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ANNEX

**to the Commission Implementing Decision adopting
an Annual Action Programme for Bosnia and Herzegovina for the year 2020**

1 IDENTIFICATION

Beneficiary	Bosnia and Herzegovina
Basic act: CRIS/ABAC Commitment references and budget line(s): Total cost: EU Contribution:	Instrument for Pre-accession Assistance (IPA-II) 2020/42264 EUR 33 020 000 from 22.02 01 01 2020/42265 EUR 31 500 000 from 22.02 01 02 EUR 91 520 000 EUR 64 520 000
Method of implementation	Direct management by the European Commission and Indirect management with: Action 5 Output 2: activity 2.1 United Nations Development Program (UNDP); activity 2.2 European Bank for Reconstruction and Development (EBRD) Action 7 Output 2: Entity to be selected in accordance with the criteria set out in section 2.2(3)(a)
Final date for concluding <u>Financing Agreement(s)</u> with the IPA II beneficiary	At the latest by 31 December 2021
Final date for contracting, including the conclusion of contribution/delegation agreements	3 years following the date of conclusion of the Financing Agreement
Indicative operational implementation period	6 years following the date of conclusion of the Financing Agreement.
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME

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

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

The priorities of the action programme for Bosnia and Herzegovina for 2020 are in line with the revised Indicative Strategy Paper for Bosnia and Herzegovina. This document sets out the priorities for EU financial assistance for the period 2014-2020¹ to support Bosnia and Herzegovina on its path to EU accession based on two pillars: Democracy and Rule of Law, and Competitiveness and Growth.

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

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

The following sectors were identified for this Action Programme: Democracy and Governance, where three actions will contribute to strengthening public finance management, capacity of all parliaments in Bosnia and Herzegovina *vis à vis* the EU integration process and EU-Bosnia and Herzegovina cooperation and preparation for EU integration; Rule of Law and Fundamental Rights, with an action contributing to the improvement of public safety and security, improvement of border management in Bosnia and Herzegovina and the wider region, thus allowing for a more prosperous economy and society; Environment, Climate Action and Energy, supporting further alignment of the regulations and policies with EU environmental *acquis* and development of the infrastructure; Competitiveness, innovation, agriculture and rural development, with an action supporting the increasing of the level of EU integration and regional cooperation in trade sector through improved capacities and an enhanced regulatory framework; and finally Education, Employment and Social Policies to improve the country's socio-economic situation and living conditions, increase employment opportunities for vulnerable groups and improve implementation of social inclusion policies.

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

The EU has supported reforms in the area of human resources management in the civil service since 2004. Under IPA 2011 project 'Modernisation of human resources management system in civil service' assisted the civil service authorities at all levels in developing guidelines for job classification, job descriptions and recruitment procedures. An ongoing IPA 2016 project 'Support to Public Sector Management Reform' is implemented by the World Bank in support to the implementation of the Reform Agenda 2015-2018 of Bosnia and Herzegovina. The regionally funded

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

OECD/SIGMA (Organisation for Economic Co-operation and Development/Support for Improvement in Governance and Management) programme provides continuous assistance through assessing and benchmarking progress in the public administration reform area and by offering technical advice in drafting of the relevant legislation and policies. Further upgrades of the systems of Public Internal Financial Control (PIFC, *acquis* chapter 32) and Public Procurement (*acquis* chapter 5) are also supported by IPA. The EU also provided extensive support for the statistics in Bosnia and Herzegovina through twinning which showed the importance of transfer of knowledge and cooperation within the Bosnia and Herzegovina statistical system (among the three institutes), and of coordination between the national and multi-country IPA projects. There has also been successful cooperation with the beneficiary institutions in the field of e-services, customs and indirect taxation, as confirmed by the results-oriented monitoring (ROM) reports. Previous IPA and other donor technical assistance supported all ministries of finance in Bosnia and Herzegovina in introducing mid-term budget planning, and showed that linking strategic planning, programme budgeting, performance monitoring and capital budgeting is a long-term process which should be further supported

IPA supported the functioning of Parliaments in Bosnia and Herzegovina through the twinning project 'Enhancing the Role of Parliaments in Bosnia and Herzegovina in the EU Integration context' implemented between 2014 and 2016 (Annual Programme 2012). The main outcome were recommendations focusing on all fields of parliamentary work related to preparation of all Bosnia and Herzegovina's Parliaments for European integration. In 2017, a twinning light project assisted the administration of Parliaments in Bosnia and Herzegovina putting into practice several of the recommendations of the previous project and supporting the functioning of the adopted cooperation mechanism. A tangible result was the publication of the first volume of the Joint Bulletin on EU Integration of four Parliaments and Cantonal Assemblies of the Federation of Bosnia and Herzegovina's needs assessment identifying needed steps to create structures, procedures and timelines to enable cantonal assemblies to perform tasks vis a vis European integration.

A new Twinning project "Empowerment and Further support to the Parliaments of Bosnia and Herzegovina in EU integration tasks" included in IPA 2016 Annual Programme to start in June 2019 is largely based on the results and recommendations of the previous Twinning projects. This new Twinning is aimed to strengthen functioning of the political and administrative structures for EU integration tasks of the Parliaments in Bosnia and Herzegovina (Parliamentary Assembly of Bosnia and Herzegovina, Parliament of the Federation of Bosnia and Herzegovina, National Assembly of *Republika Srpska*, Brčko District Assembly and cantonal assemblies in the Federation of Bosnia and Herzegovina) through provision of a targeted support. This project includes supplying information technologies (IT) equipment for more efficient and transparent service oriented public administration and in support of the legislative alignment and the oversight role. The Organisation for Security and Cooperation in Europe (OSCE) and USA International Development (USAID) have also been supporting parliaments in Bosnia and Herzegovina.

The EU has provided substantial support to Bosnia and Herzegovina authorities in the area of Home Affairs to better tackle fight against serious and organised crime, money laundering, corruption and irregular migration. Earlier support in the home

affairs sector has shown that the success of any intervention is directly proportionate to the extent to which the involved institutions cooperate, share, and exchange information, in particular in the establishment and functioning of databases. Therefore the IT capacity of Bosnia and Herzegovina responsible authorities were significantly enhanced regarding security and safety of data including better data exchange. The present action shall notably build upon the results achieved so far. Further support will be provided to the relevant authorities to further combat serious and organised crime. In the meantime some new areas requested additional attention such as: fight against terrorism, radicalisation, prevention of extremism and cybercrime. As the area of IT security and data exchange is constantly evolving posing a constant risks and threat, this fact was duly taken into account in the design of the further support to the IT sector of Home Affairs. The IT capacity of relevant authorities will be further strengthened by procuring specialised IT hardware and software equipment, including provision of specialised training as well as establishing the Automated Fingerprint and Palm Print Identification System (AFIS/APIS) foreseen by the Annual Action Programs 2018. Additionally, support to the fight against irregular migration has become an imminent priority. Therefore, EU is and will provide significant support. Other donors active in the field are the United Kingdom Embassy (Fight against organised crime, Cybercrime), Norwegian Embassy (counter-terrorism (CT) – prevention and countering of violent extremism (P/CVE)) OSCE, Swiss for migration, but in certain extend focusing also on current new trend of criminality of P/CVE and cybercrime.

In the past period, environment and climate action sector in Bosnia and Herzegovina was supported by considerable financial assistance by international donors. Bosnia and Herzegovina benefited from IPA I programmes 2007 to 2012 through implementation of number of all institutional and infrastructural projects amounting to EUR 87 million. In the period 2014-2017 the environment and climate action was not eligible for IPA II assistance due to the lack of countrywide strategies (with the exception of support following the 2014 floods for flood recovery, flood risk management and support to development of civil protection capacities). Following the adoption of the countrywide Bosnia and Herzegovina Environmental Approximation Strategy (EAS) in May 2017, support has been ensured under IPA 2018 for water management area (*acquis* alignment and the development of water and sanitation infrastructure). IPA 2020 foresees support to horizontal issues, waste management, civil protection and continues support in water management.

The infrastructure projects in both water and solid waste sectors faced obstacles, slowdowns and delays during implementation due to insufficient readiness and immature project proposals. In this respect, a step forward has been made with establishing the National Investment Committee (NIC) in 2015 and adopted the Single Sector Project Pipeline (SPP) in February 2019 which includes 67 projects from the water management and environment sector. Strong commitment and agreement of Bosnia and Herzegovina institutions continues to be necessary in order to ensure the necessary preconditions for project implementation, and effectiveness and sustainability of project results in this sector.

The Annual Action Programme for Bosnia for the year 2018 included an Action supporting trade and aiming at increasing Bosnia and Herzegovina's share in international and regional trade by improving its trade in goods and services in line with international integration requirements. Previous IPA assistance included

institutional capacity development and the strengthening of the legal framework. Nevertheless, despite the progress so far, further technical assistance is needed to boost the country's long-lasting processes. To do so a lesson learned is to look not only at laws alignment with the *acquis*, but also to ensure that the legislative drafting and policy-making processes ensure proper inter-ministerial coordination, impact assessment of proposed laws and policies as well as external (public) consultation of the relevant stakeholders. Furthermore, successful coordination of assistance provided through national and multi-beneficiary IPA projects is crucial.

Over the past years the sector of education, employment and social policies has received support from EU and other bilateral and multilateral donors (the main ones being: World Bank, Swiss co-operation, Swedish International Development Agency (SIDA), GIZ on the development of the Vocational and Educational Training (VET) system, improvement of the public employment programmes and services and building social inclusion and social protection mechanisms.

In the recent past, due to the complexity of the division of responsibilities among Cantons and Entities, interventions in the field of employment and education have been limited while Authorities have been requested to adopt a strategic approach to the sector. In terms of social protection, it is worthwhile to mention the progresses registered by the Regional Housing Programme (RHP) financed by EU. The RHP in Bosnia and Herzegovina will altogether provide over 3,200 housing units to vulnerable refugee families by the end of 2021. In May 2019, 828 housing units have already been handed over. This includes the reconstruction of 599 individual houses, the construction of 209 new apartments and the provision of 20 building material packages. The plan is to deliver a further 670 housing units in 2019 and the remaining 1700 in 2020-2021.

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

List of Actions foreseen under the selected Sectors/Priorities:

Sector - Democracy and Governance

Direct management		Indirect management with entrusted entity	
1. EU4 Efficient Public Finance Management	EUR 7 250 000		
2. EU4 Parliaments	EUR 3 000 000		

3. EU Integration Facility	EUR 2 770 000			
TOTAL	EUR 13 020 000			

Sector - Rule of Law and Fundamental Rights

Direct management		Indirect management with entrusted entity		
4. EU4 Home Affairs	EUR 20 000 000			
TOTAL	EUR 20 000 000			

Sector – Environment, climate action and energy

Direct management		Indirect management with entrusted entity		
5. EU4 Environment	EUR 7 100 000		5. EU4 Environment	EUR 9 900 000
TOTAL	EUR 7 100 000		TOTAL	EUR 9 900 000

Sector – Competitiveness, innovation, agriculture and rural development

Direct management		Indirect management with entrusted entity		
6. EU4 Trade	EUR 2 000 000			
TOTAL	EUR 2 000 000			

Sector – Education, Employment and Social Policies

Direct management		Indirect management with entrusted entity		
7. EU4 Social Policies, Employment and Education	EUR 8 500 000		7. EU4 Social Policies, Employment and Education	EUR 4 000 000
TOTAL	EUR 8 500 000		TOTAL	EUR 4 000 000

PROGRAMME TOTAL	EUR 64 520 000
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2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU².

SECTOR	Democracy and Governance	EUR 13 020 000
Action 1	EU4 Efficient Public Finance Management	EUR 7 250 000

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

Description of the action and objectives

This Action will contribute to improve the system of indirect taxes through support to the Indirect Taxation Authority (ITA) in further aligning legislation and practices with EU *acquis* and further capacity building of ITA. It will also contribute to the improvement of the budget planning process of the budget execution reporting in accordance with European System of Accounts (ESA 2010) at all levels of government. Furthermore, the Action will enhance external audit capacities that will contribute to the achievement of goals and improve performance through the establishment of an appropriate IT Audit Management System. Finally, it will support financial and performance audits, as well as contributing to enhanced monitoring of the implementation of audit recommendations.

The objectives are to improve revenue mobilisation from direct and indirect taxes, enhance budget planning and execution and strengthen external audit at all levels of government.

Expected results:

Result 1: Efficiency and capacity of ITA strengthened through implementation of best practices and legislation in line with EU *acquis* on indirect taxation

Result 2: Capacities of all levels of government in Bosnia and Herzegovina for full introduction of program budgeting and debt reporting further developed

Result 3: Capacities of the supreme audit institutions at all levels of governments strengthened through implementing IT solution for audit management and building of staff capacity in specialized audits and audit topics (e.g. environmental audits, IT audits, strategic development goals (SDG) audits).

Key performance indicators

- The number of prepared Risk Analysis reports

² 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.

- Number of legal acts drafted on customs, VAT, excise legislation consistent with the EU *acquis*
- Extent to which the trained staff of all governmental level are capable for producing the budget execution report in program format with monitoring reports of performance indicators
- Extent to which trained staff are capable to prepare public debt report in ESA 2010
- Extent to which new Audit Management System (AMS) are developed and used in financial (including compliance) and performance audits

(2) Assumptions and conditions

Assumptions

- Commitment and active participation of budget users in the implementation of the project
- Collaboration with project implementers
- Active participation of the appropriate staff

(3) Implementation modalities:

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

Procurement:

The procurement will contribute to the achievement of all three expected results of this action.

The global budgetary envelope reserved for procurement: EUR 6 250 000

Grants - Twinning:

- a) Purpose of the grants:
The twinning will contribute to the achievement of the expected result 1 of the action.
- b) Type of applicants targeted (call for proposals):
Applicants must be EU Member State administrations or their mandated bodies.

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

(4) Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of products and services in the

markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

Action 2	EU4 Parliaments	EUR 3 000 000
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(1) Description of the Action, objective, expected results and key performance indicators

Description of the action and objectives

This Action will further strengthen Parliaments in Bosnia and Herzegovina, both political and administrative structures, in enhancing their roles in the EU integration process.

The objective is to support the implementation of the Action Plans designed for Parliaments in Bosnia and Herzegovina (Parliamentary Assembly of Bosnia and Herzegovina, Parliament of the Federation of Bosnia and Herzegovina, National Assembly of *Republika Srpska*, Brčko District Assembly and cantonal assemblies in the Federation of Bosnia and Herzegovina) to deepen mutual cooperation and coordination in the legal approximation process in Bosnia and Herzegovina and improve capacities for the EU matters. This will contribute to acceleration of the EU integration process through strengthening its parliamentary dimension.

Expected results

Result 1: The EU units have the capacity to provide practical administrative support to the monitoring and scrutiny functions of the Parliaments

Result 2: The functioning of the EU cooperation mechanism is enhanced

Result 3: The Cantonal Assemblies are enabled to effectively address the demands of the EU Integration process

Result 4: Cooperation between the legislative and the executive authority in the process of the approximation with the *acquis* is enhanced

Key performance indicators

- Degree of implementation of the EU Integration Action Plans of the Parliaments (EUIAPP)
- Number of cooperation meetings/events between Parliaments organised
- Degree of implementation of the common Action plan for Cantonal Assemblies (EUIAPCA)
- Number of procedures adopted

(2) Assumptions and conditions

Assumptions

- Follow-up of the concept on cooperation mechanism for the Parliaments of Bosnia and Herzegovina in the tasks of the EU integration process

- Functioning cooperation among the Parliaments in Bosnia and Herzegovina and their respective executive offices is ensured
- Coordination and cooperation between the involved Parliaments to provide necessary support for the Action to be implemented;
- Appointment of personnel by the Beneficiary to continuously follow the Action implementation;
- Ensuring budget participation of Parliaments for the implementation of the Action.

(3) Implementation modalities

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

Procurement:

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

The global budgetary envelope reserved for procurement: EUR 1 000 000

Grants - Twinning:

a) Purpose of the grants

The twinning will contribute to the achievement of all four expected results of the action.

b) Type of applicants targeted (call for proposals): applicants must be EU member State administrations or their mandated bodies.

The **global** budgetary envelope reserved for grants: EUR 2 000 000

(4) Scope of geographical eligibility for procurement and grants

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

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

Action 3	EU Integration Facility	EUR 2 770 000
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(1) Description of the Action, objective, expected results and key performance indicators

Description of the action and objectives

The Action is designed to provide support to institutions in Bosnia and Herzegovina at various levels in order to address specific needs identified in the course of the European integration process.

To achieve this, a variety of technical assistance and other types of support to institutions in Bosnia and Herzegovina will be provided in order to enable them to respond swiftly to challenges and requirements of the European Union integration process and to better prepare and implement IPA programmes/Actions funded by the Instrument for Pre-accession Assistance 2014 – 2020 (IPA II).

Expected results

Result 1: The governmental authorities at all levels in Bosnia and Herzegovina are enabled to provide more effective and timely responses to emerging EU integration priorities

Key performance indicators

- Number of outputs, such as Terms of Reference, technical specifications, studies and other documents
- % of tender procedures launched and finalised
- % of IPA funds contracted and disbursed

(2) Assumptions and conditions

Assumptions

- Identification of priority areas for assistance in a timely manner
- Good cooperation with all relevant stakeholders established and maintained during Action implementation
- Adequate technical, financial and human resources allocated by the beneficiaries to the implementation of the activities

(3) Implementation modalities

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

Procurement:

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

The global budgetary envelope reserved for procurement: EUR 2 270 000

Grants - Twinning light:

The twinning light will contribute to the achievement of the sole expected result of the action.

b) Type of applicants targeted (call for proposals): applicants must be EU Member State administrations or mandated bodies.

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

(4) Scope of geographical eligibility for procurement and grants

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

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

SECTOR	Rule of Law and Fundamental Rights	EUR 20 000 000
Action 4	EU4 Home Affairs	EUR 20 000 000

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

Description of the action and objectives

This Action will contribute to improvement of public safety and security, improvement of border management in Bosnia and Herzegovina and the wider region allowing for a more prosperous economy and society.

The vast majority of technical assistance will be delivered via the European Union Police Assistance for Bosnia and Herzegovina (EUPA4 Bosnia and Herzegovina). It will enhance the capacity of relevant Law Enforcement Agencies (LEAs) in a horizontal way aiming at to better fight against transnational serious and organised crime that inter alia include fight against organised crime, drugs, money laundering, cybercrime, terrorism, radicalisation violent extremism, as well as curbing corruption and ensure better data protection according to the best European standards. Complementary EU (twinning) support will provide special support to Anti-Corruption Agency (APIK).

Support to Home Affairs additionally will also aim to further enhance relevant LEAs, Border Police and migration authorities IT capacity, IT security and data exchange to better fight against transnational organised crime and irregular migration

Expected results Result 1: Fight against transnational organised crime including fighting against terrorism, money laundering, drugs, cybercrime, prevention of radicalisation and violent extremism in Bosnia and Herzegovina is enhanced

Result 2: Country's personal data protection capacity further developed

Result 3: IT capacity, IT security and data exchange of relevant LEAs, Border Police and migration authorities are further improved

Result 4: Agency for prevention and fight against corruption (APIK) capacities for corruption prevention enhanced

Result 5: Faster and safer cross-border traffic and more effective fight against illegal migration and cross-border crime enhanced

Key performance indicators

- % relevant police agencies in Bosnia and Herzegovina that apply special investigative techniques in complex and international investigations
- Storage capacity of confiscated drugs in LEAs agencies
- Number of inspections undertaken annually by the Personal Data Protection Agency (PDPA)
- Percentage of detected criminal offenses and acts using the video analytical system
- Number of locations of competent authorities in Bosnia and Herzegovina using the biometric data system for entering and controlling biometric data of foreign persons
- Ratio between number of applications with an indication of corrupt behaviour and related corruption reports successfully processed per year
- Percentage of prevented illegal crossings of persons compared to total registered persons (including persons in readmission)

(2) Assumptions and conditions

Assumptions

- EUROPOL Point of Contact is established and functional
- Effective cooperation and coordination between all relevant institutions in Bosnia and Herzegovina and the region.
- Relevant staff continues to regularly use new IT tools, instruments, knowledge and skills in everyday operations.
- Adequate implementation of asylum and migration policies in the region

(3) Implementation modalities

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

Procurement:

The procurement will contribute to achieving the expected results 3 and 5 of the action.

The global budgetary envelope reserved for procurement: EUR 9 000 000

Grants (including Twinning):

a) The grants/twinning will contribute to achieving the expected results 1, 2 and 4 of the action.

b) Type of applicants targeted (call for proposals): applicants must be EU Member State administrations or their mandated bodies

The global budgetary envelope reserved for Grants including Twinning: EUR 11 000 000

(4) Scope of geographical eligibility for procurement and grants

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

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

SECTOR	Environment, climate action and energy	EUR 17 000 000
Action 5	EU4 Environment	EUR 17 000 000

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

Description of the action and objectives

This Action will support further alignment of regulations and policies with EU environmental *acquis* and development of the infrastructure in the sector. It specifically aims at providing capacity building assistance and infrastructural means related to horizontal issues, water management, waste management and civil protection. The assistance will be provided through sets of activities aiming to enhance Bosnia and Herzegovina's preparedness to: execute environmental monitoring and reporting at the required quality standards and in the required manner related to international environmental obligations (European Environment Agency (EEA), European Environment Information and Observation Network (EIONET), Statistical Office of the European Commission (EUROSTAT) and international conventions); ensure sustainability of investments and provision of water services in local communities; pursue reforms to implement circular economy based on solid waste management concept; and establish more resilient structures for emergency response.

The objectives are achieving better protection of the environment, thus facilitating sustainable development in Bosnia and Herzegovina and further align policies and regulations with the *acquis* and develop infrastructure in the sector.

Expected results

Result 1: Countrywide reporting system related to international environmental obligations (EEA, EIONET, EUROSTAT and international conventions) fully functional

Result 2: Ensured sustainability of investments and provision of water and waste water services in local communities

Result 3: Improved materials recovery from waste through separate collections, reuse and recycling based on circular economy principles

Result 4: Level of emergency response is improved through establishment of resilient structures

Key performance indicators

- Presence of Countrywide Environmental Reporting System related to international environmental obligations
- Number of communal utilities/municipalities that have introduced cost reflective tariff system
- No. of kilometres or rehabilitated and upgraded water supply and sanitation network in Banja Luka as the result of this Action
- % of reduced non-revenue water in Canton Sarajevo and number of kilometres of rehabilitated and upgraded water supply and sanitation network in Banja Luka.
- Level of alignment with EU “Waste package” into entities’ legislation
- Amount of waste separated and send to recycling comparing to the total amount of waste collected
- Number of fully functional Operational 112 Centres
- Improved Response of the Urban Search and Rescue Teams (USAR) in case of earthquake with higher intensity

(2) Assumptions and conditions

Assumptions

- Sufficient number of educated staff is available to perform necessary data collection and reporting activities
- Stakeholders committed to reform water services sector
- Stakeholders committed to waste management sector reform.
- Stakeholders and participants committed to assume an active role in the 112 preparation process.

Conditions

For the achievement of the first result, the beneficiary institutions will make an agreement on the country-wide environmental reporting system (an EIONET compliant structure) following proposals developed under previous EU assistance.

For infrastructure activities all necessary preconditions (availability of designs, land expropriation, construction permits etc.) will be fulfilled by the beneficiaries prior to projects implementation.

Activity 4.2 stands under the condition that the global feasibility study concludes that the sub-activities 4.2.1 to 4.2.4 can be successfully implemented in Bosnia and Herzegovina with the earmarked budget.

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

(3) Implementation modalities:

(1)(a) *Indirect management* with a) International organisation,

A part of this action may be implemented in indirect management with United Nations Development Programme (UNDP). This implementation with UNDP entails Sustainable Management of the water services in selected municipalities. UNDP is selected to implement this activity due to its proven operational capacity in implementing similar actions. This is proposed to ensure consistency in the approach and compatibility of actions as the proposed international organisation was already implementing related and relevant assistance covering the same area (such as the MEG: Municipal Environmental and Economic Governance project and World Bank project addressing water sector reform and in particular the water services).

A part of this action may be implemented in indirect management with EBRD. This implementation entails:

- Support to implementation of Sarajevo Water Project on reconstruction of water supply network in six municipalities in Sarajevo Canton
- Support to implementation of Banja Luka Water Project on expansion and rehabilitation of water supply and sewage network in Banja Luka.

Sarajevo Water Project is financed through an EBRD loan of 25 million EUR aiming to improve water supply services in Capital of Bosnia and Herzegovina for 368.597 inhabitants.

The Banja Luka Water Project will be financed through an EBRD loan of 10 million EUR aiming to improve water services for 186.000 inhabitants.

The EU funding is complementing EBRD loans in place.

In addition, EBRD is selected to implement part of this action based on its proven operational capacity in implementing similar actions.

(1)(b) *Direct management*

Procurement:

The procurement will contribute to the achievement of expected results 1, 3 and 4.

The **global** budgetary envelope reserved for procurement: EUR 7 100 000

(4) Scope of geographical eligibility for procurement and grants

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

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

SECTOR	Competitiveness, innovation, agriculture and rural development	EUR 2 000 000
Action 6	EU4 Trade	EUR 2 000 000

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

Description of the action and objectives

This Action will help improve Bosnia and Herzegovina's competitiveness and innovation in line with international obligations. The Action will aim to support the creative economy, social and cultural development of Bosnia and Herzegovina through an upgrade of the Intellectual Property Rights (IPR) system including further alignment of the legislative framework, capacity building of relevant institutions and awareness raising targeting SMEs in particular.

The objective is to enforce IPR system in support of creative economy, social and cultural development.

Expected results

- The level of alignment of Intellectual Property Rights legislation with the EU Acquis is increased
- Capacity of Bosnia and Herzegovina institutions responsible for the protection and enforcement of IPR is strengthened.
- The public and users increased their understanding of Intellectual Property Rights (IPR) system importance.

Key performance indicators

- % of staff from relevant institutions trained in IPR field
- Average score of knowledge of the public and the daily users trained on Intellectual Property Rights (IPR) system.

(2) Assumptions and conditions

Assumptions

- The existence of political will for reaching the higher level of alignment of legislation in the area of IPR
- IP Inter-institutional Cooperation Body is established.
- All stakeholders support and cooperate

(3) Implementation modalities

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

Procurement:

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

The **global** budgetary envelope reserved for procurement: EUR 2 000 000

(2) Scope of geographical eligibility for procurement and grants

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

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

SECTOR	Education, Employment and Social Policies	EUR 12 500 000
Action 7	EU4 Social Policies, Employment and Education	EUR 12 500 000

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

Description of the action and objectives

The objective of this Action is to contribute to improving the socio-economic situation and living conditions in Bosnia and Herzegovina and increase employment opportunities for vulnerable groups and to improve implementation of social inclusion policies in Bosnia and Herzegovina.

This will be achieved through activities aimed at increasing participation of children in, and improving quality of, preschool education (especially in rural areas), as well as employment support to the most vulnerable groups of Bosnia and Herzegovina's society: youth, rural women and vulnerable categories of unemployed (long-term unemployed, persons with disability and Roma). In addition, activities will be focused on strengthening the capacities of the centres for social work as well as improving extra-institutional forms of social protection in Bosnia and Herzegovina.

Expected results

Result 1: Improved infrastructure in preschool educational institutions

Result 2: Support of effective and targeted active labour market measures for youth, rural women and vulnerable categories of unemployed (long-term unemployed, persons with disability and Roma)

Result 3: Improved capacities of the centres for social work for adequate work with users and strengthening extra-institutional forms of social protection

Result 4: Improved mechanism for reporting of social inclusion policies and access of vulnerable categories (persons with disabilities, Roma, rural women, etc.) to social inclusion services

Key performance indicators

- Number of employed youth, rural women and vulnerable categories of unemployed (long term unemployed, persons with disabilities and Roma)
- % of reconstructed and equipped pre-school institutions out of total needs
- % of centres for social work with improved capacities out of total work centres
- % of minors placed in foster families out of the total number of minors without parental care
- A mechanism for reporting of social inclusions policies developed and established
- % personnel of the relevant institutions trained to use the new mechanism for reporting of social inclusions policies

(2) Assumptions and conditions

Assumptions

- Continued political support for reforms in the sector
- Commitment of the Government to their fulfilment in line with the EU integration process
- Commitment and smooth coordination between all the institutions of the sector

- Continued political support for reforms in the sector

Conditions

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

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

(3) Implementation modalities:

(3)(a) Indirect management

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

- The entrusted entity shall be selected based on a call for expression of interest submitted either by an international organisation or a Member State organisation individually, or, by the partnership, in which an international organisation or a Member State organisation is a lead partner.
- An entity to be entrusted with the implementation of an Action shall possess operational capacity for managing large scale interventions which combine technical assistance and grants to demonstrate transparency of the grant award and management procedures.
- Technical competences shall be demonstrated by an entrusted entity (either individually or within a partnership) in the following fields relevant to the intervention: introduction and implementation of active labour market measures for youth, rural women and vulnerable categories of unemployed (long-term unemployed, persons with disability and Roma), capacity building of the labour market and social work institutions, economic empowerment of women, working with Roma population in relation to activation in the labour market.

The implementation by this entity will entail support to effective and targeted active labour market measures for youth, rural women and vulnerable categories of unemployed (long-term unemployed, persons with disability and Roma) by all levels of authority.

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

The entrusted entity must be positively pillar assessed, including for procurement and of grants to ensure transparent management and coordination for an overall Action.

(ii) If negotiations with the above-mentioned entrusted entity fail, this Action may be implemented in direct management in accordance with the implementation modalities identified in section (3)(b)(i) (fall back option).

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

Procurement

The procurement will contribute to achieving the expected results 1, 2 (fall back option), 3 and 4 of the action.

The global budgetary envelope reserved for procurement is EUR 6 300 000 including EUR 150 000 for the evaluation of the action. In case the fall back option has to be applied, this amount will be increased by EUR 1 000 000.

Grants (*call for proposals*)

a) **Objective:** To increase employment opportunities for youth, rural women and vulnerable groups. The grants will contribute to achieving expected results 2 (fall back option).

b) Type of applicants targeted:

The applicants shall be international organisations or NGOs or non-profit organisations that have had experience in working at local community level and have managed grants of similar size as the ones envisaged by this Action, partnerships comprised of legal entities, local authorities, public bodies, education institutions, NGOs, economic actors (employers), etc. Sub-granting shall be envisaged in accordance with the PRAG guidelines for grant applicants.

The global budgetary envelope reserved for grants is EUR 2 200 000. In case the fall back option has to be applied, this amount will be increased by EUR 3 000 000.

(2) Scope of geographical eligibility for procurement and grants

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

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

3 BUDGET

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

		Indirect management		Direct management	Total EU contribution (EUR)	IPA-II beneficiary or other third party contribution (EUR)	Total (EUR)
		with IPA-II beneficiary	with entrusted entity				
		EU contribution (EUR)	EU contribution (EUR)	EU contribution (EUR)			
Objective 1	01: Democracy and Governance			13 020 000	13 020 000		13 020 000
	Action 01: EU4 Efficient Public Finance Management			7 250 000	7 250 000		7 250 000
	Action 02: EU4 Parliaments			3 000 000	3 000 000		3 000 000
	Action 03: EU Integration Facility			2 770 000	2 770 000		2 770 000
	02: Rule of Law and Fundamental Rights			20 000 000	20 000 000		20 000 000
	Action 04: EU4 Home Affairs			20 000 000	20 000 000		20 000 000
	Total Objective 1			33 020 000	33 020 000		33 020 000
Objective 2	03: Environment and climate action		9 900 000	7 100 000	17 000 000	27 000 000	44 000 000
	Action 05: EU4 Environment		9 900 000	7 100 000	17 000 000	27 000 000	44 000 000
	06: Competitiveness and Innovation			2 000 000	2 000 000		2 000 000
	Action 06: EU4 Trade			2 000 000	2 000 000		2 000 000
	07: Employment, Education and Social Policies		4 000 000	8 500 000	12 500 000		12 500 000
	Action 07: EU4 Social Policies, Employment and Education ³		4 000 000	8 500 000	12 500 000		12 500 000
	Total Objective 2		13 900 000	17 600 000	31 500 000	27 000 000	58 500 000
	TOTAL		13 900 000	50 620 000	64 520 000	27 000 000	91 520 000

³ Including EUR 150 000 for the evaluation.

4 PERFORMANCE MONITORING ARRANGEMENTS

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

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

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

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

5 EVALUATION

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

For this purpose an amount of EUR 150 000 for Action 07 or some of its components is planned.

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

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

The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II

beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.