oriented sectors. Importantly, GIZ proposed involvement of **OECD** under sub-contracting arrangement for implementing the activities on SMEs digital policy that will provide for the pooling of a core IPA multi-country expertise engaged on monitoring the implementation of EU Small Business Act for Western Balkans.

In conclusion, the joint proposal of EBRD and GIZ demonstrates a profound practical experience in implementation of the relevant EU policies in the region.

<b>Action 10</b>	<b>EU4 Trade</b>	<b>Direct management</b>	<b>EUR 4 000 000</b>
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*(1) Description of the Action, objective, expected results and key performance indicators*

Description of the action and objectives



This Action will help improve Bosnia and Herzegovina's competitiveness and innovation in line with international obligations. The Action will aim to increase the level of EU integration and regional cooperation in trade sector through improved capacities and an enhanced regulatory framework for Bosnia and Herzegovina trade facilitation aligned with best international practices. The Action will also improve the competitiveness of the country's services sector by upgrading legislation and administrative capacities for trade in services in line with commitments stemming from its foreign trade agreements and best international practices. Also, it will aim to support the creative economy, social and cultural development of Bosnia and Herzegovina through an upgrade of the Intellectual Property Rights (IPR) system. The objectives are increasing the level of EU integration and regional cooperation in the trade sector and upgrading the Intellectual Property Rights system.

#### Expected results

- Regulatory and procedural framework for trade in services in Bosnia and Herzegovina is improved in line with the international integration requirements, Trade of goods with EU, Central European Free Trade Agreement (CEFTA) 2006 and other free trade areas is increased as response to implementing COVID-19 mitigation measures
- Capacity of Bosnia and Herzegovina institutions responsible for the protection and enforcement of IPR is strengthened.

#### Key performance indicators

- Number of institutions in charge of services at all levels in Bosnia and Herzegovina which work in line with EU Service Directive
- % of increase of total exports
- The new Information and Communication Technology (ICT) system for inter-institutional cooperation deployed

### ***(2) Assumptions and conditions***

#### *Assumptions*

- Sufficient level of cooperation between public and private sector;
- CEFTA Additional Protocol 6 (AP6) Trade in Services in force.
- Level of implementation of CEFTA Additional Protocol 5 Trade Facilitation is increased
- Cooperation between institution in charge of Trade Facilitation is at satisfactory level
- All stakeholders support and cooperate

#### *Conditions*

- Entering into force CEFTA AP6 AND AP7
- Service Centre concept is introduced

Failure to comply with the requirements set out above may lead to a recovery of funds under this programme and/or the re-allocation of future funding

*(3) Implementation modalities*

*(3)(b) Direct management (project approach)*

**Procurement:**

The **global** budgetary envelope reserved for procurement: EUR 4 000 000

**(2) Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall, subject to the following provisions:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

**3 BUDGET**

### 3.1 INDICATIVE BUDGET TABLE - ANNUAL ACTION PROGRAMME FOR BOSNIA AND HERZEGOVINA

		Indirect management		Direct management	Total EU contribution (EUR)	IPA-II beneficiary or other third party contribution (EUR)	Total (EUR)
		with IPA-II beneficiary	with entrusted entity				
		EU contribution (EUR)	EU contribution (EUR)	EU contribution (EUR)			
<b>Objective 1</b>	<b>01: Democracy and Governance</b>			<b>16 000 000</b>	<b>16 000 000</b>	<b>1 091 954</b>	<b>17 091 954</b>
	Action 01: EU4 Efficient Public Administration			13 000 000	13 000 000		13 000 000
	Action 02: EU Integration Facility			1 242 590	1 242 590		1 242 590
	Action 03: EU Support to Bosnia and Herzegovina participation in Union Programmes			1 757 410	1 757 410	1 091 954	2 849 364
	<b>02: Rule of Law and Fundamental Rights</b>			<b>25 000 000</b>	<b>25 000 000</b>	<b>2 500 000</b>	<b>27 500 000</b>
	Action 04:EU4 Justice <sup>4</sup>			17 500 000	17 500 000	2 500 000	20 000 000
	Action 05: EU4 Transitional Justice			7 500 000	7 500 000		7 500 000
	<b>Total Objective 1</b>			<b>41 000 000</b>	<b>41 000 000</b>	<b>3 591 954</b>	<b>44 591 954</b>
<b>Objective 2</b>	<b>05: Energy</b>			<b>4 998 200</b>	<b>4 998 200</b>		<b>4 998 200</b>
	Action 06: EU4 Energy			4 998 200	4 998 200		4 998 200
	<b>07: Employment, Education and Social Policies</b>		<b>5 000 000</b>	<b>12 900 000</b>	<b>17 900 000</b>		<b>17 900 000</b>
	Action 08: EU4 Employment and Education <sup>5</sup>		5 000 000	12 900 000	17 900 000		17 900 000
	<b>06 Competitiveness, innovation</b>		<b>14 000 000</b>	<b>4 000 000</b>	<b>18 000 000</b>		<b>18 000 000</b>
	Action 9 EU4 SMEs		14 000 000		14 000 000		14 000 000
	Action 10 EU4 Trade			4 000 000	4 000 000		4 000 000
	<b>Total Objective 2</b>		<b>19 000 000</b>	<b>21 898 200</b>	<b>40 898 200</b>		<b>40 898 200</b>
<b>TOTAL</b>		<b>19 000 000</b>	<b>62 898 200</b>	<b>81 898 200</b>	<b>3 591 954</b>	<b>85 490 154</b>	

<sup>4</sup> Including an EUR 100 000 allocation for the evaluation of the Action

<sup>5</sup> Including an EUR 150 000 allocation for the evaluation of the Action

#### **4 PERFORMANCE MONITORING ARRANGEMENTS**

As part of its performance measurement framework, the Commission shall monitor and assess progress towards achievement of the specific objectives set out in the IPA II Regulation on the basis of pre-defined, clear, transparent measurable indicators. The progress reports referred to in Article 4 of the IPA II Regulation shall be taken as a point of reference in the assessment of the results of IPA II assistance.

The Commission will collect performance data (process, output and outcome indicators) from all sources, which will be aggregated and analysed in terms of tracking the progress versus the targets and milestones established for each of the actions of this programme, as well as the Indicative Strategy Paper.

In the specific context of indirect management by IPA II beneficiaries, National IPA Co-ordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by the European Commission (DG NEAR) and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee, supported by Sectoral Monitoring committees, which will ensure a monitoring process at sector level.

#### **5 EVALUATION**

Having regard to the importance of the action, a final or ex-post evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission or via an implementing partner.

For this purpose an amount of EUR 250 000 for Action 04 and Action 08 or some of their components is planned.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that it will allow the Commission to evaluate whether further assistance is required or provide recommendations to the implementing partner about specific needs for future development of the sector/s.

The Commission shall inform the implementing partner at least 90 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders.

The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.