



**EN**

**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX V**

**of the Commission Implementing Decision on the financing of the annual action plan in favour of Bosnia and Herzegovina for 2022**

**Action Document for EU4 Environment and Climate Change**

**ANNUAL ACTION PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and annual and multiannual action plans and measures in the sense of Article 9 of IPA III Regulation and Article 23 of NDICI - Global Europe Regulation.

**1. SYNOPSIS**

**1.1. Action Summary Table**

<b>Title</b>	Action Document - EU4 Environment and Climate Change Annual Action Plan in favour of Bosnia and Herzegovina for 2022			
<b>OPSYS</b>	ACT-61475; JAD.1045709			
<b>Basic Act</b>	Financed under the Instrument for Pre-accession Assistance (IPA III)			
<b>Team Europe Initiative</b>	No			
<b>Zone benefiting from the action</b>	The action shall be carried out in Bosnia and Herzegovina			
<b>Programming document</b>	IPA III Programming Framework			
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>				
<b>Window and thematic priority</b>	Window III: Green agenda and sustainable connectivity Thematic priority I: Environment and Climate Change			
<b>Sustainable Development Goals (SDGs)</b>	Goal 13: Take urgent action to combat climate change and its impacts			
<b>DAC code(s)</b>	41010 - Environmental policy and administrative management			
<b>Main Delivery Channel @</b>	Bilateral			
<b>Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, newborn 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"/>
	<b>RIO Convention markers @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Internal markers</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Digitalisation	<input checked="" type="checkbox"/>	<input 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"/>
<b>BUDGET INFORMATION</b>				
<b>Amounts concerned</b>	Budget line: 15.020201 Total estimated cost: EUR 4 000 000 Total amount of EU budget contribution EUR 4 000 000			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>Implementation modalities (type of financing and management mode)</b>	Project Modality <b>Direct management</b> through: - Procurement			
<b>Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans</b>	Priority: Green Agenda			
<b>Final Date for conclusion of Financing Agreement</b>	At the latest by 31 December 2023			
<b>Final date for concluding</b>	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			

<b>contribution / delegation agreements, procurement and grant contracts</b>	
<b>Indicative operational implementation period</b>	72 months following the conclusion of the Financing Agreement
<b>Final date for implementing the Financing Agreement</b>	12 years following the conclusion of the Financing Agreement

## 1.2. Summary of the Action

The country joined international efforts in combating climate change by becoming a party to the UN Framework Convention on Climate Change. This Action is to support Bosnia and Herzegovina in its efforts to undertake further steps to mitigate and adapt to the climate change. By preparing the study on the EU Emission Trading System in Bosnia and Herzegovina (EU ETS), intervention is fully linked with the Green Agenda for the Western Balkans.

On the other hand, Bosnia and Herzegovina is hit by large precipitation causing big floods and high temperatures causing long droughts. Climate change has equally negative impact on water resources. The Action envisages to analyse water balance of watercourses in BiH, prepare a drought risk assessment and mapping, and investigate various flood release scenarios. Besides, climate resilience activities related to strengthening of flood risk management are planned, linked with the establishing of flood forecasting and early warning system in river basins, implementation of ecosystem-based flood risk reduction and climate change adaptation methods and scaling up flood risk asset management. Hence, interventions foreseen under the Climate change adaptation planning and response improved, also contribute to the implementation of the Green Agenda, which states that due to the pressures on water quantity, also due to the droughts in the last years, it is important to secure water availability and resilience in the long-run.

The Economic and Investment Plan,<sup>1</sup> confirms the importance of reaching the climate neutrality by 2050 and the need of the Western Balkans countries to strengthen their efforts in this regard, which also entails reducing the greenhouse gas emissions and the EU ETS study and the recommendations within, could contribute to the future climate change mitigation measures in the country. The Action is in line with the *IPA III programming framework* for environment and climate change, as it proposes legislative and mitigation measures aimed at improving climate policy in BiH and contributing to the implementation of the Paris Agreement. The Action supports the overall objective of Window 3 aimed at reinforcing environmental protection, contributing to mitigation, increasing resilience to climate change, accelerating the shift towards a low-carbon economy. It also contributes to the specific objective of IPA III to improve the quality of environment and contribute to actions and policies against climate change to accelerate the shift towards a low-carbon economy. The support to be provided will contribute and create synergies with the priorities of the Green Agenda for the Western Balkans.

The Action is in line with the SDG 13, which recommends taking urgent action to combat climate change and its impacts.

<sup>1</sup> <https://www.wbif.eu/eip>

## 2. RATIONALE

### 2.1. Context

Bosnia and Herzegovina (BiH) is vulnerable to climate change due to its geographical position as well as due its limited capacity to adapt to climate change. The country is exposed to frequent floods, droughts and falling river water levels particularly during the summer. In BiH, six of the last ten years have been very dry to extremely dry, and five years have been marked by extreme flooding. The two most important events that occurred in the previous years, are drought during 2012 and flooding during 2014. Due to the risk from floods and drought, the water management and agriculture bear most of the negative impacts of climate change.

The two episodes demonstrated the need of having a country-wide efficient flood forecast and early warning system that would serve better preparedness and emergency decision making. Significant progress has been made in establishing the flood forecasting system in BiH. Hydrological real time forecast models have already been developed or are in the process of development for the rivers Sava, Vrbas, Bosna, Drina and Una-Sana watershed. Since October 2018, BiH has been included in the joint system for forecasting and warning of floods in the Sava River Basin. An action plan for flood protection and river management in Bosnia and Herzegovina for 2014-2021 is being implemented. Floods hazard and risk mapping for the entire country was completed. Currently, Flood risk management plan for BiH is under development, as well as the Erosion protection plans for the Federation of Bosnia and Herzegovina and Brcko District. Erosion plan for Republika Srpska has already been prepared.

The projected changes in precipitation volume and distribution (spatial and seasonal), combined with increases in temperature and evaporation rates, are likely to cause more extreme events (floods and droughts) and lead to a shortage of water available during the summer months, especially in the Mediterranean area and Herzegovina (the most difficult situation will be in the limestone karst areas). Approaches to adapting to climate change are currently limited due to a lack of reliable data. Flood protection and water storage infrastructure are needed, as well as mechanisms to better manage water supply and distribution.

Level of knowledge of climate change in BiH needs improvement, since the public, the business community, and the public service employees in relevant institutions such as ministries or public utility institutes or companies, have limited information on the impacts of the climate change.

### IPA III PROGRAMMING FRAMEWORK AND STRATEGIC RESPONSE

The *IPA III Programming Framework* acknowledges the need for supporting the climate change policies in line with the EU requirements, and the activities aimed at climate change adaptation (and to minor extent mitigation), envisaged under the Action. Under IPA III, mainstreaming of climate and environment related actions into other sectors such as energy, transport and agriculture is encouraged, to contribute to the EU's vision in the climate change policy. This Action is also in line with the Strategic Response that aims to undertake activities in the field of climate change mitigation and adaptation. Such activities are targeted at developing BiH society that would be climate resilient and based on low-carbon economy.

### EU GREEN DEAL AND THE GREEN AGENDA

The Action refers to the adaptation measures by identifying the impacts of the climate change on water bodies and assessing the risk of drought in BiH, thus supporting the resilience building, prevention and preparedness.

Equally, the Action is in line with the *Guidelines for the implementation of the Green Agenda in the Western Balkans*, since the Guidelines foresees the support in the implementation of long-term climate adaptation strategies to increase resilience, notably through climate-proofing of investments and the introduction of the EU Emission Trading System (ETS) into Western Balkans. Additionally, preparation of the study on possibilities and impacts of the EU ETS in BiH is in line with one of the Green Agenda initiatives that supports early inclusion of the Western Balkans in the EU Emission Trading Scheme. Also, hydrological and drought risk analysis and interventions targeted at strengthening resilience to flood risk are in line with the Guidelines observation that there is a need for assistance in adapting to possible consequences of climate change.

## BIH POLICIES AND STRATEGIES

The *Environmental Approximation Strategy for Bosnia and Herzegovina adopted in 2017*, also identifies key EU directives regards climate protection, to be transposed and necessary institutional adaptation requirements to be implemented. However, this strategy is not yet under implementation as pending agreement on an integrated Action Plan for BiH to monitor its implementation.

The *Climate Change Adaptation and Low Emission Development Strategy for Bosnia and Herzegovina 2013-2025* is being revised. The priority for BiH is to strengthen its institutional and professional capacities for developing and implementing climate policy, monitoring greenhouse gas emissions, and planning, implementation, monitoring, reporting, and verifying mitigation actions. The new Climate Change Adaptation and Low-Emission Development Strategy for Bosnia and Herzegovina 2020-2030 is being finalised. The Action foreseen is in line with both strategies, as the Action's interventions are to support the preparation of strategic framework for drought and flood risk assessment and the awareness raising of all relevant stakeholders. Sector of water management and agriculture are identified as priority sectors for climate change adaptation activities in both Strategies.

The Action is in line with the *third National Communication*, submitted by BiH under United Nations Framework Convention on Climate Change (UNFCCC), as the Communication mentions the need for flood protection and the construction and completion of complex hydro melioration systems, as well as watershed-based approach to spatial planning. BiH also submitted the 2<sup>nd</sup> biennial update report on GHGs emissions (as an Appendix to the Communication) for the energy industry, transport and industrial processes.<sup>2</sup>

The Action, with the climate change mitigation measures, is also in line with the *2021 Commission Communication on the EU Enlargement policy* which states that BiH needs to significantly step up its efforts in the area of climate change.

## COMPLEMENTARITY WITH OTHER DONORS

The United Nations development Programme (UNDP) project under implementation is “*Advance the National Adaptation Plan process for medium-term investment planning in climate sensitive sectors in Bosnia and Herzegovina*” that identifies the necessary resources and sets timelines for implementing climate change-related policies and strategies.

The Global Environment Fund (GEF) Project: “*Fourth National Communication and Third Biennial Update Report under the UNFCCC*” is implemented by the UNDP. The Communication will update and strengthen information related to the national circumstances and institutional arrangements, constraints and gaps, national GHG Inventory, vulnerability to climate change and steps taken to adapt to climate change, mitigation actions and domestic Monitoring, Reporting and Verification system and information on public awareness, education, training, systematic research and observation, and technology transfer. The UNDP assisted in updating the BiH National Determined Contributions (NDC) 2020-2030 and is involved in the preparation of the NDC Roadmap with the Action Plan. It also helped in preparing the new Climate Change Adaptation and Low Emission Development Strategy BiH 2020-2030 (underway).

An upgrade of the Technology Needs Assessment (TNA) has been made in accordance with the United Nations Environment Programme (UNEP) methodology. The TNA report highlighted the main adaptation technologies in water and agriculture sectors relevant for BiH, that prioritized using multi-criteria analysis and based on vulnerability to climate change and the contribution of technology to the country's development.

UN Women BiH is developing a “*Gender and Climate Financing Baseline Study: Overview of key denominators, policy and programming options*”, which will also include incremental capacity building with relevant stakeholders (planned for period July – December 2021).

UNICEF has ongoing and planned interventions focused on institutionalization of blended learning and digital learning models in BiH.

---

<sup>2</sup> The third national communication and second biennial update report on greenhouse gas emissions of Bosnia and Herzegovina (under the UNFCCC, July 2016)

## 2.2. Problem Analysis

### AREA OF SUPPORT: CLIMATE CHANGE ADAPTATION AND MITIGATION

#### - *Short problem analysis,*

#### EU Emissions Trading System (ETS) MECHANISM

The EU ETS is a mechanism that is of interest to BiH due to its economic and environmental benefits. Prior to undertaking obligations under the EU ETS (regular company reporting of emissions and verification by the authorities, issuing of emission permits, and development of the national allocation plan, etc.) there is a need to develop a study on possibilities and impacts of introducing EU ETS in BiH, so that authorities and emitters are suitably prepared.

#### FLOOD AND DROUGHT RISK MANAGEMENT

The predicted changes in precipitation and air temperature will negatively impact the current water management system in BiH. Unfortunately, there has been no assessment of climate change impacts on these systems, thus the adequate planning and adaptation is not possible. A degree of flood risk asset management in BiH is unsatisfactory. There is evident lack of inventory, regulatory inspection, performance level assessment, financing and asset management.

Despite significant improvements in flood forecasting system, poor meteorological forecasting and insufficient hydrological monitoring negatively impact the quality and reliability of early warning and preparedness planning. The existing flood forecasting and early warning system needs improvement, including expansion of meteorological data monitoring, expansion of hydrological monitoring to key tributaries of main rivers and groundwater levels, especially in the Adriatic Sea basin (Neretva and Trebisnjica), upgrade of data collection and exchange networks, and upgrade of risk communication system and coordination among warning providers and users. To improve risk cooperation and communication mechanisms, an integrated architecture for flood forecasting and warning system needs to be developed, including roles and responsibilities of staffs, supporting agencies and stakeholders; information and data requirements linked to providers; communications requirements; and implementation of a prototype decision support system at national and community level. It would be highly beneficial to the country to develop operational guidelines for nature-based flood protection measures that will guide decision makers towards the application of nature-based solutions and understand its costs, benefits, and effectiveness.

#### - *Description of main stakeholders;*

The responsibility for climate change affairs at the country level is divided between state and entity level institutions, namely the Ministry of Foreign Trade and Economic Relations of BiH, the Ministry of Spatial Planning, Civil Engineering and Ecology of Republika Srpska, the Ministry of Environment and Tourism and Department for Spatial Planning of FBiH and the Proprietary-Legal Affairs of Brcko District BiH.

The Ministry of Foreign Trade and Economic Relations of BiH is responsible for performing tasks and responsibilities within the competence of BiH related to defining policy, basic principles, coordination of activities and harmonisation of plans of entity authorities and institutions at the international level in agriculture, energy, environment, development and use of natural resources and tourism.

There are relevant ministries at entity and Brcko District of BiH and at the cantonal level, which have competences for energy, spatial planning, environment, water management, as well as regulatory commissions, environmental and energy efficiency funds, etc.

The Ministry of Spatial Planning, Civil Engineering and Ecology of the Republika Srpska is the UNFCCC focal point for Bosnia and Herzegovina. The focal point has a significant role in preparing national communications and project proposals, coordinating the preparation of Reports and their submission to the UNFCCC Secretariat, contacting international funding institutions such as Green Climate Fund, GEF, etc.

The responsibility for compiling GHG inventory reports lies with the entity hydro-meteorology institutes. Following the need for reporting on climate change, the Agency for Statistics of Bosnia and Herzegovina, within the Environmental Statistics, began publishing a climate change communication in 2015, in cooperation with the BiH entities (FBiH and RS) meteorological and hydrological services.

The Designated National Authority for Implementation of Projects of the Clean Development Mechanism Protocol was established in 2010, with the main task to assess potential Clean Development Mechanism projects to determine whether they will contribute to achieving its sustainable development goals. There is DNA Executive Board and its Technical Secretariat in the MoFTER BiH, along with the Secretariats of the Entities, the Secretariat of the Brcko District and the Expert Council of the Secretariats of the Entities and the Brcko District. This body as officially designated coordination body should take up the role of monitoring and supervision of the activities related to the emission reductions in the medium and long term, as provided in the National Determined Contributions document.

### **2.3. Additional Areas of Assessment**

N/A

## **3. DESCRIPTION OF THE ACTION**

### **3.1. Intervention Logic**

The Overall Objective (Impact) of this action is to reduce vulnerability and increase adaptive capacity of Bosnia and Herzegovina to respond to impacts of climate change

The Specific(s) Objective(s) (Outcomes) of this Action are:

1. Introduction of EU Emissions Trading System (ETS) in BiH facilitated 2. Climate change adaptation planning and response improved

The Outputs to be delivered by this Action are contributing to the corresponding Specific Objectives (Outcomes):

Output 1.1 Study on possibilities and impacts of introducing EU Emissions Trading System in BiH is prepared, contribute to *Outcome 1*.

Output 2.1 Effective response to impact of climate change on water resources in BiH developed and Output 2.2 Climate resilience flood risk management strengthened, contribute to *Outcome 2*.

### **3.2. Indicative Activities**

#### **Outcome 1: Introduction of EU Emissions Trading System (ETS) in BiH facilitated**

##### **Output 1.1 - Study on possibilities and impacts of introducing EU Emissions Trading System in BiH is prepared**

Activity 1.1.1 - To develop a study on possibilities and impacts of introducing EU Emissions Trading System in BiH

#### **Outcome 2: Climate change adaptation planning and response improved**

##### **Output 2.1 – Effective response to impact of climate change on water resources in BiH developed**

Activity 2.1.1 – To analyse (hydrological) water balance and climate trend of watercourses in BiH

Activity 2.1.2 – To prepare a drought risk assessment and mapping

Activity 2.1.3 – To investigate various flood release scenarios

This will be done through simple numerical analysis and proposed implementation of strategic structural and non-structural measures to mitigate the flood risk for hydropower plants.

##### **Output 2.2 – Climate resilience flood risk management strengthened**

Activity 2.2.1 – To establish flood forecast and early warning system in Neretva and Trebisnjica river basins  
Activity 2.2.2 – To implement new ecosystem-based flood risk reduction and climate change adaptation methods (also taking into account “Build Back Better” approach).  
Activity 2.2.3 – To scale up flood risk asset management (including consideration of innovative solutions e.g. aiming at creating/enhancing areas for free water flows).

The above activities (in particular as regards activity 2.2.2.) needs to take into account further mainstreaming environmental and biodiversity protection in implementing climate resilience flood risk management activities (e.g. taking into account “Built Back Better” approach as well as nature-based solutions and green infrastructure). Biodiversity concerns should be duly taken into account when developing operating procedures for hydropower reservoir operation to mitigate flooding. The above activities will be in line with the EU Floods Directive.

### **3.3. Mainstreaming**

Climate-related hazards observed in BiH have demonstrated acute vulnerability of socially disadvantaged groups including Roma people, women and children, elderly, and people with disabilities caused by negative impacts of climate change on their livelihoods, health, reductions in crop yields, and the destruction of homes. This Action, with its interventions on climate change adaptation and to some extent mitigation will have positive benefits on all population and there will be no discrimination on any grounds. The measures regards effective response to impact of climate change on water resources in BiH and better flood risk management are targeted at reducing disaster risk in areas prone to floods and drought in the country.

#### **Environmental Protection, Climate Change and Biodiversity**

This Action addresses Environment and Climate change as climate change adaptation (and to some extent mitigation) are its objectives. It have to take into account further mainstreaming of biodiversity protection in implementing climate resilience flood risk management activities (e.g. taking into account “Built Back Better” approach as well as nature-based solutions and green infrastructure).

#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this Action is labelled as G1<sup>3</sup>. This implies that in design and implementation of the Action, gender analysis and equal gender participation shall be taken into full consideration and women organisations involved as one of drivers for change.

In line with the EU Gender Equality Strategy 2020 – 2025<sup>4</sup>, the gender dimension can have a key role in leveraging the full potential of green policies tackling climate change and clean transition. To that end the Action has integrated gender perspective in several of its key activities with aim to increase capacities for gender analysis in future policy making in the environmental sector. By involving women’s organisations in the implementation of the Action, a problem shall be addressed of traditional insufficient involvement of women and women’s organisations as active agents for innovative responses to environmental challenges.

One of the 15 areas of the first Gender Action Plan (2006 - 2011) was "Gender Equality and Sustainable Environment". However, during the planning of the next two Gender action plans (2013 – 2017 and 2018 – 2022), the priority areas were identified, and the issues of integration of the gender perspective into environmental policies were included as cross-cutting areas.

#### **Human Rights**

The Action and the climate change mitigation and adaptation activities are adequate to the country situation, non-discriminatory for its citizens and compliant with human rights principles to ensure healthy environment and accompanying rights that are under risk of climate change such as the right to life, water and food. Action

---

<sup>3</sup> Principal objective / significant objective/ not targeted

<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0152>

and activities financed will be implemented by complying with the principles of preventing all forms of discrimination and promoting gender equality.

### Disaster Risk Reduction

This Action partly contributes to the Disaster Risk Reduction, through interventions that are linked with drought risk assessment and mapping, as well as flood forecasting, flood risk reduction, flood risk asset management and various flood release scenarios. Foreseen interventions would contribute to the reduction of flood and drought risks and, also to better preparedness in facing natural disasters, when they occur.

### 3.4. Risks and Lessons Learned

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
3 - people and organisation	Risk 1 Lack of strong ownership in the environment sector by the key responsible institutions due to shared competencies and lack of efficient coordination	<b>M</b>	<b>M</b>	Include all relevant stakeholders in project implementation. Involve all relevant stakeholders in capacity-building and training activities foreseen under this Action.
3 - people and organisation	Risk 2 Inadequate involvement of lower administrative levels – cantons and local communities	<b>L</b>	<b>L</b>	Local communities are aware of problems caused by climate change negative impacts and are involved in implementation of adaptation and mitigation measures Involve all relevant stakeholders in capacity-building activities foreseen under this Action.
3 - people and organisation	Risk 3 Commitment of competent institutions to ensure sustainability of project outputs	<b>M</b>	<b>M</b>	Increase and improve understanding and capacities of the competent institutions (all government levels – state and entity institutions, cantons, local communities) by involving them in capacity building activities foreseen under this Action.
3 - people and organisation	Risk 4 Lack of relevant women's organisations, proficient and informed enough in environmental matters	<b>L</b>	<b>L</b>	Outreach activities and education of civil society and public, informing on the key link between gender perspective and environment.

### 3.5. Indicative Logical Framework Matrix

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2021)	Targets (2025)	Sources of data (1 per indicator)	Assumptions
<b>Impact</b>	To reduce vulnerability and increase adaptive capacity of Bosnia and Herzegovina to respond to impacts of climate change	Progress in preparedness and response to impacts of climate change	Early stage	Some /good progress	Commission Reports on Bosnia and Herzegovina	Not applicable
<b>Outcome 1</b>	Introduction of EU Emissions Trading System (ETS) in BiH facilitated	Level of alignment with the EU climate acquis	No progress	Limited progress	National Communications and biennial reports under UNFCCC	BiH is dedicated to fulfilling the obligations raising from the UNFCCC and the Paris agreement Main institutions responsible for climate change affairs support EU integration process
<b>Output 1 related to outcome 1</b>	Study on possibilities and impacts of introducing EU Emissions Trading System in BiH is prepared	Number of studies on possibilities and impacts of introducing EU Emissions Trading System in BiH	0	1	Commission Reports on Bosnia and Herzegovina	
<b>Outcome 2</b>	Climate change adaptation planning and response improved	Level of improvement of climate change adaptation measures	Early stages	Some progress	National Communications and biennial reports under UNFCCC	Good co-operation and co-ordination among key stakeholders  Proactive involvement of all stakeholders involved in implementation of the Action.
<b>Output 1 related to outcome 2</b>	Effective response to impact of climate change on water resources in BiH developed	Number of water balance studies at river basin levels Number of drought risk assessments and maps	0	4	Action reports	
<b>Output 2 related to outcome 2</b>	Climate resilience flood risk management strengthened	Level of development of climate resilience flood risk management	Non-existent	Developed	Reports of the water agencies in BiH	

	Number of standard operating procedures for hydropower reservoir operation to mitigate flooding	Non-existent	Established		
	The flood forecast and early warning systems in Adriatic Sea Watershed	Non-existent	Established		
	Number of guidelines for design and implementation of nature-based flood protection measures	0	1		
	Number of multisectoral nature-based risk management strategies	0	1		
	Number of professionals trained	0	200		
	Level of development of asset data base and bookkeeping records	Non-existent	Fully developed		

## **4. IMPLEMENTATION ARRANGEMENTS**

### **4.1. Financing Agreement**

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

### **4.2. Indicative Implementation Period**

The indicative operational implementation period of this action, during which the activities described in section 3.1 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### **4.3. Methods of implementation applicable for Project modality**

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 measures<sup>5</sup>.

#### **4.3.1. Direct Management (Grants)**

N/A

#### **4.3.2. Direct Management (Prize(s))**

N/A

#### **4.3.3. Direct Management (Procurement)**

The Action will be implemented under direct management by the EU Delegation in Bosnia and Herzegovina. It is indicatively foreseen that the Action is implemented under two service contracts, for **outcomes 1 and 2**. Provision of supplies may be required and considered under separate procurement procedure.

#### **4.3.4. Indirect Management with a Member State Organisation, and/or international organisation**

N/A

#### **4.3.5. Indirect Management with an IPA III beneficiary**

N/A

---

<sup>5</sup> www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

#### 4.3.6. Contribution to <name of the relevant Regional Investment Platform>

N/A

#### 4.3.7. EFSD+ operations covered by budgetary guarantees

N/A

#### 4.3.8. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances (one alternative second option)

The alternative implementation modality might be under indirect management (experienced international organisation) for certain Outputs of this Action. An entrusted entity will be selected by the Commission's services using the following criteria:

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

#### 4.4. Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of 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).

#### 4.5. Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>	<b>Indicative third-party contribution, in currency identified</b>
<b>Methods of implementation</b> – cf section 4.3		
<b>Outcome 1,2</b> , composed of	4 000 000	
<b>Procurement</b> (direct management) – cf. section 4.3.3	4 000 000	N.A.
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	will be covered by another Decision	N.A.
<b>Communication and visibility</b> – cf. section 6	will be covered by another Decision	N.A.
<b>Contingencies</b>	0	N.A.

<b>Total</b>	<b>4 000 000</b>	
--------------	------------------	--

#### **4.6. Organisational Set-up and Responsibilities**

For the proposed activities under this Action Document, the key institutional stakeholders at all levels of governance in BiH are:

State level:

- Ministry of Foreign Trade and Economic Relations of BiH

Federation of BiH:

- Federal Ministry of Environment and Tourism
- Federal Ministry of Water Management, Agriculture and Forestry
- Federal Hydrometeorological Institute

Republika Srpska:

- Ministry of Spatial Planning, Civil Engineering and Ecology
- Ministry of Agriculture and Forestry and Water Management
- Hydrometeorological Institute of Republika Srpska

Brčko District of BiH:

- Government of the Brcko District of BiH

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action.

The Ministry of Foreign Trade and Economic Relations BiH will coordinate the implementation of all activities in cooperation with relevant entity ministries and hydro-meteorological institutes. It is foreseen to establish a Steering Committee, consisting of all relevant stakeholders involved in the Action at the beginning of the Action implementation. It will reflect equal participation of men and women in the decision-making processes related to the Action implementation.

Responsible authorities in BiH, being the beneficiaries of this assistance, have to ensure strong ownership and commitment towards sustaining the Action outputs and to ensure involvement of relevant stakeholders in the preparation of both the legislative and policy documents, and to contribute to effective transposition and implementation of the EU acquis in BiH regarding climate change issues.

The Contracting Authority for this action is the European Union Delegation to Bosnia and Herzegovina (EUD). A Project Steering Committee (PSC) will be established to monitor the progress of the assistance, facilitate an easy access to the relevant institutions, assure their timely and sufficient inputs where required, provide a guidance on project implementation and ensure compliance with the applicable legislation, regulations and standards. A PSC will be composed of the representatives of the Contracting Authority, and the project beneficiaries.

The responsibility for all contractual issues related to this assignment rests with the Delegation of the European Union to BIH, acting on behalf of Bosnia and Herzegovina.

#### **4.7. Pre-conditions**

There are no specific preconditions.

## **5. PERFORMANCE MEASUREMENT**

### **5.1. Monitoring and Reporting**

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

This Action will be regularly monitored by EU Delegation BiH. To ensure adequate monitoring of the implementation of the Action, two mid-term and one final assessment of the Action results will be carried out. Each of the mid-term analyses will be carried out following the first and the second year of Action's implementation, appraised against mid-term goals (milestones). The final assessment will be based upon the targets defined for the year 2025 presented in the log frame. Results of these appraisals will be presented to the EU Delegation and the Sector Steering Committee upon the approval of the Programme Manager at the EU Delegation.

Internal monitoring will be implemented through Steering Committee's meetings, EU Delegation quarterly Implementation reviews, on-the-spot checks, meetings with beneficiaries and consultant companies/contractors. A Sector Steering Committee will be established to monitor implementation of the Action and will be composed of the main beneficiaries and relevant reform institutions in BiH. Steering Committee will oversee the implementation of activities under this Action Document. Apart from Contracting Authority, Steering Committee will include representatives from main stakeholders from all levels of authorities in BiH. The composition of the Steering Committee will ensure equal representation of all key actors and their interests, highlighting the effectiveness and efficiency of such body.

Besides, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing Agreement. That is subject to the DG NEAR's Thematic Support, Monitoring and Evaluation Unit. They assess EU support, over a significant period, looking at specific sectors/themes, country support, aid modalities, financial instruments. They help understand why, in a specific context, the policy dialogue and financial assistance have been successful or not and provide recommendations to decision-makers for future programming and implementation.

### **5.2. Evaluation**

Having regard to the nature of the action, 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.

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

### **5.3. Audit and Verifications**

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 audit or verification assignments for one or several contracts or agreements. Audits will be financed under another financing decision.

## **6. 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 national 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 Delegations and Offices. The European Commission and the EU Delegations and Offices 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.

Visibility and communication measures shall be implemented in accordance with the EU communication and visibility requirements in force and the specific rules of each Union programme. The relevant programme managing entity shall be responsible for monitoring the visibility and communication activities. The European Commission and the EU Delegations and Offices should be fully informed of the planning and implementation of the specific visibility and communication activities.

## **7. SUSTAINABILITY**

Responsible authorities in BiH, being the beneficiaries of this assistance, will ensure strong ownership and commitment towards sustaining the Action outputs and ensure involvement of relevant stakeholders in the preparation of climate change policy documents and specific studies and assessments. Participating in trainings, the representatives from relevant public service institutions will acquire relevant knowledge for future decision-making and operating systems in the area of climate change policy in BiH.