**EN**

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

**ANNEX V**

to the Commission Implementing Decision on the financing of the annual action plan in favour of Bosnia and Herzegovina for 2024

*Action Document for Harnessing culture and creativity for sustainable development*

### ANNUAL ACTION PLAN

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

### 1. SYNOPSIS

**1.1. Action Summary Table**

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<th>Title</th>
<th>Harnessing culture and creativity for sustainable development</th>
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<tr>
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<td>Basic Act</td>
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**Economic and Investment Plan (EIP)**

| Yes | Priority: Human Development (incl. human capital and youth) (100%) |

**EIP Flagship**

| Yes |

**Team Europe**

| No |

**Beneficiary of the action**

| The action shall be carried out in Bosnia and Herzegovina |

**Programming document**

| IPA III Programming Framework |

### PRIORITY AREAS AND SECTOR INFORMATION

**Window and thematic priority**

- Window 4: Competitiveness and inclusive growth
  - Thematic Priority 1: Education, employment, social protection and inclusion policies and health (70%)
  - Window 2: Good governance, EU acquis alignment, good neighbourly relations and strategic communication
  - Thematic Priority 3: Good neighbourly relations and reconciliation (30%)

**Sustainable Development Goals (SDGs)**

- Main SDG: SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable and in particular Target 11.4 - Strengthen efforts to protect and safeguard the world’s cultural and natural heritage and Target 11.7 - By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities
Other significant SDGs:
SDG 1 - End poverty in all its forms everywhere;
SDG 5 - Achieve gender equality and empower all women and girls;
SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;
SDG 10 - Reduce inequality within and among countries;
SDG 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.

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<th>DAC code(s)</th>
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☐ Biodiversity |

**Markners (from DAC form)**

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**Total amount of EU budget contribution:** EUR 8 500 000

**MANAGEMENT AND IMPLEMENTATION**

| Implementation modalities (management mode and delivery methods) | **Indirect management** with international organisations/the entities to be selected in accordance with the criteria set out in section 4.3. |
| Final Date for conclusion of Financing Agreement | At the latest by 31 December 2025 |
| Final date for concluding contribution / delegation agreements, procurement and grant contracts | 3 years following the date of conclusion of the financing agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation |
| Indicative operational implementation period | 72 months following the conclusion of the Financing Agreement |
| Final date for implementing the Financing Agreement | 12 years following the conclusion of the Financing Agreement |

1.2. Summary of the Action

The overall objective of the proposed Action is to enhance socio-economic impact of the cultural and creative sectors in Bosnia and Herzegovina which is consistent with IPA III objectives to strengthen economic and social development, including through the socio-economic recovery of the region and development of human capital by increasing assistance in culture area. The outcome of the Action is: Enhanced cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina.

The proposed Action will through harnessing cultural and creative sectors contribute to the objectives of the Thematic Priority 1: Education, employment, social protection and inclusion policies and health of the Window 4: Competitiveness and inclusive growth and Thematic Priority 3: Good neighbourly relations and reconciliation of the Window 2: Good governance, EU acquis alignment, good neighbourly relations and strategic communication, by the means of reconstruction of cultural and sports facilities in Bosnia and Herzegovina (Bosnia and Herzegovina) and through promotion and fostering of intercultural dialogue and cultural diversity in Bosnia and Herzegovina. Enhancement of culture and creative industries capacities in Bosnia and Herzegovina will contribute to societal cohesion and fosters citizens’ confidence and contribute to removing impediments to political, economic and social exchanges and co-operation.

The proposed Action is in line with the Economic and Investment Plan initiative on human capital development and consistent with the EU support towards integration of cultural and creative industries from the region into European professional networks and value chains. More precisely the Action will support Bosnia and Herzegovina progress towards encouraging and exploiting the economic opportunities in the
creative and cultural sector by enhancing cooperation in the field of culture, the protection of cultural diversity and the promotion of cultural pluralism and strengthening the performance of the cultural, creative sector and youth, through enhanced partnerships between public and private actors, but also through enhanced cooperation between cultural and educational institutions.

The specific objective of the Action is to enhance cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina which will be accomplished through the creation and utilisation of the cultural facilities. These facilities would send a clear message that a positive and progressive project of highest artistic value and with long-term development prospects is possible. These facilities would serve as cultural hubs for young creative people, enabling interaction among young people and in such a way eventually advance reconciliation process. Furthermore, through reconstruction and construction of cultural facilities, the City of Sarajevo, Banja Luka and Mostar will gain greater institutional and professional resources, tools, and capacities for the protection and promotion of contemporary arts and cultural diversity, strengthening its international presence in the artistic and cultural field and contributing to the socio-economic development of the country. This will serve as a positive promotion of the cities, Bosnia and Herzegovina and the Balkan region.

In the long run all activities will promote and safeguard cultural diversity of the country, but also greatly contribute to the enhancement of social cohesion in the country, in the form of gathering people of common cultural interest and different cultural backgrounds.

Supporting Bosnia and Herzegovina in improving the appreciation, management, and promotion of the diverse cultural resources, the proposed Action contributes to the integration of culture in sustainable development processes in line with the 2030 Agenda for Sustainable Development and the Framework for the Realization of Sustainable Development Goals in Bosnia and Herzegovina by 2030. The proposed activities will especially impact on SDG 11 and Target 11.4 on the protection of the world’s cultural and natural heritage, producing results that will also contribute to ending poverty (SDG 1), gender equality (SDG 5), economic growth (SDG 8), innovation (SDG 9), reduced inequalities (SDG 10), and peaceful and inclusive societies (SDG 16). Culture being not only a sector in itself, but also a transversal component across the public policy spectrum, the Action indirectly contributes to progress on health and well-being (SDG 3), quality education (SDG 4), sustainable consumption and production (SDG 12), and the environment (SDGs 13-15).

Bosnia and Herzegovina is also a beneficiary in the EU Strategy for Adriatic and Ionian Region. The Action is supporting the principles of Pillar 4, Sustainable Tourism, particularly regarding flagship Education, training and skills curricula development for smart destination management for tourism businesses and stakeholders, providing sustainable destinations and new jobs.

1.3 Beneficiary of the Action

The action shall be carried out in Bosnia and Herzegovina (Sarajevo, Banja Luka and Mostar).

2. RATIONALE

2.1. Context

Culture provides a stage for community participation and renewed relations between public authorities and communities, and often serves as a rallying point for community engagement, thus stimulating participative decision-making. Moreover, culture is a powerful tool to connect: its social value and the positive contribution to well-being are unprecedented.

Bosnia and Herzegovina (Bosnia and Herzegovina) is gifted with a rich and diverse cultural heritage, reflecting significant parts of the European history and identity. It also provides an opportunity to enhance societal resilience. Cultural patrimony can act as a common space for the diverse communities of Bosnia, support them in the efforts to forge stronger ties and a common national identity and counter any tensions or secessionist
tendencies. Heritage in Bosnia and Herzegovina is characterised by a plurality of cultural influences with a diffused and mixed presence across the country. The country is also a vibrant hub of contemporary creativity, with lively cultural scenes, promising creative industries as well as important cultural festivals and events.

Culture lies at the centre of diverse Bosnia and Herzegovina identity. It represents both a major challenge for development, and a key part of the solution. Issues of ethnicity, religion and cultural heritage are difficult to separate in Bosnia and Herzegovina, and the recent history of the country puts these at the heart of political and social development. Yet, a focus on the benefits of the country’s intercultural dynamics has the potential to promote wider tolerance, acceptance and understanding, and to provide economic opportunities that in themselves deliver development.

The re-visioning and revival of culture in Bosnia and Herzegovina is crucial to its future, and is imperative for the social, political, and economic development of the country. This can only take place through a broadening and deepening of what culture means in contemporary Bosnia and Herzegovina, which takes into account the broad notion of culture underlying international standards of protecting and promoting cultural diversity, encompassing in addition to literature and the arts, lifestyles, ways of living together, value systems, traditions and beliefs.

There is a need to take the current role of culture in Bosnia and Herzegovina and transform it into progressive development approaches that include contemporary arts, culture and creative industries, tourism, sports, design, digital media and cultural activities in the broadest sense, and to fuse tradition and heritage to modernity in order to promote the emergence of hybrid cultural forms that can symbolise both intercultural understanding and cultural cooperation.

The proposed framework is striving to enhance the capacities of culture and creative industries (CCI) to promote inclusive, fair, and sustainable socio-economic development while at the same time ensuring fostering the integration of culture within broader planning programmes for sustainable development. This would be done through the main thematic areas and sectors of intervention such as cultural heritage, intercultural dialogue, and creativity. As transversal priorities, the proposed framework will also support gender equality, youth empowerment, cultural participation, cultural cooperation and intercultural dialogue.

Cultural heritage and its rehabilitation in Bosnia and Herzegovina is an element of socio-economic development that may improve not only the cultural scene and cultural infrastructure of the country but also may represent an opportunity for the increase of employment and economic growth in areas where this cultural heritage is located, namely but not only, as an important touristic product. Bosnia and Herzegovina is rich in cultural and historical monuments, coming from different cultures and periods of time, that need to be protected and revitalised. Also, better conditions are to be ensured in order to present and use those monuments in a financially sustainable way. In addition, reconstructing the most significant monuments of multiculturalism of Bosnia and Herzegovina would improve the inter-cultural understanding in Bosnia and Herzegovina.

As cultural diversity is at the core of this Action, its activities fully respond to the guiding principles of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which is an EU binding document and used for reporting to the Chapter 26 of the Acquis.

In the Commission Report on Bosnia and Herzegovina for 20231 Bosnia and Herzegovina has made limited progress, and is between an early stage and some level of preparation concerning its capacity to cope with competitive pressure and market forces in the EU. The overall quality of education remains inadequate despite relatively sizable spending on the sector. The country continues to lag behind in the energy and digital transition. However, in response to changes in global demand, some structural adjustment took place, with the

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focus of value-added moving towards services such as trade, IT and tourism. Economic integration with the EU remains high, but overall trade is below potential.

The Action is in line with the Communication on New growth plan for the Western Balkans\(^2\), namely with the 1\(^{st}\) pillar - Enhancing economic integration with the European Union’s single market, under which 7 priority actions have been proposed, the 2\(^{nd}\) one being the Free movement of services and workers, that includes the support to tourism services.

The proposed activities would through culture support progress towards reconciliation in Bosnia and Herzegovina, as essential precondition for IPA III Beneficiaries towards European integration, in line with the revised IPA III Multi-Country Indicative Strategy Paper 2021-2027 and the 2018 Commission Communication on “A credible enlargement perspective for and enhanced EU engagement with the Western Balkans” (“Western Balkans Strategy”). In particular, the proposed would support Flagship Initiatives 3 and 6 of the Strategy by enhancing cooperation in the field of culture, the protection of cultural diversity and the promotion of cultural pluralism and strengthening the performance of the cultural and creative sector (CCS) through enhanced partnerships between public and private actors.

The Action is in line with the Green Agenda for the Western Balkans and the Economic and Investment Plan for the Western Balkans with the Pillar number 1. Climate action, including decarbonisation, energy and mobility, through realisation of the investments in building of energy efficient infrastructure (resilience investments) as well as through implementation of other Action activities designed that at the same time promote green mobility practices (smart and environmentally sound and other sustainable mobility solutions), environmentally sound and carbon emission low daily practices, promotion and utilisation of new energy efficient digital tools for the communication and other Action’s activities. Particular attention will be paid to promotion of economic models based on sustainability and climate-neutrality among CCS.

Leveraging culture’s transversal role in sustainable development, the proposed Action supports Bosnia and Herzegovina in meeting its future EU obligations particularly with regard to Chapter 26, enhancing culture as an agent of positive and active social change. Finally, the proposed directly responds to the conclusions of the Western Balkans Summit in Sofia (2020) as it will directly contribute to strengthening regional cooperation, speeding up the economic development of the Western Balkans, and implementing reforms that can bring the region closer to the EU.

The Stabilisation and Association Agreement (SAA) binds Bosnia and Herzegovina to cooperate with the aim of raising the level of general education and vocational education and training in Bosnia and Herzegovina, as well as youth policy and youth work, including non-formal education. The EC call for measures for enhanced growth and job creation, with a focus on youth. The EC Opinion (2019) on the Bosnia and Herzegovina membership application under its key priority (no. 5) calls for “creating an environment conducive to reconciliation” and recognizes education and culture as one of the areas requiring particular attention as far as alignment and integration process. Furthermore, the EC Opinion and accompanying Analytical Report, emphasise that the mismatch of qualifications of labour force and labour market needs has to be decreased. The EC Report on Bosnia and Herzegovina for 2022 further notes that in the area of culture, Bosnia and Herzegovina is implementing measures under the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and calls for increased budget allocation for culture on all levels of government, with longer term, multi-annual funding decisions to provide stability for cultural creation and operation.

The Action is supportive of the European Commission communication Next steps for a sustainable European future – European action for sustainability, with the aim to fully integrate the SDGs in the European policy framework. In line with the EU strategy for international cultural relations, this Action

supports a vibrant cultural sector in Bosnia and Herzegovina that engages citizens, state actors and cultural operators alike, strengthens civil society and affords greater economic opportunities. This Action also directly supports the delivery of the Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport, especially with regard to its pillar “Regional Agenda: Regional cooperation and people-to-people exchanges”. Similarly, the proposed activities are aligned with and will advance the implementation of the European Framework for Action on Cultural Heritage.

The Action is designed to avoid overlaps and duplication of efforts, while seeking coordination with other initiatives such as CC4WBs, Culture and Creativity for the Western Balkans project. The proposed Action would additionally set a ground and boost greater mobility of artist and increase contribution of culture towards sustainable development.

Along the same lines, the proposed framework will promote intercultural dialogue, cooperation and cultural diversity; support the protection of cultural heritage; boost the cultural and creative industries (CCIs), thereby contributing to the implementation of the New European Consensus on Development “Our World, Our Dignity, Our Future”. Expanding the legacy of the European Year of Cultural Heritage celebrated in 2018, the Action is aligned with the “European Framework for Action on Cultural Heritage” and especially its pillars 1, 2, 4 and 5, and it contributes to the objectives of the “New European Agenda for Culture” with regard to harnessing the power of culture for social cohesion and wellbeing, supporting culture-based creativity in education and innovation, and strengthening international cultural relations.

The Action will further specifically contribute to the EU Strategy on Combating Antisemitism and Fostering Jewish Life (2021-2030) which sets out a series of measures to prevent all forms of antisemitism and promote remembrance and education about Holocaust.

Strategy of Cultural Policy in Bosnia and Herzegovina has been developed in 2009, followed by the Action Plan for its implementation in 2011. Having in mind this past period and new developments in the sector especially when it comes to its digital transformation the new Action Plan will be developed for the period 2023-2028. Economic Reform Program of Bosnia and Herzegovina 2022 – 2024 stresses the importance and potential of tourism for economic development in Bosnia and Herzegovina.

In addition, the Action is in line and contributes to the European Cultural Heritage Strategy for the 21st century of the Council of Europe, and its social, territorial and economic development, and knowledge and education components, harnessing the assets of heritage to promote diversity, the empowerment of heritage communities, sustainable development, tourism and employment, education and training.

The Action will also contribute to greater participation of Bosnia and Herzegovina in Union programmes, in particular in the Creative Europe programme.

2.2. Problem Analysis

Short problem analysis

Cultural facilities form part of quality, reliable, sustainable and resilient infrastructure for cities. Historic buildings, spaces and urban areas enhance the urban space and reinforce cultural identity. Cultural facilities integrated into territorial planning enhance the diversity of public space and citizen well-being (SDG Goal 11). Similarly, public green spaces available to cultural activities stimulate social cohesion and function as meeting points, thus contributing to a quality environment (SDG Target 11.7 – Inclusive public spaces).

In a view that the recent conflict affected cultural sector and cultural heritage in Bosnia and Herzegovina to a large extent, the main intention of the Action is equipping Bosnia and Herzegovina with spaces, physical and intellectual, that can boost a modern way of living while oriented to the future while recalling and valorising the existing cultural specificity of the country. The EU intervention will sensitive to historical legacies, build upon other trust and peacebuilding work by the EU in Bosnia and Herzegovina, and promote inclusive approaches.

Rehabilitated cultural infrastructure will serve as a means of exchange and cooperation within Bosnia and Herzegovina, as well as with the region and European Union.
Having in mind that the main problem of culture and creative sectors in Bosnia and Herzegovina is the lack of functional and operational support to professional development of people working in culture and creative sectors, new cultural networks will increase the capacities of professional workers in culture and sport sectors in order to contribute to their development. They will serve as trainers of young people interested to develop their interests, as well as to those willing to consume and enjoy various activities organised around these facilities. New cultural infrastructure and ideas around it will contribute to a perception of a modern way of living in the urban spaces, especially for young people. Consequently, realizing objects of the worldwide appeal will raise awareness on specific cultural locations in order to promote the touristic dimension of the country and in the long run contribute to the socio-economic development of the country.

Although systematic data on the culture and creative sector is largely missing, available evidence are highlighting the culture sector’s potential for economic development and wellbeing. CCIs in Bosnia and Herzegovina account for an average of 3.5% of the workforce, demonstrating alignment with European statistics and showing that culture is responsible for an important part of national productions, generating income and sustaining livelihoods. In Bosnia and Herzegovina, CCIs sector accounted for 7.7% of the market share in 2017. Furthermore, compared to the contribution of culture to country’s economy, public spending on culture is very low and exposed to further cuts due to the crisis generated by the COVID-19 pandemic; for example, in Bosnia and Herzegovina, public spending was 11.15 € per capita in 2016, while value added at factor cost of enterprises active in CCI was 9.03% of the market share in 2017.

Labour and employment sector in culture and creative industry (CCI) in Bosnia and Herzegovina is underdeveloped and additional strong support is needed to develop strong mechanism that will sustain its development. There are no specific budgets for funding of the employment, business development and education in CCI sector at all levels. In order to improve the process of international cooperation needed for better product and audience development, young and adult practical education process and to develop new activities for income generation it is needed to create central place for professional development that is strongly supported with national, regional and international CCI network. The culture and creative sector in Bosnia and Herzegovina is lacking the infrastructure and ecosystem for provision of support to professional development of youngsters, provision of practical classes, new teaching methods in education, development of creative occupations in CCI sector and provision of connections with professionals from abroad and support for professional development.

**Ars Aevi Museum of Contemporary Art Sarajevo** (Ars Aevi Sarajevo) conceived as an idea during the siege of Sarajevo, is now the most ambitious cultural and development project in contemporary art and architecture in Sarajevo and Bosnia and Herzegovina. Currently the Ars Aevi collection is located in the improvised exhibition space. Although the collection was developed with vison, enormous passion and empathy as a result of the international community’s collective dedication, this message is fading. Given that there are essentially no high-end projects completed by world-famous architects or producers in the Western Balkans, the Ars Aevi Museum designed by Renzo Piano may be viewed as a critical competitiveness potential for Sarajevo and Bosnia and Herzegovina in the region and globally. The full construction of the new facility is needed through a collective effort.

The need for establishment of **Sarajevo Holocaust Museum in Bosnia and Herzegovina** has been recognized at the state, cantonal and local levels. This idea has been considered for years within the Jewish community in Bosnia and Herzegovina. It is important to emphasize that before the World War II, 12,000 Jews lived in Sarajevo and about 9,000 died during the WWII. As early as July 1941, 4,000 Sarajevo Jews had already been transported to the camps. The museum will advance and disseminate knowledge about suffering of Jews in World War II and preserve the memory of those who suffered and will encourage its local and international visitors to reflect upon the moral and spiritual questions raised by the events of the Holocaust as well as their own responsibilities as citizens of a democracy. The museum will be an important partner in promoting Holocaust education concept within education system in Bosnia and Herzegovina. The proposed Action will provide support to partial reconstruction of the old Synagogue building, including the conservation and construction of an accompanying building/extension that will be used for the establishment of the Holocaust Museum.
Mujaga Komadina house in Mostar is a fundamental historical building that has been completely ruined and requires full reconstruction. It is on the list of national monuments, in the protection zone, hence the reconstruction will have to be done with the relevant principles of protection of national monuments. The Mujaga Komadina house was the house of famous business and political figure from Mostar, Bosnia and Herzegovina, Mustafa Mujaga. House was built before 1899, and after World War II was nationalised and served as University library, Club of educators and Youth club. During the 90’s war the house was completely ruined and burned. It is located on one of the largest and most visited promenades in the city of Mostar, which greatly damages the reputation of city of Mostar for all visitors and for the citizens themselves. In addition to making a huge impact on environmental protection, its rehabilitation is three folded: firstly, saving an important cultural heritage asset of Mostar and Bosnia and Herzegovina; secondly, a tribute to the one of the most prominent mayors of Mostar; and thirdly the house once rehabilitated will serve as cultural hub for young creative people of Mostar, and will enable interaction among young people in Bosnia and Herzegovina and Western Balkan region.

Bosnia and Herzegovina is at very early stage of music sector development and exploitation, but the country has very rich cultural diversity and potential for growth in this sector. Banja Luka has many artists and educational institutions that are very popular amongst the pupils and students such as the Primary, High Music School and the Music Academy. In Banja Luka there are over 900 students in primary music school, over 100 students the High Music School and over 130 students at Academy. Many of other young talented people attend private classes to gain knowledge and skills related to the music. Students are provided with the quality classes in formal education process but there is a lack of applied knowledge, practical exercises in real working environment as well as lack of access to modern knowledge and practice, international partners’ network, and mechanisms for knowledge exchange. Students do not receive sufficient knowledge related to new trends and practical work and then they do not have further support for professional development. Also, many singers do not have skills developed in the process of making music video, trainings, etc. They need access to latest trends, knowledge and EU networks, and connection with their peers in culture and creative sectors from EU. From the other side many students are dealing with the music or other artistic expressions mainly as “hobby” since there is lack of adequate support mechanisms which can provide artists with further artistic growth possibilities.

Main problem for development of the music sector is lack of functional structures and mechanisms for support of professional development of young artists and people working in culture and creative sector in Banja Luka and Bosnia and Herzegovina in general. Many High School students do not continue to the Music Academy and many students continue musical education and further musical professional development abroad. Some of the reasons are related to: insufficient infrastructure and ecosystem for professional development of young artists, insufficient practical classes, obsolete teaching methods in formal education, insufficient creative occupations in CCI sector, podcasts, lack of support with regard to connections with professionals from abroad, etc. Therefore, provision of adequately equipped space and establishment of the Culture and Creative Industries Development Centre (CCID) in Banja Luka will support the establishment of the ecosystem and mechanisms for development of artists and processes related to production of music, videos, podcasts, dance art compilations, etc. Collaboration with other European countries will be enhanced and enabled, and the work of the BiH artists will be visible and promoted in Western Balkan region, Europe and across the world. Currently the CCID facility is devastated and is being demolished and requires for construction and reconstruction in order to enable operational functionality of the CCID.

The Museum of Contemporary Art of Republika Srpska (MoCARS) is situated in the old Austro-Hungarian railway station (listed as a national monument) and it is a central museum institution for the arts in Republika Srpska and the only contemporary art museum in Bosnia and Herzegovina. Museum is functioning under ICOM guidelines and is striving to be a contemporary European museum. With the history of over 50 years, the last decade has transitioned MoCARS into a regional leader in museum programmes. Museum was extensively renovated in 1980. In the meantime, the roof of the building has suffered substantial damage and capillary damp has risen into the basement, which prevents the museum from using almost one-third of its space. The Museum lack the physical capacity to implement programme activities and due to its dilapidated state the Museum began the renovation and adaptation of the building in 2018 in order to maximize its capacity and to be able to expand and diversify its services and activities to broader community. After securing initial
funding (Ambassadors fund for preserving cultural heritage, Government of Republika Srpska and UNESCO) the building has been partly renovated, with the central part of the roof replaced and the part of the attic immediately below adapted for reuse. The parts that still require repair are the roof above the northern and southern wings, the rest of the interior of the wings, the basement and the exhibition rooms. Beyond the roof and the attic, the building is dilapidated and in need of façade renovation, door and window replacement, the installation of the necessary mechanical systems, a special micro-ventilation system needed for collection storage, barrier-free public toilets and the furnishing and equipping of the refurbished premises for public use.

Considering the complexity and wide range of the construction works at several different locations in three different cities, as well as the limited means available for entire intervention in the field of culture and creative industries, this Action will address 5 aforementioned cultural locations, namely Museum of Contemporary arts ARS A EVI in Sarajevo, Centre for Cultural and Creative Industries Development in Banja Luka, Mujaga Komadina house in Mostar, Museum of Contemporary Art of Republika Srpska and Sarajevo Holocaust Museum in Bosnia and Herzegovina (referred to as phase 1), while sport facility the Cultural and Sports Centre in Mostar (referred to as phase 2) will be addressed through the next programming year IPA 2025.

Key stakeholders of the proposed Action are: Museum of Contemporary arts ARS AEVI in Sarajevo, Centre for Cultural and Creative Industries Development in Banja Luka, the Jewish community in Sarajevo and Haggadah Association Sarajevo, Mujaga Komadina house in Mostar, Museum of Contemporary Art of Republika Srpska, Sarajevo Canton, Herzegovina Neretva Canton, Ministry of Education and Culture of Republika Srpska, City of Sarajevo, City of Mostar, City of Banja Luka.

2.3. Lessons Learned

This Action strongly emphasizes a broaden notion of culture and the culture and creative sector to highlight less politicized aspects; underlines importance to facilitate clear lines of cross-cultural dialogue from the decision-making level to the local institutions and local community; and it stressed the importance of increasing interculturalism and use of education as a platform to promote culture and sports.

Previous similar activities showed that culture and sports are the best way to reconcile, since these sectors rely on the teamwork which is proven to build a more stable, connected and stronger community. Cultural and sports events strengthen our diversity, culture and expressions and bring us closer to European values. The previous projects also showed a necessity to maintain a highly participatory process in any initiative/project, as this is a proven to be a condition sine qua non for its successful implementation.

The cultural and creative industries (CCI) sector in Bosnia and Herzegovina is seriously underfunded and over the past years the CCI in Bosnia and Herzegovina did not receive any significant donor assistance aimed at supporting rehabilitation and building of cultural infrastructure and strengthening of the ecosystem for CCI development. Access to other sources of financing such as the Creative Europe did not secure financing for infrastructure rehabilitation of cultural sites and buildings. Consequently, the key institutions and stakeholders in CCI sectors were securing the additional funding by strengthening the human capacities and expertise for business and project development, also through expanding and consolidating network of partner institutions, both domestically and internationally.

In addition to the cultural sector in Bosnia and Herzegovina being seriously underfunded, limiting factors for sector development include lack of investments in physical infrastructure, space for practical trainings and performances, practical classrooms adequately equipped, as well as ecosystem of local and foreign stakeholders with adequate expertise and collaboration among the institutions and organisations operating in CCI sector. When it comes to enabling factors, these include growth of creative human potential, ability to adapt to project business models, cultural diversity and heritage, networking with similar institutions from abroad, and growing need of audience/consumers for CCI products. Government partners are aware of the above presented findings identified through previous activities and they are strongly dedicated to the creation of needed infrastructure and building human capacities to support
growth, including activities to promote intercultural dialogue and bringing communities together with focus on support to young people.

In overall, this Action offers support to creating an entire ecosystem of CCIs, from spaces, physical and intellectual, that can boost a modern way of living oriented to the future while recalling and valorising the existing cultural specificity of the country to enhancing capacities of professionals who will create programmes to attract youth. Consequently, building and upgrading cultural facilities of the worldwide appeal will raise awareness on specific cultural locations in order to promote the touristic dimension of the country and in the long run contribute to the socio-economic development of the country.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

Developing modern urban culture and creative spaces, physical and intellectual, will contribute to boosting a modern way of living oriented to the future while recalling and valorizing the existing cultural specificity of the country. It will also enable wider cultural offers that include regional cooperation in the field of culture and tourism, and this is especially visible in the objects of museum activity. New cultural facilities will attract visitors from around the world, and thus generate revenue for the local economy, supporting jobs and businesses in the tourism and hospitality sectors. It will also create opportunities for local artists, who will have a chance to showcase their work alongside their international peers. Educational impact will be large as well. By creating new infrastructure and transforming existing one into sustainable creative hubs for continuous learning and development of creative industries, a long-term objective is to prevent the brain drain and create new job opportunities especially for young creatives, in order to maintain a sustainable system for culture and creative industries. In addition, the activities will also have a broader social impact. By promoting cross-cultural understanding and dialogue, the Action will help to promote tolerance and acceptance. It will provide a space for diverse communities to come together and engage in shared experiences, fostering a sense of unity and belonging. Art is a unique language to also empower women and girls in the sector of art.

The Overall Objective/(Impact) of this action is to

1. To increase socio-economic impact of the cultural and creative sectors in Bosnia and Herzegovina.

The Specific Objective (Outcome) of this action is to

1. Enhanced cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina.

The Outputs to be delivered by this action contributing to the corresponding Specific Objective 1 (Outcome 1):

Output 1.1: Upgraded energy-efficient cultural facilities in selected locations in Bosnia and Herzegovina.

Output 1.2: Strengthened competences and skills of professionals in culture and creative sectors in the field of environmentally-sound management, business planning, community engagement and communication.

The underlying intervention logic for this action is that:

IF cultural facilities in selected locations in Bosnia and Herzegovina are upgraded (Output 1.1) and institutions dealing with documents issuance are operational and performing in line with deadlines, and necessary financial and administrative resources are effectively and efficiently mobilised, THEN cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina will be enhanced (Outcome 1).

IF competences and skills of professionals in culture and creative sectors in the field of management, business planning, community engagement and communication are strengthened (Output 1.2) and cooperation between authorities and representatives from culture and creative sector is good, THEN cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina will be
enhanced (Outcome 1).

IF cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina are enhanced (Outcome 1) and political commitment to promote mutual understanding and intercultural dialogue and relevant authorities in Bosnia and Herzegovina are committed to take a harmonized and coordinated approach to improvement of the culture and creative industries sectors, THEN socio-economic impact of the cultural and creative sectors in Bosnia and Herzegovina will be increased (Impact).

3.2. Indicative Activities

The Action will consist of a set of mutually reinforcing activities focused on: 1) developed modern urban spaces 2) enhanced capacities of culture and creative sectors; 3) strengthened cultural cooperation; 4) improved protection, management and promotion of cultural heritage at local level, all related to phase 1.

Activities related to Output 1.1: Upgraded cultural facilities in selected locations in Bosnia and Herzegovina

Activity 1.1.1.: Construction of Museum of Contemporary Arts Ars Aevi in Sarajevo in accordance with the preliminary design of Renzo Piano, restoration of collection, and improvement of managing structure.

- Technical documentation is fully prepared in accordance with legal requirements.
- Development of project design. Organisation of green procurement process for construction works and equipping, including call for tender, collection and evaluation of applications, selection of the best suitable contractor and signature of the contract. Implementation of the contracted construction and refurbishment works in line with environmental safeguards. This also includes selection of the supervision company and supervision of the construction works including environmental supervision.
- Execution of construction works, including green procurement of the necessary equipment – auditorium, exhibition spaces, shops, technical rooms, toilets, etc. The new building at the site will have a total size of 5,453 m2 and a surface area of the building is on 2,650 m2. The difference of approximately 2,800 m2 will be used for the garden, open exhibition area, new urban room for social and artistic meetings. The overall usable area of the building is planned to be 4,875 m2. The structure is separated into three levels: Basement which will be used for: auditorium, offices (laboratories), loading/unloading, transport room, security room, heating/power systems, deposits and maintenance/services. Ground floor covers a surface (only indoor areas), excluding the raised walking area with small refreshment bar, stores and interactive space adjusted for children of different ages, bookshop, museum entrance, temporary exhibition space of and maintenance/services. First floor includes exhibition area and service facilities.
- Inventory of the existing objects of the collection and of required restoration needs.
- In parallel to the construction works the following is to be completed or developed prior inauguration of the new Museum Building
  - Development and adoption of the management structure including systematisation of the working positions (for administration programme related topics/curators and programme development professionals as well as the technical staff for regular operations of the museum). This also includes definition of rules and regulations and appointments of members for: Management board and Steering and scientific committee.
  - Announcement and the selection of the employees based on the public call aligned with applicable legislation.
  - Development or related management plan for the newly constructed Museum, that should include: Exhibition and programme related activities; Educational activities; Sustainability, economic development and promotion with the focuses on gender empowerment.
  - Artwork installation on the site.
  - Elaboration of frameworks and plans of the joint programmes with neighbourhood Museums as a part of the Museum quarter.

Activity 1.1.2.: Establishment and construction of the Centre for Cultural and Creative Industries Development in Banja Luka
• The technical documentation is partially completed, and the remaining part is planned to be completed by the mid-2023.
• Development of project design. Organisation of green procurement process for construction works and equipping, including call for tender, collection and evaluation of applications, selection of the best suitable contractor and signature of the contract. This includes selection of the supervision company and supervision of the construction works including environmental supervision.
• Implementation of the contracted construction and refurbishment works.
• In parallel to the construction works the following is to be completed or developed prior inauguration of the new CCID Centre
  o Development and adoption of the management structure including systematisation of the working positions (for administration and programme development professionals as well as the technical staff for regular operations of the CCID Centre). This also includes definition rules and regulations and appointments of members for: Management board and Steering and scientific committee.
  o Announcement and the selection of the employees based on the public call aligned with applicable legislation.
  o Capacity development for newly employed staff, inclusion special trainings for programme development and communication professionals.
  o Development or related annual work plan for the newly constructed Centre.

The activity includes procurement of technical equipment (audio-video, computers, cameras, stage lightning, etc.), furniture (tables, chairs, special fixtures for dancing hall, etc.) and musical instruments. Establishment of one new CCID Centre Banja Luka is expected also to encourage regional cooperation and will accelerate creation of new jobs and growth in this sector. It is expected that CCID Centre will generate up to 40 jobs for at least 25 new occupations annually with significant income generated. New jobs and artistic products will be created and widely promoted through this new capacity building supporting mechanism connected to network of EU partners.

Activity 1.1.3.: Rehabilitation of the Synagogue in Sarajevo including the construction of new facility for establishment of the Sarajevo Holocaust Museum

• Technical documentation is under preparation, it is expected to be finalised by the end of 2023 at the latest.
• Development of project design. Organisation of green procurement process for reconstruction works and equipping, including call for tender, collection and evaluation of applications, selection of the best suitable contractor and signature of the contract. This includes selection of the supervision company and supervision of the construction works including environmental supervision.
• Implementation of the contracted construction and refurbishment works.
• Capacity building activities for history teaching staff and teaching for students about the Holocaust.
• Creation of exhibition space through artefacts and installations.
• In parallel to the construction works the following is to be completed or developed prior inauguration of the new Holocaust Museum
  o Development and adoption of the management structure including systematisation of the working positions (for administration programme related topics/curators and programme development professionals as well as the technical staff for regular operations of the museum). This also includes definition rules and regulations and appointments of members for: Management board and Steering and scientific committee.
  o Announcement and the selection of the employees based on the public call aligned with applicable legislation.

Activity 1.1.4.: Reconstruction of the Mujaga Komadina house in Mostar as a new cultural and creative youth hub for Herzegovina region

• The technical documentation for the reconstruction of the building is in the final phase of preparation, and it is expected that the remaining documentation will be finalised by the end of 2023.
• Development of project design. Organisation of green procurement process for reconstruction works and equipping, including call for tender, collection and evaluation of applications, selection of the best suitable contractor and signature of the contract. This includes selection of the supervision company and supervision of the construction works including environmental supervision.

• Implementation of the contracted construction and refurbishment works.

• Development and adoption of the management structure including systematisation of the working positions (for administration programme related topics/curators and programme development professionals as well as the technical staff for regular operations of the museum). This also includes definition rules and regulations and appointments of members for Management board.

• Development of the framework for the content/programme to be implemented and promoted within the work of the Hub.

Activity 1.1.5.: Reconstruction of the Museum of Contemporary Arts, Banja Luka in order to create favourable conditions towards creation of the new image and promotion of the Museum as a hub for young creatives

• All necessary technical documentation is completed and ready, in accordance with the current legislation, which includes the reconstruction of the building that is subject to the principles of protection of national monuments.

• Development of project design. Organisation of procurement process for reconstruction works and equipping, including call for tender, collection and evaluation of applications, selection of the best suitable contractor and signature of the contract. This includes selection of the supervision company and supervision of the construction works.

• Implementation of the contracted construction and refurbishment works.

Reconstruction of new Museum’s facilities and improvement of the energy efficiency of the building will contribute to transformation of MoCARGrebijica into sustainable and energy efficient creative hub for continuous learning and development of culture and creative industries in Bosnia and Herzegovina. The reconstruction will result in a new residence studio for young artists and researchers, expansion of museum storage, setting up of new conservation laboratory, expansion of exhibition spaces and improvement of accessibility of museum facilities for people with disabilities. Reconstruction of MoCARGrebijica will maximise its capacity, and will allow opening of new facilities and contents, such as: public library and research centre specialized for contemporary art; increase of publishing programme; opening of the residence studio and expanding residence programmes as a two-way street for young artists to mobilise and exchange as well as enhance the cooperation between artist and cultural workers and broaden the creative and culture offer in Bosnia and Herzegovina and region. Transformation of MoCARGrebijica into sustainable creative hub will contribute to continuous learning and development of creative industries in Bosnia and Herzegovina.

All five cultural facilities will take into consideration the environmental perspective in terms of energy-efficient building, the nature-based solutions and green infrastructure as much as available means for this Action allowed. Activities related to Output 1.2: Strengthened competences and skills of professionals in culture and creative sectors and sports in the field of management, business planning, community engagement and communication.

Activity 1.2.1: Enhancing skills and competences of culture and creative professionals as vectors for encouragement of intercultural dialogue and cultural diversity and parameters of social cohesion in Bosnia and Herzegovina.

While the focus of the Action is on the establishment of culture- and sport-related institutions (construction, reconstruction and rehabilitation), in order to manage the sustainability of the implemented activities, an important component is to be dedicated to capacitating professionals working in these institutions. With this in mind the Action will address transformation of artistic and creative capacities into economically viable activities, goods and services and the effective management of cultural businesses. A lack of training in cultural management may hinder the emergence of a dynamic cultural class and the development of competitive cultural enterprises.
The aim is to support culture and creative professionals in improving their competences, so as to become more productive in the new digital era, efficient in collaborating with other professionals and organisations inside and outside of their sector, and successful in managing emerging challenges. Capacity building activities would include administrative personnel to equip them with skills for everyday functioning of these institutions, from day-to-day management, business planning, community engagement and communication, while the other set of activities related to enhancing capacity will include professional development of the experts from these sectors who will require new skills, including digital, for immediate actions to take part in everyday activities. Development of digital skills is even more necessary due to the rapid integration of new information and communication technologies in the workplace. Technology is changing how creative workers produce art and services through advancements like 3D printing, augmented reality and virtual reality. These advancements present artists with new ways to create art; however, technical skills are needed in order to keep pace with these opportunities. Consequently, implementation of new tools, particularly digital ones, requires strong training components to ensure the continuous maintenance and use of such tools including trainings and education on sustainable use of digital technologies, circularity principles and environmentally-sound management of e-waste. More broadly, the strengthening of digital skills among key stakeholders and greater integration of digital technologies in their work, can bring economic stability to the CCI sector and its financial independence from the governments.

In addition to the new digital skills, the capacity building program will address the role and opportunities of cultural sector to promote and raise awareness and sensibility on environmental and climate objectives, on promotion of circular economy practices, sound management of e-waste, environmentally-friendly events etc.

This activity will support networking of regional and worldwide creative communities, artists, businesses, and people thus contribute to developing contemporary art and creative industries in Bosnia and Herzegovina and open up possibilities for artists, young designers and creative industry sector to present, evaluate and distribute their products and ideas through museum and cooperation programmes.

In the overall, the activities will contribute to the:

- developed capacities of CCS and of the institutions concerned by the proposed action;
- strengthened cultural cooperation within Bosnia and Herzegovina and wider, through using arts as generators of dialogue and mutual respect;
- increased mobility of artists and cultural operators;
- promotion of culture and cultural events;
- promotion of environmental and climate sustainability;
- social and multi-ethnic cohesion and inclusion;
- enhanced public-private partnerships in the CCS;
- positioning of Sarajevo, Banja Luka and Mostar as the cultural centres and a symbol of a new Europe in the Balkans;
- affirmation of children and young people;
- raising awareness of the importance of cultural content;
- strengthened cultural cooperation within Bosnia and Herzegovina and wider, through using education as a generator of dialogue and mutual respect;
- advancement of reconciliation efforts and especially among young people of Bosnia and Herzegovina.

As transversal priorities, the Action will support gender equality, youth empowerment, cultural participation, cooperation and intercultural dialogue, as well as environment- and climate-friendly practices.

### 3.3. Mainstreaming

**Environmental Protection, Climate Change and Biodiversity**

The Action is in line with the Green Agenda for the Western Balkans and the Economic and Investment Plan for the Western Balkans with the Pillar number 1. Climate action, including decarbonisation, energy and mobility, through realisation of the investments in building of energy efficient infrastructure (resilience investments) as well as through implementation of other Action activities designed that at the same time promote green mobility practices (smart and environmentally sound and other sustainable mobility solutions), environmentally sound and carbon emission low daily practices, promotion and utilisation new energy
efficient digital tools for the communication and other actions activities as well as installation of renewable resources heating and cooling systems. Particular attention will be paid to promotion of economic models based on sustainability and climate-neutrality among CCS. Survey conducted in the Western Balkans in 2019 revealed that only 65% of the region’s population consider climate change a threat. Energy efficiency is a prerequisite for achieving decarbonisation at the lowest possible cost. The building sector is one of the key areas where the highest energy cost savings could be reaped. Digital upgrades can also improve energy efficiency of buildings and at the same time provide possibilities for telework and tele-education. Greater circularity and more efficient use of materials present new opportunities for further reducing greenhouse gas emissions in buildings as well as greater circularity and more efficient use of materials present new opportunities for further reducing greenhouse gas emissions in buildings during renovation efforts.

The proposed Action will have a positive impact on environmental protection, climate change, and biodiversity. Notwithstanding, it should be recognised that challenges to a fostering a sustainable and green economy in Bosnia and Herzegovina are significant. The proposed Action aims to contribute, wherever possible, to a process of green and digital transition in Bosnia and Herzegovina. More specifically, green and circular aspects and priorities and ambitions, as identified in the EU Green Deal, have been built into activities related to reconstruction of all 5 cultural facilities in Bosnia and Herzegovina.

Significant scope of activities proposed by this Action will have an impact on the environment particularly with regard to reconstruction of cultural centres. Project and technical documentation which is and/or will be developed for the purpose of reconstruction and construction of cultural facilities will take into consideration all nature based solutions and green infrastructure as much as available means for this Action allowed. Environmental and climate change issues will be also elaborated through construction project document and relevant permits.

The construction of the new Ars Aevi Museum will be energy efficient. Project for Ars Aevi Museum is done according to the European Nearly-Zero-Energy-Buildings directives in all aspects of the requirements and possibilities, such as heating, cooling, air conditioning of the facility, and for the preparation of domestic hot water, the installation of highly efficient Air-to-Air (A2A) VRV heat pumps with heat recovery. The heat source is exclusively the ambient air, considered a renewable energy source. The sustainable treatment of the landscape design will also accompany the idea of making the whole area of Vilsonovo promenade to be a car free zone for the whole city.

The reconstruction of the Museum of Contemporary Arts in Banja Luka will improve the energy efficiency of the building. Regarding the Culture and Creative Industries Centre, location needs to be elaborated since proposed location will influence urban requalification. When it comes to alignment to urban planning, and promotion of sustainable urban mobility the Action will promote utilisation of bicycle routes, digital solutions for the communication to lower travel impact on environment. It is planned that building will have green infrastructure, such as roof, walls, and other green corners as much as financial resources allow.

The Action will offer digital alternative to the beneficiaries when this is considered relevant and possible, to reduce its carbon footprint. When face-to-face activities are planned, the implementing partner will be instructed to consider opting for eco-friendly suppliers and supplies, as well as using other means of reducing carbon footprint e.g. use of trains instead of planes, no printing, using tap water etc. More specifically, the implementing partner will be instructed to comply with the Green Public Procurement principles understood as a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.

In addition, the cultural sector can play a crucial enabling role by raising awareness on climate and environmental issues and sustainable development - by motivating people to contribute personally but also by reducing its own carbon footprint, organizing and promoting low waste events etc.

Gender equality and empowerment of women and girls
As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality is a significant objective of this Action. This Action will contribute to Gender Equality and Women’s and Girls’ empowerment and EU strategic framework in this area. It will promote their economic, labour and social rights and facilitate a process of analyses and application of gender and sound evidence-based policies.

The Action will contribute to implementation of the Gender Action Plan of Bosnia and Herzegovina 2018-2022, as a framework strategic document for inclusion of gender equality standards in all areas of social life, including support to the programmes of equal opportunities for both genders for strengthening capacities, access and use of new information and communication technologies, as well as to programmes focused on the elimination of discriminatory and stereotypical attitudes in cultural and sport events.

By taking due consideration to the gender perspective throughout the activities, addressing specific strategic goals and priorities in the area of culture and creative industries and having in mind that art is a unique language to empower gender equality and also women and girls in the sector of art and culture, this Action is fully in line with the above-mentioned strategic documents.

The Action will combine a gender-sensitive monitoring framework based on sex-disaggregated data collection for all relevant indicators, with gender-transformative measures using culture as a platform to promote gender equality in societies. Therefore, the Action is to be in particular focus on the role of women and youth in promotion of culture and creativity as a vehicle for socio economic development but also for enchaining mutual comprehension. This will be implemented through planned education and promotion activities across all areas of proposed interventions.

**Human Rights**

The interventions financed through this Action will aspire to promote non-discriminatory practices and procedures and to prohibit any form of gender-based violence, unlawful discrimination including race, colour, religion, national -origin, political affiliation, sex, age, marital status, or disability; economic and social rights and empowering girls and women; equal participation and leadership. Due attention will also be given to the respect of human rights and integration of human rights principles within the undertaken interventions. Action will aim to facilitate investing in human rights in a horizontal manner in order to create more resilient and inclusive societies (Rights based approach). This Action will ensure that there will be no discrimination of vulnerable categories. In addition, it will ensure that women’s rights are fostered through a dedicated use of some of the available resources.

**Disability**

As per OECD Disability DAC codes identified in Section 1.1, this Action is labelled as D1. This implies that disability is a significant objective of this Action. Reconstruction of the Museum of Contemporary Arts in Banja Luka will improve the accessibility of museum facilities for people with disabilities. The building will be completely adapted respecting the architectural standards, addressing the needs of people with disabilities related to accessibility. Particular programme with aim to increase the involvement of disability people in the development and use of artistic and cultural content will be developed.

**Conflict sensitivity, peace and resilience**

By promoting intercultural dialogue and understanding, the Action will help to promote tolerance and acceptance. It will provide an environment for diverse communities to come together and engage in shared experiences, fostering a sense of unity and belonging through art and culture. Art is a unique language to unify people and to help our society to see our diversities as our advantages. By youth empowerment, increase of cultural participation and cooperation and intercultural dialogue this Action aims to nurture culture of peace and appreciation for cultural variety. Yet, a focus on the benefits of the Bosnia and Herzegovina intercultural dynamics has the potential to promote wider tolerance, acceptance and understanding, and to provide economic opportunities that in themselves deliver development.
Therefore, the Action has significant objective of conflict sensitivity, peace and resilience, and it is designed to promote conflict sensitivity, peace and resilience among beneficiaries through implementation of joint activities and development of collaboration networks in culture and heritage.

3.4. Risks and Assumptions

Risks will be carefully managed, documented, evaluated and revised throughout the implementation. Main implementer will be responsible for regular risk monitoring and documenting as well as for informing the donor on any changes related to risks that may affect successful implementation.

<table>
<thead>
<tr>
<th>Category</th>
<th>Risks</th>
<th>Likelihood (High/Medium/Low)</th>
<th>Impact (High/Medium/Low)</th>
<th>Mitigating measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-external environment</td>
<td>Unfavourable macroeconomic trends and global economic crisis negatively affect private sector in Bosnia and Herzegovina</td>
<td>M</td>
<td>M</td>
<td>All Action’s internal M&amp;E systems will closely monitor all relevant economic and political developments that make have an impact on its results as measured through indicators. Any critical trend will be reported to the Contracting Authority for consideration, and mitigation measures will be decided</td>
</tr>
<tr>
<td>1-external environment</td>
<td>Chain of supplies in construction materials and insecurity of the construction market prices</td>
<td>M</td>
<td>M</td>
<td>Careful planning to be taken when composing the budget. Detailed bill of quantities will help best procurement offers and flexibility with materials and equipment</td>
</tr>
<tr>
<td>1-external environment</td>
<td>Lack of interest of interest groups from the sports and culture sector to joint project activities</td>
<td>L</td>
<td>H</td>
<td>Nurturing high-quality cooperation and communication and the initiation of joint initiatives related to community rapprochement and cooperation with the aim of emphasizing mutual benefit for the entire community</td>
</tr>
<tr>
<td>1-external environment</td>
<td>Lack of concrete political support or insufficient prioritization given to the planned activities</td>
<td>M</td>
<td>M</td>
<td>Close consultation with government officials (both from remote and through missions), and their full involvement in the inception and implementation phases will create conditions for local ownership and participation. The sustainability of activities at policy level will be ensured through the direct involvement of relevant institutional partners throughout the Action design and implementation, to build awareness, ownership, buy-in and support.</td>
</tr>
<tr>
<td>3-people and organisation</td>
<td>Interest from domestic and foreign media</td>
<td>L</td>
<td>L</td>
<td>Proactive and targeted communication to promote the Action and the benefits it offers.</td>
</tr>
</tbody>
</table>

19
| 2-planning, processes and systems | Insufficient funding to deliver all of activities intended | M | L | Careful program planning and making sure to have multi-level financing in order to finish all of programs intended |
| 2-planning, processes and systems | Delays in decision making process | M | M | Before start of the Action, it is necessary to analyse current situation and develop mitigation and communication plan with relevant stakeholders. |
| 2-planning, processes and systems | Delays in obtaining necessary co-financing, permits, execution of works, etc | M | H | All partners during development of the Action prepared the technical and projects documents maturity overview. The progress and status of pending issues will be regularly monitored in order to react on time, keeping in mind the problems with administrative procedures. Managers will regularly conduct on-site control and communication with all contractors so that works and activities run their course |
| 3-people and organisation | Lack of absorption capacity of key beneficiaries | M | L | Project activities will be carefully planned and paced. Furthermore, to make the beneficiaries capable of absorbing the assistance, the action foresees capacity building trainings. |
| 3-people and organisation | Possible asymmetrical approach to capacity-development in which some actors are more interested, engaged or supported than others. | L | M | Flexibility in the capacity-building programmes will allow for some degree of adaptation to better catch the interest of expected beneficiaries. Baseline studies and inclusion of target groups in development of training offers to meet their needs. |
| 4- legality and regularity aspects | Delays due to late signing of IPA Financial agreement or late implementation of assistance linked to actions | M | M | Intensified communication amongst Bosnia and Herzegovina’s institutions, in particular with the Ministry of Finance and Treasury of Bosnia and Herzegovina; Close contact with line DGs and EU Office would be maintained, and all preparatory activities conducted in advance to facilitate as fast as possible actions implementation |

**External Assumptions**

**Outcome related:**

- Political commitment to promote mutual understanding and intercultural dialogue;
• Relevant authorities in Bosnia and Herzegovina committed to take a harmonized and coordinated approach to improvement of the culture and creative industries sectors.

**Output related:**

• Institutions dealing with documents issuance operational and performing in line with deadlines;
• The necessary financial and administrative resources are effectively and efficiently mobilised;
• Good cooperation between authorities and representatives from culture and creative sector.

Cooperation of authorities and representatives from culture, creative and sports sectors is crucial for successful implementation of proposed activities as the success of the Action will partly depend on the support by political decision-makers to the approval of construction permits. As a cross-cutting risk reduction measure, mainstreamed in all activities, the project will seek to involve political decision makers in the project activities, whenever relevant and appropriate, so as to increase their understanding and sensitivity to the subject.
3.5. Indicative Logical Framework Matrix
<table>
<thead>
<tr>
<th>Results</th>
<th>Results chain: Main expected results [maximum 10]</th>
<th>Indicators [at least one indicator per expected result]</th>
<th>Baselines (values and years)</th>
<th>Targets (values and years)</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>To increase socio-economic impact of the cultural and creative sectors in Bosnia and Herzegovina</td>
<td>Culture and creative industries share in market</td>
<td>7.7% (2017)</td>
<td>TBC (2027)</td>
<td>Bosnia and Herzegovina Agency for Statistics</td>
<td><strong>Not applicable</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assessment of stakeholder’s perception of intercultural dialogue</td>
<td>Baseline to be developed at inception phase</td>
<td>Improved perception compared to baseline</td>
<td>Survey on the stakeholder perception</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 1</strong></td>
<td>Enhanced cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina</td>
<td>Number of artists (including sex-disaggregated data), cultural operators, participating in mobility in Bosnia and Herzegovina and across the region and with the EU</td>
<td>0 (2022)</td>
<td>Up to 1.000 (2027)</td>
<td>Project monitoring report Annual reports of the key action stakeholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of cultural works events promoted (including sex-disaggregated data)</td>
<td>Baseline to be developed at inception</td>
<td>Between 30 and 40 (2027)</td>
<td>Project monitoring report Annual reports of the key action stakeholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of jobs generated in CCI sectors (including sex-disaggregated data)</td>
<td>Baseline to be developed at inception</td>
<td>25–40</td>
<td>Project monitoring report Annual reports of the key action stakeholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of visitors of cultural sites supported (IPA III Results framework - (Ind. 5.0.1.8))</td>
<td>Baseline to be developed at inception</td>
<td>- 3 museums (cca 120,000) - 1 heritage site (cca 60,000) - 1 CCI site (cca 13,000) (2027)</td>
<td>Regular reports of the key action stakeholders</td>
<td></td>
</tr>
<tr>
<td>Output 1 related to Outcome 1</td>
<td>Upgraded cultural facilities in selected locations in Bosnia and Herzegovina</td>
<td>Number of cultural and heritage facilities reconstructed/rehabilitated/constructed and operational</td>
<td>0 (2022)</td>
<td>5 (3 museums 1 heritage site 1 CCI site) (2027)</td>
<td>Project monitoring report</td>
<td>Institutions dealing with documents issuance operational and performing in line with deadlines. The necessary financial and administrative resources are effectively and efficiently mobilised.</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>---------</td>
<td>-----------------------------------------------</td>
<td>--------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Output 2 related to Outcome 1</td>
<td>Strengthened competences and skills of professionals in culture and creative sectors in the field of management, business planning, community engagement and communication</td>
<td>Number of professionals with increased capacities for managing the reconstructed/rehabilitated cultural facilities and their programmes</td>
<td>0 (2022)</td>
<td>25 – 30 (2027)</td>
<td>Project monitoring report</td>
<td>Good cooperation between authorities and representative from culture and creative sector.</td>
</tr>
<tr>
<td></td>
<td>Number of professionals of the culture and creative sectors participating in project (capacity-building) activities</td>
<td>0 (2022)</td>
<td>40-60 (2027)</td>
<td>Project monitoring report</td>
<td>Annual reports of the key action stakeholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of participants taking part in cultural events benefitting from the activities (including sex-disaggregated data)</td>
<td>0 (2022)</td>
<td>Up to 500 (2027)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement
In order to implement this action, it is envisaged to conclude a financing agreement with the Bosnia and Herzegovina.

4.2. 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 72 months from the date of conclusion of the financing agreement.

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

4.3. Methods of implementation applicable for Project modality
The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1. Direct Management (Procurement)
If negotiations with the pillar assessed entity fail, the Action may be implemented in direct management through procurement.

4.3.2. Indirect Management with a pillar-assessed entity
A part of this action, may be implemented in indirect management with a pillar assessed entity, which will be selected by the Commission’s services using the following criteria:

- Technical capacity, such as experience in the preparation and management/implementation of reconstruction/rehabilitation/construction for cultural heritage sites and facilities as well as for joint capacity building and similar projects; extensive experience in managing large and complex programmes or projects related to the results, extensive experience in the implementation of (e.g., similar projects) culture projects, documented capacity to mobilise relevant networks in the EU Member States, Bosnia and Herzegovina and the region.
- Administrative/operational and financial capacity of the applicant

The implementation by this entrusted entity entails Output 1.1, Activities 1.1.1, 1.1.2, 1.1.3, 1.1.4, and 1.1.5, and Output 1.2 Activity 1.2.1.

If negotiations with the entrusted entity fail, that part of this action may be implemented in indirect management with other alternative entity which shall be selected by Commission services using the same selection criteria.

In case the envisaged entity would need to be replaced, the Commission’s services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.3.3. Changes from indirect to direct management (and vice versa) mode due to exceptional circumstances
Change from indirect management to direct management is not foreseen in this case. The only option for implementation of the project is in indirect management.

4.4. Scope of geographical eligibility for procurement and grants

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

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

4.5. Indicative Budget

<table>
<thead>
<tr>
<th>Indicative Budget components</th>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third-party contribution, in currency identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Methods of implementation – cf. section 4.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 1</strong>: Enhanced cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina composed of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect management with international organisation – cf. section 4.3.2.4</td>
<td>8 500 000</td>
<td>0</td>
</tr>
<tr>
<td>- Museum of Contemporary Art of Republika Srpska Creative Hub for Young Creatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Centre for Cultural and Creative Industries Development, Banja Luka</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Museum of Contemporary arts ARepublika Srpska AEVI in Sarajevo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sarajevo Holocaust Museum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Mujaga Komadina house in Mostar</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grants</strong> – total envelope under section 4.3.1</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Procurement</strong> – total envelope under section 4.3.1</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Evaluation</strong> – cf. section 5.2</td>
<td>may be covered by another Decision</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Audit</strong> – cf. section 5.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Strategic Communication and Public Diplomacy</strong> – cf. section 6</td>
<td>will be covered by another Decision</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8 500 000</td>
<td>N.A.</td>
</tr>
</tbody>
</table>
4.6. Organisational Set-up and Responsibilities

Due to the fact that this Action has numerous beneficiaries active in the culture and creative sector, it is important that they take on strategic, operational and structural responsibility and accountability for implementing the Action related activities from the very beginning. Full commitment of all involved institutions which was already established during programming of this Action will be indispensable for achieving the Action results, therefore it will continue throughout the whole duration of the Action implementation.

A Steering Committee will guide the implementation of the Action. It will include representatives from the main stakeholders, as described in the part 2.2. Problem Analysis. The composition of the Steering Committee will depend on equal representation of the interest of all institutions while bearing in mind effectiveness and efficiency of such body.

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

4.7. Pre-conditions

There are no specific preconditions for the implementation of the Action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible, at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the log frame matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring:

It is expected that for the Outcome and Outputs of the proposed Action the institutional beneficiary structure will be responsible for monitoring. In particular data collection of baselines and target values will be provided by relevant Bosnia and Herzegovina’s authorities, key beneficiaries and stakeholders of the proposed Action, as described in the part 2.2. - Problem Analysis. All data will be collected and presented in regular annual reports of the relevant Bosnia and Herzegovina’s authorities. Also, available statistical data will be utilized.

A role of the Steering Committee will also facilitate coordination of monitoring efforts, as well as strategic guidance, should any issues arise related to Action’s results, as measured through indicators.

5.2. Evaluation

Having regard to the nature of the action, a final evaluation may be carried out for this action or its components via independent consultants contracted by the Commission.

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national levels. If deemed necessary, other donors will be invited to join. The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation.
exercise and missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination\(^3\). The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the 2022 guidance document *Communicating and raising EU visibility: Guidance for external actions* (or any successor document)\(^4\).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

7. SUSTAINABILITY

In order to ensure required sustainability of proposed Action an important component is to be dedicated to capacitating professionals working in these institutions in order to address transformation of artistic and creative capacities into economically viable activities, goods and services and the effective management of cultural businesses. Strengthening of digital skills among key stakeholders and greater integration of digital technologies in their work, can bring economic stability to the CCI sector and its financial independence from the governments.

Strong cooperation is to be established with the private sector in regard to promoting and managing knowledge and cultural assets, as well as in advancing decimation of cultural goods and services. This indeed include cooperation with wide number of stakeholders, being from public, CSO, informal networks (youth, women, artist and creative workers).

Furthermore, the sustainability is to be ensured through great involvement of decision makers at various levels, and local communities to benefit from the action implementation. In cases where the owners of the buildings proposed to be reconstructed are city administrations in Banja Luka, Mostar and Sarajevo, operational cost and maintenance will be provided by these cities with the aim to become self-sustainable.

\(^3\) [https://capacity4dev.europa.eu/groups/evaluation_guidelines/info/evaluation-dissemination_en](https://capacity4dev.europa.eu/groups/evaluation_guidelines/info/evaluation-dissemination_en)

Development of the management structure of the new institutions is foreseen by the Action including a type of expertise and personnel required for their sustainable management.

Various activities to be implemented once these institutions are in place will contribute to their financing through the purchase of tickets, as well as visiting thematic exhibitions.

Once completed, these facilities will be able to carry out continuously, effectively, and efficiently its role as an agent of sustainable development in the fields of art, creativity, and dialogue between culture.