



Brussels, 19.12.2013
C(2013) 9626 final

COMMISSION IMPLEMENTING DECISION

of 19.12.2013

**adopting a National programme for Bosnia and Herzegovina under the IPA Transition
and Institution Building Component for the year 2013**

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adopting a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2013

THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)¹, and in particular Article 14(2)(a) thereof,

Having regard to the 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 1605/2002, (hereinafter referred to as 'Financial Regulation')² and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre-accession assistance to candidate countries and potential candidate countries.
- (2) In accordance with Article 7 of Regulation (EC) No 1085/2006, the assistance should be provided through multi-annual or annual programmes. These programmes should be drawn up in accordance with the general policy framework referred to in Article 4 of Regulation (EC) No 1085/2006 and the relevant multi-annual indicative planning document referred to in Article 6 of that Regulation.
- (3) The Council established an Accession Partnership or a European Partnership for all candidate countries and potential candidate countries. The Commission has adopted on 4 July 2011 a multi-annual indicative planning document 2011-2013 for Bosnia and Herzegovina which presents indicative allocations for the main priorities for pre-accession assistance to Bosnia and Herzegovina.³
- (4) Considering the project proposals submitted by Bosnia and Herzegovina, the National Programme for Bosnia and Herzegovina under the IPA Transition Assistance and Institution Building Component for 2013 aims at providing assistance in the sectors justice and home affairs, private sector development, social development and other actions.
- (5) The present Decision complies with the conditions laid down in Article 94 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the

¹ OJ L 210, 31.07.2006, p. 82

² OJ L 298, 26.10.2012, p.1

³ C(2011)4657 of 4.7.2011.

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 Union⁴ (hereinafter referred to as 'the Rules of Application').

- (6) It is appropriate to implement this program partly by joint management with the United Nations High Commissioner for Refugees (UNHCR) in accordance with Article 53d (1) (a) of the Financial Regulation No 1605/2002⁵ given the organisation's Annex VII Dayton Peace Agreement mandate, as well as its capacity, experience and ties with the relevant authorities at all levels, including the non-governmental sector. The support to small and medium enterprises (SME) should be implemented partly by joint management with the European Bank for Reconstruction and Development in accordance with Article 53d (1) (a) of the Financial Regulation No 1605/2002 in view of its technical competence and substantial involvement in assessment and implementation of EU policies regarding SME in BiH and the region.
- (7) In accordance with Article 53d of Financial Regulation No 1605/2002, evidence shall be obtained by the authorising officer by delegation before the signature of the relevant agreement that the international organisations to be entrusted with the implementation of the Union budget by joint management, apply standards which offer guarantees equivalent to internationally accepted standards in their accounting, audit, internal control and procurement procedures.
- (8) It is appropriate to acknowledge that grants may be awarded without a call for proposals by the responsible authorising officer who ensures that the conditions for an exception to the call for proposals according to Article 190 of the Rules of Application are fulfilled. The reasons for and the potential beneficiaries of such award are identified in the Annex to this Decision.
- (9) 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 the Financial Regulation No 966/2012 and Article 111(4) of the Rules of Application.
- (10) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (11) The measures provided for by this Decision are in accordance with the opinion of the IPA Committee,

HAS DECIDED AS FOLLOWS:

Article 1

The National programme for Bosnia and Herzegovina under the IPA Transition Assistance and Institution Building Component for 2013, as set out in the Annex, is hereby adopted.

⁴ OJ L 362, 31.12.2012, p. 1.

⁵ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, OJ L 248, 16.09.2002, p.1.

Article 2

The maximum amount of European Union contribution shall be **EUR 41 916 402**, to be financed through Article 22.02.02 of the general budget of the European Union for Year 2013.

These appropriations shall also cover any possible interest due for late payment.

Article 3

This programme shall be partly implemented by centralised management.

The budget implementation tasks under joint management shall be entrusted to the entities identified in the Annex subject to the conclusion of the relevant agreements.

It shall be implemented by means of a Financing Agreement to be concluded between the Commission and Bosnia and Herzegovina in conformity with the Framework Agreement concluded between the same parties on 30 July 2008.

Grants may be awarded without a call for proposals by the responsible authorising officer according to Article 190 of the Rules of Application to the bodies identified in the Annex, in accordance with the conditions specified therein.

Article 4

Increases or cumulated changes to the allocations of specific actions not exceeding 20 % of the contribution referred to in the first paragraph of Article 2 shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the actions.

Up to 25 % of such an increase or of a reallocation of the amounts authorised under 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 changes in accordance with the principles of sound financial management and of proportionality.

Done at Brussels, 19.12.2013

For the Commission
Štefan FÜLE
Member of the Commission



EUROPEAN
COMMISSION

Brussels, 27.6.2014
C(2014) 4456 final

COMMISSION IMPLEMENTING DECISION

of 27.6.2014

amending Commission Implementing Decision C(2011)9104 final of 5.12.2011 adopting a National Programme for Bosnia and Herzegovina under the IPA -Transition Assistance and Institution Building Component for the year 2011, Commission Implementing Decision C(2012)9679 final of 13.12.2012 adopting a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2012 and Commission Implementing Decision C(2013)9626 final of 19.12.2013 adopting a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2013

COMMISSION IMPLEMENTING DECISION

of 27.6.2014

amending Commission Implementing Decision C(2011)9104 final of 5.12.2011 adopting a National Programme for Bosnia and Herzegovina under the IPA - Transition Assistance and Institution Building Component for the year 2011, Commission Implementing Decision C(2012)9679 final of 13.12.2012 adopting a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2012 and Commission Implementing Decision C(2013)9626 final of 19.12.2013 adopting a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2013

- THE EUROPEAN COMMISSION,

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

Having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)¹, and in particular Article 7(3) thereof,

Having regard to the 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 1605/2002, (hereinafter referred to as 'Financial Regulation')² and in particular Article 84(2) thereof

Whereas:

- (1) Regulation (EC) No 1085/2006 lays down the objectives and main principles for pre accession assistance to candidate countries and potential candidate countries.
- (2) Regulation (EC) No 1085/2006 continues to govern on the substance legal acts and commitments made up until 31 December 2013.
- (3) In accordance with Article 7 of Regulation (EC) No 1085/2006, the assistance should be provided through multi-annual or annual programmes. These programmes should be drawn up in accordance with the general policy framework referred to in Article 4 of Regulation (EC) No 1085/2006 and the

¹ OJ L 210, 31.07.2006, p. 82

² OJ L 298, 26.10.2012, p.1

relevant multi-annual indicative planning document referred to in Article 6 of that Regulation.

- (4) The Commission adopted on 5 November 2011 a National Programme for Bosnia and Herzegovina under the IPA Transition Assistance and Institution Building Component for the year 2011.³
- (5) On 20 August 2013, the Commission amended the National programme for Bosnia and Herzegovina for the year 2011 in order to change the management modes of several projects. In addition, the project purpose of component III of project 7 was amended.⁴
- (6) The Commission adopted on 13 December 2012 a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2012.⁵
- (7) On 29 July 2013, the Commission amended the National Programme for Bosnia and Herzegovina for the year 2012 in order to rectify an error as regards the management mode for the cooperation with the OSCE.⁶
- (8) The Commission adopted on 19 December 2013 a National programme for Bosnia and Herzegovina under the IPA Transition and Institution Building Component for the year 2013.⁷
- (9) In response to severe floods which hit Bosnia and Herzegovina in 2014, financial assistance in the amount of EUR 42.24 million is to be provided to deal with the consequences of this natural disaster and is mobilised to respond to short to medium term needs in affected areas. This assistance is reallocated from projects of the National Programmes for Bosnia and Herzegovina for the years 2011, 2012 and 2013 for which the implementing conditions have not been met or which do not require urgent implementation. Some of these projects may be included in future IPA programmes.
- (10) The present Decision complies with the conditions laid down in Article 94 of 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 Union⁸ (hereinafter referred to as 'the Rules of Application').
- (11) It is appropriate to authorise the award of grants without a call for proposals for the reasons provided in the Annex.

³ C(2011)9104 final of 5.12.2011

⁴ C(2013)5503 of 20.08.2013

⁵ C(2012)9679 final of 13.12.2012.

⁶ C(2013)4987 of 29.7.2013

⁷ C(2013)9626 final of 19.12.2013

⁸ OJ L 362, 31.12.2012, p. 1.

- (12) 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 the Financial Regulation and Article 111(4) of its Rules of Application.
- (13) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (14) In accordance with Article 13 (2) of Regulation No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II),⁹ the IPA II Committee shall be competent for legal acts and commitments under Regulation 1085/2006. Therefore, the measures provided for by this Decision are in accordance with the opinion of the IPA II Committee,
- HAS DECIDED AS FOLLOWS:

Article 1

The Annex to Commission Implementing Decision C(2011)9104 final of 5.12.2011 is replaced by the Annex I to the present Decision.

The Financing Agreement concluded between the European Commission and Bosnia and Herzegovina on 26 July 2012, as amended on 5 December 2013 shall be modified accordingly.

The Annex to Commission Implementing Decision C(2012)9679 final of 13.12.2012 is replaced by the Annex II to the present Decision.

The Financing Agreement concluded between the European Commission and Bosnia and Herzegovina on 24 June 2013, as amended on 21 January 2014 shall be modified accordingly.

The Annex to Commission Implementing Decision C(2013)9626 final of 19.12.2013 is replaced by the Annex III to the present Decision.

Article 2

The financial contribution referred to in Article 2 of Decision C(2011)9104 final of 5.12.2011 and Article 2 of Decision C(2012)9679 final of 13.12.2012 shall also cover any possible interest due for late payment

⁹ OJ L 77, 15.3.2014, p. 11.

Article 3

Grants may be awarded without a call for proposals in accordance with the conditions specified in the Annex.

Article 4

Increases or cumulated changes to allocations of specific actions not exceeding 20% of the contribution referred to in the first paragraph of Article 2 shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions¹⁰.

Up to 25 % of such an increase or of a reallocation of the amounts authorised under 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 responsible authorising officer may adopt such changes in accordance with the principles of sound financial management and of proportionality.

Done at Brussels, 27.6.2014

For the Commission
Štefan FÜLE
Member of the Commission

¹⁰ Changes to allocations exceeding EUR 4 million need to be approved by the IPA II Committee.

ANNEX III

NATIONAL PROGRAMME FOR BOSNIA AND HERZEGOVINA UNDER THE IPA TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT FOR THE YEAR 2013

1 IDENTIFICATION

Beneficiary	Bosnia and Herzegovina
CRIS decision number	2013/23590
Year	2013
EU contribution	EUR 41.916.402
Implementing Authority	European Commission For the project 5 "Support to SME competitiveness" the European Commission in joint management with the European Bank for Reconstruction and Development (EBRD).
Final date for concluding Financing Agreements with a beneficiary country	31 December 2014
Final date for concluding Contribution Agreements under joint management	31 December 2014
Final date for concluding procurement and grant contracts (FDC ILC)	3 years following the date of conclusion of the relevant Financing Agreement with a beneficiary country, with the exception of the cases listed under Article 189.2 FR 966/2012
Final date for operational implementation	6 years following the date of conclusion of the relevant Financing Agreement with a beneficiary country.
Final date for implementing the Financing Agreement (FDI FA) (date by which this programme should be de-committed and closed)	10 years following the conclusion of the relevant Financing Agreement with a beneficiary country
Budget line(s) concerned	22.02.02: national programmes (component Transition Assistance and Institution Building) for Potential Candidate Countries
Programming Unit	Unit C1, DG ELARG
Implementing Unit/ EU Delegation	EU Delegation to Bosnia and Herzegovina

2 THE PROGRAMME

2.1 PRIORITIES SELECTED UNDER THIS PROGRAMME

The main priorities for IPA assistance to Bosnia and Herzegovina in the Multi-annual Indicative Planning Document (MIPD) 2011 – 2013 are:

- Improving the capacity and efficiency of the public administration and setting a professional civil service, so to support the country's efforts to improve the functioning of the institutions at all level of governance.
- Strengthening the rule of law by assisting the country to reform its justice sector and to fight against organised crime and corruption.
- Supporting the social and economic development, in particular assisting the country in its efforts to develop the SME sector, to alleviate unemployment and to reform the education system to help adapting the qualification framework with the requirements of the labour market, and to invest in transport and environment infrastructure.

To achieve the priorities selected for support in the programming period 2011-2013, the Commission will focus its assistance under the IPA 2013 National Programme for Bosnia and Herzegovina primarily on the following sectors:

- Justice and Home Affairs
- Private Sector Development
- Social Development
- Other actions

The sectors have been selected because of their importance for Bosnia and Herzegovina's approximation in the accession process and because they were identified as priorities in the EU Enlargement Strategy.

2.2 SECTORS SELECTED UNDER THIS PROGRAMME AND DONOR COORDINATION

The programming exercise for IPA 2012 and 2013 started with a High Level Meeting on IPA coordination on 14 November 2011 and the kick-off meeting on IPA 2012-2013 programming on 17 November 2011, both in Sarajevo. The High Level Meeting was organized in response to the difficult programming exercise of IPA 2011, which almost failed because the internal Bosnia and Herzegovina coordination process did not work efficiently enough.

In the High Level Meeting, the Commission formulated recommendations for Bosnia and Herzegovina on how to improve the EU coordination process, and in particular the IPA coordination process. On IPA, the Commission proposed to examine the legal feasibility to accelerate the adoption procedure for Financing Agreements with the European Commission, the creation of working groups for the drafting of sector and

project fiches, and an improved coordination with the Bosnia and Herzegovina IPA Coordination Board.

In the kick-off meeting of 17 November 2011, the Commission defined the priorities for the IPA programming for the years 2012 and 2013 and asked Bosnia and Herzegovina to prepare corresponding sector and project fiches.

Despite the Commission's thorough preparatory work, the coordination problems of 2011 recurred. The programming process for IPA 2012 and 2013 witnessed significant delays due to political difficulties to reach agreement between different levels of government on the identification and formulation of projects. Eventually, Bosnia and Herzegovina managed to submit project fiches for the IPA 2012 and 2013 programme to the Commission.

However, there has been no progress in the implementation of the Sejdic-Finci judgement of the European Court of Human Rights which is essential for BiH to advance on the EU path. It is becoming increasingly difficult to justify providing pre-accession funds to a country whose political representatives are not willing to reach consensus necessary to move forward on the pre-accession path. Without such consensus, there is a strong risk that pre-accession assistance will not produce the expected results. The Commission has therefore decided to prepare a reduced 2013 national programme for Bosnia and Herzegovina of just under EUR 42 million instead of EUR 87 million.

The overall 2013 allocation for IPA component I is therefore reduced to EUR 58.3 million. In addition to the assistance identified in this Financing Proposal of EUR 41.9 million, IPA supports activities in education (Tempus with EUR 2.4 million), the implementation of the revised Annex 7 of the Dayton Peace Agreement on refugee return in Bosnia and Herzegovina (the Regional Housing Programme with EUR 12.0 million) and the Civil Society Facility (EUR 2 million). These projects are coordinated and implemented under the relevant Multi-beneficiary programme and were adopted by separate Commission implementing decisions.

The responsibility for donor coordination in Bosnia and Herzegovina is split between the Directorate of European Integration (DEI) (for EU donors) and the Ministry of Finance (for other donors). The Ministry of Justice is in the lead in ensuring donor coordination in support of civil society organisations. In the course of the programming of the IPA 2012 and 2013 National Programmes, the DEI and the European Union Delegation to Bosnia and Herzegovina held a number of donor coordination meetings with EU Member States, other bilateral donors, International Finance Institutions and the UN Family represented in Bosnia and Herzegovina.

Following the assessment of readiness of the identified sectors for sector approach it has been concluded that only the justice sector meets the requirements for sector support. A comprehensive Justice Sector Reform Strategy is in place, other donors are cooperating in the sector and national budget is allocated to the reform. Therefore, the 2013 national programme includes one sector fiche and seven stand-alone projects. The measures identified in the sector fiche and in the project fiches take into account

the results of past assistance and the specific lessons learnt in order to increase impact of EU assistance.

The following sectors have been selected for IPA assistance under this programme:

Justice and Home Affairs

The development of an independent and effective judiciary in line with European standards, as well as improving the law enforcement capacities to continue the fight against corruption and organised crime are important conclusions of the Enlargement Strategy. The priorities for the EU support over the period 2011 to 2013 are to strengthen the independence, to enhance efficiency and effectiveness and to improve the accountability of the judiciary, to improve the situation of vulnerable groups in the penitentiary, to harmonise law enforcement legislation and to improve coordination and cooperation between law enforcement institutions, and to increase the awareness of the rights of citizens and to enhance their confidence in the judiciary and law enforcement institutions.

In the framework of the IPA 2013 National Programme, the European Commission will continue the support already foreseen under the 2012 programme for the judiciary reform. The 2013 programme will also include support to the fight against money laundering.

The support for the judiciary sector reform stems from the Structured Dialogue on Justice¹¹, which led to an agreement between the EU and Bosnia and Herzegovina to concentrate IPA assistance in 2012 and 2013 on improving judicial efficiency and accountability as well as achieving a high degree of coordination among all justice sector institutions.

The Justice sub-sector has a comprehensive strategy – Justice Sector Reform Strategy (JSRS), which aims to reform the justice sector institutions at all levels of government in Bosnia and Herzegovina. A further important strategy, on which the IPA support is based, is the National War Crimes Strategy, which aims to establish the preconditions for the processing of war crimes.

Social Development

The priorities for the EU support over the period 2011 to 2013 are:

¹¹ The Structured Dialogue on Justice aims to advance structured relations on the rule of law with potential candidate countries, even prior to the entry into force of the Stabilisation and Association Agreement (SAA). The Structured Dialogue will assist Bosnia and Herzegovina to consolidate an independent, effective, efficient and professional judicial system. At the same time, the Dialogue helps the country move further along its path towards the EU.

i) to support Bosnia and Herzegovina's efforts to comply with minimum social standards,

ii) to facilitate the access of unemployed people to the labour market and improve the conditions for health and safety at work in compliance with the EU *acquis*,

iii) to improve the social protection system at all levels of governance and address the specific needs of vulnerable groups,

iv) to support the reform of the primary and secondary education systems and further support the reform of the higher education system in the framework of the Bologna process, and

v) to contribute to a more efficient, effective and better quality VET system and support the implementation of the strategy for adult education in line with the recommendations from the European Training Foundation.

In consideration of the 2011 - 2013 priorities and of the on-going support for the social sector development, IPA will continue the support provided under the IPA 2011 National Programme for the implementation of the Roma Action Plans.

Private Sector Development

The priorities for the EU support over the period 2011 to 2013 are to improve capacities at State- and Entity-level, in particular of key institutions such as the Institute for Intellectual Property Rights, the Indirect Taxation Authority, the Competition Council, and, once established, the State aid Authority and the SME Department in the Foreign Investment Agency. Further priorities are to advance the implementation of the Small Business Act, stimulate the innovation by SMEs and increase competitiveness in growth sectors.

In consideration of the 2011 - 2013 priorities and the ongoing support for the private sector development, IPA will assist in the 2013 National Programme SMEs directly to improve their competitiveness.

Other actions

Continuing the support foreseen under the IPA 2011 National Programme, IPA 2013 will contribute to the demining efforts in BiH.

The Programme will include a European Integration Facility which will provide short-term technical assistance and a project preparation facility.

In response to the severe floods which hit Bosnia and Herzegovina, financial assistance is to be provided to deal with the consequences of this natural disaster and is mobilised to respond to short to medium term needs in affected areas.

2.3 DESCRIPTION

Justice and Home Affairs (EUR 12.253 million)

1. Sub-sector fiche Justice (EUR 9.753 million)

The Justice sub-sector has a comprehensive strategy – Justice Sector Reform Strategy covering the period 2009-2013. Other strategies relevant for the justice sub-sector exist, such as the National War Crimes Strategy.

Specific sub-sector objectives (2013 part):

Strengthen the independence of the judiciary, enhance efficiency and effectiveness and improve the accountability of the judiciary

Main results expected (2013 part):

Improved Judicial Efficiency and Accountability;

Indicative implementation modalities (2013 part):

Measure 1: Establish adequate system for efficient processing of war crime cases in all relevant judicial institutions in BiH

Budget support: EUR 7.438.000 (see section 4.3 for detailed information)

Objective: Improved Judicial Efficiency and Accountability

Expected result (budget support of IPA 2012 and 2013): Backlog of KTRZ cases (the war crimes cases where the perpetrator is known) reduced in all judicial institutions in BiH by at least 50%

Conditions:

General conditions:

Prior and throughout the duration of the support programme the following general conditions will be applied:

- **Macroeconomic:** satisfactory progress in the maintenance of a credible and relevant stability-oriented macroeconomic policy supported by the IFIs, notably through a disbursing IMF programme
- **PFM:** satisfactory progress in the implementation of its programme to improve public financial management,
- **Budget Transparency:** satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

Following Article 186 of the Financial Regulation and Article 258 of the Rules of Application these general conditions are currently fulfilled. The Government has

committed itself to macro-financial stabilising measures which are conditions for IMF support. In February 2013 the European Commission released the first tranche of EUR 50 million of an EU macro-financial assistance (MFA). The release of the first tranche was motivated by the authorities' recent steps improving public finance sustainability, the adoption of a new Stand-By-Arrangement by the IMF Board as well as the impact of the EU sovereign debt crisis on the economy. The disbursement of the first instalment of EUR 50 million was conditioned on the approval of the Global Framework of Fiscal Policies by the Fiscal Council and the tendering of the common Government Budget Management Information System. BiH has complied with these conditions. In addition, in September 2013 the European Commission disbursed the second and last tranche of the EU MFA in the amount of EUR 50 million after BiH fulfilled the conditions for the disbursement including the IMF programme remaining on track as well as the country's compliance with the conditions as specified in the Memorandum of Understanding.

BiH's Public Administration Reform Strategy has a distinct heading for Public finances. Regular progress reports on the PAR Strategy action plan report on the implementation track record which is considered satisfactory.

BiH's score in the Open Budget Survey 2012 improved from 44 to 50 from 2010 to 2012.

Bosnia and Herzegovina has put in place sufficiently credible and relevant policies for the Justice Sector.

Specific conditions:

Moreover, prior to the agreement on the release of the different financial tranches, specific conditions will need to be met. These are presented in section 4.3.2.

Indicative schedule of disbursement of budget support:

Budgetary support to competent institutions of the State, disbursement of 20% of the funds in Q1/2016 if the preconditions are met. Further two tranches of 40% and 40% are planned to be paid in Q4/2016 and Q4/2017 if the relevant conditions are met.

Direct grant award: EUR 500.000

Tasks: providing assistance in the monitoring of implementation of the budget support with the OSCE having an advisory, capacity building and the coordinating role:

Justification for choice of organisation: The agreement with the OSCE will be signed in accordance with article 190 (1)(f) RAP due to its technical competence and high degree of specialisation with regard to war crime cases in BiH

Beneficiary: OSCE

The award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action

EU co-financing: The maximum possible rate of EU co-financing is 100% of the eligible costs. In case the total costs of the actions are eligible costs the EU co-financing may be up to 100% of the total costs. The grounds for financing the action in full shall be provided in the award decision in line with article 277 RAP.

Indicative date for signature: Q3/2016

Measure 2: Consolidation and further development of the Judicial Communication and Information System

Direct grant award EUR 1.815.000

Generic description of activities:

- Renew the Case Management System (CMS) through a comprehensive audit and develop new functionalities within the CMS that will satisfy reasonable user needs
- Improve the quality of data stored in CMS
- Introduce a business intelligence system (BI) in the judiciary
- Ensure access to case statistics based on data stored in CMS for ministries of justice
- Improve the security of the judicial information system

Justification for the use of exception: The direct grant agreement with HJPC will be concluded in accordance with article 190 (1)(f) RAP due to its highly specialised technical competence, high degree of specialisation and exclusive administrative power in the concerned sector.

Beneficiary: High Judicial and Prosecutorial Council (HJPC)

Selection criteria: The AOSD has assessed the capacity of the selected beneficiary to implement the action using selection criteria relevant to the action.

Award criteria

- Relevance of the action
- Effectiveness and feasibility of the action
- Sustainability of the action
- Cost-effectiveness of the action

EU co-financing: The maximum possible rate of EU co-financing is 55% of the eligible cost of the action.

Indicative date for signature: Grant agreement to be signed in Q3/2015

2. Support to the Fight Against Money Laundering (EUR 2.5 million)

Project Objective:

Increased competence of the bodies in Bosnia and Herzegovina on fight against money laundering, financing of terrorism and financial crime up to the level required for EU accession

Main results expected:

1. Financial Intelligence Department (FID) functions according to the Financial Action Task Force (FATF) recommendations, Egmont Group principles and of EU standards, including personal data protection requirements;
2. The legal framework and regulations linked to the fight against money laundering in BiH are in line with EU requirements;
3. Effective structures for forfeiture and seizures of criminally gained assets in place;
4. FID operates in cooperation and coordination with other law enforcement agencies and other relevant institutions within BiH and internationally;
5. The specialised investigation units for financial investigation, money laundering and financial offences on all administrative levels are strengthened according to the relevant international standards;
6. Standards for the selection procedure for targets of serious crimes and for the

- multiagency investigation teams improved;
7. Prosecutors and judges for the proceedings related to the financing of terrorist activities, money laundering and other financial offences have further specialised on respective fields;
 8. Effective prevention measures for money laundering and financing of terrorist activities developed and implemented;
 9. Monitoring system for financial institutions, for the designated non-financial business and professions, and for non-profit sector established and operational.

Indicative implementation modalities:

Procurement EUR 500.000

One supply contract to be tendered in Q4/2013

Grants – Twinning EUR 2.000.000

One Twinning contract to be launched in Q4/2013

Maximum EU co-financing will be 95%.

The essential eligibility, selection and award criteria are defined in section 4.2.

Private Sector Development (EUR 2 million)

3. Support to SME competitiveness (EUR 2 million)

Project Objective:

To make SMEs in BiH more competitive in internal as well as external markets.

Main results expected:

SMEs benefiting from a direct transfer of knowledge and exchange of good practices in the Small Business Act implementation through their cooperation in wider regional and EU business and innovation networks.

Indicative implementation modalities:

Joint management EUR 2.000.000

One contribution agreement with the EBRD

Tasks: Transposition of EU best practices in implementation of Small Business Act.

Justification for choice of organisation: The contribution agreement with the EBRD will be signed in view of its technical competence and substantial involvement in assessment and implementation of EU policies regarding SME in BiH and the region (among others the Turn Around Management (TAM) and Business Advisory Services (BAS) programme).

Type of agreement: standard contribution agreement to be signed in Q3/2014.

Social Development (EUR 2.5 million)

4. Support to implementation of Roma Action Plans (EUR 2.5 million)

Project Objective:

Improved social inclusion of at least 130 most vulnerable Roma families in at least 10 municipalities in BiH.

Main results expected:

1. Improved housing conditions and social and technical infrastructure for at least 130 most vulnerable Roma families;
2. Improved socio-economic status of at least 60 families of targeted Roma housing beneficiaries.

Indicative implementation modalities:

Grant EUR 2.500.000

This project shall be implemented through one grant contract following a call for proposals. The call for proposals shall be launched in Q2/2014.

Generic description of activities to be funded:

- Support to the Municipality Commissions in selection of Roma housing projects and in improvement of monitoring and coordination system on the implementation of Roma action plan on housing;
- Selection of direct beneficiaries in targeted municipalities as well as ensuring their commitment to participate in the socio-economic measures;
- Construction of Roma housing units;
- Re/construction of infrastructure;
- Provision socio-economic measures to housing beneficiaries in selected municipalities;
- Information campaigns and events for Roma;
- Support the Roma AP thematic working groups in field of housing, employment, education and health care.

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.

Eligibility criteria: The eligible applicants will be non-profit and non-governmental organisations and international organisations. The geographical eligibility as defined in the Basic Act shall apply.

EU co-financing: The maximum possible rate of EU co-financing for grants under this call is 90% of the eligible cost of the action.

Other actions (EUR 25.163 million)

5. Support to Mine Action in Bosnia and Herzegovina (EUR 2.65)

Project Objective:

Part of the mine contaminated areas transformed into socio-economic development

areas enabling sustainable return of population.

Main results expected:

1. Reduced risk level in mine impacted areas;
2. Improved socio-economic conditions in mine impacted communities.

Indicative implementation modalities:

Grant EUR 2.650.000

Part of this project shall be implemented through a grant scheme following a call for proposals to be launched in Q2/2014.

Generic description of the activities to be funded under the call:

- Humanitarian demining in support to socio-economic development. Technical survey and clearance will be conducted in two ways:
 - Within the implementation of mine action plans for mine contaminated municipalities with special focus on the return areas to be closely determined together with the Ministry for Human Rights and refugees.
 - As individual projects eliminating certain high-risk locations or enabling the use of certain natural and economic resources.
- Implementation of mine risk reduction (MRE) activities in at least 8 mine affected municipalities.
- A set of socio economic activities implemented in the local communities prioritized in cooperation with the Ministry of Human Right and Refugees (MHRR) (in the field of agriculture, tourism, employment, support to Small and medium businesses etc.)

The essential selection criteria are financial and operational capacity of the applicant.

The award criteria is relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action

Eligibility criteria:

The eligible applicants will be organizations accredited for demining and mine risk education in Bosnia and Herzegovina.

EU co-financing: The maximum possible rate of EU co-financing for grants under this call is 90% of the eligible cost of the action.

6. European Integration Facility (EUR 3.213 million)

Project Objective:

The European Integration Facility (EIF) aims to strengthen capacities of Bosnia and Herzegovina governments at all levels in fulfilling their respective roles and obligations concerning the integration into the European Union. It will support needs covered by all Multi-annual Indicative Planning Document sectors, in particular the agriculture, environment, energy and private sector development areas. The political situation in BiH and its EU integration process require rapid responses of the Commission to non-foreseeable events. The duration of the procedure to amend this Decision would frustrate the purpose of such response.

Main results expected:

Flexible and effective technical assistance and other support provided to the pre-accession process and to the emerged unforeseen European Integration needs;

Indicative implementation modalities:

The Facility (EUR 3.213.402)

will mainly cover small interventions amounting from EUR 50.000 to EUR 250.000 per contract (e.g. Framework Contracts).

Procurement EUR 2.800.000

Indicative amount of 10-15 service contracts and 1-2 supplies procedures to be tendered in 2014 (2-3 service), 2015 (1 supply and 5-6 technical assistance), and 2016 (1 supply and 5-6 service).

Grants – Twinning EUR 413.402

2-3 Twinning Light contracts to be launched in 2015 (1 TWL) and 2016 (1-2 TWL).

Maximum EU co-financing will be 95%.

The essential eligibility, selection and award criteria are defined in section 4.2.

7. Support to the reconstruction of flood affected areas (EUR 19.3 million)

Project objectives:

Support Bosnia and Herzegovina in the reconstruction and recovery of flood affected areas.

Indicative implementation modalities: The project will be implemented through indicatively one direct grant for the reconstruction and re-equipping of housing and local infrastructure as well as support for livelihood and job preservation and creation in the flood affected areas and health protection in accordance with Article 190(1)(a) of the Rules of Applications of the Financial Regulation for an indicative total amount of EUR 19,300,000.

The direct grant beneficiary will be selected among international organisations, NGOs and EU Member States' agencies based on its competence and capacity in delivering the required actions, its track record in managing EU funds in Bosnia and Herzegovina and its level of existing cooperation with the affected local authorities. The grants will be concluded indicatively in Q3 2014. Maximum EU financing for the grants will be 100% or less in case of contributions by national authorities or other donors.

The essential selection and award criteria:

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.

TOTAL EUR 41.916 million

2.4 CROSS-CUTTING ISSUES

Equal opportunity for participation of men and women and the minority representation will be assured in all aspects of programme implementation. Participation in project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

The respect for and protection of minorities and vulnerable groups will be further fostered by this programme, inter alia through the project for Roma.

The programming process included consultations with civil society and the donor community in BiH through two consultation meetings and exchange of relevant information on the process and individual proposals. All relevant institutions from various levels of government in BiH participated in the preparation of the project fiches.

This programme will provide support in strengthening of the judiciary. These measures will have a positive impact on the achievement of good governance.

2.5 ASSUMPTIONS AND PRE-CONDITIONS

The programme includes the following conditionalities:

- The Government formally endorses the projects described in the fiches, including the identified parallel co-financing commitments, by exchange of letter between the European Commission and the Bosnia and Herzegovina Government.
- The Government will ensure that beneficiary institutions have adequate financial, material and human resources in that EU financial support is used in the most effective and sustainable manner possible.

Beneficiary institutions shall participate in the formulation of the design and tender documents, including terms of reference and shall formally endorse tender documents, including terms of reference, before tendering.

The Government shall ensure the availability of land, free of ownership claims or disputes, for the construction of planned works. The Government shall ensure long-term sustainability of the actions by allocating the necessary resources, including running costs and maintenance costs.

- Beneficiary institutions organise, select and appoint members (including gender and ethnic balance) of working groups, steering and coordination committees, and seminars as required by the project activities.

Additional project specific conditions are described in the project fiches. In the event that these conditions are not met, suspension or cancellation of the project or specific activities will be considered by the implementing authority.

2.6 ROADMAP FOR THE DECENTRALISATION OF THE MANAGEMENT OF EU FUNDS

The Decentralised Implementation System (DIS) Strategy of Bosnia and Herzegovina was adopted in July 2008. In April 2010, the Council of Ministers of Bosnia and Herzegovina adopted decisions to nominate the Competent Accrediting Officer (CAO), the National Authorising Officer (NAO), and the National IPA Coordinator (NIPAC). The CFCU (Central Finance and Contracts Unit) and National Fund (NF) were established within the Ministry of Finance and Treasury and are functional although not yet fully staffed.

Regarding IPA Component II (CBC), the Council of Ministers adopted the Decision on the Establishment of the Operating Structure for IPA component II in September 2011, and the formal notification of this decision by the NAO was made in December. The personal appointment to the function of the Head of Operating Structure is pending. Also, the decision on the establishment of the Audit Authority has not been taken yet. As regards the other components no progress was made due to a lack of political agreement.

3 BUDGET

3.1 INDICATIVE BUDGET TABLE (CENTRALISED MANAGEMENT)

–	– Institution Building (IB)					Investment (INV)					Total (IB + INV)		Total IPA EU contribution	
	– Total expenditure UR (a))= (b)+(c)	– IPA EU contribution		– National contribution*		– Total expenditure UR (d))= (e)+(f)	– IPA EU contribution		– National contribution*		– Total UR (g))= (a)+(d)	– Total IPA EU contribution UR (h))= (b)+(e)	%	(2)
		– UR (b) ⁽¹⁾	– UR (c) ⁽¹⁾	– UR (e) ⁽¹⁾	– UR (f) ⁽¹⁾		– UR (g) ⁽¹⁾							
– Justice and Home Affairs	13.453.000	11.753.000	87	1.700.000	13	590.000	500.000	85	90.000	15	14.043.000	12.253.000	29	
– <i>1. Sub-sector fiche Justice</i>	11.353.000	9.753.000	86	1.600.000	14	0	0	0	0	0	11.353.000	9.753.000	23.	
– <i>2. Fight Against Money Laundering</i>	2.100.000	2.000.000	95	100.000	5	590.000	500.000	85	90.000	15	2.690.000	2.500.000	3	
– Private Sector Development	2.000.000	2.000.000	100	0	0	0	0	0	0	0	2.000.000	2.000.000	5	
– <i>3. Support to SME competitiveness</i>	2.000.000	2.000.000	100	0	0	0	0	0	0	0	2.000.000	2.000.000	5	
– Social Development				0	0	2.777.500	2.500.000	90	277.500	10	2.777.500	2.500.000	3	

<i>4. Support to impl. of Roma Action Plans</i>	0	0	0	0	0	2.777.500	2.500.000	90	277.500	10	2.777.500	2.500.000	3
– Other actions	3.570.447	3.213.402	90	357.045	10	22.215.000	21.950.000	99	265.000	1	25.785.447	25.163.402	60
<i>– 5. Support to Mine Action</i>	0	0	0	0	0	2.915.000	2.650.000	91	265.000	9	2.915.000	2.650.000	6
<i>– 6. European Integration Facility</i>	3.570.447	3.213.402	90	357.045	10	0	0	0	0	0	3.570.447	3.213.402	8
<i>– 7. Support to reconstruction of flood affected areas</i>	0	0	0	0	0	19.300.000	19.300.000	100	0	0	19.300.000	19.300.000	46
– TOTAL	19.023.447	16.966.402	89	2.057.045	11	25.582.500	24.950.000	98	632.500	2	44.605.947	41.916.402	100

3.2 PRINCIPLE OF CO-FINANCING APPLYING TO THE PROGRAMME

The IPA EU contribution, which represents 94% of the total budget allocated to this programme, has been calculated in relation to the **eligible expenditure**, which in the case of centralised management and joint management is based on the **total expenditure**. Parallel co-financing will be used.

6% of co-financing is foreseen for the entire programme.

Co-financing is foreseen per sector as follows:

- Justice and Home affairs: 13%
- Private Sector Development: 0%
- Social Development: 10%
- Other actions: 2%

In the case of grants, the EU maximum funding rate for grant beneficiaries is 90 % unless otherwise specified in Section 2.3.

In the case of Twinning, the EU maximum funding rate is 95 % unless otherwise specified in Section 2.3.

4 IMPLEMENTATION

4.1 GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES

– 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 as well as the rules and procedures for service, supply and works contracts financed from the general budget of the European Communities for the purposes of cooperation with third countries adopted by the Commission on 24 May 2007 (C (2007)2034).

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

Under joint management, the general rules for procurement and grant award procedures shall be defined in the Contribution Agreement/Administration Agreement between the Commission and the international organisation implementing such programme/activity in accordance with Article 53d of the Financial Regulation No 1605/2002.

4.2 IMPLEMENTATION PRINCIPLES FOR TWINNING PROJECTS

Twinning projects shall be set up in the form of a grant agreement, whereby the selected 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 beneficiary country as resident twinning advisor.

The twinning grant agreement shall be established in accordance with relevant provisions of Part One Title VI and Part Two Title IV Chapter 4 of the Financial Regulation No 966/2012 and Part One Title VI and Part Two Title II Chapter 4 of its Rules of Application.

The Commission shall also use the procedural guidelines and standard templates and models provided in the twinning manual which is available on the website of DG ELARG.

For all Twinning and Twinning Light mentioned under Section 2.3. the essential eligibility, selection and award criteria are:

Eligibility criteria: EU Member states administrations and mandated bodies

Selection criteria:

Operational capacity: the proposed key experts must have the necessary professional competencies and qualifications to complete the proposed action

Award criteria:

- Relevance of the proposal
- Methodology of the proposal
- Sustainability of the proposal

4.3 IMPLEMENTATION DETAILS FOR THE BUDGET SUPPORT (SEE ALSO SECTION 2.3)

4.3.1 Objective

The overall aim of the sector budget support is to assist Bosnia and Herzegovina's judicial authorities to address outstanding cases either in Prosecutors' offices or Courts in BiH relating to war crimes, where at least a formal investigation has been launched, and ultimately reduce the amount of unresolved KTRZ cases¹⁷ by 50% by the end of December 2018 as compared with the baseline of 1,210 cases in 2013¹⁸.

4.3.2 Tranches and disbursement criteria

Budget support is provided as direct sector budget support to the national Treasury. The assistance shall be released in three fixed tranches. The disbursement of 20% of the funds will be made as soon as the below general conditions as well as the specific conditions relevant to the first fixed tranche are met. Further two instalments of 40% and 40% shall be paid in annual intervals if the relevant specific conditions are met.

Prior to the release of the tranches by the EU Delegation, the BiH Ministry of Finance shall jointly with the Ministry of Justice provide the EU Delegation with statements on the fulfilment of the general and specific conditions that are set out below.

The performance targets and indicators for the disbursement criteria will apply for the duration of the programme. However, in duly justified circumstances, the Ministry of Finance and Treasury may submit a request to the Head of EU Delegation to BiH for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

General conditions for the release of tranches - valid for all tranches

¹⁷ KTRZ cases are war crimes cases where an alleged perpetrator is known.

¹⁸ This is the number of cases identified in the July 2013 individual action plans of the Prosecutors' Offices benefitting from this sector budget support.

Area	Conditions	Verification source
Public Policy	Satisfactory progress in the implementation of the Justice Sector Reform Strategy or its successor strategy, and the National War Crimes Strategy (NWCS).	Structured Dialogue reports 2015 EU Progress report on BiH 2015
Macroeconomic stability	Implementation of a credible stability-oriented macroeconomic policy, supported through a disbursing IMF Stand-By Agreement programme	IMF Review Reports
Public finance management	Satisfactory progress in the implementation of the Revised Action Plan 1 of the BiH Strategy for Public Administration Reform in the area of public finance Progress in implementation of work plans for addressing outstanding external audit recommendations	PAR Coordinator's Office annual progress reports SAI annual reports
Budget Transparency	Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information, as measured inter alia by the Open Budget Transparency Index	OBI reports

Specific conditions for the release of tranches

First tranche (amount: €1 487 600, indicative disbursement request: Dec 2015, indicative date for disbursement: March 2016)	
Conditions/criteria/ activities for disbursement	Verification source including timing or data availability (where applicable)
<p>(0) Pre-Condition:</p> <p>Approximately 15% of the overall number of unprocessed war crime cases (as of 2013) has been processed by mid-2015 and a positive trend in the reduction of the backlog can be identified.</p> <p>(i) Specific condition 1</p> <p>Tangible results in the implementation of the Action Plan of the National War Crimes Strategy (NWCS) as measured by a significant increase in the number of relevant activities relating to the processing of war crime cases undertaken by relevant Prosecutors' offices and Courts.</p> <p>(ii) Specific condition 2</p> <p>An updated qualitative assessment of caseload of courts at state and entity levels</p> <p>(iii) Specific condition 3</p> <p>An updated qualitative assessment of caseload of Prosecutors' offices at state and entity levels</p>	<p>OSCE reports Structural Dialogue on Judiciary EU Progress report on BiH 2015</p> <p>OSCE reports Structural Dialogue on Judiciary EU Progress report on BiH 2015 HJPC reports 2015</p> <p>HJPC reports 2015</p>

<p>(iv) Specific condition 4</p> <p>The update of credible individual action plans by Prosecutor offices to meet the targets outlined in the Action Plan on backlog reduction and in line with the overall objective of the support.</p> <p>(v) Specific condition 5</p> <p>An updated needs assessment of the human and material war crimes processing needs of courts and prosecutors at state and entity levels, as reviewed by the High Judicial and Prosecutorial Council (HJPC) and adopted by the Supervisory Body for Monitoring Implementation of the NWCS</p> <p>(vi) Specific condition 6:</p> <p>Adherence to the quota system for war crimes backlog reduction as applied in the relevant Rulebooks on Courts</p> <p>(vii) Specific condition 7:</p> <p>Adherence to the individual action plans developed in 2015 under the IPA 2012 National Programme</p>	<p>OSCE project reports</p> <p>NWCS reports for 2015</p> <p>NWCS reports for 2015</p> <p>NWCS reports for 2015</p>
<p>Second tranche (amount: € 2 9750 000, indicative disbursement request: Sept 2016, indicative date for disbursement: Dec 2016)</p>	
<p>Conditions/criteria/ activities for disbursement</p>	<p>Verification source including timing or data availability (where applicable)</p>
<p>(0) Pre-Condition:</p> <p>Approximately 25% of the overall number of unprocessed war crime cases (as of 2013) has been processed by mid-2016 and a positive trend in the reduction of the backlog can be identified.</p> <p>(i) Specific condition 1:</p> <p>Adherence to the quota system for war crimes backlog reduction as applied in the relevant Rulebooks on Courts</p> <p>(ii) Specific condition 2:</p> <p>Adherence to the individual action plans mentioned above</p> <p>(iii) Specific condition 3:</p> <p>A significant increase in the number of relevant activities relating to the processing of war crime cases undertaken by relevant Prosecutors' offices and Courts.</p>	<p>NWCS reports for 2016</p> <p>NWCS reports for 2016</p> <p>NWCS reports for 2016</p> <p>NWCS reports for 2016</p>
<p>Third (final) tranche (amount: € 2 9750 000, indicative disbursement request: Sept 2017, indicative date for disbursement: Dec 2017)</p>	

Conditions/criteria/ activities for disbursement	Verification source including timing or data availability (where applicable)
<p>(0) Pre-Condition:</p> <p>Approximately 35% of the overall number of unprocessed war crime cases (as of 2013) has been processed by mid-2017 and a positive trend in the reduction of the backlog can be identified.</p> <p>(i) Specific conditions 1</p> <p>Adherence to the quota system for war crimes backlog reduction as applied in the relevant Rulebooks on Courts</p> <p>(ii) Specific conditions 2</p> <p>Adherence to the individual action plans mentioned above</p> <p>(iii) Specific conditions 3</p> <p>A significant increase in the number of relevant activities relating to the processing of war crime cases</p>	<p>NWCS reports for 2017</p> <p>NWCS reports for 2017</p> <p>NWCS reports for 2017</p> <p>NWCS reports for 2017</p>

4.3.3 Disbursement arrangements

Upon payment request from the Ministry of Justice of BiH, if the disbursement criteria are met, the EU Delegation shall transfer fixed tranches to the Central Bank of Bosnia and Herzegovina ("the Paying Agent"), namely EUR 1 487 600 for the first fixed tranche, EUR 2 975 200 for the second fixed tranche and EUR 2 975 200 for the third fixed tranche.

Their counter-value in local currency may be transferred by the Paying Agent and upon payment order from the Ministry of Finance and Treasury, to the Treasuries of Bosnia and Herzegovina, of the Federation of Bosnia and Herzegovina and of the Republika Srpska. Such transfers will be allocated according to the following division: EUR 2 583 351 will be allocated to judicial institutions and the Ministry of Justice/OKO of BiH; EUR 2 195 844 will be allocated to the Federation of BiH; EUR 2 502 520 will be allocated to Republika Srpska; and EUR 156 285 to the District of Brcko and according to the indicative disbursement dates mentioned in section 4.3.2.

BiH undertakes to apply its national foreign exchange regulations in a non-discriminatory manner to the payments made under this budget support. The foreign exchange transfers will be accounted for under the value date of the incoming forex transfer in the Central Bank's correspondent account. The exchange rate will be the value date of the incoming forex transfer.

4.3.4 Performance monitoring

The Justice Sector Steering Committee for IPA 2012 (hereinafter referred to as 'the Steering Committee') established to monitor implementation of the 2012 IPA Justice sector fiche and its sector budget support shall also monitor implementation of the 2013 IPA Justice sector fiche and this budget support. It is composed of the main beneficiaries: BiH Ministry of

Justice, RS Ministry of Justice, FBiH Ministry of Justice, Brcko District Judicial Commission, High Judicial and Prosecutorial Council BiH, BiH Ministry of Treasury and Finance, RS Ministry of Finance, FBiH Ministry of Finance, the European Union and its experts, such as the OSCE Monitoring project staff. The EU Delegation shall be responsible for organising the Justice Sector Steering Committee, and shall decide at its own discretion whether additional participants shall be invited to the meetings.

The Steering Committee meets on a quarterly basis to discuss the progress achieved and issues faced in the implementation of the budget support, as well as issue recommendations in line with the provisions foreseen below.

The Chairman of the Supervisory Body of the National War Crimes Strategy (hereinafter referred to as 'the Supervisory Body') shall sign individual operational Memoranda of Understanding (MoUs) with each benefitting court and prosecutor office (hereinafter referred to as 'the beneficiary institutions'), which shall outline their respective roles and responsibilities under this sector budget support. The role of the chairman will be to monitor and supervise the progress of each beneficiary institution in meeting the targets set out in their Individual Action Plans (IAPs).

The EU Delegation will sign a grant contract with the Organization for Security and Cooperation in Europe (OSCE). The purpose of the agreement will be to support and advise the EU Delegation in monitoring war crimes case processing and in tracking and verifying the overall progress to ensure that results are accomplished. The OSCE shall also provide frequent feedback and advice to the beneficiaries on how further progress can be delivered and war crimes case processing strengthened.

The beneficiary institution shall provide all access, facilities and information necessary for the OSCE to monitor the budget support and inform the OSCE about all major events, such as confirmed indictments, verdicts issued, etc, and any other relevant information pertaining to this budget support.

Benefitting Prosecutor offices shall submit three-monthly reports to the OSCE and six-monthly reports to the Chief Prosecutor of their entity and the OSCE on the use of human and financial resources and progress achieved. The Chief Prosecutors will be responsible for compiling and submitting a six-monthly report for their entities to the Supervisory Board. Benefitting Courts shall provide six-monthly reports to the OSCE and the Supervisory Board on human and financial resources used and progress achieved.

The Supervisory Board will discuss the six-monthly reports as foreseen above, and provide them to the Steering Committee together with an assessment/opinion of how they are contributing to reaching the aggregate targets outlined in section 4.3.1. The OSCE will be provided with the opportunity to share its assessment of the progress made with the Supervisory Board.

In July 2016 and 2017 the Supervisory Body will make comprehensive recommendations to the Steering Committee on the reallocation of resources for the following budgetary year within the same entity. These recommendations will primarily be on the basis of whether the beneficiary has shown satisfactory progress in adhering to the annual targets. In the case where the beneficiary institution fails to show sufficient use of the human and material resources provided, resources provided by the budget support in the subsequent budgetary year may be reduced and re-allocated to other beneficiaries.

The Steering Committee shall make a non-binding proposal to the EU Delegation to Bosnia and Herzegovina on payments and reallocations of the IPA sector budgetary support funds taking into account the reports listed above and the recommendations received from the Supervisory Board. The final decision on the reallocation of funds shall be taken by the EU Delegation. If the beneficiaries do not respect the reallocations, future tranches may be withheld.

4.3.5 Recovery in case of fraud or corruption

In case that it has been established that in relation to this assistance, the Country authorities have engaged in any fraud or corruption or any illegal activity detrimental to the European Union's financial interest, the EU Delegation shall withhold any further payments of budget support and/or proceed to full or partial recovery of the funds by the Country authorities, in proportion to the gravity of the failings in question, and after allowing the Country authorities to submit their observations and on whatever terms and by whatever date the EU Delegation may specify.

The amount repaid shall contain the principal due and the interest earned calculated using the rate applied by the European Central Bank to its principal refinancing operations as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the funds were paid by the Delegation. All payments due shall be made in euro.

4.3.6 Domestic budgetary commitments

The country authorities commit themselves not to reduce their own financial and budgetary commitments aimed for the same judicial and prosecutorial activities which are financed under this budget support programme for the whole duration of this support, including possible extensions.

4.4 ENVIRONMENTAL IMPACT ASSESSMENT AND NATURE CONSERVATION

- All investments shall be carried out in compliance with the relevant EU environmental legislation.
- Disaster resilience and risk prevention and management should be also integrated in the planning, preparation and implementation of projects.
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5 MONITORING AND EVALUATION

5.1 MONITORING

The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

In the case of joint management with international organisations, the Commission may undertake any actions it deems necessary to monitor the programmes concerned. These actions may be carried out jointly with the international organisation(s) concerned.

5.2 EVALUATION

- Programmes shall be subject to ex ante evaluations, as well as interim and/or, ex post evaluations in accordance with Articles 57 and 82 of IPA Implementing Regulation, with the

aim of improving the quality, effectiveness and consistency of the assistance from EU funds and the strategy and implementation of the programmes.

- The results of evaluations shall be taken into account in the programming and implementation cycle.
- The Commission may also carry out strategic evaluations.

6 AUDIT, FINANCIAL CONTROL AND ANTI-FRAUD MEASURES

– The accounts and operations of all parties involved in the implementation of this programme, as well as all contracts and agreements implementing this programme, are subject to, on the one hand, the supervision and financial control by the Commission (including the European Anti-Fraud Office), which may carry out checks at its discretion, either by itself or through an outside auditor and, on the other hand, audits by the European Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the EU Delegation in the Beneficiary.

– In order to ensure the efficient protection of the financial interests of the European Union, the Commission (including the European Anti-Fraud Office) may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (EC, Euratom) 2185/96¹⁹.

– The controls and audits described above are applicable to all contractors, subcontractors and grant beneficiaries who have received EU funds.

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¹⁹ OJ L 292; 15.11.1996; p. 2