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ANNEX

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

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

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Programme synopsis

Basic Act	Instrument for Pre-accession Assistance (IPA III)
Programme title	Cross-border cooperation programme Serbia - Bosnia and Herzegovina for 2021-2027
CRIS/OPSYS numbers	ACT-60750 2022: JAD.961941 2024: JAD.961942 2026: JAD.963191 2027: JAD.963209
Programming document	IPA III Programming Framework
Window	Window 5 Territorial and cross-border cooperation
Programme area	Serbia: the districts of Srem, Mačva, Kolubara and Zlatibor. Bosnia and Herzegovina local self-government units (municipalities/cities/district): Gradačac, Vlasenica, Šekovići, Doboj Istok, Kladanj, Gračanica, Pelagićevo, Srebrenik, Han Pijesak, Čelić, Milići, Lopare, Srebrenica, Ugljevik, Višegrad, Bijeljina, Rogatica, Teočak, Sokolac, Sapna, Pale, Kalesija, Pale (FBiH), Tuzla, Novo Goražde, Lukavac, Rudo, Petrovo, Čajniče, Banovići, Goražde, Živinice, Foča (FBiH), Zvornik, Foča, Bratunac, Kalinovik, Donji Žabar, Orašje, Domaljevac-Šamac, Šamac, Modriča, Vukosavlje, Odžak, Brod, Olovo, Centar Sarajevo, Osmaci, Trnovo, Trnovo RS, Hadžići, Istočna Ilidža, Ilidža, Istočno Novo Sarajevo, Novi Grad Sarajevo, Vogošća, Stari Grad Sarajevo, Istočni Stari Grad, Ilijaš, Vareš, Breza, Visoko, Kiseljak, Fojnica, Kreševo, Novo Sarajevo and Brčko District BiH.
Programme overall objective/Impact	To promote good neighbourly relations, foster union integration and enhance the socio-economic development of the programme cross-border area through social and economic inclusion of specific groups, specially youth, and the competitiveness of tourism
Programme thematic clusters (TC), thematic priorities(TP) and specific objectives/outcomes (SO) per thematic priority	<u>TP0: Technical Assistance</u> SO1 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 <u>TC1: Improved employment opportunities and social rights</u> TP6: Investing in youth, education and skills SO1 To enhance youth activism and youth socio-economic participation SO2 To increase the employability of specific groups <u>TC4: Improved business environment and competitiveness</u> TP5: Encouraging tourism and cultural and natural heritage SO1 Sustainable tourism (incl. cultural and natural heritage) contributing to economic development of the cross-border region NB: The thematic cluster TC 5: <i>Improved capacity of local and regional authorities to tackle local challenges</i> will be mainstreamed. The mainstreaming of this thematic cluster will be presented in Section 3.3 of this document.
Sustainable Development Goals (SDGs)	Main SDG: 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

	In the framework of the implementation of the 7 years cross border cooperation programme, the operations selected will also contribute to the following SGDs): 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 5 Achieve gender equality and empower all women and girls 10 Reduce inequality within and among countries 11 Make cities and human settlements inclusive, safe, resilient and sustainable 13 Take urgent action to combat climate change and its impacts 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
DAC code(s) ¹	Main DAC codes: 15110 – Public sector policy and administrative management (10%) 16010 – Social protection (20%) 16020 – Employment creation (20%) Sub-codes 3 (50%): 33210 – Tourism policy and administrative management (50%)
BUDGET INFORMATION	
Budget Line	15.020300
Total cost 2021-2027	EUR 16 223 529.42
Total EU contribution 2021-2027	EUR 14 000 000
Yearly EU contribution ²	For the year 2022 - EUR 6 000 000 For the year 2024 - EUR 4 200 000 For the year 2026 - EUR 3 600 000 For the year 2027 - EUR 200 000 .
MANAGEMENT AND IMPLEMENTATION	
Method of Implementation	<i>For Operations:</i> Indirect management by the Republic of Serbia <i>For Technical Assistance</i> Direct management by the European Commission
Responsible CBC structures/ relevant authorities in the IPA III participating countries ³	<i>In Serbia:</i> - Ministry of European Integration of the Republic of Serbia (MEI) (Managing Authority)

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-finance-standards/dacandcrscodelists.htm>

² Subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths

³ 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.

	<ul style="list-style-type: none"> - Ministry of Finance of the Republic of Serbia, Department for Contracting and Financing of EU funded Programmes – CFCU (Intermediate body for financial management) <p><i>In Bosnia and Herzegovina:</i></p> <ul style="list-style-type: none"> - The Directorate for European Integration of Bosnia and Herzegovina - the Ministry of Finance and Treasury of Bosnia and Herzegovina
JTS/Antenna Offices of the joint technical secretariat (JTS)	<p>JTS Main office: Užice (RS)</p> <p>Antenna office: Tuzla (BA)</p>
Final date for concluding <u>Financing Agreement</u>	For the budgetary commitment of 2022 at the latest by 31 December N+1
Final date for agreement (exchange of letters) of all parties on further yearly budget allocations for implementation of the Financing Agreement	<p>For the budgetary commitment of 2024 at the latest by 31 December N+1</p> <p>For the budgetary commitment of 2026 at the latest by 31 December N+1</p> <p>For the budgetary commitment of 2027 at the latest by 31 December N+1</p>
Final date for concluding <u>procurement and grant contracts</u>	3 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	6 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)

LIST OF ACRONYMS

BA/BiH	Bosnia and Herzegovina
CA	Contracting Authority
CBC	Cross-border cooperation
CBC-Forum	CBC regional consultative forum
CBIB+3	Cross-border Institution Building Plus Phase III
CFCU	Central Finance and Contracting Unit
CfP	Call for Proposals
CSO	Civil Society Organisation
DEI	Directorate for European Integration – Bosnia-Herzegovina
EU	European Union
EUSAIR	EU Strategy for the Ionian Adriatic Region
EUSDR	EU Strategy for the Danube Region
DEU	Delegation of European Union
FBiH	Federation of Bosnia and Herzegovina
GDP	Gross Domestic Product
IPA	Instrument for Pre-accession Assistance
JMC	Joint Monitoring Committee
JTF	Joint Task Force
JTS	Joint Technical Secretariat
LSGs	Local self-governments
MEI	Ministry of European Integration, Serbia
NES	National Employment Service
NGO	Non-Governmental Organisation
OS	CBC Structure (if the text refers to IPA II, Operating Structure)
PESTLE	Political, Economic, Social, Technological, Legal and Environmental Analysis
RCC	Regional Cooperation Council
RS	Republic of Serbia
RYCO	Regional Youth Cooperation Office
SME	Small and Medium-Sized Enterprise
SO	Specific Objective/Outcome
SORS	Statistical Office of the Republic of Serbia
SWOT	Strengths, Weaknesses, Opportunities, Threats
TA	Technical Assistance
TC	Thematic Cluster
TP	Thematic Priority
VET	Vocation Education and Training

1. PROGRAMME SUMMARY

The programme for cross-border cooperation between the Republic of Serbia and Bosnia and Herzegovina (BiH) will be implemented under the framework of 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 basis for drafting the cross-border programme⁴: 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)⁵.

1.1. Summary of the Programme

The present programme is the result of a comprehensive analytical and consultation process which was carried out between August 2020 and July 2021 in the programme area and at central level in both participating countries. The activities included detailed survey of stakeholders as well as public consultations which were implemented on April 19th 2021. The programming process was hampered by the COVID-19 epidemiological situation, compelling the stakeholders to meet and discuss virtually. Despite this constraint, the involved entities strived to screen in the best possible way the actual situation/challenges in the programme area. Thus, it has been achieved that the selected thematic priorities and defined specific objectives/outcomes closely correspond to real needs.

The socio-economic context was described in detail in the situation/PESTLE and the SWOT analyses. The key points, which were highlighted during the analysis and further-on addressed in the selection of the thematic clusters/priorities, can be summarised as follows.

The programme area demonstrates significant natural resources which can represent the basis for development of different economic activities. In this sense development of tourism has large potential, in particularly related to niche tourism areas such as: tradition, culture, culinary and active vacations. These strengths of the region, as well as potential for joint tourism products leads logically to selection of TP tourism.

The region still faces certain gaps, above all the infrastructure and accommodation possibilities. Situation with human resources is also complex, demonstrating two main typologies – negative migration trends from rural region and high level of unemployment among specific groups, particularly women and youth. Low value added and focus on traditional industries remains a challenge in economy of the cross border area.

To overcome these constraints some specific branches of economy, for example tourism and food processing provide for good opportunity. The new economic efforts could be based on resources and traditions of the area. In any case these efforts would need to be accompanied by systematic development of human resources as well as with activities aimed at preservation of natural resources and reduction of pollution. The programme will attempt to contribute to the key goals of the Green Agenda for the Western Balkans⁶, and especially through the specific objective 2.1. of this programme, which aligns with a number of pillars of the Green Agenda, and in particular: (5) sustainable food systems and rural areas.

The selection of the thematic priorities directly derived from the SWOT and situation analyses through a wide consultative process among the members of the specially formed joint task force (JTF). The resulting priorities and specific objectives/outcomes are as follows:

⁴ Also, during the programming process, the document 'Advice for programming' developed by CBIB+ was used as a key guidance and useful tool.

⁵ OJ L 330, 20.9.2021

⁶ "Guidelines for the Implementation of the Green Agenda for the Western Balkans Accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - An Economic and Investment Plan for the Western Balkans", COM(2020) 641 final, Brussels, 6.10.2020, SWD(2020) 223.

- **TP6: Investing in youth, education and skills**

Within this TP, two specific objectives/outcomes are defined:

SO 1.1 To enhance youth activism and youth socio-economic participation

SO 1.2 To increase the employability of specific groups by provision of new skills

The thematic priority addresses some of the key challenges identified in the region – limited perspectives and high unemployment rates among youth, as well as negative migration trends within the region. The selection of this priority is also based on the experience gained through joint people-to-people actions that were regarded as the most successful and relevant in previous programmes.

- **TP5: Encouraging tourism and cultural and natural heritage**

Within this TP, one specific objective/outcome is defined:

SO 2.1 To develop and promote joint tourism offers based on cultural and natural heritage

This thematic priority and its specific objective/outcome explore the potentials identified in the region, especially tourism development in connection with cultural and natural heritage. The existing linkages between communities and best practice experiences in developing a joint tourism offer were used as a reference. This SO also allows the creation of common tourism products as well as minor interventions in tourism infrastructure at culture and natural heritage sites.

It is estimated that both thematic priorities can have the best possible impact at regional level in the cross-border context, considering the financial and technical framework of the programme.

The support to be provided under this multi-annual action plan will directly contribute and create synergies with the priorities of the Economic and Investment Plan⁷ and the Green Agenda⁸ for the Western Balkans.

1.2. Preparation of the programme and involvement of the partners

The programming process was marked by a relatively limited time frame and the COVID-19 epidemiological situation which mostly prevented live contacts and larger meetings. The consultations and meetings were therefore mostly implemented on-line.

This Programme was developed jointly by both participating countries and for this purpose a Joint Task Force (JTF) was set up. The **JTF** is a collective body which consists of representatives of the two participating countries within the 2021-2027 cross-border cooperation programme Serbia – Bosnia and Herzegovina⁹. The role of the JTF in strategic planning and programming for the future implementation of the 2021-2027 programme was to ensure the quality of the various drafts

⁷ COM(2020) 641, 6.10.2020

⁸ SWD(2020) 223, 6.10.2020

⁹ Members of the JTF have been appointed by the following relevant authorities of the participating countries: 1) European Affairs Fund of the Autonomous Province of Vojvodina; 2) The Ministry of Labour, Employment, Veterans and Social Affairs; 3) The Ministry of Public Administration and Local Self-Government; 4) Chamber of commerce; 5) Ministry of Construction, Transport and Infrastructure; 6) Ministry of Interior; 7) Standing Conference of Towns and Municipalities; 8) Office for Cooperation with Civil Society; 9) Ministry of Trade, Tourism and Telecommunications; 10) Ministry of the European Integration; 11) Ministry of Environmental Protection; 12) Ministry of Foreign Affairs and 13) NAO - from Serbia and 1) Directorate for European Integration; 2) Ministry of Foreign Trade and Economic Relations; 3) Ministry of Civil Affairs; 4) Government of Federation of Bosnia and Herzegovina; 5) Government of Republic of Srpska; 6) Brčko District BiH; 7) Association of Local Authorities of Republic of Srpska and 8) Association of municipalities and cities of Federation of Bosnia and Herzegovina – from Bosnia and Herzegovina.

of the CBC programme and that the latter focuses on needs identified in the concerned programme region in terms of thematic clusters, priorities, specific objectives/outcomes and expected results/outputs, by carrying out the following: to identify the needs of the eligible programme area, to correlate the local needs with the ones identified at regional and state level; to elaborate the programme strategy, with particular emphasis on all elements of the intervention logic, to decide on the future allocation of funds per thematic priority; to describe in the programme strategy any strategic project and to identify and describe the complementarity with other programmes and the macro-regional strategies covering programme territory.

The OSs strived to obtain a broad consensus on the selected thematic priorities and the definition of objectives/results/activities. The first step in the procedure was the implementation of a **survey among local authorities and other organisations**. The aim of the survey was to sound out the interest and capacity in the region. The analysis of the returned questionnaires provided valuable inputs for further development of the programme; for instance, the SWOT analysis was strongly based on the responses collected by the regional survey. Then, the situation and SWOT analyses were drafted using the regional survey and an extensive analysis of statistical and socio-economic data of both countries, with emphasis on the programme area. Following the approval of both documents by the JTF members, the final step of the process was taken: the approval of the draft programme strategy.

Both the 1st and the 2nd draft programme strategy were subject to public consultations which were done to obtain a broader opinion and agreement as regards the priorities and objectives defined. The public consultations were at the same time providing feedback from the micro level as per current and actual challenges. 1st draft of the programme strategy was sent by e-mail on 11 December 2020 to all stakeholders, whose contacts were available in the programme database. Also, it was shared with the wider audience by being posted on the programme website, websites of both Operating structures and on the programme and Operating structures Facebook page, from 11 December 2020 until 31 December 2020 with the request for opinions and comments to be sent via email. During this period 3 comments were received from relevant stakeholders, all of them relating to capacity issues (i.e., confirming readiness of interviewees to participate in the Programme). After the comments received from the European Commission on the 1st draft were incorporated to the 2nd draft programme strategy, another public consultation exercise was done through an on-line consultation meeting and by receiving written feedback from interested entities, based on an on-line questionnaire. One question received was related to sustainability issues of employment support, and the recommendation was to focus the priority more on youth. The OSs already took that comment into account by focusing the definition of specific objectives/outcomes on youth. In terms of participation in the public consultations through on-line questionnaires, 36% of respondents are representatives of NGOs, 22% are Central, regional and local government, 14% are representatives of Sport institution, club or associations, while schools and university, private companies, development agency and public companies and institutions are 7% each.

The stakeholders were asked to assess their agreement with the Intervention logic and the answers were as follows:

- 36% of respondents Strongly agree with the proposed Overall objective/impact (14% disagree);
- 50% of respondents strongly agree with the proposed Thematic priority 1 formulation;
- 50% of respondents strongly agree with the proposed Specific objective/outcome 1.1 formulation;
- 57% respondents strongly agree with the proposed Specific objective/outcome 1.2 formulation;
- 64% of respondents strongly agree with the proposed Thematic priority 2 formulation;
- 72% of respondents strongly agree with the proposed Specific objective/outcome 2.1 formulation;
- General comments on the Draft version of programme document were amongst other: OP document is comprehensive and well set out, I also find it fits the real needs in the field; Include more activities of education of the youth in the field of culture, media literacy and creative industry field (as film production), participatory project activities with the youth which will connect cultural heritage and contemporary art practice; OP document is well structured.

Given that the comments received from the European Commission on the 1st draft referred to the gender mainstreaming issue, OSs consulted UN Women Programme office in Belgrade. All relevant inputs were incorporated in second draft of the Programme.

As a part of the programming process, a series of official JTF meetings took place. The meetings included bilateral meetings between both participating countries, joint meetings of JTF as well as public consultations managed by the JTF. The meetings took place over the whole programming period from April 2020 until July 2021. The detailed list of meetings is presented in the table below.

Table 1.1: The list of JTF meeting and important milestones of the Programme

Event/Meeting	Date	Purpose/Conclusions
Letter from European Commission	22 April 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	4 May 2020	A kick-off meeting held between the RS OS and CBIB+3 on the IPA III CBC programming process (proposed steps and working plan)
Introductory meeting	5 May 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)
1st Coordination meeting	14 May 2020	The first coordination meeting between Serbia and Bosnia-Herzegovina OSs on IPA III CBC programming
Establishment of the JTF	End July to mid-September 2020	The process of appointing JTF members
2nd Coordination meeting	27 July 2020	The second coordination meeting between Serbia and Bosnia-Herzegovina OSs on IPA III CBC programming
Dispatching of questionnaires	4-6 August 2020	The JTS dispatched the questionnaires to the relevant CBC stakeholders
Deadline for the questionnaires	16 September 2020	2nd deadline for the collection of the completed questionnaires
Submission of aggregated answers	28 September 2020	The aggregated answers from the collected questionnaires were delivered to the programming expert for further elaboration and analysis
Programming training	12 October 2020	Training for JTF members, OSs and JTS staff, held by programming expert on programme formulation and development
3rd Coordination meeting	13 October 2020	The third coordination meeting between Serbia and Bosnia-Herzegovina on IPA III CBC programming
1st meeting of the JTF	21 October 2020	Establishment of the JTF, adoption of Rules of Procedures of the Joint Task Force, initial discussions related to planning of activities; definition of timeframe and steps in the process
1st preparatory JTF meeting	6 November 2020	Discussion on the SWOT analysis and ranking of TPs
2nd meeting of the JTF	9 November 2020	Presentation and discussion related to PESTLE and SWOT analysis; Approval of both documents Initial discussions related to the selection of thematic priorities
2nd Preparatory JTF meeting	19 November 2020	Discussion on the selection of the suggested TPs
3rd meeting of the JTF	19 November 2020	Selection of thematic priorities
3rd Preparatory JTF meeting	26 November 2020	Discussion on the draft programme strategy
4th meeting of the JTF	26 November 2020	Discussion and approval of the first draft of the programme strategy
1st draft Programme document	1 December 2020	Submission of the 1st draft of the programme to European Commission
Public consultations	11-31 December 2020	Online public consultations
Internal Coordination meeting	4 February 2021	Internal coordination meeting on preparation for addressing the European Commission's comments on the IPA III CBC RS-BA programme document
4th Coordination meeting	12 February 2021	The fourth coordination meeting between Serbia and Bosnia-Herzegovina on IPA III CBC programming
Coordination meeting	18 February 2021	Coordination meeting with the UNWomen project for RS on the gender analysis and the IPA III CBC programming document
Coaching event	19 March 2021	A coaching event on the intervention logic of this programme provided by Promel project financed by the European Commission
Comments from European Commission on the 1st draft	22 March 2021	The comments officially reached the NIPAC
5th Coordination meeting	26 March 2021	Discussion on the comments received by European Commission. Setting up an Action Plan for the preparation of the 2nd draft of the programme document
Public consultation	19 April 2021	Presentation of the programme strategy

Event/Meeting	Date	Purpose/Conclusions
5th meeting of the JTF	22 April 2021	Discussion on the 2 nd draft of the programme strategy
2nd draft Programme Document	28 April 2021	Approval of the 2 nd draft of the programme strategy by JTF through written procedure
2nd draft Programme Document	29 April 2021	Submission of the 2 nd draft of the programme to European Commission
Comments from European Commission on the 2nd draft	07 June 2021	The informal European Commission comments reached the Serbian Operating structure
New template of the Programme document	08 July 2021	The revised template of the programme document officially reached the Serbian Operating structure as well as official comments of the 2 nd version of the Programme document
3rd draft Programme Document	15 July 2021	Approval by written procedure by the JTF of the 3 rd draft following the European Commission's comments
3rd draft Programme document	15 July 2021	Submission of the 3 rd draft of the programme to European Commission

2. PROGRAMME AREA

2.1. Situation Analysis

This section provides a summary analysis of the programme area.

The program territory in the Republic of Serbia covers 15 370 km² with 1 072 271 ¹⁰ inhabitants, out of which 50.59 % are women, and in Bosnia and Herzegovina (BiH) covers 16 644.18 km² with 1 590 431 ¹¹ inhabitants, making a total of 2 662 702 inhabitants, out of which 51.34 % are women. On the BiH side, 67 local self-government units are participating in the programme and, on the Serbian side, 4 regions. The programme area remains the same as in the previous financial cycle (2014-2020).

Map: Eligible programme area



Table 2.1: Key figures of the programme area

Key figures	Number and Units
Total programme area surface	32 014.18 km ²
Total population in the programme area	2 662 702 (out of whom 1 358 989 women)
Total border length	370.9 ¹²
Blue border	261 km (river Drina 217.7 km + river Sava 43.3 km)
Land border	109.9 km
Total border crossings	15 (3 for railroad, 1 for pedestrians and 11 for motor vehicles)

Political context

Both countries have established strong and permanent bilateral relations, which are proven by the signature of more than 50 bilateral agreements in different areas. In addition to that, Bosnia and Herzegovina (BiH) and Serbia share the vision and commitment to European integration.

¹⁰ Estimates, Statistical Office of Serbia Municipalities and Regions in Serbia 2019

¹¹ Statistical Agency of BiH, Census 2013 data

¹² Statistical report for 2012, page 18

Serbia was granted EU candidate status in 2012. The European Council decided to open accession negotiations on 28 June 2013, following the Commission's recommendation of 22 April. Since then, 18 negotiation chapters were opened, and the two chapters 'Science and Research' and 'Education and Culture' were provisionally closed in 2016 and 2017, respectively. On 1 February 2021, the new enlargement methodology entered into effect, and the Cluster 4 was opened in December 2021, including the chapters 14, 15, 21, 27, on transport, energy and environment.

On 16 June 2008 the European Commission and BiH signed the Stabilisation and Association Agreement. With its signature, BiH entered a contractual relationship with the EU and recognised the importance of legislative approximation and its effective implementation. By signing of the SAA, BiH effectively established a free trade space with the EU, its main trade partner. The SAA entered into force on 15 December 2015 and the obligations of BiH were by this expanded from trade relations to a general commitment to comply with EU regulations. The Chairman of the Presidency of BiH filed on 15 February 2016 to the EU Council a candidacy for EU full membership. In May 2019 the European Commission adopted its Opinion on Bosnia and Herzegovina's EU membership application. The Opinion identifies 14 key priorities for the country to fulfil in order to be recommended for opening of EU accession negotiations; and a comprehensive roadmap for incremental reforms.

The EU membership perspective has been repeatedly underscored by the EU and was most recently outlined in the Commission Communication issued in 2021 on EU Enlargement Policy.¹³ The Communication re-affirms the strategic commitment of the EU to the region, reflected in a number of key actions bringing tangible benefits to the citizens, including a significant funding pledge under the Economic and Investment Plan to bolster the region's long-term development.

Geographical description and climate

The border between Serbia and Bosnia and Herzegovina (BiH) has 370.9 km, out of which 229 km are rivers.

Situated in the south-eastern part of Europe, the programme area between Serbia and BiH consists of three highly diversified geographic parts. The northern part is a fertile plain; the central is hilly while the southern is mountainous. On the northern part of the Serbian programme area, there is fertile agricultural land in the Srem district. Furthermore, this district belongs to one of the developed business areas in Serbia.

Further south the terrain becomes hillier with the presence of mountains such as Divčibare, Golija, Zlatar and Tara which are potential areas for economic development due to the presence of natural resources and expanding opportunities for tourism. In the recent years, the Tara Mountain started to attract more tourists due to the development of the Mokra Gora and Šargan Eight resorts.

In BiH, the northern low land (300 metres above sea-level) contains the basins of the Sava and Drina rivers, with the valleys of the rivers Tolisa, Tinja, Brka, Gnjica and Janja, offering the most favourable conditions for agricultural production. This is the most important BiH area for grain production.

The climate in the programme area is continental, defined by hot, dry summers and autumns, and cold winters with heavy snowfall due to the presence of mountains. Recently, the climate has experienced changes like those seen in other countries, with apparent global warming and rapid weather changes.

The river Drina, with several high dams, forms 185.3 km of the border between Serbia and BiH. It joins the river Sava in the north. Both rivers are rich natural resources, with various types of fish and other fauna.

Population, demography and ethnic minorities

The total population of the programme territory is 2 662 702 inhabitants, with 1 072 271 in the Serbian part of the programme territory and 1 590 431 in its BiH part. The density of population on the Serbian side is 70 inhabitants per km² and on the BiH side the density of population is 88 inhabitants per km².

¹³ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2021 - Communication on EU Enlargement Policy, Strasbourg, 19.10.2021 COM(2021) 644.

Table 2.2: BiH and Serbia population estimates as of 1 January 2019 (in thousands), 14 as a comparison

Country	2015	2016	2017	2018	2019
BiH	3 825	3 516	3 510	3 503	-
Serbia	7 114	7 076	7 040	7 001	6 964

The figures for both countries show a decrease at national level as well as in the programme area. The reasons for this decrease remain the negative mortality-birth rate and out-going migrations from the region (from rural to urban areas within countries and abroad). At the level of the whole country the natural population growth in 2018 was -5.5%. In the Zlatibor district, for example, which represents the largest part of the programme area the natural population growth was -5.8%¹⁵.

Out of 1 072 271 inhabitants in the Serbian part of the programme, 50.59 % of them were women (2018 data)¹⁶. Out of the total population of 1 590 431 in the BiH side, 51.34 % were women (2013 Census)¹⁷.

On the Serbian side of the programme area (Census 2011 data) 14.13 % of the population was younger than 15 years, 37.84 % was between 15 and 44 years old, 30.80 % between 45 and 64 years old and 17.23 % older than 64 years. On the BiH side of the programme area (Census 2013), the percentage of population younger than 15 years is 14.99 %, the share of population between 15 and 65 years is 70.88 % and the share of older than 65 years is 14.13 %.

In Serbia, the ethnic majority of the programme area's population is Serbian. Based on the 2011 census and estimates they make up 89.39 % of the total number of the inhabitants of the West Region – well above the national average of 82.9 %. However, within some municipalities of the programme area that percentage is well below the median being: Priboj (74.1 %), Prijepolje (56.8 %), Sjenica (23.5 %). The Zlatibor district is therefore the most ethnically diverse of the West Region.

According to the 2011 census, the four districts that form the programme area in Serbia are home to 6.89 % of all ethnic minorities in Serbia. Out of the total population of the Serbian part of the program area, 127 154 persons or 10.61 % of all inhabitants are members of ethnic minorities. The largest ethnic group consists of Bosniaks with 36 607 inhabitants, or 32.65 % of all Bosniaks living in Serbia. The second largest ethnic group is composed of the Muslims with 8 921 inhabitants, or 43.55 % of all Muslims living in Serbia. There were also 14 855 members of the Roma minority living in the programme area on Serbian side. This amounts to 1.39 % of the total population.

In the BiH part of the programme area 59.88 % of its inhabitants declared themselves as Bosniak, while 26.97 % declared themselves as Serbs and 4.47 % as Croats. No information about Roma population is available for BiH.

Infrastructure and environment

In both countries, the **road network** in the programme territories is more developed in the north, leaving the more isolated communities of the south with a less than satisfactory road network. Although the north-south road network is extensive on both sides of the border, there are fewer east-west connections. The Republic of Serbia initiated a major multiannual infrastructural project for building the highway connection between the north and western parts of the country. The motorway Belgrade – South Adriatic represents a future connection between Serbia and Montenegro. In 2019 the last stretch of the highway between Belgrade and Čačak was opened and in 2021 the completion of the section Čačak (Preljina) - Požega is anticipated.

¹⁴ Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_population_statistics#Population_and_age_structure

¹⁵ Statistic Office of Republic of Serbia, Municipalities and Regions 2019

¹⁶ Statistical Office of Republic of Serbia, <https://publikacije.stat.gov.rs/G2019/Pdf/G201913046.pdf>

¹⁷ Statistical Agency BiH, http://www.bhas.ba/index.php?option=com_publicacija&view=publicacija_pregled&ids=1&id=5&n=Stanovni%C5%A1tvo

The Serbian **railway system** has suffered major lack of investment and maintenance in the previous decades. However, since 2011, the Republic of Serbia has allocated significant financial means for the reconstruction and modernisation of rail infrastructure and procurement of rail assets, including implementation of the projects funded by the loans from the EIB, EBRD, and bilateral arrangements. In BiH the rail network is also in poor condition. The total length of the rail network in the BiH programme area is 1 018¹⁸ km. The total rail network in Serbia is 3 363.4 km.

Between BiH and Serbia there are 15 **border crossings** (3 for railroad, 1 for pedestrians and 11 for motor vehicles). The number of the border crossings is sufficient, but the quality of infrastructure and capacity need improvement and modernisation in view of the increasing exchange of goods between the countries.

There are 3 **airports** in the programme area, in the BiH part of the program area there are two fully functioning and well-equipped international airports: one in Tuzla, located in Dubrave-Živinice, 8 km south-east of the town, opened for traffic in 1998, and the other in Sarajevo, fully renovated in 2005. In the Serbian part of the programme area there is an ex-military airport in Ponikve, located 18 km away from Užice, now serving civil purposes. The airport was officially opened for use in October 2013.

In the Srem district in Serbia, the Danube and the Sava **rivers are navigable** for the full length that runs through the programme area. The river Drina is not navigable along most of the program area, although it offers many opportunities for water sports and tourism.

The **telecommunication network** in the program area is generally well developed for both fixed and mobile networks. In addition, there is a good coverage by internet services in companies. In the absence of available regional data, only reference data at national level are presented.

Both countries are facing **environmental challenges** in particularly due to underdeveloped environmental infrastructure and industrial/household pollution. The generated **wastewater** represents a significant issue, both for households and industry in the region. In the BiH programme territory, the Tuzla valley was one of the most polluted even in ex-Yugoslavia. The biggest polluters are coal mines (Banovići, Živinice), chemical industry (Tuzla and Lukavac) and the power plant Tuzla. The percentage of treated wastewater (measured as percentage from total wastewater disposed) is 4.12 % for the FBiH (data for the entire FBiH) and for Republika Srpska 3.96 %. The percentage of households connected to the sewerage system is between 26.8 % (Sremski district) and 43.7 % (Zlatiborski district).

At the Serbian side of the border the main **solid waste** facility is the Regional Waste Management Centre Duboko, that serves the following municipalities: Užice, Bajina Bašta, Požega, Arilje, Čajetina, Kosjerić, Lučani, Ivanjica and Čačak. The Centre processed 89 800 t of solid waste in 2019. Out of which 7 885 t of waste were processed for recycling purposes (8.78 % of total received waste)¹⁹. In the FBiH, there are 49 registered landfills. Only the Smiljevići landfill (Sarajevo Canton), Zenica and Tuzla have specifically constructed sanitary landfills. The solid waste management system in Republika Srpska is relatively inefficient and not in line with modern standards. According to information from the republic statistical office, as many as 43 registered municipal landfills existed (in addition to additional approximate 200 non-registered). Only the landfill in Bijeljina is a specifically constructed sanitary landfill. Republika Srpska adopted a strategy for waste management for the 2016-2025 period.

Economy

The **economy** of the entire programme territory is underperforming due to the region's marginalisation and the instability during the 1990s. Low level of investments, the big industrial giants that collapsed over the years, the unsuccessful process of privatisation that created major job losses resulted in limited economic expansion. The region has been suffering from lack of economic prospects and subsequent negative migration trends. Some positive developments have been registered since 2015 and in 2020 a steep drop was noted due to the global economic crisis caused by the COVID-19 pandemic. Intensive trade exists between the two countries. BiH is the 3rd most important trade partner of Serbia with a value of exports

¹⁸ Traffic BiH 2019, http://www.bhas.gov.ba/data/Publikacije/Bilteni/2020/TRA_00_2019_TB_00_BS.pdf

¹⁹ Business Programme of Public Utility Company Duboko Užice, 2020

amounting to \$ 834 million (11.62 % of total exports) in 2019²⁰. The imports from Serbia in 2019 amounted to \$ 2.26 billion (10.83 % of total imports; 3rd ranked).

The highest **unemployment** rate in the programme area in Serbia was registered in the Srem district at 11.6 %. The lowest was the unemployment rate in the Kolubara district at 6.4 %. Both figures are 2019 data and lower than the national average²¹. What remains a concern is the relatively low educational structure of the unemployed. In addition to that youth unemployment rates are significantly higher than for the general population. Out of 335 000 unemployed in 2019, approximately 58 000 were younger than 25 years. Taking into account that in this age group 153 000 persons were employed; the unemployment rate accounts for 35.7 % of the active population. For Šumadija and Western Serbia which represents a large proportion of the programme area there were 39 000 employed youth between 15 and 24 and 19 000 unemployed, meaning that the unemployment rate was 32.8 %, what was again lower than the national average. In 2019 in the programme area within the FBiH, the highest number of unemployed was registered in the Tuzla Canton (75 461 people or 24.1 % of all unemployed in the FBiH) and in the Sarajevo Canton (59 570 or 19 %). According to the Statistical Office of Republika Srpska²², the unemployment rate in the whole Republika Srpska was 11.7 %. The youth unemployment rate for ages between 15 and 24 in Republika Srpska was 23.8 %²³.

Agriculture remains an important economic sector in the programme area though registering a slight decrease. Statistics show that in the Srem district, for example, 38.15 % of all households were considered as agriculture households. At the overall country level in Serbia in 2019 agriculture contributed 6.16 % to the overall GDP (a drop of 18 percentage points from 2018)²⁴. In the FBiH the volume of agriculture production was KM 707 mil in 2006 and 857 mil in 2015. Despite this increase, the share in the total GDP is dropping, to 4.6 % in 2015. In Republika Srpska the value of production was BAM 897 mil in 2016, what represented 9.3 % of the total GDP of Republika Srpska. The share is dropping as in the FBiH. In the Brčko District BiH the value of production grew to BAM 66 mil in 2015, but a drop from 14 % in 2006 to 10 % in 2015 as percentage of the total GDP was registered. The total surface of **forests** in the programme area in Republika Srpska was 1 100 268 ha. The total surface of forests in the programme area in the FBiH was 653 292 ha. The total surface of forests in Šumadija and Western Serbia which covers a large part of the programme area in Serbia was 980 213 ha. The volume of forest assortments production in the Republic of Serbia in June 2020 decreased by 23.3 % in relation to the 2019 average.

The **industry** in the region, as in other transitional economies, faces significant challenges in technological underdevelopment, low labour productivity and limited investments. The industry is undergoing a constant restructuring processes and in recent years some important foreign direct investments were noted in the region.

SME development is a major pillar of both governments' policies as a means for achieving the dynamic levels of economic expansion needed in the program area to reach economic parity with its European neighbours. Although the entrepreneurial culture in the programme area is relatively developed, most SMEs operate in sectors with distinctively low value added. Most SMEs are trade or service oriented, applying very few principles of innovation and technological development.

The programme territories in both countries have a great potential for **tourism development**. In 1984 Sarajevo organised the Winter Olympic Games. That event attracted more than 300 000 tourists to the region. Its organisation was one of the most successful tourism products in ex-Yugoslavia. Now, the programme territory has a lot of potential for development of specific touristic products such as winter, rural or cultural tourism. The tourism offer should be based on the uniqueness of the region, traditional architecture buildings, authentic food, Olympic image, cultural heritage, closeness to other tourist destinations (Mostar, Travnik, Blagaj) as well as religious tourism sites such as Međugorje and Prusac. In the last years a significant rise in tourism was noted in the programme region. Some districts like Zlatibor's are experiencing a development boom. It seems that the quality of services and the skills of the labour force are not able to adjust to the demand of these rapid developments, therefore the need for investment into quality infrastructure and service standards is obvious. At both sides of the border some key tourism attractions have been renovated lately, for example the Šarganska Osmica Railway,

²⁰ <https://wits.worldbank.org/CountryProfile/en/Country/BIH/Year/LTST/TradeFlow/Export/Partner/all/>

²¹ Serbian Statistical Office, Bulletin Survey About Labour Force in Republic of Serbia 2019

²² Statistical Office of Serbia, Survey on employment 2019

²³ Statistical Office of Republika Srpska, Labour Force Survey 2019

²⁴ <https://www.statista.com/statistics/440654/share-of-economic-sectors-in-the-gdp-in-serbia/>

infrastructure in Višegrad and walking paths in Sutjeska. Some tourism initiatives were supported under the IPA II programme. From 2018 IPA II national allocation in Serbia EUR 17 million are dedicated to tourism development (through a direct implementation agreement with GIZ). In Zlatibor the world's longest tourist cable-car was opened in 2020 (an investment of EUR 13 million). Tourism was distinctively affected by the COVID-19 crisis.

On the Serbian side, the Tara national park has been established. Šargan – Mokra gora, Mileševa Gorge, Ovčarsko-Kablarska Gorge and Uvac are the parks of nature on the Serbian side of the programme area. Due to a distinctive preservation of natural heritage (sources of water, river network, diversity in relief, rich flora and fauna) and rich cultural heritage, the area of Nature Park Golija was declared a special reserve of biosphere Golija-Studenica by the UNESCO committee. According to the classification of the International Nature Protection Association, Zaovine (on the Tara mountain) and the future biosphere reserve Drina have been proposed to become part of the fifth category of protected areas.

Highlight – COVID-19 crisis

The negative effect of the pandemic has been reflected in a reduction of economic activity, with manufacturing, transportation and tourism being the most affected industries. According to the SORS, in April 2020, the overall industrial production dropped by 17.6 % and manufacturing by 20 %. The total value of foreign trade decreased substantially, 28.2 % in April and 26.4 % in May. In early 2020, the foreign remittances significantly declined (-9.4 %) and, according to the National Bank of Serbia, by EUR 800 million from January to May (a decrease of 23.8 % compared to the same period last year). FDI was also lower than in 2019 (EUR 3.6 billion in 2019).

GDP projections vary across different institutions. IMF's indicate a relatively low and temporary decrease in GDP, because of the COVID-19 pandemic, by 3 % in 2020, and a 7.5 % increase in 2021. The National Bank of Serbia forecasts a GDP reduction of 1.5 %, while the Ministry of Finance reported a decrease of 1.8 %. The European Commission has projected a drop in the Serbian GDP of 4.1 % in 2020, followed by an increase by 6.1 % in 2021. The European Commission's forecast for the unemployment rate is at 12.7 % in 2020 and then full recovery in 2021, with the overall unemployment rate at 10 %²⁵.

In 2019, the Council of Ministers of BiH projected 3.4 % of GDP growth for 2020. However, due to COVID-19, it is expected to slow down to between -3.2 % and -5 %, whereas the international rating agency Standard and Poor's (S&P) expects that the real GDP in 2020 will drop by 5 %. The COVID-19 pandemic has particularly affected BiH's foreign trade, with a decrease of 14.1 % in total exports noted in August 2020 as compared to the same month in 2019, whereas imports recorded a drop of 17 % in relation to the same month the year before.

Education, research sector and culture

Education facilities at primary, secondary and university levels exist in the programme area of both countries. Three fully fledged universities teach in Tuzla, Sarajevo and Eastern Sarajevo. Although the educational facilities at primary level are considered adequate, those at secondary level are described as outdated and inadequate since they lack modern ITC and laboratory facilities. Vocational training institutions are present in the larger towns and cities. In Serbia, there are not enough specialised secondary schools meeting modern standards. Užice is home to a specialised secondary school as well as a faculty for tourism.

The number of elementary and high schools in the programme territory in Serbia is 684 primary schools and 74 high schools. In the programme area in BiH there are 528 primary schools and 162 high schools. The number of elementary and high schools in the programme territory in Republika Srpska is 265 primary schools and 33 high schools. In the programme area within the FBiH, the number of elementary schools is 263 and the number of high schools is 129.

The University of Eastern Sarajevo connects 14 faculties, 2 art academies and 1 faculty of religious studies (a total of 84 programmes). In addition to that the whole territory of Republika Srpska has 6 private universities, with 30 faculties (separate data for the program area not available). In the entire Republika Srpska (separate data for the program area not available) the number of science and research institutions was 36. There were also more than 20 research associations. The University of Sarajevo has 23 faculties, 3 art academies and 5 scientific/research institutions. The University of Tuzla connects 12 faculties and 1 art academy. In the Serbian part of the programme area there are 6 private high schools, 3 private faculties and 1 public research institute.

²⁵ OECD, <https://www.oecd.org/south-east-europe/COVID-19-Crisis-in-Serbia.pdf>

The cultural heritage in both participating countries can be classified as heterogeneous in the best sense of the word, including cultural assets from all historical periods (prehistoric, ancient, medieval, Ottoman and contemporary). Many civilisations, basically from four sources (Mediterranean, Central-European, Byzantine and Oriental-Islamic), actively took part in creating such a cultural wealth. Through this CBC programme, operations will develop cultural awareness, promote new initiatives in the cultural sphere, establish partnerships with other sectors, boost the development of values around the conservation and revitalisation of the cultural heritage.

2.2. Main findings

The situation analysis pointed out several key messages relevant for the programming process:

1. **High unemployment level among youth and limited prospects for this group in the whole programme area.** This often results in negative migration trends, outside of the region or from rural to urban areas within the region. Vulnerable groups such as youth, women, Roma and rural population are particularly facing significant challenges to access professional qualifications and jobs. The absence of an offer of practical formal, non-formal and informal²⁶ education was noted. First-job opportunities are provided by the National Employment Service (NES), but it seems that the cooperation and adaptation of the NES services with the employers' demand is somewhat weak.
2. **Preserved environment and limited environmental infrastructure.** The area features many cases of unspoilt natural assets that could become its strong competitive advantage. However, limited infrastructure and low level of investments prevent the efficient use of available resources. The programme area offers unique possibilities for connecting natural assets with economic activities, including tourism. Nevertheless, this kind of development opportunities have not been sufficiently exploited.
3. **Strong basis for development of tourism.** Considering the overall economic situation, tourism represents one of the few realistic and immediate opportunities for increasing the income of local communities. The available natural and cultural resources, the chances of developing niche tourism (for instance culinary, active and rural tourism), while supporting women entrepreneurship and ownership in tourism, and its symbiosis with other economic branches (food processing, bio-agriculture) represent a solid basis for this programme's aims. Tourism is however confronted with challenges. In addition to the current Covid-19 crisis which has practically stopped the inflow of foreign tourists, the sector is affected by low quality of services, lack of diversification and innovativeness when developing new tourism products.
4. **Strong cross-border linkages** are typical for the programme area. Culturally, geographically, and socio-economically the area has been connected through history. Some important landmarks, events and traditions can be considered as a part of its joint heritage and background. Such situation provides a unique possibility for implementation of joint inclusive development initiatives which will further contribute to a more rapid development of the area on both sides of the border.

The situation analysis, the field survey and some interviews held in the programme area led to the compilation of a SWOT analysis for all thematic priorities. An abridged SWOT with entries associated to the thematic priorities of the programme is shown below.

Local Governance Perspective

²⁶ **Formal learning** occurs in an organised and structured environment (such as in an education or training institution or on the job) and is explicitly designated as learning (in terms of objectives, time or resources). Formal learning is intentional from the learner's point of view. It typically leads to certification. **Informal learning**, learning resulting from daily activities related to work, family or leisure. It is not organised or structured in terms of objectives, time or learning support. Informal learning is in most cases unintentional from the learner's perspective. **Non-formal learning** is embedded in planned activities not explicitly designated as learning (in terms of learning objectives, learning time or learning support), but which contain an important learning element. Non-formal learning is intentional from the learner's point of view. It typically does not lead to certification. (Cedefop Definitions)

In CBC programmes where private sector operators are only indirect beneficiaries and where a broader cross-border coordination is required on a high administrative level, it is crucial that public bodies have sufficient capacities for direct participation and for providing support to other beneficiaries. The assessment of capacities of local governments is based on experience from earlier CBC programmes and from analyses and surveys implemented for the purpose of this programme. The analysis below is focusing on capacities and perspectives for CBC programmes and is not intended to provide an overall analysis of capacities of local self-governments (LSGs).

The OS sent standardised questionnaires to municipalities and other relevant institutions and organisations in the eligible area. The analysis has been separately implemented for municipalities. Out of 31 municipalities in the eligible area on the Serbian side of the border, 16 or 52 % returned filled-in questionnaires. Out of the 68 municipalities in the eligible area of Bosnia-Herzegovina, 26 or 38.2 % of them returned filled-in questionnaires. Out of the 42 returned questionnaires, 20 LSGs indicated that they had cooperated with counterparts across the border in the context of CBC programmes. 26 LSGs indicated that they had a special organisational unit for preparation and management of projects.

Within the 2014-2020 CBC Serbia- Bosnia and Herzegovina Programme the LSGs were relatively active as partners in projects. In the first call for proposals out of 111 lead applicants, 23 were LSGs (21.6 %), out of 233 co-applicants 50 were LSGs (21.5 %). Out of 9 lead beneficiaries 2 were LSGs (22.2 %) and out of 20 co-beneficiaries 4 were LSGs (20 %). In the second call for proposals out of 64 lead applicants, 21 were LSGs (32.8 %), out of 124 co-applicants 34 were LSGs (27.4 %). Out of the 13 contracts signed by end of June 2021, 6 had as coordinators (lead beneficiaries) LSGs (46.15 %) and out of the 26 co-beneficiaries (partners) 9 were LSGs (34.61 %). This indicates that LSGs had a relatively high level of success as applicants or co-applicants.

The mid-term evaluation of cross-border cooperation programmes between IPA II beneficiaries dedicates its volume II to review of the programme Republic of Serbia – Bosnia and Herzegovina. Related to local governments the following conclusions and recommendations were provided on the basis of analysis of the first call:

- The IPA CBC programme procedures are difficult for those local authorities that are not familiar with EU funding programmes or have to operate in English language, limiting participation to larger cities or motivating partnerships with NGOs. Stakeholders mention that municipality salaries are insufficient to attract or motivate staff to engage in the perceived complex CBC operations.
- There are some delays in operations led by local authorities due to management issues. At local level, the IPA CBC programme can strengthen the capacity of local authorities through their inclusion in programming and needs assessment, as implementing partners and more indirectly in financing the continuation of other operations.
- The capacity of local authorities is strengthened through their inclusion in programming and needs assessment, as implementing partners and more indirectly in financing the continuation of other operations. The level of involvement of local authorities which is limited with mainly external staff involved, is likely to affect the sustainability of one of these operations.
- An indirect link to fostering Union integration can be made as institutions and beneficiaries gain experience with the design and management systems and structures used by the EU that will be accessible to local authorities after accession.

From a general point of view, it is expected a more significant involvement of LSGs in the implementation of the programme, considering their role as defined in the Serbian Law of Local Self-Governance and in Bosnia and Herzegovina laws at the entity level: Law of Local Self-Governance in Republika Srpska and Law of Principles of Local Self-Governance in Federation of BiH. A set of responsibilities defined by these Laws relates directly to potential interventions within the CBC programme. Typically the legislation defines responsibilities of LSGs in specific content areas (for example education, social, economic development, health etc.). As regards these fields the LSGs' responsibilities clearly cover the thematic areas of tourism, youth and human resource development as defined in this Programme. In addition to content issues LSGs normally deal with issues indirectly related to the proposed intervention, such as financial management of budget funds and project management initiatives. In this sense alignment is ensured in case of projects where LSGs will be direct participants. Within their scope of responsibilities LSGs would also be able to provide support in other projects financed from this CBC Programme.

3. PROGRAMME STRATEGY

3.1. Rationale - Justification for the selected intervention strategy

The overall objective/impact of the programme is:

To promote good neighbourly relations, foster union integration and enhance the socio-economic development of the programme cross-border area through social and economic inclusion of specific groups, especially youth, and the competitiveness of tourism.

The overall objective/impact is a direct answer to the challenges and needs of the programme area, which is being affected by underdevelopment, negative migration trends and (still) limited exploration of its potentials and resources. As for the programme specific objectives/outcomes, the methodological approach is supported on the following principles:

- **Clear and coherent linkages with real needs of the region.** The issues defined by the overall and specific objectives/outcomes are closely aligned with the actual needs in the programme area. The issues of youth and women unemployment, negative migrations and limited use of potential in tourism were identified as some of the key concerns at the overall level of the situation/PESTLE and SWOT analyses.
- **Alignment of the objectives with the financial and technical possibilities within CBC programme.** The selected priorities provide realistic and reasonable possibilities for implementation in a programme where the available funds are relatively limited and where major infrastructure projects cannot be supported. The selected TPs and specific objectives/outcomes also correspond to what operations can achieve given their timeframe and engagement of resources.
- **Clear potential for joint initiatives and strong expected cross-border impact.** Based on experience from the cross-border region and a wider paradigm of cross-border cooperation, operations in the sphere of socio-economic cohesion and tourism development provide good opportunities for real cross-border cooperation. With more attention paid to project development and proposal evaluation, satisfactory cross-border impact can be expected.
- **Exploration and use of best practices as references for the new programme.** In preceding programmes, several successful projects were implemented in the thematic fields that have been selected under this programme. Experience has shown that small community cooperation around concrete and common challenges produces the best results in the sense of the overall impact and also cross-border cooperation. Sectoral preferences of the present programme definitely allow such approach in the implementation phase where best practice experiences will be further explored.

Table 3.1: Synthetic overview of the justification for selection of thematic priorities

Selected thematic priority/ies	Justification for selection
1 - TP6: Investing in youth, education and skills	<ul style="list-style-type: none"> • High unemployment rates among youth at both sides of the border • Negative migration trends from the cross-border region and from rural to urban areas within the region • Narrow skillsets of the unemployed, redundant from large industry systems • Good alignment of the TP with the broader strategic context of both countries and EU efforts for the Western Balkans region
2 - TP5: Encouraging tourism and cultural and natural heritage	<ul style="list-style-type: none"> • Limited general potentials for economic activities in the cross-border region and the suitable possibilities that tourism development is offering in this sense • Availability of natural and cultural heritage sites which can represent a backbone of tourism and economic development of the region

	<ul style="list-style-type: none"> • Strong historical linkages of both countries and interest for joint initiatives in tourism • Positive examples and best practices of cooperation in development and promotion of joint tourism offer • Favourable ground for achieving strong cross-border cooperation effect
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3.2. Description of programme priorities

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:

Table 3.2: The IPA III programming strategic indicators

IPA III strategic objective for CBC	Indicator	Baseline value ²⁷ (2021)	Intermediate target (2025) ²⁸	Target (2030)
<i>Reconciliation, confidence building and good neighbourly relations</i>	Number of organisations participating in cross-border networks/partnerships formed, disaggregated by type of organisation (special mention of women's associations)	28 (out of which 0 women associations)	58 (out of which 3 women associations)	200 (out of which 5 women associations)
	Number of organisations directly involved in the implementation of the projects, disaggregated by type of organisation (special mention of women's associations)	112 (out of which 0 women associations)	190 (out of which 3 women associations)	400 (out of which 7 women associations)
<i>Economic, social and territorial development of border areas</i>	Number of new jobs resulting from programme activities, disaggregated by gender and age of the new employees	20 (out of which 10 women)	30 (out of which 15 women)	100 (out of which 50 women)
	Number of new businesses established, disaggregated by gender and age of the business leader	0	2	10
<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)	26 (out of which 0 women associations)	40 (out of which 2 women associations)	100 (out of which 4 women associations)

²⁷ Baseline presented is from CBIB Monitoring system, cut-off date: 31 March 2021. Baseline values which were not disaggregated for women associations in the monitoring system at that time were defined as 0.

²⁸ Intermediate target includes expected values only from the 1st CfP under IPA III in order to be in line with the Section 4 Financial plan of this document.

Programme beneficiaries will also report on 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.

3.2.1 TP6: Investing in youth, education and skills

The first thematic priority selected by the JTF within the programme is the TP1 *Investing in youth, education and skills*. This TP is well aligned with some of the most significant challenges of the region, particularly negative migration, limited economic perspectives, high youth unemployment and the typology of unemployed workers, redundant from large industrial systems. During the consultations, this TP was always short-listed, based on the interest of the involved parties and stakeholders. In addition to that, some positive good practice examples from previous programmes were noted, especially under people-to-people type of actions, to which this TP corresponds well. Alignment and exploration of synergies with other EC measures will be ensured. For example, Erasmus+ and European Solidarity Corps are also funding activities covering these areas. Serbia will be fully associated to the Erasmus+ programme and can fund activities with partners from BiH through the international dimension of the programme (BiH is not associated, but youth and higher education mobility, capacity building in higher education, VET, sport and youth will be available supported by IPA III funding from the 2022 call).

Amongst the key strengths of the programme area, the following stands out: *Qualified workforce in specific professional profiles, from traditional industries, for example metal processing and welders*. This will be the basis where the TP can build upon, with further focus on youth and vulnerable groups.

The achievement of cross-border impact will receive maximum attention during programme implementation. Partners must move from the recurrent practice of back-to-back or parallel projects to genuine cross-border operations. For this purpose, in the specific objectives/outcomes and planned activities there has been put great emphasis on "joint" efforts.

Youth and vulnerable groups

Taking into account the limited economic opportunities in the eligible area, the transfer of professional skills to youth and vulnerable groups remains in focus. This could be done by introducing targeted and tailor-made (vocational) training programmes, internships, and apprenticeships in companies. Specific attention will be given to the project preparatory phase when applicants will be encouraged to envisage reach-out and motivation activities for specifically vulnerable groups such as Roma.

It is expected that within the programme formal, non-formal and informal types of education/ training could be eligible for support. In case of formal training/education the programmes leading to certification would have greater sustainability and impact, therefore such type of interventions would be preferred. In the segment of formal and non-formal trainings/education, close cooperation with the stakeholders such as NES and LSGs would be sought.

Linkages and alignments with specific strategies, initiatives and programmes are presented in Subsection 3.4. of this document.

The following table illustrates the basic elements of the intervention logic (specific objectives/outcomes, results/outputs, indicators and types of activities) under the thematic priority.

Table 3.3: Overview of the programme strategy – TP6

1 - TC 1: Improved employment opportunities and social rights						
TP6: Investing in youth, education and skills			Indicators	Baseline value (2021)	Target value (2030)	Data source
			<u>Impact</u>			
			Number of people with newly increased employability (new skills or experiences)	20 (15% women)	700 (50% women)	Statistical Office of Serbia, BiH, as well as FBiH and Republic of Srpska
1.1. To enhance youth activism and youth socio-economic participation	1.1.1. Social integration and economic prospects of youth are improved	<ul style="list-style-type: none"> - joint training activities - promotion of dialogue and critical thinking among youth - implementation of youth entrepreneurial activities - youth activism and volunteering - support to youth from vulnerable groups - implementation of innovative measures for the involvement of youth in society (e.g. through new technologies and digitalisation) 	<u>Outcome</u>			
			Number of joint youth initiatives implemented	0	5	Statistical office of Serbia, BiH, as well as FBiH and Republic of Srpska
			New cross-border programmes for youth in activism/volunteerism and entrepreneurship created	0	5	
			Cross border networks of youth groups created	0	3	Project reports and promotional materials
			Number of youth start-ups created (registered company)	0	3 (1 women manager)	Annual reports of youth organisations
			<u>Output</u>			
			Number of youth involved in joint activities	0	1500 (50% women)	
			Number of workshops and forums organised	0	25	
			Number of joint capacity building events organised	0	10	
			Number of youth with improved new-technology skills	0	250 (50% women)	
1.2. To increase the employability of specific groups	1.2.1. Professional skills and competences of specific groups are improved	<ul style="list-style-type: none"> - joint trainings for specific skills and competences with proven market demand - training and vocational training schemes aimed at vulnerable groups with emphasis in the use of modern technologies and digitalisation 	<u>Outcome</u>			
			Number of people with increased employment possibilities	0	350 (50% women)	Statistical office of Serbia, BiH, as well as FBiH and Republic of Srpska
			Number of youth, disadvantaged persons with increased employment perspectives	0	150 (50% women)	
			Number of new curriculum or training courses recognised/certified	0	4	Project reports

1 - TC 1: Improved employment opportunities and social rights						
TP6: Investing in youth, education and skills			Indicators	Baseline value (2021)	Target value (2030)	Data source
		- re-training of redundant workers from large traditional industrial systems - development of new, innovative training models or curricula (formal and non-formal) - enhancement of cooperation with employers to enable internships and first-job experiences	by relevant certifying authority			
			<u>Output</u>			
			Number of trainings implemented	0	40	
			Number of persons involved in trainings	0	500 (50% women)	
			Number of qualified trainers involved	0	30 (30% women)	
			Number of training institutions involved	0	10	
			Number of trainings using new technologies or innovative approaches	0	5	

Specific objective/outcome 1.1:

Main beneficiaries:

- Local and regional authorities
- Local and regional organisations engaged in youth activism
- Education and training organisations and institutions
- Research organisations and institutions
- CSOs active in the field of youth activism and promotion of vulnerable groups social inclusion

Main target groups:

- Youth associations and youth in general
- Vulnerable groups
- Local population

Specific objective/outcome 1.2:

Main beneficiaries:

- Local and regional authorities
- Employment services
- Regional development organisations
- Education and training organisations and institutions

Main target groups:

- Unemployed and vulnerable groups
- Local population

3.2.2 TP2: Encouraging tourism and cultural and natural heritage

The thematic priority 2 was proposed because of the distinctive advantages and opportunities of the programme area. Namely, tourism represents one of the most significant economic potentials, in absence or in scarceness of other industries and entrepreneurial activities. Its strong potential was also noted during the analytical phase in relation to the natural

resources and the rich cultural heritage of the region. The TP received the greatest support in the selection process by the JTF members and the field stakeholders. Some positive examples from the past were also considered when defining the intervention logic.

Amongst the key strengths of the region, the following stands out: *Availability of natural resources that can be exploited for tourism purposes*. The programme area has a distinctive advantage and opportunity for development of tourism based on cultural and natural heritage. This is backed by material (distinctive landscapes such as Drina and Zlatibor, and historical sites) as well as non-material assets (traditions, ethnography, culinary traditions). The programme provides a unique opportunity for joint exploration of potentials in tourism. The “jointness” of approach is in line with all current efforts by the EC to ensure cohesion and joint development of the WB regions towards EU integration.

Linkages and alignments with specific strategies, initiatives and programmes are presented in the Point 3.4. of this document.

The following table illustrates the basic elements of the intervention logic (specific objectives/outcomes, results/outputs, indicators and types of activities) under the thematic priority.

Table 3.4: Overview of the programme strategy – TP5

2 - TC 4: Improved business environment and competitiveness						
TP5: Encouraging tourism and cultural and natural heritage			Indicators	Baseline value ²⁹ (2021)	Target value (2030)	Data source
Specific objective(s)/ outcome(s)	Results/ Outputs	Types of activities (examples)	<u>Impact</u>			
			Increased number of tourism visits in programme area	0	5%	Annual reports by participating LSGs
2.1. Sustainable tourism (incl. cultural and natural heritage) contributing to economic development of the cross-border region	2.1.1. Joint cross-border tourism products/initiatives are developed/upgraded	<ul style="list-style-type: none"> - development and promotion of joint cross-border tourism products/services - networking of tourism providers from both sides of the border - involvement of specific groups in tourism development - development of niche tourism – sport, adventure, culinary, rural tourism - connecting tourism with other sectors, for example agriculture and food processing industry 	<u>Outcome</u>			
			Number of new joint tourism products commercialised	0	8	Projects' reports
			Length (km) of new or improved tourism trails/routes	22 (biking trails)	50	Annual reports by participating LSGs
			Number of tourists using the new or improved tourism products/solutions	0	50000 (50% women)	Annual reports by tourist organisations
			Number of tourists making use of on-line information/solutions	0	100.000 (50% women)	Statistical office of Serbia, BiH, as well as FBIH and Republic of Srpska
			<u>Output</u>			
			Number of organisations from tourism sector involved	6 (tour operators)	14	

²⁹ Baseline presented is from CBIB Monitoring system, cut-off date: 31 March 2021

2 - TC 4: Improved business environment and competitiveness						
TP5: Encouraging tourism and cultural and natural heritage			Indicators	Baseline value ²⁹ (2021)	Target value (2030)	Data source
		- renovation of tourism infrastructure	Number of new joint tourism products developed	0	8	Promotional materials
		- equipping of tourism sites in the region	Number of tourism providers involved	0	200	On-line registries and statistics
		- digitalisation in tourism	Number of cross-border networks and/or connections supported	1	5	
		- specialist training of tourism workers and providers	Number of digitalised platforms introduced (on-line or apps)	0	5	
		- innovative and technological approaches to development, promotion and implementation of cross-border tourism offers	Number of providers with certified quality standards	0	4	
		- introduction of quality standards for tourism providers	Number of tourism facilities enhanced	5	10	
			Number of tourism sites newly equipped	0	5	
	2.1.2. Natural and cultural sites are preserved	- implementation of preservation action plans	Outcome			
		- small renovation works and equipping of natural and cultural heritage	Number upgraded natural and cultural heritage sites	2 (historical sites)	7	Projects' reports
		- prevention of risks for users of natural and cultural sites – citizens and incoming tourists	Number of sites with higher safety standards	0	3	Annual reports by participating LSGs
		- information and digital solutions in preservation of cultural and natural heritage	Output			
			Number of small-scale investments in natural and cultural heritage sites	7	30	Annual reports by participating organisations
			Number of joint risk-prevention actions around natural and cultural resources	0	2	
			Number of natural and heritage sites equipped	0	5	

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

Main target groups:

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

3.2.3 TP 0: Technical Assistance

The specific objective/outcome of the technical assistance is 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.

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. The technical assistance allocation will be used to support the work of the two CBC structures (OS) and of the joint monitoring committee (JMC) in ensuring the efficient set-up, implementation, monitoring and evaluation of the programmes as well as an optimal use of resources. This will be achieved through the operation of a joint technical secretariat (JTS) with its main office on the territory of the Republic of Serbia (Užice) and an antenna office in Bosnia and Herzegovina (Tuzla). The JTS will provide technical support in the day-to-day management of the programme, including monitoring of projects, and will be reporting to the OS in Serbia.

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 3.5: Intervention Logic of the Thematic Priority 0

3 - Thematic Priority 0: Technical assistance			Indicators	Baseline value (2021) ³⁰	Target value (2030)	Data source
Specific objective(s)/ outcome(s)	Results/ Outputs	Types of activities (examples)	Impact			
			Percentage of funds available under the programme that are contracted	0	100	AIR, Monitoring system
0.1. To ensure the efficient, effective, transparent and timely	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	0	90	AIR, MoM, Monitoring system

³⁰ Cut-off date: January 2021 inclusive

3 - Thematic Priority 0: Technical assistance						
			Indicators	Baseline value (2021) ³⁰	Target value (2030)	Data source
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		<ul style="list-style-type: none"> - Organisation of JMC and OS meetings - Support to the work of the Joint Task Force in charge of preparing the programme cycle 2028-2034 - Monitoring of project and programme implementation, including the establishment of a monitoring system and related reporting - Organisation of evaluation activities, analyses, surveys and/or background studies 	prescribed in the minutes of meetings)			
			Percentage of projects covered by monitoring missions	100	100	AIR, project reports Monitoring system
			<u>Output</u>			
			Number of JTS/antenna offices newly equipped and functional	2	2	AIR
			Number of events organised in relation to programme management	28	56	AIR, Monitoring system
			Number of project monitoring missions implemented	75	150	AIR, project reports, Monitoring system
	0.1.2. Potential applicants and grant beneficiaries supported	<ul style="list-style-type: none"> - Organisation of events, meetings, training sessions, study tours or exchange visits to learn from best practice of other territorial development initiatives - Preparation of internal and/or external manuals/handbooks - Assistance to potential applicants in partnership and project development (partners search forums etc.) - Advice to grant beneficiaries on project implementation issues - Provision of tailor-made trainings and support adapted to the specific needs of local authorities 	<u>Outcome</u>			
			Average share of potential applicants, applicants, grant beneficiaries and other target groups satisfied with programme implementation support	75%	85%	AIR, project reports, monitoring system
			<u>Output</u>			
			Number of civil servants at the local level with increased capacities for PM / CBC	0	250 (50% women)	AIR, project reports, monitoring system, LSGs reports
Number of capacity building events for potential applicants, grant beneficiaries and programme structures' employees			9	18	AIR, project reports Monitoring system	
Number of internal/external manuals or handbooks prepared			3	6	AIR and other reports	
Number of queries of grant beneficiaries resolved			50	80	AIR and other reports	
0.1.3 The visibility of the programme and its	<ul style="list-style-type: none"> - Information and publicity, including the preparation, adoption and regular revision of a visibility and communication plan, 	<u>Outcome</u>				
		Number of people reached by information/promotion campaigns	400	1000	AIR and other reports	

3 - Thematic Priority 0: Technical assistance			Indicators	Baseline value (2021) ³⁰	Target value (2030)	Data source
	outcomes is guaranteed	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.	Output			
			Number of information/promotion campaigns implemented	12	24	AIR and other reports
			Number of promotional and visibility events organised	18	36	AIR and other reports
			Number of publications produced and disseminated	15	30	AIR and other reports

Target groups and final beneficiaries (non-exhaustive list)

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

Main beneficiaries:

- CBC Structures
- Joint Monitoring Committee
- Joint Technical Secretariat/Antenna office

Disclaimer

- The OSs allow possibility that due to the COVID-19 crisis some of the above objectives, results and indicators might be altered in mid-implementation period. This could be the case if the epidemiological crisis extends into the implementation period and a broader impact is higher than expected. Eventual amendments would be done on the basis of mid-term evaluation.

3.3. Horizontal and cross-cutting issues

In addition to the topics directly encompassed in its thematic priorities and specific objectives/outcomes, the programme also considers different horizontal issues, which will have to be stressed during its implementation.

The European Pillar on Social Rights stipulates the following principle: Regardless of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation, everyone has the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services available to the public. Equal opportunities of under-represented groups shall be fostered.

Even though the programme does not deal with the TC2 (greener and improved resource efficiency) and related TP2 (protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management), some elements of environmental protection and sustainable use of natural resources will be embedded in it. As shown in the situation and SWOT analyses, the programme area has distinctive potentials regarding its well-preserved natural resources. With the inclusion of TP5 (Encouraging tourism and cultural and natural heritage) in the programme, the preservation of natural sites for tourism development acquires relevance. In addition, requirements related to sustainable development and nature preservation will be put forward as part of other fields tackled by the programme. Since the activities

of TP5 are also directed towards enhancing opportunities for engaging local communities in the tourism sector, capacity building and other stimulating activities, related to knowledge on responsible and sustainable usage of all resources (natural, cultural and human) will be highlighted and promoted.

When implementing actions related to environmental assets under the TP5, the project applicants will be required to meet the local requirements related to protection of the environment, public health, and cultural heritage and avoid impacts on the existing and planned ecological network (Emerald Network) sites.

Members of the JTF, overseeing programme preparation, dedicated specific attention to promotion of equal opportunities and prevention of any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. A distinctive feature of the programme region is its multi-ethnicity, for example in Serbia a large Bosniak population lives in the border region. Though there were ethnical tensions in the region in the past, this programme should be an opportunity for furthering dialogue and tolerance. Specific lines of action under the programme are in particular aiming at this, above all the TP6 and its specific objective/outcome related to youth activism and participation.

All youth activities will have a component regarding gender, inclusion and antidiscrimination practices. Focus on youth belonging to vulnerable groups will contribute to a deeper understanding of the needs and constraints in the programme area and introduction of activities and solutions can have a significant impact to improving their overall socio-economic position and preventing internal migrations and brain drain.

Cooperating with other stakeholders, CBC implementing partners will ensure the usage of inclusive and gender and diversity affirmative models and solutions. Furthermore, the engagement of local communities will provide an added value element when directly addressing their most pressing needs and challenges on relevant topics (education, sustainable and equal opportunities in the labour market, activation of potentially passive groups in tourism and direct economic benefits from the process).

The programme also takes gender issues and equality in great consideration. Within all the specific objectives/outcomes, equal participation of men and women will be encouraged. In particular, supporting women entrepreneurship, promoting more inclusive SME sector, empowering women living in rural areas and introducing youth and diversity run start-ups will be in line with endeavours for creating equal opportunities. Additionally, engaging with stakeholders from the private sector (internships, first-job opportunities and working towards workplace diversity principles) will strengthen this cause.

Through the implementation of calls for proposals the requirement for equal involvement of women will be specifically highlighted. All barriers preventing equal access to the benefits of CBC operations will be removed and grant beneficiaries will be required to report on performance of their indicators with gender disaggregated data. In line with the approach outlined in the EU Gender Action Plan, (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 give specific attention to the position of vulnerable groups, improving labour market participation, especially of young people and women, disadvantaged groups and minorities, in particular Roma.

All CBC operations need to be made in an inclusive manner addressing those that are experiencing high poverty rates and low employment opportunities such as persons living with disabilities. These investments shall respect the obligations under the UN Convention on the Rights of Persons with Disabilities.

Reforms of social protection and inclusion systems, including social care services, will be tackled considering the human development gap with the EU. Development of active inclusion strategies will be supported.

Mainstreaming to improve the **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). In order to ensure the proper ownership and synergetic impact of the Action, the LSGs should link their intervention to the relevant measure/priority in their own local development plan or other planning document (strategy, programme, action plan or similar).

The existence of a local development plan, as required by the planning regulatory framework – Serbian Law on Planning System could be a precondition for considering intervention.

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.

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 restauration 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.

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 organised 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 selected thematic priorities and thus the entire programming document are closely aligned with regional strategies and initiatives, strategies in participating countries, the relevant European macro-regional strategies and other priorities relevant for the programme area. The strategic basis is reviewed separated but it is clear that strong interconnectivity exists between both TPs. For example, the aspect of HR development which is often highlighted in strategic documents will have strong impact on increasing the quality of services and value-added in the tourism sector.

This CBC programme will also strive to ensure synergy and complementarity with Interreg IPA programmes, in particular Hungary-Serbia, Croatia-Serbia, Croatia-Bosnia and Herzegovina-Montenegro, Bulgaria-Serbia, Romania-Serbia, IPA Adrion, Danube, EURO MED and URBACT.

TP6: Investing in youth, education and skills

Connections to regional strategies and initiatives are as follows:

European Union Strategy for Danube Region (EUSDR). Within the Strategy pillar 3 *Building Prosperity in the Danube Region*, thematic priorities *To develop the knowledge society through research, education and information technologies* and *To invest in people and skills* are defined both correspond closely to the this TP, in particularly the specific objective/outcome *Increased employability of specific groups by provision of new skills*. Elements of innovation, digitalisation and information technologies are also included under the TP as new innovative approaches for involvement of youth and provision of skills are sought.

The EU Economic and Investment Plan for the Western Balkans sets a pillar *IX Investing in human capital*. Inclusion of youth and specific vulnerable groups are indicated as key priorities. One specific area aligned with the selection of this but also TP2 is the ambition towards exploiting economic opportunities in the creative and cultural sector and its contribution to the region's sustainable tourism potential. Some elements of the digitalisation pillar of the Investment Plan are also connected with the selection of this TP.

The Plan stresses that fairness and inclusiveness are important in ensuring that the benefits of recovery and growth are shared by everyone and that no one is left behind. A well-functioning labour market and a well-trained and productive workforce are crucial for a resilient economy. The EU aims to support the development of human capital by IPA funding, CBC among others, as regards the reform priorities identified in the **Economic Reform Programme** process and joint policy guidance in the areas of education and skills, employment, and social protection and inclusion. Emphasis will also be put on youth, health, culture, and sport.

The Plan will also contribute to the implementation of the European Commission's communication on an 'EU Roma strategic framework for equality, inclusion and participation', COM (2020) 620, part of the EU ambitious agenda on equality and towards a Union that strives for more when it comes to social fairness and prosperity.

Regional Youth Cooperation Office (RYCO) which is an independently functioning institutional mechanism, founded by the Western Balkans 6 participants. The initiative is distinctively of regional type therefore fostering of youth participation in this Programme aligns well with the RYCO initiative. RYCO publishes regularly support schemes and when defining the details of the calls for proposals within this Programme, the results of RYCO initiatives will be taken as a reference.

Linkages to the following strategies in participating countries are evident:

The 2021-2027 Strategy of Development of FBiH strongly supports the selection of this TP. It indicates the priority 2.1.3 Development of functional system of adult education and life-long learning. The priority 2.1.4 is enhancement of educational institutions in areas of information and communication technologies. The priority 1.1.3 indicates advancements of digital skills of citizens in particularly related to the needs of labour market. Elements of digitalisation which are stressed throughout the Strategy provide additional backing for this TP. The same goes for the strategic documents in Republika Srpska. Namely, although the **Development Strategy of Republika Srpska** was covering the period of 2015-2020 and the Youth policy of Republika Srpska the period 2016-2020, this entity has adopted the **Education Development Strategy for the period of 2016-2021 as well as the Adult Education Strategy 2021-2031** strongly supporting the selection of this TP.

The programme is aligned with other donors' and national initiatives in the sector as follows:

Technical Assistance to Civil Society Organisations in the Western Balkans and Turkey (TACSO3) is a regional project funded by the EU that improves capacities and strengthens the role of civil society organisations. The project assists CSOs to actively take part in democratic processes in the region, and it also stimulates an enabling environment for civil society and pluralistic media development. Possible synergies are above all in the field of youth civic involvement.

ROMACTED – "Promoting good governance and Roma empowerment at local level", is a Joint Programme between the European Union (DG NEAR) and the Council of Europe. The programme is implemented by the Council of Europe's Roma and Travellers Team and the Office of the Directorate General of Programmes in Albania, Bosnia and Herzegovina, Kosovo* Montenegro, North Macedonia, Serbia, and Turkey, for the period from May 2017 until the end of 2020 (with likely extension). The alignment with this Programme can be sought in employment of Roma, particularly youth.

The Western Balkans Youth Lab Project is the three-year EU funded and RCC implemented Western Balkans Youth Lab Project that kicked-off in January 2020 aims to provide opportunities for youth to participate in decision-making.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244(1999) and the ICJ Opinion on the Kosovo declaration of independence

Within **2020 IPA II national programme in BiH** the project *Effective and targeted active labour market measures for youth, rural women and vulnerable categories of unemployed* (long-term unemployed, persons living with disabilities) aligns well with the objectives of this Programme. The synergies can be identified particularly in the field of promotion of youth employment. Due to the geographical/urban typology of this programme, important linkages with the employment of rural population can be found.

From the **2018 IPA II national programme in Serbia**, the project *European Union Support to Social Housing and Active Inclusion* has been supporting inclusion of socially weak groups in different areas. The EUR 20 million project is being managed by UNOPS. A part of the project is dedicated to job, social, education, health care services, complementary to housing solutions, provided to most vulnerable women and men, girls and boys. Roma are an important target group within this project. Considering that the project is also planning a EUR 4 million grant scheme, close coordination will be needed to ensure exploitation of synergies and prevent overlapping.

TP5: Encouraging tourism and cultural and natural heritage

NOTE: This Thematic Priority was also selected under the CBC programmes Serbia-Montenegro and BiH-Montenegro. In order to ensure synergies and to prevent overlapping the OSs will observe in parallel developments in the other two Programmes. For instance, in case of project applications by the same applicants, the details on the proposed interventions will be checked.

Linkages to regional strategies and initiatives are as follows:

European Union Strategy for the Adriatic and Ionian Region. The second specific objective/outcome of the fourth pillar of the Strategy is *Improving the quality and innovation of tourism offer and enhancing the sustainable and responsible tourism capacities of the tourism actors across the macro-region*. Selection of TP2 and definition of the specific objective/outcome within this TP closely corresponds to this Strategy's objective. The Programme in particular defines innovative approaches and introduction of new technologies in tourism offer as one of the expected results.

The EU Economic and Investment Plan for the Western Balkans, which is committed to spurring the Western Balkan's long-term economic recovery, identifies tourism as a strategic sector and emphasizes the significant scope for increased intra-regional economic co-operation 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 WB 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.

The Common Regional Market (CRM) 2021-2024 Action Plan³¹ adopted in Sofia on 10 November 2020 by Western Balkan region leaders was established as a transformative tool to increase the attractiveness and competitiveness of the region and to bring the region closer to the EU markets. Amid the COVID-19 pandemic, enhanced market integration of Western Balkan economies will help tackle the mid- and long-term effects of the pandemic by attracting investments in productive sectors and sustainable infrastructure, and by generating new opportunities for citizens and business community.

In the **Tirana Declaration on joint regional protocols to support sustainable tourism recovery and growth in the Western Balkans**³², the ministers of the WB *agreed to position tourism as a key strategic sector for regional economic recovery and sustainable development*.

Green Agenda for Western Balkans. The priority area 5 of the Green Agenda is "*Protecting biodiversity and ecosystems*". The *TP5 Encouraging tourism and cultural and natural heritage* contains a specific objective/outcome titled "*Natural and cultural sites are preserved*". Strong emphasis will thus be given to development of tourism in relation natural resources

³¹ <https://www.rcc.int/pages/143/common-regional-market>

³² <https://www.rcc.int/docs/567/tirana-declaration-on-joint-regional-protocols-to-support-sustainable-tourism-recovery-and-growth-in-the-western-balkans>

which are abundant in the programme area. Additionally, possibilities for digital transition in the tourism sector will be explored.

Linkages to the following strategies in participating countries are evident:

The 2016-2025 Strategy of Tourism Development of Serbia fully supports the selection of this Thematic Priority, in particular by defining as objectives advancement of tourism products and services of the Republic of Serbia and advancement of human resources and labour market related to the sector. The priorities in the Strategy which are best aligned with the specific objectives/outcomes defined in this programme are:

- Alignment of tourism offer with modern trends in international market, creation of value chains and support to inclusive tourism;
- Promotion of modern standards and increase of accessibility for disabled persons, increase of professional level and education of tourism staff;
- Introduction of new tourism attractions and products in established tourism centres, incl. Zlatibor;
- Advancement of the system of ICT promotion and reservation systems.

The 2021-2027 Strategy of Development of FBiH indicates as a priority 1.3.4. *Support to Entrepreneurial Development in Tourism Sector*. Within this priority, there is a measure to support innovative tourism products and development of new products with higher value-added. Connections to local entrepreneurs and citizens of rural areas are also sought for to ensure inclusion at the local level and authenticity of the offer. As already mentioned above, the **Development Strategy of Republika Srpska** is covering the period of 2015-2020. In addition, the Tourism Development Strategy of **Republika Srpska** is covering the period of 2011-2020. The new strategies are not yet adopted. In both entities in BiH, new Tourism Development Strategies are currently under preparation.

The programme is also aligned with other donors' and national initiatives in the sector as follows:

Tourism development and promotion is a EUR 5 million initiative funded by the EU and implemented by the Regional Cooperation Council (RCC). The project works to create joint and internationally competitive cultural and adventure tourism offers in the WB economies which will attract more tourists to the region, lengthen their stay, increase revenues and contribute to growth and employment. The objectives are closely aligned with this programme and the selection of the TP 5. Both focus on developing joint and internationally competitive tourism offers in cultural and adventure tourism niches and their global promotion.

Within the 2016 IPA II national programme for BiH, the project **Competitiveness and Innovation, Local Development Strategies (EU4Business)** is targeting tourism development in one specific field. The result 3: *Increased entrepreneurial initiatives in tourism and rural value chains for income and employment generation* is closely aligned with the objectives of this programme and the selection of the TP5. The project is currently at its inception phase and coordination between this programme and the project will be needed during the implementation stage.

Within the **2018 IPA II national programme for Serbia**, there is an initiative named *EU for Competitiveness through Innovation and Tourism Development* with a specific segment dedicated to tourism development. The implementation of its Result 2 titled *Upgraded tourism/cultural facilities and stakeholder's skills as part of the Tourism Development Strategy of the Republic of Serbia (2016-2025)* will be done through a direct agreement with GIZ. The total value of this agreement is EUR 20 million and one or more grant schemes are planned. Particularly within this segment of grant schemes close coordination with the programme will be needed to ensure exploration of synergies and prevent overlapping.

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 antenna³³ offices of the Joint Technical Secretariat. Particular 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.

Under indirect management by the IPA III beneficiary, the participating IPA III beneficiaries shall conclude for the whole duration of the programme a bilateral arrangement setting out their respective responsibilities for implementation of the programme.

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.

³³ In case this office is deemed necessary to be set up.

4. INDICATIVE BUDGET

A single 7-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 4.1: Indicative financial allocations per year for the period 2021-2027

	IPA III CBC PROGRAMME SERBIA – BOSNIA AND HERZEGOVINA															
	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	0	0	5 400 000	952 941.18	0	0	3 600 000	635 294.12	0	0	3 600 000	635 294.12	0	0	12 600 000	2 223 529.42
Technical Assistance (Direct Grant)	0	0	600 000	0	0	0	600 000	0	0	0	0	0	200 000	0	1 400 000	0
Per method of implementation																
Direct Management: Total Envelope for Grants	N/A														1 400 000	0
Direct Management: Total Envelope for Procurements	N/A														0	0
Indirect Management with the IPA III beneficiary: Total Envelope	0	0	5 400 000	952 941.18	0	0	3 600 000	635 294.12	0	0	3 600 000	635 294.12	0	0	12 600 000	2 223 529.42
GRAND TOTAL³⁴	0	0	6 000 000	952 941.18	0	0	4 200 000	635 294.12	0	0	3 600 000	635 294.12	200 000	0	14 000 000	2 223 529.42

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

³⁴ GRAND TOTAL from Table 4.1 and 4.2 should be equal

Table 4.2: Indicative financial allocation per priority and rate of Union contribution (for the period 2021-2027)

CLUSTERS	PRIORITIES	IPA III CBC PROGRAMME SERBIA – BOSNIA AND HERZEGOVINA			
		European Union funding (EUR)	Co-financing (EUR)	Total (EUR)	rate per Thematic Priority and technical assistance
		(a)	(b)	(c) = (a)+(b)	(d) = (c)/(e)
TC1 Improved employment opportunities and social rights	1) TP6 Investing in youth, education and skills	5 600 000	988 235.30	6 588 235.30	40.6%
TC4 Improved business environment and competitiveness	2) TP5 Encouraging tourism and cultural and natural heritage	7 000 000	1 235 294.12	8 235 294.12	50.8%
3) TP0 Technical Assistance		1 400 000	0	1 400 000	8.6%
GRAND TOTAL		14 000 000	2 223 529.42	(e) 16 223 529.42	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, Republic of Serbia and Bosnia and Herzegovina.

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 amendments in writing.

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 measures³⁵.

5.3.1 Operations³⁶

Indirect management with Republic of Serbia

The operations part of this action will be implemented under indirect management by the Republic of Serbia. The Republic of Serbia will host the managing authority and the intermediate body for financial management. The managing authority shall be responsible for the overall management of the programme, and shall designate intermediate bodies.

Subject to the finalisation of the IPA III legal framework, the managing authority responsible for the execution of the action in all participating countries is the Ministry of European Integration of the Republic of Serbia (MEI). The CBC structures established under the IPA III legal framework in Serbia and in Bosnia and Herzegovina shall co-operate closely in all tasks of mutual interest relating to the programming and implementation of the programme.

Budget implementation tasks such as calls for tenders, calls for proposals, contracting, contract management, payments and revenue operations, shall be entrusted to the following intermediate body for financial management: Ministry of Finance of the Republic of Serbia, Department for Contracting and Financing of EU funded Programmes (CFCU) as the contracting authority³⁷. It shall ensure legality and regularity of expenditure.

Calls for Proposal - Grants

³⁵ 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.

³⁶ Listed institutions represent current structure designated for indirect management in IPA II in both countries. Responsible structures will be defined and designated upon adoption of the IPA III legislative and corresponding Framework and Financial Agreement.

³⁷ Listed institutions represent current structure designated for indirect management in IPA II in both countries. Responsible structures will be defined and designated upon adoption of the IPA III legislative and corresponding Framework and Financial Agreement.

a) Purpose of the grants:

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

b) Type of applicants targeted:

The beneficiaries shall be legal entities, local authorities, public bodies and public sector operators, NGOs, non-profit organisations etc.

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

Potential beneficiaries as specified in section 3.2 could be: local and regional authorities; local and regional organisations engaged in youth activism; education and training organisations and institutions; research organisations and institutions; CSOs active in the field of youth activism and promotion of vulnerable groups social inclusion; employment services; regional development organisations; 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; CSOs active in the field of cultural or natural heritage, education, rural development and other related fields.

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 Ministry of European Integration of the Republic of Serbia, as lead partner, and the public institution hosting the CBC structure in Bosnia and Herzegovina 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 Ministry of European Integration of the Republic of Serbia, as lead partner.

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, NAO, Management Structure, CBC structures, IPA Managing Authority, the Intermediate Body for Financial Management, Audit Authority, Joint Monitoring Committee, Joint Technical Secretariat) is presented under the Financial Framework Partnership Agreement and/or Financing Agreements.

In addition to these Agreements, the Beneficiaries shall conclude for the whole duration of the cross-border cooperation programme a bilateral arrangement setting out their respective responsibilities for implementing the relevant cross-border cooperation programme in accordance with the provisions laid down in the Financial Framework Partnership Agreement.

5.5. Project development and selection and implementation

As a general rule, this Programme will be implemented through public calls for proposals (CfP) to be launched covering one or more thematic priorities or specific objectives/outcomes. The Joint Monitoring Committee will be responsible for identifying

the thematic priorities, specific objectives/outcomes, results/outputs, target beneficiaries and specific focus of each call for proposals which shall be endorsed by the European Commission. The responsible authorities in the participating countries will ensure full transparency in the process and access to a wide range of public and non-public legal entities.

The dynamics of publication of calls for proposals depends on a number of factors, including logistics, timing of the evaluation and level of interest from the potential applicants. The JMC, as the body monitoring the performance of the programme, will review, before the publication of the calls for proposals (and the definition of the tendering documents, e.g. the guidelines for applicants), the progress of programme indicators to the date. The selection of TPs, specific objectives/outcomes and results/outputs of all calls for proposals other than the first one under the programme will be based on that progress of performance. The publication and strategic orientation of every call for proposals will be coordinated with the plans of other programmes in order to increase synergies and avoid double funding.

JMC decisions may also consider the recommendations stemming from consultations held with stakeholders at local and national level, including representatives of the donor community.

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/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 action 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.