



Brussels, 30.11.2017
C(2017) 8199 final

COMMISSION IMPLEMENTING DECISION

of 30.11.2017

adopting the Annual Action Programme for Bosnia and Herzegovina for the year 2017

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action¹ and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002² and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014³ lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (2) In accordance with Article 7 of Regulation (EU) No 231/2014 the assistance should be implemented through annual or multi-annual, country-specific or multi-country programmes. These programmes should be drawn up in accordance with the framework for assistance referred to in Article 4 of Regulation (EU) No 231/2014 and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.
- (3) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex I of Regulation (EU) No 231/2014. The Commission adopted an indicative strategy paper for Bosnia and Herzegovina for 2014 - 2017 on 15/12/2014, amended in 2017, which provides indicative allocations for the sectors for pre-accession assistance.⁴
- (4) Considering the proposals for action submitted by the beneficiaries concerned, the Annual Action Programme for Bosnia and Herzegovina for 2017 aims at providing assistance for actions in the following sectors: Democracy and Governance; Rule of Law and Fundamental Rights; and Transport.
- (5) It is necessary to adopt a financing decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012.⁵

¹ OJ L 77, 15.03.2014, p. 95.

² OJ L 298, 26.10.2012, p.1.

³ Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (OJ L 77, 15.03.2014, p. 11).

⁴ C(2014) 9495 final.

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

- (6) It is appropriate to authorise the award of grants without a call for proposals to the bodies identified in the Annex and for the reasons provided therein.
- (7) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (8) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (9) The action programme provided for by this Decision is in accordance with the opinion of the IPA II Committee set up by Article 13 of Regulation (EU) No 231/2014.

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the programme

The Annual Action Programme for Bosnia and Herzegovina for the year 2017 under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex, is hereby approved.

Article 2

Financial contribution

The maximum amount of the European Union contribution for the implementation of the programme referred to in Article 1 is set at EUR 60 300 000 and shall be financed as follows:

EUR 40 300 000 million from the budget line 22.02.01.01 of the general budget of the EU for year 2017

EUR 20 000 000 million from the budget line 22.02.01.02 of the general budget of the EU for year 2017

The financial contribution(s) referred to in the first sub-paragraph may also cover interest due for late payment.

Article 3

Implementation modalities

This programme shall be implemented by direct management.

A Financing Agreement shall be concluded between the Commission and Bosnia and Herzegovina in conformity with the Framework Agreement concluded between the same parties on 24 August 2015.

Article 4

Grants without a call for proposals

Grants may be awarded without a call for proposals to the bodies identified in the Annex, in accordance with the conditions specified therein.

Article 5

Non-substantial changes

The following changes shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions:

- (a) increases or decreases for not more than 20% of the maximum contribution set in the first paragraph of Article 2, and not exceeding EUR 10 million;
- (b) cumulated reassignments of funds between specific actions not exceeding 20% of the maximum contribution set in the first paragraph of Article 2;
- (c) extensions of the implementation and closure period;
- (d) within the limits of 20% referred to in points (a) and (b) above, up to 5% of the contribution referred to in the first paragraph of Article 2 of this financing decision may serve to finance actions which were not foreseeable at the time the present financing decision was adopted, provided that those actions are necessary to implement the objectives and the results set out in the programme.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 30.11.2017

*For the Commission,
Johannes HAHN
Member of the Commission*

ANNEX

to Commission Implementing Decision adopting the Annual Action Programme for Bosnia and Herzegovina for the year 2017

1 IDENTIFICATION

Beneficiary	Bosnia and Herzegovina
CRIS/ABAC Commitment references	2017/040-524: EUR 40 300 000 on 22.02 01 01 2017/040-541: EUR 20 000 000 on 22.02 01 02
Total cost	EUR 60 300 000
EU Contribution	EUR 60 300 000
Management Mode/	Direct management by the European Commission
Final date for concluding <u>Financing Agreements</u> with the IPA II beneficiary	At the latest by 31 December 2018
Final date for concluding <u>procurement and grant contracts</u>	3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation
Final date for operational implementation	6 years following the date of 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.
Programming Unit	DG NEAR D4
Implementing Unit/ EU Delegation	EU Delegation to Bosnia and Herzegovina

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:

In line with the Indicative Strategy Paper (ISP) for Bosnia and Herzegovina (2014-2017), revised in 2017, support under the Instrument for Pre-accession Assistance (IPA II) is provided to those sectors where agreed countrywide strategies and sufficient sector coordination exist. The actions proposed under the 2017 Annual Action Programme cover three out of five eligible sectors: i.e. Democracy and Governance, Rule of Law and Fundamental Rights, as well as Transport.

The actions proposed under this programme in the sector of Democracy and Governance will contribute to the achievement of the ISP objective of strengthening the public sector management. This will be achieved through further development of an efficient, professional and transparent civil service, strengthened statistical system and indirect taxation system, improved delivery of e-services, and the alignment of the medium-term policy planning and programme budgeting. This will empower the public sector to significantly contribute to the BiH European integration process and to deliver better services to its citizens.

The proposed actions in the Rule of Law and Fundamental Rights sector will further improve the institutional and human capacities of Bosnia and Herzegovina judiciary and law enforcement agencies to guarantee improved effectiveness, integrity and professionalism of institutions ensuring the rule of law, including access to justice, and prevention of and fight against corruption. These actions will also support capacity development of competent institutions combating illegal acts in Bosnia and Herzegovina, in line with the EU and international standards in the areas of integrated border management, fight against organised crime and reduced irregular migration. A separate action will contribute to improvement of the protection of vulnerable and marginalized groups against all forms of discrimination and ensure protection of fundamental rights as well as increase the effectiveness of the implementation of the anti-discrimination and gender equality laws, including the strengthening of the capacities of the Ombudsman of BiH for combating torture and ill-treatment of all persons deprived of liberty.

This is the first Annual Action Programme for Bosnia and Herzegovina under IPA II that includes also an action in the Transport sector, following the BiH ISP revision in 2017 to include this sector. The proposed action will contribute to ensuring closer integration between Bosnia and Herzegovina and the EU by supporting the preparation of future priority transport projects as well as enhancing the country's capacity to manage transport policies, to plan and implement the selected investments. The action will directly contribute to the implementation of the objectives of the Framework Transport Strategy of Bosnia and Herzegovina 2016–2030.

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

The EU has supported reforms in the area of human resources management in the civil service since 2004. Most recently the IPA 2011 project 'Modernisation of human resources management system in civil service' assisted the civil service authorities at all levels in developing guidelines for job classification, job descriptions and recruitment procedures. An upcoming IPA 2016 project 'Support to Public Sector Management Reform' will be implemented by the World Bank in support to the implementation of the Reform Agenda 2015-2018 of Bosnia and Herzegovina. The regionally funded OECD/SIGMA (Organisation for Economic Co-operation and Development/Support for Improvement in Governance and Management) programme provides continuous assistance through assessing and benchmarking progress in the public administration reform area and by offering technical advice in drafting of the relevant legislation and policies. The EU also provided extensive support for the statistics in Bosnia and Herzegovina through twinning which showed the importance of transfer of knowledge and cooperation within the Bosnia and Herzegovina statistical system (among the three institutes), and of coordination between the national and multi-country IPA projects. There has also been successful cooperation with the beneficiary institutions in the field of e-services, customs and indirect taxation, as confirmed by the results-oriented monitoring

(ROM) reports. Previous IPA and other donor technical assistance supported all ministries of finance in Bosnia and Herzegovina in introducing mid-term budget planning, and showed that linking strategic planning, programme budgeting, performance monitoring and capital budgeting is a long-term process which should be further supported.

Substantial IPA support to the judicial reform in Bosnia and Herzegovina has highlighted the need for ensuring ownership by the beneficiary institutions, including in cooperating with law enforcement agencies. The actions proposed in this programme will build upon the results of previous IPA and other donors' projects in strengthening courts and prosecutors' offices, the computerization of the judiciary, improving technical capacities of the Court Police Agencies, and reconstruction of physical infrastructures. In the home affairs sector, previous IPA assistance has revealed the complexity and the wide scope of the sector underlying the institutional setup with a substantial number and variety of stakeholders in charge of implementation of sub-sector policies. This has led to the conclusion that the success of any intervention is directly proportionate to the extent to which the involved institutions cooperate, share and exchange information, in particular for the establishment and functioning of databases. The implementation of IPA financed projects for the construction of border crossing points underlined the need to ensure that any property related issues are resolved before the start of the action.

Previous interventions in the area of the protection of fundamental rights was mainly allocated to separate projects targeting specific vulnerable groups such as Roma, persons with disabilities and children, and did not properly address the lack of cooperation between the three key stakeholders in the field of human rights and anti-discrimination (the BiH Ministry of Human Rights and Refugees, the Ombudsman of BiH and the BiH Gender Equality Agency). Building on the lessons learned, the action proposed under this programme will promote inter-institutional coordination for addressing discrimination and enhancing the implementation of the Anti-Discrimination and Gender Equality Laws. The proposed action is a partial follow-up to an IPA 2011 project “Technical strengthening of the capacity of the Ministry for Human Rights and Refugees and the social service providers”, as it will improve the monitoring and reporting system of the Ministry and the Gender Equality Agency, and will build the capacity of the institutions mandated to report and provide information in the database established under the IPA 2011 assistance.

In the transport sector, previous programmes under IPA I focused on supporting preparation of studies for priority rail and road sections on the Core and Comprehensive SEETO networks as well institutional development and capacity building activities. As of 2012, the absence of a countrywide transport sector strategy limited or prevented Bosnia and Herzegovina from benefiting from further IPA funds in the sector. The adoption of the Framework Transport Strategy of Bosnia and Herzegovina 2016–2030 enables IPA support for further institutional and infrastructure development with the close involvement of the different levels of government.

List of actions foreseen under the selected Sectors/Priorities:

Sector - Democracy and Governance

DIRECT MANAGEMENT BY THE EU DELEGATION TO BOSNIA AND HERZEGOVINA	
1. EU support to an efficient and responsible public administration	EUR 5 700 000
2. EU support to public financial management reform	EUR 5 100 000
TOTAL	EUR 10 800 000

Sector - Rule of Law and Fundamental Rights

DIRECT MANAGEMENT BY THE EU DELEGATION TO BOSNIA AND HERZEGOVINA	
3. EU support to home affairs to combat illegal acts	EUR 13 500 000
4. EU support to effective justice	EUR 14 350 000
5. EU for human rights and anti-discrimination	EUR 1 650 000
TOTAL	EUR 29 500 000

Sector - Transport

DIRECT MANAGEMENT BY THE EU DELEGATION TO BOSNIA AND HERZEGOVINA	
6. EU support for transport sector development	EUR 20 000 000
TOTAL	EUR 20 000 000
PROGRAMME TOTAL	EUR 60 300 000

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

SECTOR	Democracy and Governance		EUR 10 800 000
Action 1	EU support to an efficient and responsible public administration	Direct management	EUR 5 700 000

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

Description of the action: This action will contribute to the development of an efficient, professional, transparent and service oriented public administration that has achieved an increased level of harmonisation among the different levels of government.

The objective of this action is to improve the capacity of the public administration to implement the EU integration requirements in the area of human resources management, statistics and e-services.

Expected results:

- The human resources management system is further aligned with the Principles of Public Administration,
- Statistics system in Bosnia and Herzegovina is further harmonised with the EU *acquis*,
- IT utilization in the public administration has increased in accordance with the EU Directives and standards for security features.

Key performance indicators:

- Extent to which the policy, legal framework and institutional set-up for professional human resources management in the public service is in place,
- Percentage of statistical compliance with the EU *acquis*,
- Average time the Agency for Identification Documents, Registers and Data Exchange (IDDEEA) is required to deliver a service to citizens upon filing of the request.

(2) Assumptions and conditions

- Full commitment and support of the decision-makers of all involved institutions is ensured and the public administrations are fully committed to cooperate among themselves during the implementation of the action,

- Good cooperation between relevant partners and willingness to adapt to changes where necessary,
- Access to available relevant data, including reports, normative acts, human resources data and records of previous EU funded projects, as well as any other required information relevant for implementation of this action (particularly for results that will be linked to upgrading the current civil servant system).

(3) Implementation arrangements for the action: Direct management by the EU Delegation to Bosnia and Herzegovina

(3)(a) Essential elements of the action (for direct management):

Procurement:

- a) the global budgetary envelope reserved for procurement: EUR 4 000 000
- b) the indicative number and type of contracts: 2 service and 1 supply contracts
- c) indicative time frame for launching the procurement procedure: Q1 2018

Grant – Twinning – Call for proposals (*Further alignment of Bosnia and Herzegovina statistics with the EU acquis*):

- a) Objectives and foreseen results: The objective of the twinning project will be to enable partnership between the statistical authorities in EU Member States and Bosnia and Herzegovina on the transposition of EU Directives and further harmonisation of the Bosnia and Herzegovina statistical system with the EU *acquis*.
- b) The essential eligibility criteria: Applicants must be EU Member State administrations or mandated bodies.
- c) The essential selection criterion is the operational capacity of the applicant.
- d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.
- e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
- f) Indicative amount of the Twinning contract: EUR 1 700 000
- g) Indicative date for launching the selection procedure: Q4 2018

Action 2	EU support to public financial	Direct management	EUR 5 100 000
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	management reform		
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(1) Description of the action, objective, expected results and key performance indicators

Description of the action: The objective of this action is to improve public financial management in Bosnia and Herzegovina through improved budget planning process.

Expected results:

- Indirect taxation system in Bosnia and Herzegovina is strengthened,
- Medium-term policy planning at all levels of government in Bosnia and Herzegovina is improved and aligned with the process of programme budgeting,
- Human resources capacities for policy planning and linking with programme budgeting enhanced at all government levels in Bosnia and Herzegovina.

Key performance indicators:

- Extent to which fiscal planning, expenditure policy and budgeting is carried out on a multi-year perspective.
- Extent to which the legal basis for the full implementation of programmes budgeting is in place.

(2) Assumptions and conditions

- Commitment of all levels of government to the reforms and to mutual cooperation during the implementation of the action,
- Active participation of budget users in implementation of the action.
- The full implementation of the provisions for the use of electronic signature in Bosnia and Herzegovina is a pre-condition for the start of activities related to the expected result 1 (indirect taxation system in Bosnia and Herzegovina is strengthened).

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 arrangements for the action: Direct management by the EU Delegation to Bosnia and Herzegovina

(3)(a) Essential elements of the action (for direct management):

Procurement:

- a) the global budgetary envelope reserved for procurement: EUR 4 500 000
- b) the indicative number and type of contracts: 1 service and 1 supply contract

- c) indicative time frame for launching the procurement procedure: Q2 2018

Grant – Twinning – Call for proposals (*Further alignment of indirect taxation with the EU acquis*):

- a) Objectives and foreseen results: The objective of the twinning project will be to enable partnership between taxation authorities in EU Member States and Bosnia and Herzegovina on the transposition of EU Directives and further harmonisation of the Bosnia and Herzegovina indirect taxation system with the *EU acquis*.
- b) The essential eligibility criteria: Applicants must be EU Member State administrations or mandated bodies.
- c) The essential selection criterion is the operational capacity of the applicant.
- d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.
- e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
- f) Indicative amount of the Twinning contract: EUR 600 000
- g) Indicative date for launching the selection procedure: Q3 2018

SECTOR	Rule of Law and Fundamental Rights		EUR 29 500 000
Action 3	EU support to home affairs to combat illegal acts	Direct management	EUR 13 500 000

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

Description of the action: This action will contribute to improved public safety and security in Bosnia and Herzegovina. The objective of this action is to improve the effectiveness of institutions that contribute to the fight against organised crime, including trafficking in human beings, and other illegal acts in Bosnia and Herzegovina.

Expected results:

- Capacity of cross-border points improved (facilities and equipment),
- Capacities of the institutions dealing with organised crime are further developed (staff and equipment) to enable detection and identification of crimes,
- Capacities for biometric identification in the area of migration and asylum are strengthened.

Key performance indicators:

- Number of detected illegal acts (criminal offence and offence) on the border including false passports,
- Percentage of filed charges in relation to the number of reported cases of organised crime and leading to prosecution,
- Percentage of biometric data about foreigners entered in Bosnia and Herzegovina in the upgraded Migration Information System in accordance with the legal requirements.

(2) Assumptions and conditions

- Adequate implementation of asylum and migration policies in the region,
- Relevant staff continues to regularly use new IT tools, instruments, knowledge and skills in everyday operations,
- Effective cooperation and coordination between all relevant institutions in Bosnia and Herzegovina and the region.
- Any property issues and legal preparatory activities related to setting up of cross-border points for the local border traffic shall be completed by the Indirect Taxation Authority (ITA) before the beginning of purchase of the required equipment for the cross-border points. For all activities related to procurement of equipment under this action, the beneficiary institutions shall be responsible for ensuring maintenance and upgrades, as well as training of their staff on the new equipment, with their own financial means.

Failure to comply with these conditions may lead to recovery of funds under this programme and/or the re-allocation of future funding.

(3) Implementation arrangements for the action: Direct management by the EU Delegation to Bosnia and Herzegovina

(3)(a) Essential elements of the action (for direct management)

Procurement:

- a) the global budgetary envelope reserved for procurement: EUR 12 500 000
- b) the indicative number and type of contracts: 1 service, 4 supply and 1 works contract
- c) indicative time frame for launching the procurement procedure: Q3 2018

Grant – Twinning – Call for proposals (*Develop Capacities of cyber-crime units in police agencies*):

- a) Objectives and foreseen results: The objectives of this Twinning are to provide a specialised training programme and courses for staff designated to work on cyber-crime cases. The expected results are enhanced capacity of the cyber-crime units in interception of electronic messages, improved prevention of the use of ICT for crimes of paedophilia, and enhancement of the ICT system protection and security.
- b) The essential eligibility criteria: Applicants must be EU Member State administrations or mandated bodies.
- c) The essential selection criterion is the operational capacity of the applicant.
- d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.
- e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
- f) Indicative amount of the Twinning contract: EUR 1 000 000
- g) Indicative date for launching the selection procedure: Q3 2018

Action 4	EU support to effective justice	Direct management	EUR 14 350 000
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(1) Description of the action, objective, expected results and key performance indicators

Description of the action: This action will contribute to strengthened rule of law in Bosnia and Herzegovina. The objective of this action is to enhance the effectiveness of Bosnia and Herzegovina judiciary and to increase public trust in the country's justice system.

Expected results:

- Capacity of judiciary institutions in Bosnia and Herzegovina (staff, procedures, equipment and facilities) for dealing with cases of organised crime, corruption, war crimes, commercial crimes and other type of cases is increased,
- Technical capacity of the Office of Disciplinary Council, and communication between judiciary institutions and public/ media are strengthened,
- Implementation of Alternative Dispute Resolution (ADR) methods in the judiciary is enhanced,
- Facilities for execution of criminal sanctions throughout Bosnia and Herzegovina are improved.

Key performance indicators:

- Clearance rate of bankruptcy, liquidation and war crime cases,
- Percentage of interviewed court users are satisfied with court services.

(2) Assumptions and conditions

- Continued commitment of the relevant authorities in Bosnia and Herzegovina for a harmonized and coordinated approach to implementing the reforms in the justice sector,
- Law enforcement agencies have strengthened their ICT capacities,
- Ministries of justice, High Judicial and Prosecutorial Council, courts and prosecutors' offices make optimum use of available tools in the decision-making processes,
- Robust integrity framework of the Bosnia and Herzegovina judiciary (consisting of integrity plans of individual institutions) is in place,
- Commitment of all relevant authorities in Bosnia and Herzegovina to participate in promoting ADR and in drafting a Strategy and general proposal for an action plan for ADR.
- For all activities related to infrastructure under this action, any property issues and legal preparatory activities shall be completed by the beneficiary institutions before the start of the tendering procedures. For all activities related to equipment under this action, the beneficiary institutions shall be responsible for ensuring maintenance and upgrades, as well as training of their staff on the new equipment, with their own financial means.

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 arrangements for the action: Direct management by the EU Delegation to Bosnia and Herzegovina

(3)(a) Essential elements of the action (for direct management):

Procurement:

- a) the global budgetary envelope reserved for procurement: EUR 7 000 000
- b) the indicative number and type of contracts: 2 service, 1 supply and 2 works contracts
- c) indicative time frame for launching the procurement procedure: Q2 2018

Grant – Direct grant award (EU support to the effectiveness of BiH judiciary)

- a) Objectives and foreseen results: The objective of the action is to enhance the effectiveness of the Bosnia and Herzegovina judiciary and to increase public trust in the country's justice system. The expected results are increased capacity of

judiciary institutions in Bosnia and Herzegovina (staff, procedures, equipment and facilities) for dealing with cases of organised crime, corruption, war crimes, commercial crimes and other types of cases, and to strengthen the technical capacity of the Office of Disciplinary Council, as well as the communication between judiciary institutions and public/ media.

- b) Justification for the use of an exception to calls for proposals: The direct agreement with the High Judicial and Prosecutorial Council (HJPC) will be concluded in accordance with Article 190(1c) of the Rules of Application to the Financial Regulation for bodies with a *de jure* or *de facto* monopoly, duly substantiated in the award decision.
- c) The name of the beneficiary: High Judicial and Prosecutorial Council (HJPC)
- d) The essential selection criteria are financial and operational capacity of the applicant; the award criteria are relevance, effectiveness and feasibility, sustainability and cost effectiveness of the action.
- e) Indicative amount of the grant: EUR 5 950 000
- f) The maximum possible rate of EU financing will be 100% of the total costs of the action. Full financing of the action is essential for the action to be carried out considering the EU commitment in the field since 2004 (supporting the development of a modern BiH judiciary with a focus on the use of information & communication technologies and performance management) and the lack of sufficient financial means on the side of the BiH judiciary. This will also ensure higher visibility of the action.
- g) Indicative date for launching the selection procedure: Q4 2017.

Grant – Direct grant award (EU support to the processing of war crime cases):

- a) Objectives and foreseen results: The objective of this grant is to enhance processing of war crime cases in the Bosnia and Herzegovina judiciary. This activity represents the continuation of IPA 2012/2013 support to courts and prosecutors' offices for processing of war crime cases. The expected result of this assistance is increased effectiveness in processing of war crime cases and a significant number of war crime cases solved.
- b) Justification for the use of an exception to calls for proposals: The direct agreement with the Ministry of Finance and Treasury of Bosnia and Herzegovina will be concluded in accordance with Article 190(1c) of the Rules of Application to the Financial Regulation for bodies with a *de jure* or *de facto* monopoly, duly substantiated in the award decision.
- c) The name of the beneficiary: Ministry of Finance and Treasury of Bosnia and Herzegovina
- d) The essential selection criteria are financial and operational capacity of the applicant;
- e) Indicative amount of the grant: EUR 1 400 000
- f) The maximum possible rate of EU financing will be 100% of the total costs of the action. Full financing of the action is essential for the action to be carried out because the complexity of the institutional set-up of the various authorities

involved in the implementation of the Measure (i.e. Ministries of Finance at the state and entity level, the High Judicial and Prosecutorial Council, courts and prosecutor's offices throughout the Country), which are financed from different budgets, would not allow for national co-financing to be provided.

g) Indicative date for launching the selection procedure: Q4 2018

Action 5	EU for human rights and anti-discrimination	Direct management	EUR 1 650 000
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(1) Description of the action, objective, expected results and key performance indicators

Description of the action: This action will contribute to meaningful progress towards meeting accession criteria on the protection of fundamental human rights in Bosnia and Herzegovina, in line with the international standards. The objective of this action is to improve the protection of victims of all forms of discrimination and to strengthen the capacities of institutional mechanisms addressing anti-discrimination and human rights.

Expected results:

- Public awareness of all forms of discrimination and protection of fundamental rights enhanced,
- Capacities of municipal officials, gender equality bodies, service providers and vulnerable groups strengthened,
- Effectiveness of the implementation of the Anti-Discrimination Law and the Gender Equality Law in Bosnia and Herzegovina is increased,
- Capacities of the Human Rights Ombudsman of Bosnia and Herzegovina for combating torture and ill treatment of all persons deprived of liberty strengthened.

Key performance indicators:

- Percentage of legally grounded complaints of discrimination submitted,
- Percentage of ill treatment/torture cases submitted.

(2) Assumptions and conditions

- Programme to Combat Discrimination in Bosnia and Herzegovina is adopted,
- Other institutions active in the field of fundamental rights' protection support the implementation of this action,
- The institutions are fully committed to cooperate together and there is a continuity in the management structure contributing to preserving the institutional memory,
- Communication tools in the public campaign will be chosen adequately targeting various groups in the BiH society. The chosen communication tools will respond to the need of the vulnerable groups.

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 arrangements for the action:** Direct management by the EU Delegation to Bosnia and Herzegovina

(3)(a) **Essential elements of the action (for direct management)**

Procurement:

- a) the global budgetary envelope reserved for procurement: EUR 1 000 000
- b) the indicative number and type of contracts: 1 service contract
- c) indicative time frame for launching the procurement procedure: Q1 2018

Grant – Twinning – Call for proposals (Institutional strengthening of the Ombudsman of Bosnia and Herzegovina):

- a) Objectives and foreseen results: The objective of this action is to support the effective implementation of the anti-discrimination policy in Bosnia and Herzegovina. The expected result is that capacities of the Human Rights Ombudsman of Bosnia and Herzegovina for combating torture and ill treatment of all persons deprived of liberty are strengthened.
- b) The essential eligibility criteria: Applicants must be EU Member State administrations or mandated bodies.
- c) The essential selection criterion is the operational capacity of the applicant.
- d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.
- e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
- f) Indicative amount of the Twinning contract: EUR 650 000
- g) Indicative date for launching the selection procedure: Q1 2018

SECTOR	Transport		EUR 20 000 000
Action 6	EU support for transport development	Direct management	EUR 20 000 000

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

Description of the action: This action will contribute to ensure closer integration between Bosnia and Herzegovina and the EU in the transport sector, including on connectivity agenda priorities. The objective of this action is to support the capacity building of

transport sector institutions and development of transport infrastructure in Bosnia and Herzegovina.

Expected results:

- Increased readiness for implementation of the selected priority railway and road projects;
- Enhanced capacity for managing transport policies, planning and implementation of selected infrastructure projects.

Key performance indicators:

- Number of tender dossiers completed and ready for launch of works procurement for specific infrastructure interventions
- Level of implementation of measures in the transport strategy and the annual financial value of projects in the action plans implemented

(2) Assumptions and conditions

- BiH remains committed to progress in fulfilling SAA requirements
- Substantial progress is made in the implementation of the Connectivity Reform Measures
- The approved WBIF projects in BiH are implemented
- BiH institutions' borrowing capacity allows contracting loans for future investment
- A functional sector coordination mechanism, including all relevant stakeholders, is in place to ensure complementarity of activities and to avoid overlapping or double financing.
- The Transport Community Treaty is signed by BiH at the latest by the time of signature of this Financing Agreement.

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 arrangements for the action: Direct management by the EU Delegation to Bosnia and Herzegovina

(3)(a) Essential elements of the action (for direct management)

Procurement:

- a) the global budgetary envelope reserved for procurement: EUR 20 000 000
- b) the indicative number and type of contracts: Up to 11 service contracts
- c) indicative time frame for launching the procurement procedure: Q3 2018/Q3 2019

1. 3. BUDGET

3.1 INDICATIVE BUDGET TABLE – ANNUAL ACTION PROGRAMME FOR BOSNIA AND HERZEGOVINA FOR THE YEAR 2017

		EU Contribution	IPA beneficiary Co-financing	Total expenditure	Management Mode
Objective 1	01. Democracy and Governance	10 800 000	-	10 800 000	
	1. EU support to an efficient and responsible public administration	5 700 000	-	5 700 000	Direct management
	2. EU support to public financial management reform	5 100 000	-	5 100 000	Direct management
	02. Rule of Law and Fundamental Rights	29 500 000	-	29 500 000	
	3. EU support to home affairs to combat illegal acts	13 500 000	-	13 500 000	Direct management
	4. EU support to effective justice	14 350 000	-	14 350 000	Direct management
	5. EU for human rights and anti-discrimination	1 650 000	-	1 650 000	Direct management
Total Objective 1		40 300 000	-	40 300 000	
Objective 2	04. Transport	20 000 000	-	20 000 000	
	6. EU support for transport sector development	20 000 000	-	20 000 000	Direct management
Total Objective 2		20 000 000	-	20 000 000	
Total Programme		60 300 000		60 300 000	

3 IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

DIRECT MANAGEMENT:

This programme shall be implemented by direct management by the Commission / by the Union Delegations in accordance with article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

Grant award procedures shall follow the provisions of Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part Two Title II Chapter 4 of its Rules of Application.

Under the Financial Regulation, Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation.

Twinning:

Twinning projects shall be set up in the form of a grant agreement, whereby the selected EU Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred.

The contract may in particular provide for the long-term secondment of an official assigned to provide full-time advice to the administration of the IPA II beneficiary as resident twinning advisor.

The twinning grant agreement shall be established in accordance with relevant provisions of Part Two Title IV Chapter 4 of the Financial Regulation and Part Two Title II Chapter 4 of its Rules of Application. Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

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 Country Strategy Paper.

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 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.