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ANNEX

to the Commission Implementing Decision on the financing of the cross-border cooperation programme Bosnia and Herzegovina – Montenegro for 2021-2027

Action Document for: Cross-border cooperation programme Bosnia and Herzegovina – Montenegro for 2021-2027

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PROGRAMME SYNOPSIS

Basic Act	Instrument for Pre-accession Assistance (IPA III)
Programme title	Cross border cooperation programme Bosnia and Herzegovina - Montenegro for 2021-2027
OPSYS number	ACT-60749 2022 allocation: JAD.963196 2024 allocation: JAD.963201 2027 allocation: JAD.963232
Programming document	IPA III Programming Framework
Window	Window 5 Territorial and cross-border cooperation
Programme area	<p>Bosnia and Herzegovina: Breza, Olovo, Vareš, Grad Visoko, Foča (FBiH), Grad Goražde, Pale (FBiH), Fojnica, Kiseljak, Kreševo, Grad Čapljina, Čitluk, Jablanica, Konjic, Grad Mostar, Neum, Prozor-Rama, Stolac, Ravno, Grude, Grad Ljubuški, Posušje, Grad Široki Brijeg, Centar Sarajevo, Hadžići, Ilidža, Ilijaš, Novi Grad Sarajevo, Novo Sarajevo, Stari Grad Sarajevo, Trnovo, Vogošća, Kupres, Grad Livno, Tomislavgrad, Berkovići, Bileća, Višegrad, Gacko, Istočni Mostar, Istočna Ilidža, Istočni Stari Grad, Istočno Novo Sarajevo, Pale, Sokolac, Trnovo, Kalinovik, Kupres, Ljubinje, Nevesinje, Novo Goražde, Rogatica, Rudo, Grad Trebinje, Foča, Čajniče.</p> <p>Montenegro: Berane, Bijelo Polje, Kolašin, Mojkovac, Petnjica, Pljevlja, Plužine, Šavnik, Žabljak, Danilovgrad, Nikšić, Herceg Novi, Kotor, Tivat.</p>
Programme overall objective	To promote good neighbourly relations, foster Union integration and contribute to social, economic and territorial development of the programme cross-border area by addressing climate change challenges and developing sustainable nature-and-culture tourism
Programme thematic clusters (TC), thematic priorities (TP) and specific objectives (SO) per thematic priority	<p><u>TP 0: Technical Assistance</u> SO: To ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area.</p> <p><u>TC 2: Greener and Improved resource efficiency</u> TP2: Environment protection, climate change adaptation and mitigation, risk prevention and management SOo: Communities improve resilience to natural and manmade disasters and climate change challenges.</p> <p><u>TC 4: Improved business environment and competitiveness</u> TP5: Tourism and cultural and natural heritage SO: Sustainable natural and cultural heritage tourism contributes more to the tourism of the programme area.</p> <p>NB: The thematic cluster TC 5: Improved capacity of local and regional authorities to tackle local challenges will be mainstreamed.</p>

	The mainstreaming of this thematic cluster is presented in Section 3.3 of this document.
Sustainable Development Goals (SDGs)	<p>Main SDG:</p> <p>Goal 11. Make cities and human settlements inclusive, safe, resilient, and sustainable</p> <p>In the framework of the implementation of the 7 years cross border cooperation programme, the operations selected will also contribute to the following Goal 3. Ensure healthy lives and promote well-being for all at all ages</p> <p>Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p>Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p> <p>Goal 10. Reduce inequality within and among countries</p> <p>Goal 13. Take urgent action to combat climate change and its impacts</p> <p>Goal 15. Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
DAC code(s) ¹	<p>15110 - Public sector policy and administrative management – 10%</p> <p>33210 - Tourism policy and administrative management 40%</p> <p>41010 - Environmental Policy and administrative management – 30%</p> <p>43060 - Disaster Risk Reduction- 10%</p> <p>74020 - Multi-hazard response preparedness -10%</p>
BUDGET INFORMATION	
Budget Line	15.020300
Total cost 2021-2027	EUR 9 734 117.64
Total EU contribution 2021-2027	EUR 8 400 000
Yearly EU contribution	<p>For the year 2022 - EUR 2 400 000</p> <p>For the year 2024 - EUR 3 600 000</p> <p>For the year 2027 - EUR 2 400 000</p>
MANAGEMENT AND IMPLEMENTATION	
Method of Implementation	Direct management by the European Commission
Responsible CBC structures/ relevant authorities in the IPA III participating countries ²	<p>In Bosnia and Herzegovina: Directorate for European Integration - Division for Territorial Cooperation Programmes</p> <p>In Montenegro: Government of Montenegro - European Integration Office</p>

¹ DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab ‘purpose codes’ in the following document: <http://www.oecd.org/dac/financing-sustainable-development/development-financestandards/dacandcrscodelists.htm>

² Responsible structures and responsibilities will be defined upon adoption of their accordance with the IPA III legislative framework and corresponding Framework partnership Agreement and Financial Agreement

JTS/Antenna Offices of the joint technical secretariat (JTS)	JTS main office: Sarajevo, Bosnia and Herzegovina JTS antenna office: Nikšić, Montenegro
Final date for concluding <u>Financing Agreement</u>	For the budgetary commitment of 2022 at the latest by 31 December 2023
Final date for agreement (exchange of letters) of all parties on further yearly budget allocations for implementation of the Financing Agreement	For the budgetary commitment of 2024 at the latest by 31 December 2025 For the budgetary commitment of 2027 at the latest by 31 December 2028
Final date for concluding <u>procurement and grant contracts</u>	Three years following the date of conclusion of the Financing Agreement (or the exchange of letters for the subsequent budgetary instalments) except for the cases provided for in Article 114 FR
Indicative operational implementation period	Six years following the date of conclusion of the Financing Agreement (or the exchange of letters for the subsequent budgetary instalments)
Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement (or the exchange of letters for the subsequent budgetary instalments)

Bruxelles, le 19.5.2022

LIST OF ACRONYMS

BiH	Bosnia and Herzegovina
CBC	Cross-border cooperation
CBIB	Cross-border institution building
CSO	Civil society organization
DEI	Directorate for European Integration of Bosnia and Herzegovina
DEU	Delegation of European Union
EU	European Union
EUSAIR	EU Strategy for the Ionian Adriatic Region
EUSDR	EU Strategy for the Danube Region
FBiH	Federation of Bosnia and Herzegovina
IPA	Instrument for pre-accession assistance
ISCED	International standard classification of education
JMC	Joint monitoring committee
JTF	Joint task force
JTS	Joint technical secretariat
ME	Montenegro
MSME	Micro, small and medium-sized enterprise
NEET	Not in education, employment or training
OS	CBC Structure (if the text refers to IPA II, Operating Structure)
PA	Policy area
PWD	Persons with disability
RCC	Regional Cooperation Council
R&D	Research and Development
SME	Small and medium-sized enterprise
SWOT	Strengths, weaknesses, opportunities, threats
TA	Technical Assistance
TC	Thematic cluster
TP	Thematic priority
UNECE	United Nations Economic Commission for Europe
UNESCO	United Nations Educational, Scientific and Cultural Organization
WB	Western Balkans

1. PROGRAMME SUMMARY

The programme for cross-border cooperation between Bosnia and Herzegovina and Montenegro will be implemented under the framework of the 2021-2027 Instrument for Pre-Accession Assistance (IPA III) with a view to promoting good neighbourly relations, fostering Union integration and promoting socio-economic development through joint local and regional initiatives.

The legal provisions for the implementation of the programme are stipulated in the following EU legislation: Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession assistance (IPA III).

1.1. Summary of the Programme

The programme area is the same as in the period 2014-2020 and comprises territories in the southeastern part of Bosnia and Herzegovina and the northwestern part of Montenegro and stretches over 30 022 km² with over 1.4 million inhabitants. It is characterised by agriculture and forestry, coal mining, energy production, processing industries, construction and services. COVID-19 crisis negatively affected the regions' economy and employment. Tourism and travel sector were most hit. The area is one of the most biodiverse areas in Europe but also one of the most sensitive to climate change and increasingly vulnerable to natural hazards: droughts, heat waves, heavy precipitation, landslides, fires and floods.

Overall objective: To promote good neighbourly relations, foster Union integration and contribute to social, economic and territorial development of the programme cross-border area by addressing climate change challenges and developing sustainable nature-and-culture tourism.

The main areas of intervention relate to two thematic clusters (TC) and thematic priorities (TP):

1 - TC 2: Greener and improved resource efficiency

TP 2: Environment protection, climate change adaptation and mitigation, risk prevention and management

The specific objective is to improve the resilience of communities to natural and manmade disasters and climate change challenges.

The programme area has in recent years suffered from several natural disasters, including catastrophic floods in 2014, where many villages almost disappeared in mud and landslides. The programme seeks to raise capacities of relevant authorities and emergency services to better manage disaster risks. Supported actions should focus on generation of knowledge on the existing and future risks, developing multi-hazard information and early warning systems, strengthen technical and operational capacity and pooling of resources across the border for disaster response. Further, the programme seeks to raise the capacity of local authorities, economic operators and CSOs in different sectors in the programme area to address climate change challenges, develop and test innovative practical solutions for adapting to climate change and to raise the capacity for mainstreaming climate change in decision making at local level.

2 - TC 4: Improved business environment and competitiveness

TP 5: Tourism and cultural and natural heritage

The specific objective is that sustainable natural and cultural heritage contribute more to the tourism of the programme area.

The programme seeks to support cooperation of local authorities and other local and regional actors in developing and managing sustainable cross-border products and services in tourism. These should build on innovative and sustainable use of natural and cultural assets. Improved

capacities of local and regional actors to become more resilient and to adapt to new requirements of tourism markets should help regain confidence of visitors and tourists to explore the programme area.

The thematic cluster *Improved capacity of local and regional authorities to tackle local challenges* will be mainstreamed in the implementation of the selected thematic priorities.

3 - TP 0: Technical Assistance

Technical Assistance (TA) aims to ensure the effective, efficient and accountable management of the cross-border programme.

The total IPA funding available for the programme implementation is **EUR 8 400 000**.

1.2. Preparation of the programme and involvement of the partners

The programming process was coordinated by the Operating Structures³ with support of the JTS, the CBIB+3 project and in close coordination with DG NEAR and respective DEUs.

The kick-off meetings between the Operating structures and CBIB+3 project and the first bilateral OSs meeting were held in May 2020.

The programme was prepared in cooperation with many stakeholders from the programme area. During the preparation of the situation analysis, around 440 representatives of the local and regional authorities, CSOs, universities, development organizations, chambers of crafts and economy were directly invited to take part in a survey aimed at collecting opinions on the strengths, weaknesses, opportunities and threats to cooperation as well as the identification of development potentials and priorities to be addressed with the new programme. Seventy-five respondents provided their views.

Secondary resources, including statistics at EU, national, regional and local levels were collected and analysed. Existing studies, evaluations and strategic documents and actions plans at sector and different territory levels as well as reports on the implementation of the IPA II programme were screened and relevant information included in the Situation Analysis.

A joint task force (JTF)⁴ was nominated with representatives of both countries and was supported by the EU-funded multi-beneficiary project 'Cross-border Institutional Building – CBIB+ Phase III'. Due to the COVID-19 pandemic the meetings of the JTF were conducted online. In October 2020, the members of the JTF, OSs and JTS took part in the Strategy Formulation and Development trainings provided in each country by the CBIB+3.

The first meeting of the JTF was organised on 19 October 2020, on which the rules of procedures were established, the programme area was agreed and initial discussions on timeframe and steps in the programming process took place. Also, the results of the survey were presented and discussed. The second JTF meeting held on 2 November 2020 was devoted to the presentation of the situation and SWOT analyses and a preliminary discussion on the strategic choices. At the third meeting on 6 November 2020, the JTF members discussed the possible scenarios of the programme strategy. Based on additional justifications and argumentation from the line ministries, an agreement on the programme focus was reached. At the fourth meeting held on 30 November 2020, the first draft of the programme strategy was discussed and approved.

³ The designated Operating Structure on the part of BiH is the Directorate of European Integration and European Integration Office on the part of Montenegro.

⁴ The members of the JTF on the part of Bosnia and Herzegovina are representatives of the Directorate of European Integration BiH, Ministry of Foreign Trade and Economic relations, Ministry of Civil affairs, Government of the Federation of Bosnia and Herzegovina, Government of Republika Srpska, Association of Local Authorities of Republika Srpska, Association of municipalities and cities of the FBiH; on the part of Montenegro the JTF members are the representatives of the European Integration Office, Ministry of Sustainable Development and Tourism, Ministry of Labour and Social Welfare, Ministry of Interior Affairs, Ministry of Culture, Ministry of Science, Ministry of Public Administration, Ministry of Sports and Youth, Ministry of Economy, Ministry of Education, Municipality of Danilovgrad (representing the Association of municipalities).

On 11 December 2020, the Operating structures made the first draft of the programme available on national portals for online consultation and the DEI BiH also published news on the start of consultation process. OSs received no comments. The first draft of the programme was also published for consultation at the programme website www.bih-mne.org and the invitation to read and comment the draft was sent to more than 800 contacts in the mailing list of the JTS. Two comments addressing the programme were received.

Based on the EC comments to the first draft of the programme and a meeting held with the representatives of DG NEAR, the programme partners approached the elaboration of the second draft. An additional meeting was held with the representatives of the PROMEL projects on the programme intervention logic and recommendations from the Advisory were considered in the elaboration of the second draft.

The second draft of the programme and the invitation to a public consultation event were widely disseminated through several communication channels, including the programme website and Facebook, websites of the Operating structures, Facebook of the DEU in BiH, and EUresurs site for the civil society organisations. The JTS directly invited 889 contacts. The representatives of the associations of cities and municipalities, as members of the JTF and of JMC of 2014-2020 programme, were requested to share the programme document with their members. There were 13 responses issued by the stakeholders (local authorities, development agencies, NGOs, public institutions) showing high relevance of the programme regarding the selected thematic priorities and specific objectives.

An online public consultation event for stakeholders from both countries was held on 23 April 2021, which was attended by in total 32 participants. The Agency for Gender Equality of Bosnia and Herzegovina was invited to provide comments to the second draft of the programme, which they did on 25 April 2021. All comments and proposals from the consultation were examined and, where relevant, considered in the elaboration of the final version of the second draft of the programme.

The second draft programme was adopted by the JTF on 26 April 2021 and submitted to DG NEAR on 30 April 2020. Comments to the second draft were discussed by the OSs and CBIB+3 on 15 June 2021 and following written procedure for adoption of the third draft by JTF (concluded on 15 July 2021), the final draft of the programme was submitted on 16 July 2021.

Table 1: Important milestones and programme meetings

Meeting	Date	Purpose/Conclusions
Letter from European Commission	22. 4. 2020	A letter from the European Commission regarding IPA III and starting the programming process was received by the NIPAC Offices of both countries
Introductory meeting	5. 5. 2020	A kick-off meeting held between the BiH OS and CBIB+3 on the IPA III CBC programming process (proposed steps and working plan)
Introductory meeting	5. 5. 2020	A kick-off meeting held between the MNE OS and CBIB+3 on the IPA III CBC programming process (proposed steps and working plan)
Bilateral OS's meeting	11. 5. 2020	The meeting included initial discussion between OSs and EUD to BiH on IPA III programming process (proposed steps and time frame)
Establishment of the JTF	beginning of September	The process of appointing JTF members was finalised
Dispatching of questionnaires	4.8. - 6.8.2020	The JTS dispatched the questionnaires to the relevant CBC stakeholders

Meeting	Date	Purpose/Conclusions
Mobilisation of expert	1. 9. 2020	Mobilisation of the programming expert for the programme BA-ME
Deadline for the questionnaires	11. 9. 2020	Second deadline for the collection of the completed questionnaires in MNE
Deadline for the questionnaires	16. 9. 2020	Second deadline for the collection of the completed questionnaires in BiH
Submission of aggregated answers	21. 9. 2020	The aggregated answers from the collected questionnaires were delivered to the programming expert for further elaboration and analysis
Training on Strategy formulation and Development	5. 10. 2020	Training on strategy development and formulation for the members of the JTF, and OS, JTS in Bosnia and Herzegovina
Training on Strategy formulation and Development	13. 10. 2020	Training on strategy development and formulation for the members of the JTF, and OS, JTS in Montenegro
1st meeting of the JTF	19. 10. 2020	Initial discussions related to planning of activities Definition of timeframe and steps in the process
2nd meeting of the JTF	2. 11. 2020	Presentation and discussion related to PESTLE and SWOT analysis. Initial discussions related to the selection of thematic priorities
3rd meeting of the JTF	6. 11. 2020	Selection of thematic priorities
4th meeting of the JTF	30. 11. 2020	Discussion and approval of the programme strategy
1st draft Programme document	2. 12. 2020	Submission of the first draft of the programme to European Commission
Invitation to online public consultation	11. 12. 2020	The JTS published first draft of the programme for online consultation on the www.bih-mne.org programme and invited over 800 per e-mail to take part
Online consultation on BA side	11.12. – 31.12 2020	The first draft of the programme published for online consultation
Online consultation on ME side	11.12. – 30.12 2020	The first draft of the programme published for online consultation
Comments to 1 st draft received by European Commission	3. 3. 2021	The OSs received general and specific comments to the first draft of the programme
Coordination meeting between the OSs	4. 3. 2021	Discussion on the comments received by European Commission
Coaching event on the intervention logic	16. 3. 2021	Workshop on the intervention logic – PROMEL project
Advisory note on intervention logic	7. 4. 2021	Advisory note on the proposals for improvement of the programme intervention logic by PROMEL project received
Coordination meeting between OSs	14. 4. 2021	Meeting of the OSs, JTS and CBIB+ team to discuss programme amendments - 2 nd draft
Online publication of the 2 nd draft of the programme	16. 4. 2021	The second draft was published for online consultation and disseminated through several communication channels. 13 responses received.
Online workshop	23. 4. 2021	The second draft of the programme was presented online, and participants provided additional justifications and inputs under the thematic priority addressing tourism.

Meeting	Date	Purpose/Conclusions
5 th meeting of the JTF	26. 4. 2021	The JTF was informed on the steps taken since the last meeting. The 2 nd draft of the document was approved under condition that the operating structures would address the latest comments and integration of Chapter 5 on implementing provisions.
2 nd draft of PD	30. 4. 2021	Submission of the second draft of the programme to European Commission
Comments to 2 nd draft	7. 6. 2021	The OSs received informal general and specific comments to the second draft of the programme.
Coordination meeting	15. 6. 2021	Agreement of the OSs on the necessary amendments of the programming document.
Comments to 2 nd draft	7. 7. 2021	Receipt of official comments and a new template by European Commission.
3 rd draft of PD	15. 7. 2021	Approval by written procedure by the JTF of the third draft following the EC comments
Submission of the 3 rd draft of PD	16. 7. 2021	Submission of the Final draft programme to European Commission.

2. PROGRAMME AREA

2.1. Situation Analysis

2.1.1. The territory and demography

The programme area is the same as in the period 2014-2020 and comprises territories⁵ in the southeastern part of Bosnia and Herzegovina and the northwestern part of Montenegro. The land border between the countries is 225 km long⁶ and mainly runs along a mountainous terrain. The area stretches over **30 022 km²**, of which 20 782 km² (69 %) belongs to Bosnia and Herzegovina and 9 240 km² (31 %) to Montenegro. The eligible area represents 40 % of the territory of Bosnia and Herzegovina and 67 % of Montenegro.

According to the last census (2013-BiH, 2011-ME), in total there were **1 436 422 people** living in the programme area. The population on the Bosnian and Herzegovinian territory amounted to 1 141 317 (79 %), which was 3.8 times larger than the size of population on the Montenegrin side (295 105 inhabitants, 21 %).

Figure 1: Map of the programme area



↻ 70 cities and municipalities, of which 54 % with up to 15 000 inhabitants

The programme area comprises 70 cities and municipalities, of which 56 in Bosnia and Herzegovina and 14 in Montenegro. More than half of the municipalities (54 %) can be considered small; 27 % have less than 5 000 inhabitants and 27 % between 5 001 and 15 000 inhabitants. 37 % are medium-sized (between 15 001 and 50 000 inhabitants) and 9 % are considered large (four municipalities with up to 100 000 and two above that size).

Table 2: Municipalities and cities in the programme area

⁵ Two municipalities included in the programme area have changed their names.

⁶ Montenegro in figures 2019, Monstat.

Bosnia and Herzegovina	Montenegro
<p><u>Federation of Bosnia and Herzegovina:</u></p> <ul style="list-style-type: none"> Zeničko-dobojski kanton: Breza, Olovo, Vareš, Grad Visoko Bosansko-podrinjski kanton: Foča (FBiH), Grad Goražde, Pale (FBiH) Srednjobosanski kanton: Fojnica, Kiseljak, Kreševo Hercegovačko-neretvanski kanton: Grad Čapljina, Čitluk, Jablanica, Konjic, Grad Mostar, Neum, Prozor-Rama, Stolac, Ravno Zapadno-hercegovački kanton: Grude, Grad Ljubuški, Posušje, Grad Široki Brijeg Kanton Sarajevo: Centar Sarajevo, Hadžići, Ilidža, Ilijaš, Novi Grad Sarajevo, Novo Sarajevo, Stari Grad Sarajevo, Trnovo, Vogošća Kanton 10: Kupres, Grad Livno, Tomislavgrad <p><u>Republika Srpska:</u> Berkovići, Bileća, Višegrad, Gacko, Istočni Mostar, Istočna Ilidža, Istočni Stari Grad, Istočno Novo Sarajevo, Pale, Sokolac, Trnovo, Kalinovik, Kupres, Ljubinje, Nevesinje, Novo Goražde, Rogatica, Rudo, Grad Trebinje, Foča, Čajniče.</p>	<ul style="list-style-type: none"> <u>Northern region:</u> Berane, Bijelo Polje, Kolašin, Mojkovac, Petnjica, Pljevlja, Plužine, Šavnik, Žabljak <u>Central region:</u> Danilovgrad, Nikšić <u>Coastal region:</u> Herceg Novi, Kotor, Tivat.

↪ Unfavourable demographic trends in most of the programme area

The programme area has been facing a general decline of population. According to population estimates, the number of inhabitants in 2019 decreased by 21 312 or 1.52 % compared to the year 2014. The decrease is most notable on the Montenegrin side (-3.65 %) and minor on the Bosnian and Herzegovinian (-0.96 %). Negative population trends are more intense in rural municipalities, where the quality of life is usually lower and job opportunities are scarce, what results in emigration of (young) population to more dynamic urban centres or even abroad.

2.1.2. Economy and labour market⁷

↪ COVID-19 crisis severely affected the countries' economy

According to the World Bank *Regular economic report on the Western Balkans (Fall 2020)*, the economic activities are projected to contract.

The UNDP *Economic Impact Assessment of COVID-19* report for Bosnia and Herzegovina from May 2020 states that majority of firms decreased their normal business capacity utilisation as a result of COVID-19 related measures. The most directly impacted industries were accommodation, food services and transport, while the indirect impact was expected to significantly affect the whole of economy. Firms in rural areas were more likely to be forced to shut down their operations largely or completely, while urban based were able to adjust better. Females appear to be more adversely affected by the impact of pandemic on the economy than males.

Assessment of the COVID-19 impact of the business sector and the growth prospects of the Montenegrin economy (UNDP, October 2020) confirms that MSMEs were most severely hit by the COVID-19 crisis. The impact of the crisis is reflected in falling sales and rising losses. Similarly, the survey of the Montenegrin Employers Foundation (May 2020) confirmed that the pandemic

⁷ Not all data are available at the level of programme area (municipalities). In such cases the country level situation is presented.

caused operational disruptions. The highest share of surveyed enterprises that dismissed workers were operating in restaurants, hotels and tourism. In 2020 the COVID-19 crisis has dragged the economy into a recession estimated at 12.4%; tourism, the sector most affected, accounts for almost 25% of GDP. High uncertainty, disruptions in supply chains, and restrictions on worker movements are projected to reduce investment (*Western Balkans Regular Economic Report, fall 2020, WB*).

➤ **Similar economic sectors developed on both sides**

The economy of the programme area is characterised by agriculture and forestry, coal mining, energy production, processing industries, construction and services. Trade constitutes the main proportion of services, whereas tourism is particularly dominant on the coastal areas on the Montenegrin side, however also important for the nature park areas and cities on both sides. There were 48 019 business entities registered in the programme area in 2019, of which 10 955 (23 %) in Montenegro and 37 064 (67 %) in Bosnia and Herzegovina.

➤ **Importance of agriculture and forestry**

There are some larger agricultural producers in the programme area, like cooperatives and private companies, especially in Bosnia and Herzegovina. However, the sector comprises mainly family holdings, which are relatively small and offer limited quantities of agricultural products for the market. In addition, an unfavourable age structure, along with a low level of knowledge and use of modern technologies, results in low productivity. Women in agriculture are found to be in a particularly difficult socio-economic position due to their limited access to economic resources. They frequently undertake non-paid agricultural work in addition to housework and often do not have social or health insurance, which makes them one of the most marginalised groups of population in both countries. Both countries have a good basis for processing agricultural products.

Forests are an important natural resource in terms of economy, ecosystem services, biodiversity, recreation, etc. They cover 55 % of the land in Bosnia and Herzegovina and 70 % in Montenegro (2017)⁸. Forests are vulnerable to climate changes but also to human made damages, such as illegal logging. A common challenge is land abandonment, followed by urbanisation, which also changes the landscapes and affects the management of forest (and agricultural) land. The level of processing and production finalisation is rather low.

➤ **Tourism sector has been expanding in recent years, most visits and overnight stays generated by foreign tourists**

The total number of enterprises active in the tourism sector in the programme area was not possible to collect. There were 1 628 business entities registered under *I - accommodation and food services* on the Bosnian and Herzegovinian side (2018-RS, 2019-FBiH). For Montenegro, data at municipal level is not available. In total, 4 632 business entities operated in this economic activity in the country in 2020, representing 12.4% of all business entities.

Tourism has been in expansion in recent years, particularly in Montenegro where it has become the country's key industry. The programme area has around 40 000 beds and generated approximately 1.9 million tourist arrivals and 6.9 million overnight stays in 2019⁹, of which 85 % of the arrivals and 90 % of the overnight stays were made by foreign tourists. 38 % of the arrivals and 66 % of the overnight stays were generated on the Montenegrin and 62% of arrivals and 44% overnight stays on the Bosnian and Herzegovinian side of the territory. Comparing recent data with those of 2015, a significant rise in the arrivals (146 %) and overnight stays (135 %) was recorded.

⁸ Key figures on enlargement countries 2019, Eurostat.
⁹ Data for Montenegro are for year 2018.

The main tourist destinations in the programme area are currently linked to urban/city tourism and coastal tourism. There are initiatives for the development of outdoor, green and rural tourism in the mountainous areas, the related national parks and other protected areas. Three national parks: Sutjeska in Bosnia and Herzegovina and Durmitor and Biogradska gora in Montenegro, nature parks Bijambare, Hutovo blato, Blidinje in Bosnia and Herzegovina, and planned regional parks Bioč-Maglič-Volujak, Ljubišnja, Sinjavina, Turjak and Hajla in Montenegro, along with the UNSECO protected areas and Ramsar create an important asset and opportunity for the development of nature based sustainable tourism.

Tourist products in the programme area are promoted in a rather dispersed way, including some of the most recognised destinations in both countries. Potentials for creation and promotion of thematic cross-border offers are not yet sufficiently explored. The *Triple P Tourism* project on promotion, policy and pilots managed by RCC was supported under the IPA II Multi-beneficiary instrument to foster regional cooperation between the six WB countries in development of regional routes, diversifying tourism offer and alleviating policy barriers for the development of the tourism industry. The IPA II CBC BA-ME programme supported six projects under two calls for proposals, focusing on activation of cultural heritage and natural values. Tourism is a recognised priority in local development strategies. Some local authorities have in the last five years also supported investments in tourist infrastructure.

Common needs and challenges relate to developing sustainable tourist products and their integration in visible destinations/routes. The potential for expanding tourism outside traditional tourist centres into the rural hinterland should be activated. The capacities of the sector to advance the range and quality of products, services and related infrastructure, to manage and market cross-border destinations also need to be raised.

🔄 In 2020, the tourism sector has been most hit by the COVID-19 crisis

The COVID-19 pandemics negatively affected the tourism figures in 2020 also in the programme area. The first results show a drastic decline in the realised arrivals and overnight stays, but also in decreasing accommodation capacities. Statistical data for the municipalities of Kotor, Tivat, Herceg Novi and Žabljak on the Montenegrin side show that tourist arrivals were decreased in specific quarters of the year for around 70% to 100 % compared to 2019. Similarly, arrivals to Bosnia and Herzegovina were down especially in the period April - June and October - November 2020. The greatest downturn was on the part of foreign tourists visiting the programme area.

The negative effects of the COVID-19 crisis on tourism are likely to increase gender inequality as a large part of the tourism workforce is female and MSMEs owned or managed by women.

It is necessary to support the tourism sector to recover and become more resilient. It will be important for the future to consider the changed visitors' requirements, increased health and safety standards, and expectations as well as opportunities thereof. The programme area needs to diversify and further promote sustainable tourism. Offers should be adapted to smaller groups and individuals, what also provides opportunities for rural areas.

🔄 Increase in employment in recent years.

The activity rate of population aged 15-64 years has increased in both countries. In 2019 it was 66.2 % in Montenegro and 42.1 % in Bosnia and Herzegovina. In Montenegro, the activity rate of women was 59.1% and of men 73.3 %. In Bosnia and Herzegovina, the activity rate of men was 51.7% and 32.9 % of women and thus with the gap of 18.8 % being higher than in Montenegro at 14.2 %¹⁰. The *World Bank report on Western Balkans Labor Market Trends 2020*¹¹ shows that data on employment rates of low skilled men and women aged 15-64 (ISCED 0-2) are

¹⁰ Bosnia and Herzegovina in figures 2020, Agency for statistics; Žene i muškarci u Crnoj Gori 2020, Monstat.

¹¹ <https://wiiw.ac.at/western-balkans-labor-market-trends-2020-dlp-5300.pdf>

in general low, but also showing gender gap. In Bosnia and Herzegovina, the employment rate was 34.2 % for male and 16.6 % for female, whereas in Montenegro 38.8 % for male and 14.4 % for female. In 2018, there were 365 806 employed in the programme area, out of whom the share of women was 45 %. In some municipalities, the share of employed women is much lower than the average of the programme area. Most of the employment is generated in manufacturing, trade, public administration and public services. One of the common challenges in the wider region is to improve labour skills to match the needs of the labour market. The programme area includes some of the most remote regions of both countries where employment opportunities are scarce.

➤ **Unemployment remains a challenge, in particular for the young**

At the end of 2019 and beginning of 2020, there were close to 160 000 registered unemployed in the programme area, out of whom 141 000 (89 %) in the territory of Bosnia and Herzegovina. The absolute number on the Montenegrin part is much smaller, close to 18 000, however it represents 50 % of all unemployed in the country, reflecting a more severe situation in the northern region compared to the central and coastal. Characteristic groups of unemployed in the programme area are long-term unemployed, workers with low level or incomplete education, young unemployed, women and disabled persons.

Compared to many countries in the region with similar transition processes, Bosnia and Herzegovina has the lowest level of women's participation in the labour market. Women in Bosnia and Herzegovina face multiple barriers in the labour market, such as longer waiting for a first job, lengthy gaps in the years of service due to maternity leave or the care of elderly or sick family members, or the inability to re-engage in the labour market due to the old age because of changes in the market and the ceased need for a certain type of work¹². In the less developed northern part of Montenegro, unemployment of women is seven times higher than in the South and three times higher than in the Central region¹³.

2.1.3. Cultural and natural heritage

➤ **Rich cultural and natural heritage and challenges related to its conservation and valorisation**

Important cultural heritage includes old towns, fortresses, bridges, monasteries, churches, mosques, archaeological sites, ethnological heritage, and museum pieces. The UNESCO World Heritage list includes: Old bridge area of the Old City of Mostar, Mehmet Paša Sokolović Bridge in Višegrad, Stećci – medieval tombstone graveyards situated in several locations on both sides of the programme area, the natural and culture-historical region of Kotor and the Durmitor National Park. The state of the immovable cultural heritage in the area improved but needs for renovation and valorisation are still significant.

The cultural heritage is an important potential for tourism development in the context of cross-border cooperation, which has been strengthened in recent years. There are many opportunities for exchange of experience, capacity building and cooperation protection and valorisation of cultural heritage. Tourism, cultural and natural heritage were also identified among top strengths of the programme area by the respondents of the survey carried out during the programming exercise. Cultural cooperation is of high importance for the promotion of people-to-people cooperation between municipalities in the border area, which share many similar traditions and customs. One of the unique assets of multi-culturalism is the existence of a large number of cultural, minority associations trying to preserve local traditions.

The richness and uniqueness of the cultural heritage and traditions in the programme area are challenged by their current insufficient preservation and sustainable valorisation. The programme area would benefit from an improved management of the cultural heritage that would attract new

¹² Gender Action Plan for BiH 2018-2022.

¹³ www.rodnamapa.me

visitors, promote cross-sectoral cooperation (e.g. creative industries) and link cultural and natural heritage across the borders through sustainable tourism.

➤ **The programme area has exceptional natural values and common pressures on its biodiversity**

The programme area is one of the most biodiverse in Europe. There are several types of nature protection established in both countries, out of which one should single out three national parks (Durmitor, Sutjeska and Biogradska gora) and several nature park areas. UNESCO protected areas include Kotor-Risan Bay, Tara River Basin, NP Durmitor with the river Tara, while Tivat's salina, Hutovo blato and Livanjsko polje belong to Ramsar sites.

Biodiversity faces several pressures on both sides, ranging from conversion of habitats, over-exploitation or illegal use of resources, pollution, climate change, invasive species, uncontrolled urbanisation and tourism development in natural habitats. The cumulative effect of these threats to biological diversity is the loss of rare or endangered habitats and their associated (often endemic) species. This has the potential to cause a reduction in the functionality and stability of natural ecosystems, particularly of forest and water ecosystems.

According to the national strategies for sustainable development of Montenegro and the Bosnia and Herzegovina environment performance review (UNECE, 2018) the capacities and resources for conservation and management need to improve. For many of the existing protected areas the management structures do not exist yet and protection measures, outside protected areas, are rarely implemented. Awareness regarding biodiversity among the population is still low.

The programme area's exceptional biodiversity faces several challenges, ranging from climate change effects to pressures caused by unsustainable use of resources, which could produce the loss of rare or endangered habitats and their associated endemic species. There is a need to increase the awareness of the general population as well as to upgrade management capacities, including systemic monitoring and the introduction of relevant conservation measures.

Under IPA II CBC one project addressing biodiversity challenges was supported so far.

2.1.4. Climate change and environment

➤ **The programme area is very vulnerable to climate change**

The Western Balkan region is already witnessing changes in climatic conditions demonstrated by an increased duration and frequency of heat waves and droughts, an increased risk of flooding, forest degradation due to increased fire frequency and changes in tree cover, early growing season start and high risk of late spring frost, decrease in yield quality during the years with a warmer and/or drier growing period and decreased average river discharge as well as problems with drinking water quality and supply especially during summer season. Near-future projections until 2035 suggest further increases in the frequency and severity of heatwaves, dry days and extreme precipitation events well as a more pronounced cycle of severe drought and heavy rains, with appearance of extreme storms in summer¹⁴.

Overall, analyses of the climate change in the region recognise that human health, safety and life quality are highly vulnerable to natural hazards and sectorial weather-related losses, while also identifying sectors that will experience the biggest impacts:

- Agriculture (food quality decrease, land erosion and degradation, etc.);
- Forestry (high risk of widespread forest degradation, disappearance of present taxa, etc.);
- Water resources (deficiency in drinking water, etc.); and

¹⁴ RCC (2018) study on climate change in the Western Balkans region.

- Human health (increase of heat waves, intrusion of new vector-borne diseases, etc.)¹⁵.

The projected impacts from climate change make the programme area increasingly vulnerable to natural hazards: droughts, heat waves, heavy precipitation, landslides, and floods. The most common natural disasters are associated with heavy rainstorms that may cause mudslides and flooding of large areas of agricultural land, houses and industrial buildings, and lead to other changes in the environment. Droughts may become more frequent in some areas due to river runoff decrease or drying in the country's lowland areas as well as from increased demand and consumption linked to economic development and population growth¹⁶.

➤ High level of risks for natural and manmade hazards

The programme area is most vulnerable to earthquakes (urban centres), flooding, landslides and high snow. Many parts of the programme area are assessed with high risk of fires.

Local authorities and CSOs (like humanitarian organisations, firefighters, mountaineering rescue, speleology, etc.) are of particular importance in raising capacity on disaster risk prevention and preparedness. In this field, it is necessary to improve the technical capacities of the personnel and to modernise the intervention equipment. There is an agreement between Bosnia and Herzegovina and Montenegro on the cooperation in the prevention against natural or other disasters.

Increasing resilience to climate change represents one of the key challenges in the programme area, evident in several sectors and posing risks also to citizens' safety and health. There is a need to raise awareness of the population in general about these challenges and to raise capacity of local authorities and relevant actors to reduce disaster risks.

In many parts of the programme area the increased number of visitors not only requires raising awareness on environment friendly behaviour in the nature, but also reinforcing the intervention capacity of rescue services.

2.2. Main findings

The following **findings, needs and challenges** were identified:

➤ Addressing rural/urban disparities, depopulation and ageing trends

According to official estimates, the overall population growth in the programme area is negative and this trend is more acute in rural areas. However, in Sarajevo's agglomeration and the coastal towns of Montenegro, the population growth is still positive. Shrinking communities in less developed rural parts on one side and ageing of the population on the other pose several challenges to socio economic development and make those areas unattractive to live and work for the young generations who look for better opportunities in urban centres or abroad. Statistics also shows that women are in worse position in relation to their participation in the labour market, especially in rural areas. Women in rural areas are among the most marginalized groups of population as they have less access to land and capital, mostly do unpaid work in farms and households, are less educated than men and have limited access to health and social services.

The rural/urban character of the area is thus also reflected in specific differences, such as urbanisation vs. depopulation of rural parts.

Cooperation across the border can benefit through identification of good practices and concrete actions promoting the socio-economic potentials, especially in rural areas.

¹⁵ <https://www.rcc.int/news/383/rcc-publishes-study-on-climate-change-in-the-western-balkans-alarming-increase-of-temperature-over-the-whole-territory>

¹⁶ <https://climateknowledgeportal.worldbank.org>

🔄 **Tackling unemployment through activation of local potentials**

The main challenges of this situation remain the creation of sustainable jobs, especially for the young and those living outside urban centres. Besides job creation, upskilling or reskilling among the active population is most required to better match the existing and future needs of the labour market demand.

Agriculture and forestry are important activities of the programme area, not only from an economic point of view, but also from a social and environmental. The common challenges are multiple, namely: abandonment of farming activities, low productivity and value added, weak promotion of local value chains and insufficient diversification of economic activities on small farm households along with unsustainable farming practices.

Tourism has also gained importance outside traditional tourist destinations and has potential for sustainable job creation, especially through a wider range of offers along the main common themes and their integration into visible cross-border destinations (e.g. culture, nature, outdoor, city, hiking, biking).

The COVID-19 crisis negatively impacted the programme area's economy and employment. Tourism, accommodation and services, culture and entertainment were hit hard, especially micro and small businesses.

Cross-border cooperation can contribute to the recovery and resilience of the tourism sector. Activation of employment potentials of this sector can stimulate trade and other services. Building on the experience of current and past cross-border projects, innovative cross-border products and services can be developed respecting the new needs and trends. Sustainable and resilient development should come strongly in focus. Cross border cooperation can assist in applying harmonised health and safety standards and rebuilding confidence of tourists. Green, digital and managerial skills of actors in tourist ecosystems can be improved. The visibility of sustainable regional tourist offers can be strengthened through digital solutions.

🔄 **Improving the resilience to climate change and protecting the environment and natural assets of the programme area**

The programme area's exceptional biodiversity faces several challenges, ranging from climate change effects to pressures caused by unsustainable use of resources, which could produce the loss of rare or endangered habitats and their associated endemic species. There is a need to increase the awareness of the general population as well as to upgrade management capacities, including systemic monitoring and the introduction of relevant conservation measures.

Increasing resilience to climate change represents one of the key challenges in the programme area, evident in several sectors and posing risks also to citizens' safety and health. There is a need to raise awareness of the population in general and capacity of the local authorities and relevant actors to plan and improve preparedness in case of natural or man caused disasters.

Recycling and promotion of circular and green economy needs to be promoted.

Tackling of these challenges and needs through cross-border cooperation can create important benefits in terms of building capacities and preparedness to intervene across the border. CBC can help create knowledge among different target groups, develop and test new solutions that will help adapt to the changed environment.

🔄 **Improving governance capacities of actors to address local challenges**

The programme area has diverse administrative systems. At local level, the main challenges relate to increasing the capacities of the local authorities to cope with local challenges effectively and efficiently. This is of great importance for the smaller municipalities with fewer human resources. In terms of cross border cooperation, an additional challenge relates to the implementation arrangements set by the programme. It should be noted that there are different capacities among

local and regional actors to engage in cross-border cooperation and that those actors on the Montenegrin side are relatively few.

Local authorities and other stakeholders in the programme area can benefit in terms of exchange of knowledge, practices and forming of longer-term cooperation forms aiming at lowering the barriers and increasing capacity for cooperation across the border.

Lessons learned

Lessons learned from the implementation of previous CBC programmes and related evaluations showed that the programmes were highly relevant to identified needs. Tourism and cultural heritage, employment and environment have been the core themes of cross-border cooperation. It was found that the visibility of the programme was high.

The implementation arrangements improved from programme to programme. The introduction of a lead partner principle enabled a basis for achieving real cross-border cooperation. It has proved equally important to provide support and build capacities of local actors, especially local authorities, to develop quality projects and to manage properly the implementation and sustain the results. The project owners found the support provided by the programme structures as truly valuable. The engagement of local authorities as the project lead partners has been rather weak at the start of the IPA II programme and improved in the second call for proposals.

Small-scale investments supporting the cross-border interactions between partners and target groups have contributed to lasting effects of the cooperation.

The potential applicants need to be further steered to address with their actions the indicators proposed by the programme.

Unforeseen situations like COVID-19 can affect the implementation of the projects and both the programme structures and beneficiaries should become part of risk assessment and mitigation actions.

3. PROGRAMME STRATEGY

3.1. Rationale - Justification for the selected intervention strategy

Overall objective

To promote good neighbourly relations, foster Union integration and contribute to social, economic and territorial development of the programme cross-border area by addressing climate change challenges and developing sustainable nature-and-culture tourismThe.

The IPA III Programming Framework contains the following obligatory indicators on the three strategic objectives of IPA III CBC, common for all IPA III CBC programmes:¹⁷

Table 3: The IPA III programming core indicators for the programme BA-ME

IPA III strategic objective for CBC	Indicator	Baseline value ¹⁸ (2021)	Intermediate target (2024)	Target (2029)
<i>Reconciliation, confidence building and good neighbourly relations</i>	Number of organisations participating in cross-border networks/partnerships formed, disaggregated by type of organisation (especial mention of women's associations)	5	20	50
	Number of organisations directly involved in the implementation of the projects, disaggregated by type of organisation (especial mention of women's associations)	277	300	400
<i>Economic, social and territorial development of border areas</i>	Number of new jobs resulting from programme activities, disaggregated by the sex and type of vulnerable group of the new employees	54 (85 % PWDs, 57 % women)	56	74 ¹⁹
	Number of new businesses established, disaggregated by the sex and age of the owner	44	46	64
<i>Capacity building at all levels</i>	Number of organisations/institutions with increased capacities, disaggregated by the type of organisation (especial mention of women's associations)	63	70	100

Justification of thematic priorities

The thematic priority '**Environment protection, climate change adaptation and mitigation, risk prevention and management**' was selected as a response to commonly identified needs and challenges related to disaster risk reduction and adapting to climate changes. It is also closely linked with the wider effort in the WB region for achieving **green transition and strengthening of resilience to climate change**, as indicated in the Green Agenda for the Balkans²⁰. The thematic priority '**Tourism and cultural and natural heritage**' is responding directly to the challenges related to economic recovery of the sector from COVID-19 and activation of local economic and employment potentials in the programme area. The thematic priority '**Promoting local and regional governance**' will be included as a cross-cutting theme in the above thematic priorities. The local authorities are one of the most important actors in the development of the

¹⁷ Programme beneficiaries will also report about these indicators in every annual implementation report. Data for calculation of the values of indicators will be collected from the projects implemented under selected thematic priorities. The regional monitoring system will help them in this task with the necessary data.

¹⁸ Baselines were determined on the basis of achieved values of contracted projects under IPA II BA-ME programme as reported by 31 March 2021. The source of all these indicators will be the regional monitoring system. However, the data was taken as reported by the grant beneficiaries and not all of them were necessarily verified by the moment of extraction from the system.

¹⁹ IPA II CBC Programme BA-ME intervention logic includes targeted employment and creation of new jobs. In the IPA III Programme job creation is expected, however to a lesser extent as not directly addressed.

²⁰ https://ec.europa.eu/neighbourhood-enlargement/system/files/2020-10/green_agenda_for_the_western_balkans_en.pdf

cross-border region. As learned from the evaluations and surveys conducted during the programming process, their capacities need to be strengthened to be able to effectively address local challenges.

Both selected thematic priorities cover topics that need active engagement of local authorities in the planning, development and implementation of the CBC projects. Measures for mainstreaming of this thematic priority are presented in Chapter 3.3.

Table 4: Synthetic overview of the justification for selection of thematic priorities

Justification for selection of thematic priority
1 - Thematic cluster 2: Greener and improved resource efficiency
Thematic priority 2: Environment protection, climate change adaptation and mitigation, risk prevention and management
<ul style="list-style-type: none"> - The area is highly vulnerable to climate change (raising temperatures, more frequent extreme weather events); - The area is among the most biodiverse in Europe and climate changes are affecting these ecosystems; - The awareness and capacities to adapt to climate changes are still quite weak on both sides among the population in general and in terms of cross-sectoral cooperation; - There is a shortage of good practice cases and solutions on how to adapt to climate change, especially regarding the economic functions of agriculture and forestry, as well as environmental protection and how to effectively support transition to green economy and promoting of green jobs; - The risks of natural, climate-related changes, and human made disasters in the programme area are high (floods, fires, landslides, earthquakes, extreme weather events) and the area has already heavily suffered from these incidents; - The need to further improve disaster risk management at all levels is pressing; - The capacity of local authorities to address disasters risks and climate challenges at local level need to be strengthened; - Both sides have structures to address these issues and a cooperation agreement in the area of civil protection.
2 - Thematic cluster 4: Improved business environment and competitiveness
Thematic priority 5: Tourism and cultural and natural heritage
<ul style="list-style-type: none"> - Tourism is a sector that can mobilise a wide range of local actors and improve the visibility of offers when connected and promoted at cross-border level and managed in a sustainable way; - Tourism creates opportunities for economic empowerment of women, especially in rural areas; - The area has exceptional cultural and natural heritage that provide a foundation for the development of integrated tourist products and destinations; however, competences in product development and destination management need to be improved; - Positive trends and increasing numbers of arrivals and overnight stays were also observed outside the most popular and internationally recognised destinations, providing economic and employment opportunities for less dynamic areas in the hinterland; - Uncertain times due to COVID-19 pandemic require better preparedness to ensure health and safety of visitors/tourists; - The region will need to align with the international quality standards and through cross-border cooperation these can be enhanced, especially regarding the promotion of sustainable/green tourism; - Innovative products and services based on sustainable valorisation of natural and cultural heritage can help build on local supply chains; - Existing cross-border/boundary products will need further coordination in the WB6 region, at strategic and operational level, including alleviation of border barriers; - The tourism can help activate potentials of creative industry sector; - Tourism is seen as a sector with potential to support the recovery of small businesses in relation to the crisis; - There is interest on the part of potential beneficiaries to engage in cross-border cooperation in this sector and the programme can build on the results achieved in the previous two programmes.

The selected thematic priorities are intended to create synergies with regional priorities of the **Western Balkan Common Regional Market Plan²¹ and its Action Plan²²**. The initiative is structured around four freedoms – freedom of movement of goods, services, capital and people, while also covering aspects of digital, investment, innovation and industrial policy.

The IPA III cross-border programme will contribute to the regional actions addressing free movement of services, in particular priority area *Sustainable tourism* with complementing sustainable regional and transnational tourism products, promoting the regional CB-products on international markets and with increasing awareness of the CB-tourism destinations. Also, the programme intends to address synergies and complementarities with the priority areas related to technical standards and voluntary quality of service standards for adventure and cultural tourism among WB6, as well as with relevant EU/international guidelines and standards..

Reference to the Economic and Investment Plan for the Western Balkans²³

The Economic and Investment Plan aims to spur the long-term recovery - backed by a green and digital transition - leading to sustained competitiveness and economic growth, implementation of reforms required to move forward on the EU path and bringing the Western Balkans closer to the EU single market. It aims to unleash the untapped economic potential of the region and the significant scope for increased intra-regional economic cooperation and trade.

The Plan also emphasises that there is scope for **exploiting economic opportunities in the creative and cultural sector and its contribution to the region's sustainable tourism potential**. The EU will intensify cooperation with the Western Balkans in the implementation of its 2018 Framework for *Action on Cultural Heritage*. This IPA III CBC programme itself should step up cooperation on the preservation and promotion of cultural heritage within sustainable tourism strategies. To support this sector, the EU will also encourage the integration of cultural and creative industries from the region into European professional networks and value chains.

Justification of the financial allocation to each thematic priority:

Approximately **45 %** of the IPA III CBC funds will be allocated to the thematic priority 2 - *Environment protection, climate change adaptation and mitigation, risk prevention and management*, because substantial needs under this priority have been identified and, besides soft actions, operations will require investments in climate change adaptation and risk management measures, including small scale infrastructure and equipment.

Approximately **45 %** of the IPA III CBC funds will be allocated to the thematic priority 5 - *Tourism and cultural and natural heritage*, because of a relatively high potential for mobilisation of local actors across the programme area and high interest for this theme in previous cooperation, including the need for small scale infrastructural investments in conservation of the natural and cultural heritage and related equipment for its valorisation.

Maximum **10 %** of the IPA III CBC funds will be allocated to *technical assistance*.

²¹ <https://www.rcc.int/docs/544/declaration-on-common-regional-market>

²² <https://www.rcc.int/docs/543/common-regional-market-action-plan>

²³ 2020 COM(2020) 641

3.2. Description of programme priorities

3.2.1. Thematic cluster 2: Greener and improved resource efficiency

1 - Thematic priority 2: Environment protection, climate change adaptation and mitigation, risk prevention and management

Specific objective 1: Communities improve resilience to natural and manmade disasters and climate change challenges

Overall analysis of the climate change in the Western Balkans²⁴ recognises that human health, safety and life quality as highly vulnerable to natural hazards and sectoral weather-related losses. The biggest impacts are expected in agriculture, forestry, water resources, and human health.

Result 1: 'The capacity of authorities and emergency services to manage natural and manmade disaster risks is enhanced'

The capacity is understood as a combination of structures, resources, systems/tools, knowledge and other attributes available that can be used to manage disasters risks in the programme area. It is expected that partnerships will increase *knowledge and competence*, develop *systems and tools* (e.g. multi-hazard information and early warning systems, protocols, guidance, acquire technical equipment, plans), test or demonstrate practical local *solutions/protection measures (small infrastructures, other solutions)* that will help reduce risks and allow for transboundary cooperation in case of substantial emergencies.

The local population will benefit from concrete disaster risk reduction measures and will be empowered on how to prepare and act during disaster situations.

Nota bene: The programme will support well-focused activities that address key hazards in accordance with the UN Sendai Framework for Disaster Risk Reduction 2015-2030²⁵. The project has to explain the severity and the likelihood of future hazards they wish to address.

Types of activities:

- Generation of knowledge on the existing and expected future disaster risks (including those associated with climate change and environmental degradation) that builds on higher level studies and addresses the needs of local decision-makers (e.g. small-scale research and collection of data, analysis, risk assessment, mapping, monitoring, in areas vulnerable to floods, landslides, fires, snow, etc.)
- Developing cross-border frameworks for cooperation and pooling resources for civil protection and disaster response when such arrangements would be mutually beneficial
- Development of rescue protocols and/or operational procedures for civil protection services and other bodies involved in disaster risk management
- Design and implementation of multi-hazard information and early warning systems
- Investments in equipment for prevention, preparedness, rescue and recovery, including ICT solutions and technology improvements and training for the use of equipment
- Capacity building for disaster prevention, preparedness, response and recovery services, including professionals and volunteers (trainings, workshops, conferences, seminars, practical exercise, etc.)
- Small-scale investments²⁶ in protection measures in disaster-prone areas, which will improve the safety of the local population and settlements, businesses and productive

²⁴ Study on climate change in the Western Balkans Region, RCC, 2018.

²⁵ <https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030>

²⁶ Small scale investments should complement other cross border activities of the beneficiaries and not be the sole purpose of the proposed projects.

assets, critical infrastructure and ensure nature and environmental protection, including biodiversity

- Testing or demonstrating locally appropriate solutions for enhancing resilience of critical infrastructure and systems to plausible risks that may affect their functionality
- Exchange of experience and dissemination of good practices related to disaster risk management
- Engagement of policy makers and key stakeholders who may be affected by climate change and other emergent risks into design of suitable response measures or risk-informed development (e.g. climate proofing of future urban plans instead of having separate climate change adaptation plans)
- Dissemination of disaster risk information to the local population, taking into account different categories of users living and working in areas of high risk of natural or man-made hazards how to prepare for and act in emergency situations

Result 2: 'The capacity of local authorities, economic operators and CSOs to address climate change challenges is enhanced'

This result seeks to increase capacity of professionals across different sectors on the situation and possible solutions to reduce the vulnerability of communities and businesses to climate change effects and to promote transition to green economy.

It includes increase of *knowledge* within and across sectors on possible innovative solutions to adapt to climate change within the most affected local economic activities, such as agriculture, forestry and tourism as well as environment and nature protection, which represents one of the key assets of the programme area. Capacity of local administrations to mainstream climate change challenges in decision-making will increase (e.g., in strategic planning, urban planning). A few *solutions or measures* (e.g. in relation to green economy, agriculture practices, trial of new sorts and species, green infrastructure in urban areas, etc.) will be tested or demonstrated.

Types of activities:

- Generation of knowledge on the effects of climate change on living and working conditions in the programme area, as well as on the potential for green and circular economy, and green and sustainable jobs
- Capacity building and knowledge dissemination on climate change effects, potentials for green and circular economy and green and sustainable jobs as well as mainstreaming adaptation approaches in decision-making, where possible with a cross-sectoral approach
- Development of professional skills to ensure a fair transition to a sustainable economy, including through re- and up-skilling towards green jobs and the greening of jobs, and through adequate social protection measures
- Development of local strategies and action plans for strengthening resilience and assessing risks and vulnerabilities to climate change
- Development, testing and demonstrating innovative solutions to promote climate change adaptation and mitigation, including specific measures in forestry and agriculture, tourism, biodiversity, water systems, green energy
- Promotion of green and circular economy and promotion of green jobs by reducing the use of resources
- Support to climate change adaptation of urban areas with green infrastructure (e.g. green surfaces in urban areas, ecosystem services in urban areas)
- Investment related to the testing and demonstrating of solutions and measures
- Exchange of experience and dissemination of good practices on possible solutions in identifying adaptation options to climate change
- Dissemination of information to specific groups (agriculture and forestry sector, nature protection, homeowners, seniors and other vulnerable groups, etc.), living and working in areas of climate change effects and possible adapting strategies

Main target groups:

Result 1:

- Staff of all levels of administration in both countries in sectors and departments bearing responsibility for climate change, risk management and civil protection
- Volunteer organisations/bodies active in the area of climate change and emergency response
- Social partners and civil society organisations
- Local population in general and some specific groups whose needs and/or potentials may be addressed (e.g. women, people with disabilities, the young)

Result 2:

- Staff of all levels of administration in both countries in sectors and departments bearing responsibility for climate change
- Agricultural landowners, forest owners, local businesses, staff of national parks and other nature protected areas
- Social partners and civil society organisations
- Students and staff in training and education organisations and institutions

Main beneficiaries:

Result 1:

- Public authorities/institutions with competencies/responsibilities regarding climate change, risk prevention and management, such as flood/fire/landslides risk management, civic protection, water management, hydrometeorology, nature protection, agriculture and forestry, spatial planning.
- Civil society organisations, active in the field of climate change, emergency services and humanitarian aid.
- Education and training organisations and institutions.
- Scientific and research organisations and institutions.
- Local and regional development agencies.

Result 2:

- Public authorities/institutions with competencies/responsibilities regarding climate change, nature protection, agriculture and forestry,...
- Civil society organisations active in the field of climate change, agriculture, forestry, tourism,...
- Education and training organisations and institutions.
- Scientific and research organisations and institutions.
- Local and regional development agencies.

Table 5: Outline of the intervention logic for thematic priority 2

1 -Thematic cluster 2: Greener and improved resource efficiency						
Thematic priority 2: Environment protection, climate change adaptation and mitigation, risk prevention and management			Indicators	Baseline value ²⁷ (2021)	Target value (2029)	Data source
Specific objective(s)	Results	Types of activities (Please see full descriptions of activities in the text)	Impact Percentage of population in the programme area benefitting from disaster risk reduction measures supported by the programme Percentage of municipalities implementing climate change adaptation solutions	0 0	1 % 10 %	Project reports/ Surveys Project reports/ Monitoring system

²⁷ Baselines were determined on the basis of achieved values of contracted projects under IPA II BA-ME programme and reported by 31 March 2021. However, the data was taken as reported by the grant beneficiaries and not all of them were necessarily verified by the moment of extraction from the system. If the baseline is set at zero, such indicators have not been included in the projects and therefore not monitored yet.

1 -Thematic cluster 2: Greener and improved resource efficiency						
Thematic priority 2: Environment protection, climate change adaptation and mitigation, risk prevention and management			Indicators	Baseline value ²⁷ (2021)	Target value (2029)	Data source
1.1. Communities improve resilience to natural and manmade disasters and climate change challenges	1.1.1. The capacity of authorities and emergency services to manage natural and manmade disaster risks is enhanced	Generation of knowledge on disaster risks	Outcome Number of organisations/ institutions with improved capacities to respond to cross-border disaster situations, disaggregated by the type of organisation*	0	6	Project reports/ Monitoring system
		Development of cooperation frameworks	Output Number of disaster risk management systems/tools developed or improved Number of protection measures developed or improved Number of persons with capacity to contribute to disaster risk reduction, disaggregated by gender Number of persons with increased awareness on risk preparedness, disaggregated by gender Number of organisations directly involved in the implementation of the projects, disaggregated by type of organisation*	0	8	Project reports/ Monitoring system
	Development of risk reduction systems, tools and solutions	0		8		
Activities for attaining skills and competences	0	100				
Investments in equipment	0	300				
Small scale investments in protection measures	0	6				
Exchange of experience and dissemination of good practices						
Dissemination of information to local population						
	1.1.2 The capacity of local authorities, economic operators and CSOs to address climate change challenges is enhanced	Generation of knowledge on the climate change effects	Outcome Number of organisations and institutions with raised capacity on climate change adaptation as a result of the programme, disaggregated by the type of organisation*	0	8	Project reports/ Monitoring system
		Capacity building and knowledge dissemination				
		Development of local strategies and action plans				

1 -Thematic cluster 2: Greener and improved resource efficiency						
Thematic priority 2: Environment protection, climate change adaptation and mitigation, risk prevention and management			Indicators	Baseline value ²⁷ (2021)	Target value (2029)	Data source
		Development and testing of solutions to promote climate change adaptation and mitigation	Output Number of practical demo/pilot solutions and measures contributing to climate change adaptation	0	3	Project reports/ Monitoring system
		Investments in climate change solutions and measures	Number of participants to capacity building activities with increased understanding of climate change	0	300	
		Exchange of experience and dissemination of good practices	Number of staff of local administration with increased knowledge on mainstreaming of climate change in decision-making	0	20	
		Dissemination of information to specific groups	Number of organisations directly involved in the implementation of the projects, disaggregated by type of organisation*	0	50	

* Obligatory strategic level indicators for IPA III window 5 framework.

3.2.2. Thematic cluster 4: Improved business environment and competitiveness

2- Thematic priority 5: Tourism and cultural and natural heritage

Specific objective 1: 'Sustainable natural and cultural heritage tourism contributes more to the tourism of the programme area'

The focus of this specific objective is to work jointly across the border in developing, promoting and managing eco- and sustainable tourism based on innovate and smart valorisation of cultural and natural values and activation of complementary local resources. This can increase quality and create new economic and employment opportunities contributing also to the COVID-19 recovery. Thus, the proportion of tourism generated by cultural and natural heritage tourism in the programme area should increase.

Result 1: 'More sustainable and better cultural/natural tourism products'

This result will mobilise local actors and support them to jointly diversify, upgrade or develop innovative, unique, authentic sustainable *tourist products*²⁸, which build on or complement the

²⁸ "A tourism product is a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle" Source: UNWTO. A cross-border tourism product connects tangible and intangible elements from both side of the programme area.

natural and cultural heritage, promote local traditions and activate local resources, including key underutilised resources among the local population, such as women, youth or other vulnerable groups, in new and sustainable ways. Local tourist products and services will be integrated across the border along specific commonly identified themes or products (e.g., cross-border cultural and heritage routes, hiking, biking, national and nature parks, regional food).

Cultural and natural heritage sites and related visitor/tourist infrastructure supporting will be improved, whereby respecting the visitor capacity of the areas. Tourist providers will attain relevant *skills and competences*, related to sustainable approaches to product and service development, digitalisation, safety and hygiene requirements, quality standards, etc.

Communication and promotional tools will be developed and used in joint *promotional campaigns* to attract more visitors and tourists to the programme area and to better address the seasonality. Organisations of the tourism ecosystem will put in place stable *partnerships/networks* serving as a cross-border platform for the exchange, development, management and promotion of the cultural and natural heritage products and services.

Nota bene: Specific focus should be given to the activation of rural territories and/or their linkage with well-established traditional tourist destinations, which can become gateways for visiting the hinterlands. Among target groups, the young population and men and women in rural areas should be encouraged to participate as to generate new employment opportunities. Potential beneficiaries should consider existing regional initiatives and build synergies. Attention should be given to securing sustainable cross-border partnerships and structures beyond project completion.

Types of activities:

a) Development of cross-border tourism products based on sustainable use of local cultural, natural and other resources

- Development of new sustainable, circular and/or low-waste tourist products/experiences based on local cultural, natural and other resources, ensuring compliance with valid regulations on decent working conditions and employment, and using innovative methods and technical approaches or diversification of eco- and sustainable tourist offers to new target groups and markets
- Small scale cross-border research related to tourism product development and innovation
- Mapping and valorization of cultural and natural heritage in a sustainable way, ensuring balance between protection (including biodiversity) and development
- Preparation of Visitor Management Action Plans, which should define the visitor capacity of areas in order to achieve sustainability of the activities
- Development of complementary offers based on local resources, such as local food, handicrafts products, etc.
- Creation, improvement and connection of local offers in specific cross-border thematic products (e.g. hiking, biking, culture, nature, food)
- Development of itineraries and packages, including links between urban and rural offers

b) Investments in renovation of cultural and natural sites and related visitors' infrastructure

- Small scale investments in conservation, restoration and preservation of the cultural and natural sites and values
- Investments in enhancing visitors' infrastructure (e.g. interpretation centres, info points, physical access to cultural and natural sites) and necessary accessibility measures, including special needs for people with disabilities

- Supply of equipment to improve visitors' experience, specific measures to enable experience to people with disabilities or other specific vulnerable groups
- Establishment or improvement of visitor management in nature and other areas under pressure by increased visits, where preservation of the heritage and environment is necessary

c) Awareness raising and motivational activities for potential tourist providers, tourism and tourism related business start-up support based on local potentials and needs

d) Training and related activities

Capacity building for the actors of local/regional tourism ecosystems, such as training, mentoring, awareness raising, exchange of good practices, mobility, study visits in relation to relevant areas. Indicative examples of topics:

- Understanding the customers, their needs and trends, especially with a view to address the post COVID-19 market changes
- Support destinations to prepare and implement Action recovery plans to support their quick recovery and readiness to welcome visitors again
- Knowledge sharing and workshops for local stakeholders to integrate circular and sustainable principles in their products
- Innovation in product and service development
- Quality of services, standards, hospitality, safety
- Use of new interpretation methods
- Regional branding and marketing, including digital marketing
- Cross-border product and destination management, internationalization

e) Setting up new or strengthening existing cooperation forms to manage cross-border tourism products

- Connecting operators of cultural and natural sites, businesses, tourist organizations and other actors in cross-border cooperation and management forms, like local value chains, clusters, networks, product-based management
- Cross-border exchanges and networks for the management of unsustainable forms of tourism in the programme area

f) Joint promotion and marketing activities

- Development of innovative marketing concepts, including branding, and (digital) promotion tools
- Promotion of new tourism offers through collaboration with already established destinations
- Implementation of joint promotion/marketing actions to address domestic and international markets.

Main target groups:

- Small businesses, farmers, heritage and nature protected area managers, tourist guides, artists and cultural workers, other professionals in tourist organizations
- Potential tourism or tourism related providers (rural population, tourism start-ups, young people, women, unemployed, students)
- Local and regional organizations responsible for development and promotion of sustainable tourism
- Students, teachers and staff in educational/training organizations and institutions

Main beneficiaries:

- Local and regional authorities
- Local and regional organisations engaged in tourism or tourism related activities
- Organisations, institutions and authorities responsible for protection and management of the cultural and natural heritage
- Organisations and institutions working in the field of rural development
- Education and training organisations and institutions
- Research organisations and institutions

- Visitors and local population in general
- CSOs active in the field of cultural or natural heritage, education, rural development and other related fields.

Table 6: Outline of the intervention logic for thematic priority 5

2 - Thematic cluster 4: Improved Business Environment and Competitiveness						
Thematic priority 5: Tourism and cultural and natural heritage			Indicators	Baseline value ²⁹ (2021)	Target value (2029)	Data source
Specific objective(s)	Results	Types of activities (please see full descriptions of activities in the text)	Impact Number of arrivals to the programme area	TBD ³⁰	3 - 4 % Increase	Statistical data
2.1. Sustainable natural and cultural heritage tourism contributes more to CB-region tourism	2.1.1. More sustainable and better cultural/natural tourism products	Development of CB-tourism products and services based on local cultural, natural and other resources	Outcome Number of visitors to supported sites, of which visitors to rural hinterlands	0	3 % increase	Project reports/ Monitoring system
		Investments in cultural and natural sites and values and related visitors' infrastructure	Number of organisations/institutions with increased capacities, disaggregated by the type or organisation*	27	60	
		Training and related activities	Number of upgraded natural and cultural assets integrated in tourism offers	2	10	
		Awareness raising and networking activities for existing and potential tourist providers	Number of cross-border partnerships formalised and operational beyond project completion	0	4	
		Development of promotion and communication tools	Output: Number of sustainable joint tourism products	12	18	
		Joint promotion and marketing activities	Number of participants with improved competence on sustainable tourism, of which young and from rural areas, disaggregated by gender	63	200	
Setting up new or strengthening existing cooperation forms to manage cross-border tourism products and services	Number of persons with improved competences in tourism	63	110			
		Exchange of practices				

²⁹ Baselines were determined on the basis of achieved values of contracted projects under IPA II BA-ME programme as reported by 31 March 2021. However, the data was taken as reported by the grant beneficiaries and not all of them were necessarily verified by the moment of extraction from the system. If the baseline is set at zero, such indicators have not been included in the projects and therefore not monitored yet.

³⁰ Baseline to be set for 2020 to capture COVID-19 effects. Data are not yet published at the time of submission of the programme document.

2 - Thematic cluster 4: Improved Business Environment and Competitiveness						
Thematic priority 5: Tourism and cultural and natural heritage			Indicators	Baseline value ²⁹ (2021)	Target value (2029)	Data source
			Number of natural and cultural sites rehabilitated and made accessible to visitors	2	8	
			Promotion and visibility actions/campaigns	1	6	
			Number of organisations participating in cross border networks/partnerships formed	5	20	
			Number of Visitor Management Action Plans	1	6	

* *Obligatory strategic level indicators for IPA III window 5 framework.*

3.2.3. Technical assistance

3 – TP 0: Technical Assistance (TA) will aim to ensure the effective, efficient and accountable management of the cross-border programme.

The specific objective of the technical assistance is twofold:

- 1) to ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme; and
- 2) to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area.

It also supports awareness-raising activities at country level in order to inform citizens in both IPA III beneficiaries. This priority will also reinforce the administrative capacity of the authorities and beneficiaries implementing the programme with a view to improve ownership and suitability of the programme and projects' results.

Technical assistance will also cater for the needs of those applying and implementing CBC operations for the sake of high-quality project development and its subsequent effectiveness and sustainability. Technical assistance will also ensure, when providing capacity building, that gender perspective and other cross-cutting issues' perspectives be integrated in project development, implementation and monitoring as appropriate.

The technical assistance allocation will be used to support the work of the national CBC Structures (OS) and of the Joint Monitoring Committee (JMC) in ensuring the efficient set-up, implementation, monitoring and evaluation of the programme, as well as an optimal use of resources. This will be achieved through the establishment and operation of a Joint Technical Secretariat (JTS) based on the territory of Bosnia and Herzegovina and an Antenna Office in Montenegro. The JTS will provide technical support to OSs, JMC and CA in implementation of the programme, including the monitoring, and will be reporting to OSs.

Expected results:

1. Enhanced administrative support to the CBC structures and the joint monitoring committee

2. Increased technical and administrative capacity for programme management and implementation
3. Guaranteed visibility and publicity of the CBC programmes and their outcomes.

Table 7: Outline of the intervention logic for technical assistance

3 - Technical assistance			Indicators	Baseline value ³¹ (2020)	Target value (2029)	Data source
Specific objective(s)	Results	Types of activities	Impact Percentage of funds available under the programme that are contracted	0	95 %	AIR, Monitoring system
0.1. To ensure the efficient, effective, transparent and timely implementation of the cross-border cooperation programme as well as to raise awareness of the programme amongst national, regional and local communities and, in general, the population in the eligible programme area	0.1.1. The administrative capacity for CBC reinforced	Establishment and functioning of the Joint Technical Secretariat and its Antenna	Outcome Percentage of JMC and OSs decisions implemented in a timely manner (as prescribed in the minutes of meetings)	100 %	100 %	AIR, Monitoring system
		Organisation of JMS and OS meetings	Percentage of projects covered by monitoring missions ³²	100 %	100 %	AIR, project reports Monitoring system
		Monitoring of project and programme implementation, including the establishment of a monitoring system and related reporting	Output Number of JTS/antenna offices functional	2	2	AIR
	Organisation of evaluation activities, analyses, surveys and/or background studies	Number of events organized in relation to programme management	10	30	AIR Monitoring system	
		Support to the work of the Joint Task Force in charge of preparing the programme cycle 2028-2034	Number of project monitoring missions implemented	At least 1 per project	At least 1 per project	AIR, project reports Monitoring system
	0.1.2 Potential applicants and grant beneficiaries supported	Organisation of events, meetings, training sessions, study tours or exchange visits to learn from best practice of other territorial development initiatives	Outcome Average share of potential applicants, applicants, grant beneficiaries and other target groups satisfied with programme implementation support	0	90 %	AIR, project reports Monitoring system

³¹ Baselines were determined on the basis of achieved and/or targeted values of contracted projects under IPA II BA-ME programme by 31 March 2021. Baselines, which are set at zero refer only to this programme.

³² This refers to the visits of the JTS to the project beneficiaries.

3 - Technical assistance			Indicators	Baseline value ³¹ (2020)	Target value (2029)	Data source
		Preparation of internal and/or external manuals/handbooks	Output Number of capacity building events for potential applicants, grant beneficiaries and programme structures' employees	11	25	AIR, project reports Monitoring system
		Assistance to potential applicants in partnership and project development (partners search forums etc.)	Share of queries of grant beneficiaries resolved	100%	100 %	AIR and other reports
		Advice to grant beneficiaries on project implementation issues	Number of organisations/institutions with increased capacity to better perform in the programme, disaggregated by type of organisation	101	200	AIR and other reports
	0.1.3 The visibility of the programme and its outcomes is guaranteed	Information and publicity, including the preparation, adoption and regular revision of a visibility and communication plan, dissemination (info-days, lessons learnt, best case studies, press articles and releases), promotional events and printed items, development of communication tools, maintenance, updating and upgrading of the programme website, etc.	Outcome Number of people reached by information/promotion campaigns	575 874	1 000 000	AIR and other reports
Output Number of information/promotion campaigns implemented			1	4	AIR and other reports	
Number of promotional and visibility events organized			15	27		
			Number of publications produced and disseminated	0	3	

Main target groups:

- Programme management structures
- Potential applicants
- Grant beneficiaries
- Final project beneficiaries
- Wider public

Main beneficiaries:

- CBC Structures
- Joint Monitoring Committee

3.3. Horizontal and cross-cutting issues

As enshrined in the Guidelines for the Implementation of the Green Agenda in the WB and the Economic and Investment Plan for the WB, this programme will ensure full consistency with the green transition as an EU internal and external aid priority. The programme will thus mainstream

in its operations an efficient use of resources by moving to a clean, circular economy, the restoration of biodiversity and the reduction of pollution.

Measures envisaged in the programme to increase the capacity of regional and local authorities to tackle local challenges will encompass the field of environmental governance.

Environmental protection requirements, resource efficiency (climate change mitigation and adaptation), and risk prevention and risk management are at the focus of the cross-border programme strategy. These are explicitly supported within the *thematic priority: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management*. Environmental protection requirements are also integrated in the thematic priority *Tourism and cultural and natural heritage*, where sustainable development is the fundamental principle of development. Special attention should be put to taking a holistic approach to development and care that no additional pressures on the environment are triggered. Regarding sustainable tourism, carrying capacity of natural and cultural sites should be observed.

No project that could potentially harm the environment or disregard the principle of resource efficiency shall be supported. The project applicants will be required to meet the local requirements related to the protection of the environment, public health, and cultural heritage; and avoid impacts on the existing and planned ecological network (Emerald Network). Project should also consider mitigation or reduction of green-house-gas emissions and engage in climate proof activities. All these considerations will be integrated in the quality assessment criteria.

Equal opportunities and prevention of discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation shall be observed during the preparation, design and implementation of the cooperation programme. Improving **labour market participation, especially of young people and women, disadvantaged groups and minorities, in particular Roma**, will be a priority and can strongly contribute to economic growth.

In all phases, equal opportunities will be respected by the programme structures as well as by project applicants and beneficiaries. In the programme preparation, disparities between the urban and rural areas have been identified mainly in the quality of life, access to public services and employment opportunities. Young unemployed were recognised as one of the most vulnerable groups, especially in the mountainous, remote and rural areas where employment opportunities are scarce. They will be regarded as target group under the thematic priority *Tourism and cultural and natural heritage*, among other aiming at their activation through sustainable tourism. In all activities and investments regarding cultural and natural heritage, access for people with disabilities should be taken into consideration.

In line with the approach outlined in the **EU Gender Action Plan³³**, (GAP III) 2021-2025, IPA III will mainstream gender equality and also continue ensuring girls' and women's physical and psychological integrity, promoting the economic and social rights and strengthening girls' and women's voice and participation with targeted actions.

The programme will in line with the **Gender Action Plan of Bosnia and Herzegovina 2018 - 2022** promote gender equality in all spheres of life with specific focus on socio-economic aspects and rights, especially concerning the work, employment and access to resources as outlined in the Strategic goal 1.

³³ https://ec.europa.eu/international-partnerships/system/files/join-2020-17-final_en.pdf

The IPA III programme is also in line with the **Draft Gender Equality Strategy of Montenegro 2021-2025** (1 February 2021), especially with regard to objectives aiming at empowerment and promotion of social and economic inclusion.

Promotion of **equality between men and women** will be respected in all phases of the programme cycle, both on the part of the programme management structures as well as project beneficiaries. The situation analysis showed that in most parts of the programme area the share of unemployed women is higher than that of men. Potential applicants shall be encouraged to examine gender issues, where appropriate and separately address the needs of women and men. In the monitoring of activities, gender data will be analysed where suitable (e.g. in the attendance of capacity building actions). The promotion of equality between men and women should be made clear in all CBC operations. Specific types of activities should be envisaged to tackle, where appropriate, the gender gaps as identified in the situation analysis. Whenever an operation achieves positive impact on gender gaps, this should be shown by gender disaggregated indicators.

Governance principles applied to the management of the programme and the enhancement of civil society and inter-sectoral cooperation when implementing operations will be observed. Good governance in the programme implementation concerns the design, implementation and monitoring of the rules and procedures that should allow for effective, efficient, transparent and accountable implementation of the programme.

Specific attention shall be put to cross-sectoral aspects of the programme implementation. Both selected thematic priorities are notably dependent on the vertical and horizontal cooperation of actors from different sectors and across the border. Where required, the appropriateness of cross-sectoral partnerships will be observed in the assessment of the project quality.

Mainstreaming to improve capacity of local authorities with a view of increasing and strengthening their participation in CBC will be dealt with at the level of CBC operations as well as through activities to be implemented by OSs and JTS under the Technical Assistance priority.

At the level of CBC operations, the following would apply:

- If so agreed, in some calls for proposals or within a specific lot of a call for proposals, **to include regional and local authorities in every CBC partnership of applicants**. For regions eligible to different CBC programmes, attention should be paid to avoid saturation. Such calls for proposals or lots within a call could receive, for example applications that have several local authorities as implementing partners (inter municipal cooperation), and most importantly, it should encourage partnerships with smaller, weaker, rural local authorities, by which, for instance, the main applicant (a larger municipality) will assist a smaller one, seconding staff to it, or receiving staffers for training purposes from those less developed municipalities (share of resources)

NB: If so decided, operations fully relying on staff of the regional and local authorities should be privileged, while reducing to a minimum the presence of external managers among the human resources of the project.

Activities foreseen under the Technical Assistance priority include the following:

- **To review the specific needs and interests** of the regional and local authorities to increase their participation in CBC operations and based on findings, amend the JTS work plans as appropriate, including but not limited to the following: **to launch targeted awareness raising campaigns**, especially prior to the publication of calls of proposals; these campaigns will go in parallel with, and be reinforced by usual OSs/JTS activities such as **partner search forums, help desk** as well as **trainings** on preparation of CBC application organized for potential applicants, in which all types of potential applicants will also be included.

3.4. Coherence with other programmes and macro regional strategies

The Economic and Investment Plan for the Western Balkans foresees several flagship investments that will be of importance for the development of the area addressed in IPA III BA-ME. Investment in sustainable transport under *Flagship 2- Connecting North to South* and *Flagship 3-Connecting the coastal regions* are expected to support the initiatives related to the development of sustainable tourism in the programme area. Further synergies are expected regarding the investments in environment and climate, where the IPA III BA-ME programme will promote initiatives supporting green transition and the development of sustainable tourism based on the regions' natural environment.

The programme will ensure coherence with the **Green Agenda for the Western Balkans** according to its Guidelines for Implementation³⁴. Out of the five pillars of the Agenda, three have a special relevance for possible CBC operations, namely:

- climate action, including decarbonisation, energy and mobility,
- biodiversity, aiming to protect and restore the natural wealth of the region, and
- sustainable food systems and rural areas.

Climate change will continue to create significant stress in the Western Balkans despite mitigation efforts. Strengthening the efforts on **climate proofing, resilience building, prevention and preparedness** in the region is therefore crucial. Initiatives dealing with preparation and implementation of long-term climate adaptation strategies to increase resilience, notably through climate proofing of investments would perfectly fit into the Agenda. While gradually transforming agri-food production systems in the Western Balkans, it will be necessary to ensure that the transition does not contribute further to unemployment or depopulation of rural areas or to deterioration of the rural landscapes and biodiversity loss. It will need to be countered with the creation of alternative and sustainable economic opportunities in rural areas, for instance, based on **tourism services**. The rural areas of the region will also require assistance in adapting to the consequences of climate change, which may result in water scarcity and extreme climate events, such as floods. As a region with a wealth of habitats and species, including several important endemic species, the Western Balkans should spare no effort to protect the **biodiversity and the ecosystem services** including through alignment with EU legislation.

The **Regional Cooperation Council** could play an important role in building the regional dimension of the Green Agenda. In terms of environment and climate change, RCC maintains a permanent high-level regional policy dialogue and supports regional cooperation towards achieving Paris Climate commitments and 2030 energy and climate targets.

This programme is coherent with the objectives and thematic priorities of the **EU Strategy for the Adriatic-Ionian Region (EUSAIR)** and/or the **EU Strategy for the Danube Region (EUSDR)**, their embedding processes and flagship projects.

The programme specific objective "Communities improve resilience to natural and manmade disasters and climate change challenges" is coherent with the EUSDR Priority area 5 'environmental risks'. The contribution is likely to happen in relation to increasing the knowledge base on **climate change** in the programme area, which is sensitive to flood, fires, landslides and other disaster risks. The programme will support actions to increase awareness and capacities for risk assessment and measures promoting risk preparedness and response. Synergies are expected with the EUSAIR Pillar 3 related to the environmental quality, notably regarding biodiversity.

³⁴ Brussels, 6.10.2020 SWD(2020) 223 final Commission Staff Working Document: Guidelines for the Implementation of the Green Agenda for the Western Balkans/

The programme specific objective "Sustainable natural and cultural heritage tourism contributes more to the tourism of the programme area" is coherent with the EUSDR – PA3 Culture and tourism, especially in relation to the development of integrated sustainable tourist products, based cultural heritage and natural values. It is also coherent with the EUSAIR – Pillar 4 Sustainable tourism and topics – 1 Diversified tourism offer (products and services) and 2 – Sustainable and responsible tourism management (innovation and quality).

At the global level, IPA III CBC is also part of the **2030 Agenda for Sustainable Development** which plays the role of umbrella strategy to achieve a more sustainable future for the planet and to eradicate poverty. As such, the Sustainable Development Goals (SDGs) represent for the IPA III beneficiaries both a direct commitment taken at multilateral level and an additional requirement to converge on the EU policy framework in the accession process. In this context, IPA III CBC activities will be consistent with and supportive of the beneficiaries' undertakings for their achievements

Coherence with other IPA and Interreg IPA programmes

The programme overlaps in territorial coverage with the **IPA III Serbia-Montenegro** (10 municipalities out of 14) and **IPA III Serbia – Bosnia and Herzegovina** (32 municipalities) as well as in the thematic priority supporting tourism, cultural and natural heritage. The complementarity with these two programmes will be performed in a way that CfPs will be coordinated jointly between the programmes in order not to focus the same TC within the CfP at the same time. In addition, the coordination meetings between two JTSs will be organised to harmonize the approach and identify the needs of local authorities and organisations in terms of conducting training programmes. **The Interreg IPA programme Croatia-Bosnia and Herzegovina-Montenegro** has some territorial overlap (5 municipalities in ME and 24 in BA). The programming Task Force has pre-selected the following policy objectives: *Smarter Europe*, *Greener Europe* and *Social Europe* while discussion on selection of specific objectives is currently ongoing. In order to avoid possible overlapping and ensure complementarity with activities of the bilateral BA-ME CBC programme, coordination and continuous exchange of information among responsible authorities of both programmes will be maintained.

The programme will ensure consistency and complementarity with the Interreg IPA CBC South Adriatic (Italy-Albania-Montenegro) programme.

The programme is coherent with the relevant Interreg IPAternational programmes: **Interreg Danube Transnational Programme 2021-2027** (Policy objective 2 *Greener Europe* - specific objectives Promoting climate change adaptation, risk prevention and disaster resilience and Enhancing biodiversity, green infrastructure in the urban development, and reducing pollution); **Interreg Euro MED Programme 2021-2027** (Policy objective 2 *Greener Europe* and specific objectives Promoting climate change adaptation, risk prevention and disaster resilience; Promoting transition to circular economy, and Enhancing biodiversity, green infrastructure in the urban development, and reducing pollution); **Interreg IPA Adriatic Programme 2021-2027**: The Task force has preliminary defined the programme policy objectives: PO 1- Smarter Europe, PO 2- Greener Europe, PO 3-More connected Europe and PO 4 – More social Europe. Transnational and trilateral programmes attract significant number of institutions at the central level, as well as organisation with strong capacities comparing to the partners in bilateral CBC programmes. Practice shows that bilateral CBC programmes are more focused on the local level and there has been no overlapping between the projects.

This programme will also ensure coordination of programming in line with the objectives and thematic priorities of the Interreg interregional URBACT programme. Coherence should also be ensured with IPARD II and IPARD III.

As the IPA III proposal has a dedicated window of the programming framework for the implementation of the Green Agenda and sustainable connectivity, this CBC programme will strive to ensure synergy and complementarity with all initiatives envisaged under this window.

The programme will complement several projects under IPA II 2014-2020 projects of both bilaterals and multi-country IPA II.

Two actions as part of strategic response under IPA III are planned in which synergies with the CBC programme are expected. The Action under IPA 2022 EU4 Environment and Climate change is focused on climate change mitigation and adaptation measures for the country to become a more sustainable and prosperous green economy. Measures focus on regulatory frameworks, building up institution and capacity building, as well as the transfer and dissemination of knowledge on the negative impacts of climate change for the purpose of developing effective approaches that would lead to better decision-making and informed society.

Other donor initiatives

The programme has potential to complement the following **UNDP** initiatives in Montenegro:

- *Growing green businesses in Montenegro*
- *Creative Montenegro – Economic Valorisation and Creative Industries*
- *Strengthening the cultural heritage management system.*

Under **Regional Fund for South-East Europe, GIZ** is supporting initiatives covering several WB countries, including Bosnia and Herzegovina and Montenegro. The following are identified as those that can complement the efforts intended by the IPA III CBC programme:

- *Implementation of Biodiversity*
- *Economic diversification of rural areas,*
- *Modernisation of municipal services.*

Development partners mapping report for Bosnia and Herzegovina 2019 shows that a number of partners is active in the environment and climate action sector, like EIB, EBRD, UN, and individual EU members states.

The Water supply and waste-water programme in BIH II comprises two relevant projects, ***Flood protection measures RS and Joint UN Program on Disaster Risk Reduction for Sustainable development in BIH.***

Under *competitiveness, Via Dinarica*, which aims to promote the natural beauty and tourism potentials of the seven Western Balkans countries, is supported. This project can provide an important backbone for the development of sustainable offers under this CBC programme. Future activities that are planned to create synergies with the programme, are linked to creation of favourable business environment and digital transformation of SMEs.

The CBC programme bodies will ensure that supported actions take into account the results of these actions where relevant.

Coherence with national development strategies

The programme is coherent with key strategic documents of the two partner countries.³⁵

- National strategy for sustainable development of Montenegro
- Strategy for the development of the Federation of Bosnia and Herzegovina 2021-2027.³⁶

³⁵ If there is not national/entity strategy mentioned, such document does not exist.

³⁶ Not yet in force. Adopted by the Government of FBiH in February 2021.

- Climate change adaptation and low emission development strategy for Bosnia and Herzegovina
- Draft Disaster risk reduction strategy and Action plan for the period 2018-2023 of Montenegro (not adopted yet)
- The draft Program for the development of protection and rescue of people and material goods from natural and other disasters for a period 2018 -2025
- Water management strategy of Republika Srpska 2015-2024,
- Water management strategy of the Federation of Bosnia and Herzegovina 2010 -2022,
- Draft Water management strategy of Montenegro (2017)
- Medium-term Work Plan of the Republic Administration of Civil Protection of Republika Srpska for the period 2020-2022
- Strategy and Action Plan for Protection of Biological Diversity in Bosnia and Herzegovina 2015-2020
- Draft National forestry strategy of Montenegro 2014-2023
- Strategy of forestry development of Republika Srpska 2011-2021.
- Montenegro tourism development strategy to 2020,
- Strategy for development of tourism in Republika Srpska 2011-2020

The IPA III thematic priority Tourism and natural cultural heritage, which through activation of natural and cultural assets creates opportunities for economic development is also coherent with strategies supporting (women) entrepreneurship, promotion of business creation and capacity building for entrepreneurship:

- Strategy for development of women entrepreneurship in Montenegro for the period 2021-2024 and its Action Plan and the proposal of the Strategy for development of women's entrepreneurship in Republika Srpska for the period 2019-2023
- Strategy of Republika Srpska for the development of small and medium-sized enterprises 2021-2027
- Strategic framework for rural development of Bosnia and Herzegovina 2018 – 2021.

Coherence with local development strategies

Development of local development strategies is not obligatory for local authorities. However, several municipalities have recognised the value of strategic planning and have with donor support approached the elaboration. At the time of drafting of the programme, many strategic development documents will end soon and the new ones for the coming period are not yet developed. Screening of local strategies shows that tourism development, protection of the environment and rural development are highly relevant priorities of development at local level.

3.5. Conditions and assumptions

An effective coordination and a strong ownership should be combined with the good will of the national authorities of the IPA III beneficiaries to friendly dispel and solve any dispute and/or misunderstanding affecting the smooth implementation of the programme. Governmental changes should have no impact in this respect.

As a necessary condition for the effective management of the programme, the participating countries shall establish a Joint Monitoring Committee and provide proper and functioning premises and staff for the head and antenna³⁷ offices of the Joint Technical Secretariat. Particular

³⁷ In case this office is deemed necessary to be set up.

attention should be paid to create the necessary working conditions to ensure the continuity and professional development of staff in key functions within all management structures of the programme. The latter should strive to present the programme as a beneficial instrument for strengthening collaboration and exchanges among citizens of the eligible area.

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.

4. INDICATIVE BUDGET

A single seven year Commission financing decision will be adopted, subject to the availability of budget appropriations for the respective financial years after the adoption of the budget or as provided for in the system of provisional twelfths

Table 3: Indicative financial allocations per year for the period 2021-2027

	IPA III CBC PROGRAMME BOSNIA AND HERZEGOVINA - MONTENEGRO															
	Amounts in EUR															
	2021		2022		2023		2024		2025		2026		2027		Total (EUR)	
	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing	EU contribution	Co-financing
Per type of activity																
Operations	-	-	2 160 000	381 176.47	-	-	3 240 000	571 764.70	-	-	-	-	2 160 000	381 176.47	7 560 000	1 334 117.64
Technical Assistance (Direct Grant)	-	-	240 000	-	-	-	360 000	-	-	-	-	-	240 000	-	840 000	-
Per method of implementation																
Direct Management: Total Envelope for Grants	N/A														8 400 000	1 334 117.64
Direct Management: Total Envelope for Procurements	N/A														-	-
Indirect Management with the IPA III beneficiary: Total Envelope	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL³⁸	-	-	2 400 000	381 176.47	-	-	3 600 000	571 764.70	-	-	-	-	2 400 000	381 176.47	8 400 000	1 334 117.64

* Total Envelope for Grants; Total Envelope for Procurements - only the total budget for 2021-2027 needs to be filled in.

³⁸ GRAND TOTAL from Table 3 and 4 should be equal

Table 4: Indicative financial allocation per priority and rate of Union contribution (for the period 2021-2027)

CLUSTERS	PRIORITIES	IPA II CBC PROGRAMME BOSNIA AND HERZEGOVINA - MONTENEGRO			
		European Union funding	Co-financing	Total	rate per Thematic Priority
		(a)	(b)	(c) = (a)+(b)	(d) = (c)/(e)
Greener and improved resource efficiency	1) Thematic Priority 2 - Environment protection, climate change adaptation and mitigation, risk prevention and management	3 780 000.00	667 058.82	4 447 705.82	45.68%
Improved business environment and competitiveness	2) Thematic Priority 5 - Tourism and cultural and natural heritage	3 780 000.00	667 058.82	4 447 705.82	45.68%
	3) Technical Assistance	840 000.00	0.00	840 000.00	8.6%
	GRAND TOTAL	8 400 000.00	1 334 117.64	(e) 9 734 117.64	100%

The European Union contribution at the level of thematic priority shall not exceed the ceiling of 85% of the eligible expenditure. The co-financing will be provided by the final grant beneficiaries. The amount dedicated to technical assistance shall be limited to 10% of the total amount allocated to the programme. For technical assistance, the Union co-financing rate shall be 100%.

5. IMPLEMENTATION ARRANGEMENTS

5.1. Financing agreement

In order to implement this programme, it is envisaged to conclude a financing agreement between the European Commission, Bosnia and Herzegovina and Montenegro.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 6 years from the date of entry into force of the financing agreement, or from the date in which the exchange of letters is agreed upon for all subsequent yearly allocations.

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

5.3. Methods of implementation

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³⁹.

5.3.1 Operations

Direct management

The operations part of this action will be implemented under direct management with the Delegation of European Union to Bosnia and Herzegovina as Contracting Authority.

Calls for Proposal- Grants

a) Purpose of the grants:

The grants selected through calls for proposals during the seven year period will contribute to the specific objectives and results under each thematic priority in section 3.2.

b) Type of applicants targeted:

The beneficiaries shall be public authorities at local/entity or national level and public institutions in specific sectors addressed by the programme (e.g. disaster risk prevention, nature protection, tourism, etc.), civil society organisations, education and training

³⁹ 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.

organisations and institutions, scientific and research organisations and institutions, local and regional development agencies.

For more specific information on applicants see chapter 3.2 Description of programme priorities.

The applicants shall be established in an IPA III beneficiary participating in the CBC programme.

5.3.2 Technical Assistance (Direct Grants)

The technical Assistance priority will be implemented in Direct Management through Direct grants during the duration of the programme.

The grants will be awarded for the implementation of the thematic priority technical assistance under this programme. Under the responsibility of the Commission's authorising officer responsible, the grants may be awarded without a call for proposals to *the Directorate for European Integration of the Council of Ministers of Bosnia and Herzegovina with European Integration Office of Montenegro as co-beneficiary.*

The recourse to the award of this grant without a call for proposals is justified to bodies with de jure or de facto monopoly in managing this cross-border cooperation programme, pursuant to Article 195(c) of Regulation (EU, Euratom) 2018/1046. As stipulated under the Section VIII 'Provisions on cross-border cooperation programmes', Title V 'Programme structures and authorities and their responsibilities' of the Financial Framework Partnership Agreement for the IPA III programme, CBC structures are the bodies that enjoy this monopoly.

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the Directorate for European Integration of the Council of Ministers of Bosnia and Herzegovina.

5.4. Programme Management Structure

The description of the programme management structures with the list of their main responsibilities and tasks in programme preparation, implementation and management (i.e. NIPAC, CBC Structures, Joint Monitoring Committee, Joint Technical Secretariat) is presented under the Framework and/or Financing Agreements.

5.5. Project development and selection and implementation

The responsible authorities in the participating IPA III beneficiaries are planning to implement the programme through grant schemes based on public calls for proposals. They will ensure full transparency in the process and access to information to a wide range of public and non-public entities as well as to the general public. Applications will be submitted using a valid procedure and systems such as PROSPECT, PADOR or any future tools introduced by European Commission. Evaluation of projects is under competence of the Delegation of European Union to Bosnia and Herzegovina, with optional participation of OSs representatives as observers in Evaluation Committee.

Prior to award decision, an advisory opinion of the Joint Monitoring Committee will be obtained. Subsequently, Delegation of the European Union to BiH will conclude subsidy contracts with lead beneficiaries of the project proposals approved for financing and will monitor their implementation, with support of the JTS. Throughout the programme implementation, CBC Structures and JTS will provide support to potential applicants/applicants as well as beneficiaries of grants within the projects approved for financing, through a wide range of activities envisaged

under the Technical assistance priority (targeted trainings, partner search forums, info days, help desk, etc.).

During the preparation of the programme no strategic projects have been identified. However, during the programme implementation period it might be considered to allocate parts of the financial allocation of the programme to a call for strategic projects which shall fit within the selected thematic priorities of the Programme and within the limits set out in the Programming Framework.

5.6. Scope of geographical eligibility for procurement and grants

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

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

6. REPORTING, MONITORING AND EVALUATION

The description of the programme reporting, monitoring and evaluation requirements and modalities is presented under the Financial Framework Partnership Agreement and/or Financing Agreements.

7. INFORMATION AND VISIBILITY

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

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

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

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

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

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations. The European Commission and the EU Delegations should be fully

informed of the planning and implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

The design and implementation of the visibility and communication measures shall be the responsibility of the CBC Structures. The latter, assisted by the JTS, will present the communication strategy with a detailed information and visibility plan to the JMC.

8. SUSTAINABILITY

The sustainability of outcomes and outputs delivered under the thematic priority 'technical assistance' requires a commitment from the national authorities involved in the management of the programme. Respecting the provisions of the legal framework applicable to CBC between IPA III Beneficiaries, the authorities commit to ensure, as far as possible, the necessary financial and institutional resources, including the relevant seasoned staff, for making the implementation of the programme a success story. As a fundamental sign of responsibility, they will pay especial attention to create the necessary conditions for securing the continuity of staff in essential functions and institutions as a way to guarantee the smooth performance of the programme

Sustainability at operation level equally plays a crucial role. Every operation should have a tangible impact on its target groups at cross-border level. Sustainability should be embedded in every application, showing how the expected outcomes will benefit the region even after the operation might have ended. In every call for proposals, one of the award criteria is sustainability as shown in Section 5 of the evaluation grid for full applications. Operations that cannot demonstrate that they will intensify neighbourly relations, create cross-border partnerships for social, territorial or economic development and/or remove cross-border obstacles to sustainable development, are very unlikely to have tangible outcomes, multiplier effects or long-term impact in a cross-border perspective, and hence should be excluded from funding, irrespective of any other merits.

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