

ANNEX 3

to the Commission Implementing Decision on the financing of the annual action plan in favour of Bosnia and Herzegovina for 2021

Action Document for “EU Integration Facility”

1. SYNOPSIS

1.1. Action Summary Table

| | |
|--|---|
| Title | Action 03 - EU Integration Facility Annual Action Plan in favour of Bosnia and Herzegovina for 2021 |
| CRIS number | 043-667/3 |
| Basic Act | Financed under the Instrument for Pre-accession assistance (IPA III) |
| Team Europa Initiative | No |
| Zone benefiting from the action | Bosnia and Herzegovina |
| Programming document | IPA III Programming Framework |

PRIORITY AREAS AND SECTOR INFORMATION

| Window and thematic priority | Window 2: Good Governance, <i>Acquis</i> Alignment, Good Neighbourly Relations and Strategic Communication Thematic Priority 2: Administrative Capacity and <i>Acquis</i> Alignment | | | | | | | | | | | | |
|---|---|-------------------------------------|-------------------------------------|------------------------------|----------------------------|---|--------------------------|--------------------------|-------------------------------------|--------------------|--------------------------|-------------------------------------|--------------------------|
| Sustainable Development Goals (SDGs) | 16. Peace, justice and strong institutions, 8. Decent work and economic growth, 4. Quality education, 3. Good health and well-being, 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | | | | | | | | | | | | |
| DAC code(s) | 43010 – Multisector aid | | | | | | | | | | | | |
| Main Delivery Channel¹ | Bilateral | | | | | | | | | | | | |
| Markers (from CRIS DAC form) | <table border="1"> <thead> <tr> <th>General policy objective</th> <th>Not targeted</th> <th>Significant objective</th> <th>Principal objective</th> </tr> </thead> <tbody> <tr> <td>Participation development/good governance</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Aid to environment</td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> | General policy objective | Not targeted | Significant objective | Principal objective | Participation development/good governance | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Aid to environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| General policy objective | Not targeted | Significant objective | Principal objective | | | | | | | | | | |
| Participation development/good governance | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | | | | |
| Aid to environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | | | | | | | | | | |

¹ <http://www.oecd.org/dac/stats/annex2.htm>.

| | | | | |
|-------------------------|--|-------------------------------------|-------------------------------------|----------------------------|
| | Gender equality and Women's and Girl's Empowerment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Reproductive, Maternal, New born and child health | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Disaster Risk Reduction | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Inclusion of persons with disabilities | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Nutrition | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | Not targeted | Significant objective | Principal objective |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Internal markers | Policy objectives | Not targeted | Significant objective | Principal objective |
| | Digitalisation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Migration | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | COVID-19 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Social inclusion and human development | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

BUDGET INFORMATION

| | |
|--------------------------|--|
| Amounts concerned | Budget line: 15.020101.01 Total estimated cost: EUR 8 500 000 Total amount of EU Budget contribution EUR 8 500 000 |
|--------------------------|--|

MANAGEMENT AND IMPLEMENTATION

| | |
|--|--|
| Type of financing and method of implementation | Project Modality Direct Management through Procurement and Grants (Twinning Light) Indirect Management with entrusted entity , the entities to be selected in accordance with the criteria in Section 4.3.4. |
| Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans | Action will contribute to different flagships depending on the specific assistance provided |
| Final date for conclusion of Financing Agreement | At the latest by 31 December 2022 |

| | |
|--|---|
| Final date for concluding contribution / delegation agreements, procurement and grant contracts | 3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation. |
| Indicative operational implementation period | 6 years following the conclusion of the Financing Agreement |
| Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed) | 12 years following the conclusion of the Financing Agreement |

1.2. Summary of the Action

The Action is designed to provide administrative and technical support to institutions in Bosnia and Herzegovina (BiH) at all levels with respect to the needs stemming from the European integration process- particularly so in developing and implementing the Programme of Integration/ national programme for the adoption of the *acquis* (NPAA) in line with Art.70 SAA, as a key priority and an outstanding obligation under the Stabilisation and Association Agreement, and in relation to improving underlying sectoral policy planning and budgeting capacities across government levels for better utilisation of EU financial assistance and application of the sectoral based approach under IPA III.

Complementary to other IPA Actions, the Action will provide flexible support to address specific and unforeseeable needs of the authorities in Bosnia and Herzegovina at various levels, identified in the course of the European integration process, as well as the process of development and implementation of the NPAA and development of countrywide strategies that are key for the EU approximation process This flexible support to institutions in Bosnia and Herzegovina aims at enabling them to respond swiftly to challenges and requirements of the European Union integration process and to better prepare and implement IPA programmes/Actions funded by the Instrument for Pre-accession Assistance. The facility shall assist in two key areas. **First** it should support relation to the Stabilisation and Association Agreement (SAA) implementation, *Acquis* transposition, Action plans preparation and implementation, as well as for reinforcing institutional capacity for SAA implementation and absorption and management of pre-accession funds, as well as support for further development of the Programme of Integration /NPAA in line with Art.70 SAA. The **second** area is support in further building countrywide policy planning , budgeting capacities across all government levels in order also to best utilise the EU financial assistance, particularly so under IPA III. Various types of support are envisioned, such as technical assistance to and capacity building of institutions in Bosnia and Herzegovina at various levels of governance, preparation of studies, assessments, strategic documents, manuals, trainings, Action proposals, tender documentation, assistance to tender/call for proposals evaluations, communication activities, as well as for provision of potential supplies underpinning EU integration processes.

2. RATIONALE

2.1. Context Analysis

The process of European integration is a complex, dynamic and evolving process. Complementary to other IPA Actions which are programmed with a lead time, there is a need for a flexible facility addressing short term emerging developments and providing necessary assistance and capacity building support to the authorities in Bosnia and Herzegovina at various levels. This facility shall assist the authorities in Bosnia and Herzegovina at all levels in relation to the SAA implementation, development and implementation of the NPAA in line with Art.70 SAA, *Acquis* transposition, Action programmes preparation and implementation, as well as for reinforcing their institutional capacity for SAA implementation and absorption and management of pre-accession funds.

Reiterating its commitment to advancing towards membership in the EU, in February 2016 Bosnia and Herzegovina submitted application for the EU membership. Following the answers to the European Commission Questionnaire, the

Commission's Opinion on Bosnia and Herzegovina's application for EU membership² was published in May 2019, along with the accompanying Analytical Report³, outlining priorities and reforms required to be undertaken by the country, that makes the need for support even greater. Furthermore, Bosnia and Herzegovina is to start utilising the new pre-accession assistance instrument in the period 2021-2027 (IPA III) and needs to be able to fully benefit from it.

The Action, with its areas of support, directly contributes to the promotion of good governance, increasing the compliance with Union's values and alignment with the Union's rules, standards and practices in the relevant areas. It further corresponds to the Thematic Priority 2 specific objective with respect to bringing BiH policies and legislation in line with the EU policies and the EU *acquis*, building the administrative capacity to fully and effectively implement sector policies and the adopted legislation, and building the ability of Bosnia and Herzegovina to take on the obligations of membership as well as to follow through the European Green Deal⁴, which represent a roadmap for making the EU's economy sustainable by turning climate and environmental challenges into opportunities across all policy areas and making the transition just and inclusive for all.

By supporting interventions in various areas, the Action will also be making contribution to other IPA III Windows and Thematic Priorities, in line with the content of the intervention.

The Action will specifically contribute as well to the activities under the Strategic Framework of Public Administration Reform that aim to improve the country wide policy planning and monitoring system, as BiH authorities clearly lack regulation for a countrywide planning system European integration process, including green transition in public administration. It will further contribute to support development of different countrywide sector strategies in line with the specific interventions supported.

2.2. Problem analysis by areas of support

For the EU integration process in Bosnia and Herzegovina it is of critical importance to have effective administrative capacities with clear functions on the European integration process at all relevant levels of government, in line with their respective competencies, as well as to ensure their effective cooperation and coordination. This in particular relates to the SAA implementation, the Programme of Integration (PI) development and implementation and the legal harmonisation process i.e. transposition of EU *acquis* in a consistent manner in Bosnia and Herzegovina that remain rather challenging tasks in the context of Bosnia and Herzegovina's multi-level administrative set up, as pointed out in the SIGMA 2017 assessment. It is a key priority for Bosnia and Herzegovina, and an outstanding issue to fulfil its obligations under SAA, by developing and adopting the NPAA, in line with Art. 70 in SAA. However given the country still does not possess a countrywide planning system, there is currently no countrywide plan setting out clearly the approximation with the EU *acquis*. In case of countrywide sector-specific issues, the need for consultation and coordination becomes particularly important since the competences, in line with the Constitution of Bosnia and Herzegovina, are in most cases divided or shared between sectoral institutions of different administrative levels. Currently, Bosnia and Herzegovina has no country-wide legal basis on how to plan, cost and monitor country wide strategies, and while all levels have some regulation, the state level needs to adopt one and better guide the process of countrywide strategic planning. In light of this fragmented policy planning system also with regard to EU integration process, the authorities at all levels of government in Bosnia and Herzegovina face challenges to respond to the EU accession process. The institutions in Bosnia and Herzegovina and concerned personnel need assistance in this respect in terms of securing necessary support, expertise and capacity building to deliver on key legislative planning tasks in a coordinated way and align with the requirements of assuming EU membership.

The authorities at all levels of government in Bosnia and Herzegovina also face challenges in relation to IPA utilisation, including Action/programme preparation and implementation. Actions' readiness depends among other things also on the availability of quality tender documents (e.g. terms of reference, technical specifications, bill of quantities, etc.). The authorities in Bosnia and Herzegovina do not have sufficient experience in developing such documents and sometimes the level of technicalities is so specific and complex that it requires specialised expertise. Therefore, institutions in Bosnia and Herzegovina and personnel concerned need assistance in this respect from experts that would facilitate the process and also provide the authorities in Bosnia and Herzegovina at all levels with transfer of know-how and hands-on training. Furthermore, authorities in Bosnia and Herzegovina need to be able to fully benefit from the

² COM(2019) 261 final

³ SWD(2019) 222 final

⁴ COM(2019) 640

new pre-accession assistance instrument under the multi-annual financial framework in the period 2021-2027 (IPA III). In order to enable Bosnia and Herzegovina to fully utilise IPA III, the assistance to Bosnia and Herzegovina needs to be provided through support to activities and capacity building in areas that touch upon public administration reform key priorities with respect to improving the planning, programming, implementation and strengthening capacity for coordination of these processes. In the context of IPA III support provided under this Action is even more important given the increased emphasis on the technical maturity of the interventions.

In view of the sector approach under IPA, Bosnia and Herzegovina still lacks country-wide strategies in important sectors that represent a precondition for the utilisation of the IPA II funds, and support in relation to analysing and preparing country-wide sector and multi-sector strategies in line with the sector approach remains critical. In addition, sector budget support/sector reform contract as a new modality for assistance utilisation under IPA is a novelty to Bosnia and Herzegovina and its institutions. Assistance is also required in relation to utilisation of multi-country IPA, in particular Western Balkans Investment Framework and other regional instruments some of which are newly emerging, as well as in relation to relevant EU macro regional strategies.

Institutions from all sectors and all levels of governance in Bosnia and Herzegovina may benefit from the assistance foreseen under this Action. Furthermore, the following are main stakeholders as far as European integration process and IPA utilisation in Bosnia and Herzegovina. Directorate for European Integration is expert body of the Council of Ministers of Bosnia and Herzegovina responsible for coordination of activities concerning the requirements for the European integration process and coordination of EU assistance. Director of the Directorate performs NIPAC function, and the Directorate provides all necessary expert and administrative support for this function. In the Federation of Bosnia and Herzegovina, Republika Srpska and the Brčko District of Bosnia and Herzegovina there are institutions that coordinate European integration process at these levels of government. These include EU Integration Office of the Government of the Federation of Bosnia and Herzegovina, the Republika Srpska Ministry of European Integration and International Cooperation and Brčko District Department for European Integration and International Cooperation. In addition, the ten cantonal governments in the Federation of Bosnia and Herzegovina all have EU integration coordinators nominated and some have established specific units in charge of European integration.

The Action is to provide flexible and yet to be determined support, in various sectors/areas of interventions to support the authorities in Bosnia and Herzegovina at various levels to adequately respond to their respective duties and tasks in the EU integration process. Further to addressing the issues under the Strategic Framework for Public Administration Reform in relation to public administration capacity to implement the reforms under the European integration process, including alignment with the Green Agenda for Western Balkans⁵, the Action will as such provide support in relation to different sector strategies corresponding to the areas of the undertaken interventions.

2.3. Relevance and complementarity with strategies supported by key national stakeholders

The Action will provide flexible support to address specific and unforeseeable needs of the authorities in Bosnia and Herzegovina at various levels, identified in the course of the European integration process and with respect to utilisation of IPA funds

The Action will support the authorities in Bosnia and Herzegovina at various levels to adequately respond to their respective duties and tasks in the EU integration process of Bosnia and Herzegovina and covers therefore a variety of sectors. Bosnia and Herzegovina has initiated process of preparation of the Programme of Integration⁶, which would serve as the underlying strategic document for its EU integration process. This Action should support the capacities of the authorities at all levels of government in BiH to implement such a programme, as well as to deliver on the tasks deriving from the candidacy application and status. Furthermore, the Action may provide support to specific activities related to the application of the sector wide approach, with respect to development of sectoral strategies, sector coordination and monitoring, as well as to the introduction of sector budget support/sector reform contract.

⁵ SWD(2020) 223 final

⁶ Methodology for Programme for Integration of Bosnia and Herzegovina into the EU has been adopted and the process of development of Programme of Integration has commenced accordingly in October 2020. The Program of Integration will consist of three parts: the action plan for alignment with EU *acquis*, the action plan for implementation of Commission recommendations (measures not related to the alignment with EU *acquis*) and the review of the administrative capacities.

The Action will contribute to the implementation of the Strategic Framework of Public Administration Reform in BiH 2018-2022 that makes provision as to creating and sustaining a public administration capable of ensuring implementation of the reforms required by the European integration process.

In addition, the Action will provide support to a range of sectors and corresponding sector strategies as per identified areas of intervention.

2.4. Relevance and complementarity with EU policy and EU and other donors' assistance

Public administration reform (PAR) is, together with rule of law and economic development, a fundamental pillar of the enlargement process and a basis for effective implementation of EU policies and legislation. The Action aims to support fulfilment of obligations from the European integration process, and is as such in close relation with the specific objective of IPA III in this area to bring beneficiaries' policies and legislation in line with the EU policies and the EU *acquis*, as well as to build administrative capacity to fully and effectively implement sector policies and the adopted legislation, building the ability of beneficiaries to take on the obligations of membership. Given that support will further pertain to different sectors, the Action is of relevance to other IPA III Windows and Thematic Priorities too, in line with the content of the intervention

The Western Balkans Strategy (2018)⁷ confirms the paramount importance of public administration reform (PAR) to strengthening governance at all levels and commits to enhancing the Commission's technical assistance to Western Balkans to help them align with the EU legislation and ensure its effective implementation in practice. The **2021 Communication on EU enlargement policy⁸** further stresses the need to focus on the reforms in the fundamental areas, including reforms aimed at modernising PA, in order to design and deliver public policies, manage public investments, and provide essential public services that enhance the welfare of all citizens. To build trust, public administrations need to be transparent, accountable and effective, while it is essential that progress is robust, tangible and irreversible and underlines that Bosnia and Herzegovina is at an early stage/has some level of preparation regarding its level of preparedness and ability to take on the obligations of EU membership, while undertaking some progress on PAR in 2021.

The implementation of the Action will take into full account the **Opinion on the EU membership application of Bosnia and Herzegovina** and related **2019 Analytical Report**, and contribute to the fulfilment of the key priorities and recommendations therein. It will further support the implementation of the recommendations from the Commission **Bosnia and Herzegovina 2021 Report⁹**. The Report highlights that the country is at an early stage of public administration reform, calls for adoption of the National programme for the adoption of the EU *acquis* (NPAA), and gives a number of recommendations across sectors for progressing in the context of the European integration process, while asking for further improvement of the policy making apparatus for a countrywide approach in policy making.

The Guidelines for the Implementation of the European Green Deal for the Western Balkans¹⁰ emphasise greener public administration capable to lead modernised reforms that will result in a cleaner environment, more affordable energy, smarter transport, new jobs and an overall better quality of life.

2.5. Lessons learned and links with previous financial assistance

As it has been demonstrated during the SAA negotiations, the work of the Interim Committee and Interim Sub-Committees, EU *acquis* transposition, and other European integration processes, there is a need to strengthen capacities of all institutions required to undertake European integration related work at various levels of the government in their respective sectors. In addition, it is required to maintain effective coordination among different levels of the government for the European integration purposes.

The need for strengthening capacities has been in particular recognised as far as EU policies, legal approximation, EU affairs coordination as well as EU funds are concerned. Previous technical assistance (TA) showed that development of capacity, models and mechanisms requires work with a wider range of recipient institutions and public servants from different level of government given that, in comparison to other pre-accession beneficiaries, Bosnia and Herzegovina has specific administrative set-up. Due to the higher number of players, more time for development of models and

⁷ COM(2018) 65

⁸ COM(2021) 644

⁹ SWD(2021) 291 final /2

¹⁰ SWD(2020) 223

capacities is needed. Given the administrative structure in Bosnia and Herzegovina and the corresponding division of competencies, support is required to institutions at all levels of the government, also in light of ensuring overall and harmonised progress in fulfilling BiH obligations for accessing the European Union.

The experience with previous Project Preparation Facility (PPF)/General Technical Assistance Facility (GTAf)/EU integration Facility (EUIF) has shown that the demand for this type of assistance has always been very high and diverse and that this type of assistance has been particularly useful to respond quickly to urgent and evolving needs. The challenges detected in the usage of this type of Facility have been delays or even cancellation of the contracting and implementation of a few small-size project interventions (e.g. preparation of terms of reference for a larger scale assistance project) due to a lack of agreement among all the stakeholders involved in the design of the interventions. Also, the shortage of the funds in the end of the implementation of a few big-sized projects has been overcome by using this Facility for these projects' finalisation. Based on the lessons learned, an endorsement of the intended intervention by all stakeholders concerned by that action should be a precondition fulfilled before the funds from this EUIF Action are earmarked.

These conclusions are reiterated in the Second Country Interim Programme evaluation of IPA assistance in Bosnia and Herzegovina.¹¹ With regard to the performance, IPA projects have been effective and efficient, although there have been challenges in implementation due to contractor performance, slow procurement procedures, meeting conditionality or delay in reaching consensus between all stakeholders. Therefore, ownership and commitment of all relevant stakeholders of any intervention and its formalisation is an imperative before support under the Action starts. Moreover, a general lesson learned which applies to all sectors is that policy and legislative development needs to be evidence-based, costed and subject to appropriate internal and external stakeholder consultations at the right time of the legislative and policy-making process. This is a key in ensuring implementation and enforcement of adopted policies and legislation. Therefore, the action shall ensure consistency with the horizontal public administration reform efforts.

3. DESCRIPTION OF THE ACTION

3.1. Planned results and intervention logic (describing causal links between impact, outcome(s) and output(s) and including assumptions)

If the government authorities at all levels in Bosnia and Herzegovina are able to provide more effective and timely responses related to the EU integration processes (output), and good cooperation between relevant stakeholders is established and maintained (assumption) as well as satisfied technical, financial and human resources allocated by the beneficiaries (assumption), then the specific and/or unforeseeable needs identified in the course of European integration process of Bosnia and Herzegovina will be adequately addressed (outcome). If responses to these needs are adequate, and the assumption regarding political support to institutions in Bosnia and Herzegovina to participate in the EU integration processes hold true, then it will contribute to Bosnia and Herzegovina's overall progress in fulfilling its obligations for European Union accession (impact).

3.2. Indicative type of activities

The following list is indicative of the types of activities that may be implemented at all levels of government in BiH under this intervention but is not exhaustive:

- Provision of technical assistance to the administrations at all levels of government in BiH and preparation of required documents and analyses, respecting gender mainstreaming aspect as well, to support SAA implementation, EU *acquis* transposition and implementation, including Programme of Integration/ National Programme of EU *acquis* and approximation in the line with Art.70 SAA, and the EU accession process in Bosnia and Herzegovina in general.
- Supporting urgent and/or unforeseen emerging priority tasks related to EU integration and SAA implementation priorities, through technical assistance and other interventions (including software and Information Communication Technology equipment, and for example provision of required translation of documents within the process of transposition of EU *acquis* and accession of Bosnia and Herzegovina to the EU in general) to the administrations at all levels of government in BiH.
- Provision of technical assistance to the administrations at all levels of government in Bosnia and Herzegovina in building countrywide sectoral policy planning, monitoring and costing capacities for sectoral strategies while

¹¹ http://ec.europa.eu/enlargement/pdf/financial_assistance/phare/evaluation/2013/23914_rep_bih.pdf

as well acquiring training on Sector wide approach, its implementation, and in preparation of sector programmes for IPA multi-annual programming purposes.

- Provision of technical assistance to the administrations at all levels of government in BiH in acquiring knowledge, introducing and utilising sector budget support/sector reform contract, including preparation of respective programming documents for sector budget support/sector reform contract utilisation.
- Supporting urgent and unforeseen priority tasks to the administrations at all levels of government in BiH (e.g. studies, damages and recovery needs assessments, Action preparation, prevention measures against flooding and landslides and other disasters, as well as implementation of interventions to mitigate the consequences and prevent disasters in the future) in case of natural disasters, paying attention to specific needs of women and men.
- Provision of technical assistance for relevant institutions in BiH in drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation for the implementation of SAA priorities, utilisation of pre-accession instruments, meeting requirements for indirect management of EU assistance, and in support of EU accession process in Bosnia and Herzegovina.
- Provision of technical assistance for relevant institutions at all levels of government in BiH in analysis, assessment and evidence-based preparation of country-wide sector strategies, multi-sector strategies, strategic programming documents, for the harmonisation of legislation in BiH, SAA implementation, implementation of Joint Policy Guidance of the Economic and Financial Dialogue based on the ERP as well as support to implementation of envisaged socio-economic reforms and the current and future use of EU pre-accession funds, ensuring paying attention to specific needs of women and men.
- Provision of technical assistance to relevant institutions at all levels of government in BiH for capacity building on the new 2021-2027 pre-accession instrument and acquisition of knowledge for raising absorption capacities.
- Provision of technical assistance to relevant institutions at all levels of government in BiH in drafting of (pre-)feasibility and impact studies in relation to Bosnia and Herzegovina's compliance with the SAA and carrying out (pre-)investment studies, regulatory impact assessment studies, environmental impact assessment studies, business plans, market studies, economic and cost-benefit analyses, investment appraisals, project pipelines, etc., for the upcoming investments, ensuring that these include a gender component.
- Provision of technical assistance in setting up and developing methodology and single (sector) project pipelines for investment projects and utilisation of respective instruments of support for investment projects for relevant institutions at all levels of government in BiH.
- Support to relevant institutions in BiH at all levels of government in preparing Actions for upcoming IPA funding, in particular those requiring specialised expertise, including support to the Action preparation process and all necessary Action documentation and annexes to programming documents, ensuring a gender component as well.
- Preparing of tender and procurement documentation to relevant institutions in BiH (terms of reference, technical specifications, market research, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers) as well as support to tender/call for proposals evaluations, with due consideration of a gender component.
- Supporting awareness raising of EU programmes (current and future) and building capacity of end beneficiaries to access the funds available under EU Programmes and of relevant institutions at all levels of government in BiH.
- Provision of technical assistance to relevant institutions in BiH to enhance monitoring, reporting and evaluation processes and capacities.
- Provision of institution building activities and training of institutions at all levels of government in BiH relevant to any of the above-mentioned activities and the European integration process, taking into consideration specific needs of both men and women.
- Participation in European integration related meetings, workshops, study visits.

- Provision of information, communication and training activities and material regarding EU integration to administrations at all levels of government in BiH.
- Carrying out evaluations of IPA Actions/programmes.
- Additional COVID-19 related specific response activities and/or other unforeseeable epidemic/pandemic related response activities.
- Investments (works and supplies) might also be supported through this Action.

3.3. Risks and assumptions

| Risks | Risk level (H/M/L) | Mitigating measures |
|--|-----------------------|--|
| The lack of cooperation among institutions at different levels of governance in BiH. | M | Different mitigating measures, including the Commission's political support and enhanced policy dialogue, will be undertaken to eliminate risks to successful implementation of interventions undertaken under the Action. |

Assumptions (to be reflected in the Logical Framework Matrix above) – grouped by outputs and outcomes

| |
|---|
| Outcome: Specific and/or unforeseeable needs identified and addressed in the course of European integration process of BiH |
| • Constant and steady political support to institutions in Bosnia and Herzegovina to participate in the EU integration process. |
| Output: The governmental authorities at all levels in BiH were enabled to provide more effective and timely responses to emerged EU integration priorities |
| • 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. |

3.4. Mainstreaming

| Gender Equality and Women’s and Girls’ Empowerment (in line with the EU gender equality strategy 2020-2025) |
|--|
| Due attention will be given to gender aspect within Action activities, including ensuring participation of both women and men, recognising different needs of women and men, ensuring benefits for both men and women, ensuring gender sensitive data and gender analyses. In general, a gender perspective will be maintained ensuring that the results of the Action impact positively on gender equality as well. By this, the Action will make contribution in line with the EU Gender Equality Strategy 2020-2025 which aims at enhancing gender mainstreaming by systematically including a gender perspective in all stages of policy design in all EU policy areas, ensuring that women and men, girls and boys, in all their diversity, are equal. The Action will also contribute to Gender Action Plan of BiH 2018-2022, as a framework strategic document for inclusion of the gender equality standards in key areas of reform. |

Climate change

The Action will contribute to the protection of the environment in line with the needs identified by authorities in Bosnia and Herzegovina and the respective Action activities. The Action and the activities deriving from the Action will not have any negative impact on the environment nor jeopardise environment, health and security in the future. The activities deriving from this Action will be delivered in the most environmentally friendly possible way.

The Rights Based Approach

Due attention will also be given to the respect of human rights and integration of human rights principles within the undertaken interventions. Participation in the Action will be guaranteed on the bases of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Civil Society

The involvement and participation of civil society and non-state stakeholders in the European integration process is very important and cooperation between governmental and non-governmental sectors crucial. As an integral part of the European Union accession process, opportunities for dialogue and cooperation among civil society and non-state actors and public sector actors will be further developed through various initiatives under the proposed Action.

Others (such as Resilience and Conflict Sensitivity, Roma, people with disabilities and other vulnerable groups)
Improvement in the public service and strengthened good governance to be gained from the Action will be beneficial for minorities and vulnerable groups. Publicity and dissemination of information will help to empower minorities and vulnerable groups to participate in the proposed activities and calls for proposals. Based on the fundamental principles of promoting equality and combating discrimination, participation in the Action will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, age or sexual orientation.

3.5. Conditions for implementation

There are no specific preconditions to be in place for implementation of the Action.

3.6. Logical Framework

| Results | Results chain: Main expected results (maximum 10) | Indicators (at least one indicator per expected result) | Baselines (2020) | Targets (2025) | Sources of data (1 per indicator) | Assumptions |
|---------|--|--|--|--|--|--|
| Impact | To contribute to Bosnia and Herzegovina's overall progress in fulfilling its obligations for European Union accession. | Progress made towards meeting accession criteria | No progress to limited progress depending on the respective criteria | Good progress | Commission BiH Reports | <i>Not applicable</i> |
| Outcome | Specific and/or unforeseeable needs identified and addressed in the course of European integration process of BiH. | Frequency of requests received by the EUD for EUIF assistance from BiH authorities to address specific EU integration requirements | Up to 5 requests received by the EUD for EUIF assistance from authorities in BiH annually | At least 15 (30) requests received by the EUD for EUIF assistance from authorities in BiH annually | -Commission BiH Reports - IPA Monitoring Committee meetings' conclusions | Political support to institutions in Bosnia and Herzegovina to participate in the EU integration processes |
| Output | The governmental authorities at all levels in BiH were enabled to provide more effective and timely responses to emerged EU integration priorities | - Number of outputs, such as Terms of Reference, technical specifications, studies and other documents | 0 | 8 (20) | Project monitoring /implementation reports; IPA Monitoring Committee meetings' conclusions; Monitoring reports within the DEI; Submitted and approved programming documents/Action documents; Tender documentation; Action reports; Commission BiH Reports | Identification of priority areas for assistance in a timely manner; Good cooperation with all relevant stakeholders established and maintained during Action implementation; Adequate technical, financial and human resources allocated by the beneficiaries to the implementation of the activities. |
| | | - % of tender procedures launched and finalised | 70% of the tender procedures launched and finalised against the anticipated tendering plan | 85% of the tender procedures launched and finalised against the anticipated tendering plan | | |
| | | - % of IPA funds contracted | 70% of IPA funds contracted against the anticipated contracting plan | 85% of IPA funds contracted against the anticipated contracting plan | | |
| | | - % of IPA funds disbursed | 60% of IPA funds disbursed | 70% of IPA funds disbursed against the | | |

| | | | | | | |
|--|--|--|----------------------------|-------------------------------------|--|--|
| | | | against the anticipated | anticipated disbursement plan | | |
|--|--|--|----------------------------|-------------------------------------|--|--|

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with Bosnia and Herzegovina.

4.2. Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹².

4.2.1. Direct Management (Grants)

(a) Purpose of the grant

Part of the activities related to the output: *The governmental authorities at all levels in BiH are enabled to provide more effective and timely responses to emerged EU integration priorities*, will be delivered by means of grant contracts, specifically through Twinning light instrument.

(b) Type of applicants targeted

Entities of EU Member States with capacities in the fields requested for the emerged EU integration priorities.

4.2.2. Direct Management (Procurement)

The activities related to the output: *The governmental authorities at all levels in BiH are enabled to provide more effective and timely responses to emerged EU integration priorities*, will be delivered by means of services, supplies and work contracts under direct management of the Delegation of EU in BiH, taking into account the specificity of EU Integration Facility to provide multisector aid and specific response (unforeseeable activities).

| Subject | Indicative type (works, supplies, services) | Indicative trimester of launch of the procedure |
|---|---|---|
| Various Technical Assistance projects to address EU Integration/SAA implementation priorities | Services | Q1 2023 |
| Tender documentation (ToR, Technical Specifications, bills of quantity, project pipelines) | Services | Q2 2023 |
| Works and supplies contracts | Works and supplies | Q1 2024 |

4.2.3. Indirect management with an entrusted entity

A part of this action, for output “the governmental authorities at all levels in BiH were enabled to provide more effective and timely responses to emerged EU integration priorities”, may be implemented in indirect management.

An entity will be selected by the Commission’s services using the following criteria:

- a) financial and operational capacity of the applicant.
- b) technical capacity, such as experience in the preparation and implementation of joint capacity building and similar projects; extensive experience in managing large and complex programmes or projects related to the results, extensive experience in the implementation of similar projects, expertise in the field of EU negotiations and documented capacity to mobilise relevant networks in the EU Member States, BiH and the region, etc. Criteria related to the quality of the

¹² 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.

Concept Note, including relevance; consistency with the objectives, results, and activities of the Action, expected impact; sustainability and cost-effectiveness.

4.2.4. Changes from indirect to direct management mode (and viceversa) due to exceptional circumstances (one alternative second option)

In exceptional circumstances and upon authorisation of the European Commission, changes from indirect to direct management mode (and vice versa) are possible, as well as other changes in the management and procurement modes. In addition, in some unpredicted and emergency situations, with prior approval of the European Commission, support to unforeseen and ad hoc actions may also be possible.

4.3. 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 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 services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.4. Indicative budget

| | EU contribution (amount in EUR) | Indicative third party contribution, in EUR |
|--|--|--|
| Outcome 1: Specific and/or unforeseeable needs identified and addressed in the course of European integration process of BiH, composed of | 8 500 000 | N/A |
| Direct management – Procurement – total envelope under section 4.2.2 | 4 000 000 | N/A |
| Direct management - Grants – total envelope under section 4.2.1 | 1 500 000 | N/A |
| Indirect management with entrusted entity (cf. section 4.2.3) | 3 000 000 | N/A |
| Evaluation (cf. section 5.3) | will be covered by another decision | N/A |
| Audit/expenditure verification (cf. section 6) | will be covered by another decision | N/A |
| Communication and visibility (cf. section 7) | will be covered by another decision | N/A |
| Contingencies | N/A | N/A |
| Total | 8 500 000 | 0 |

4.5 Organisational set-up and responsibilities

The main institutional stakeholders that will be involved in the implementation of the Action are:

- Directorate for European Integration - DEI

- Line ministries of the Council of Ministers of Bosnia and Herzegovina
- Republika Srpska Ministry for European Integration and International Cooperation
- Line ministries of Republika Srpska Government
- Brčko District Department for European Integration and International Cooperation
- Brčko District government line departments
- EU Integration Office of the Government of the Federation of Bosnia and Herzegovina and cantonal Coordinators and bodies for European Integration
- Federation of Bosnia and Herzegovina's and cantonal line ministries, as well as direct beneficiary institutions that benefit from the activities financed from the Action.

NIPAC will communicate the requests for EUIF to the EU Delegation to Bosnia and Herzegovina in order to be considered and finally approved, as the management of EU funds operates in a direct management mode in Bosnia and Herzegovina.

In the majority of the contracts a steering committee is expected to be established whose members will be the Beneficiary/ies' representatives from all concerned levels of government and EU Delegation staff members.

5. PERFORMANCE/RESULTS MONITORING AND REPORTING

5.1. Internal monitoring

Internal monitoring will be implemented through project steering committees' meetings, EU Delegation quarterly Implementation reviews, on-the-spot checks, meetings with beneficiaries and consultant companies/implementing partners, while the external monitoring will be implemented through Result-oriented Monitoring (ROM).

5.2. Roles & responsibilities for data collection, analysis & reporting

The European Commission will continue to monitor IPA interventions' result indicators against the IPA III Performance Framework indicators through so-called Result Data Collection (RDC) annual exercise, performed either by external monitoring facility (i.e. RoM contractor) or by EU Delegation staff themselves. The key tool to be used for this exercise remains the logframe matrix and progress on indicators analysed and reported.

Implementing partner/contractor of an intervention, financed through this Action, will establish its internal monitoring system that will be included in the regular progress reporting of an intervention to the EU Delegation.

NIPAC will monitor the implementation of IPA III interventions by means of IPA Monitoring Committee and sectoral monitoring and will report on the progress of IPA III implementation in the NIPAC Annual Report on IPA implementation.

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

5.3. Evaluation

Having regard to the nature of the actin, a mid-term and/or final evaluation will not be carried out for this action or its components.

In case an evaluation is not foreseen for some action's components, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

Evaluation services may be contracted under a framework contract.

The financing of the evaluation shall be covered by another measure constituting a financing Decision.

6. AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

7. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the public administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.)

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegation. The European Commission and the EU Delegation should be fully informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

8. SUSTAINABILITY

The sustainability of results of this Action will be achieved through the increased effectiveness of authorities at all levels of administration to better cope with the EU integration process, by pursuing the necessary reforms, transposing and implementing EU *acquis* as well as to effectively programme and implement the IPA funds that would prepare the country to join the EU.

In addition, the high level of continuous commitment of authorities in Bosnia and Herzegovina to pursue EU integration processes is of the paramount importance to sustain the results of IPA assistance in view of Bosnia and Herzegovina joining the EU.

Elaboration of strategic documents or new legislation/amendments shall be carried out respecting the legislation in BiH, especially that which regulates fiscal/regulatory impact assessments, public consultations, inter-ministerial coordination. As a rule, projects should start by providing support to the beneficiaries with options analysis, regulatory impact assessment, concept papers etc. prior to supporting them with drafting legislation/amendments.

Any written procedural manuals or guidelines developed with the support of this Action shall be simple enough to be regularly updated and changed by the staff of the respective organisations without additional external support. Any guidelines or procedures developed shall not contradict with any legal provision of the country.

Any ICT development shall respect the standards for interoperability in BiH. In cases when such standards are missing, relevant consultations with the competent institutions for ICT at all levels of authority should be a prerequisite to launch any tender.