



Brussels, 13.12.2016  
C(2016) 8609 final

**COMMISSION IMPLEMENTING DECISION**

**of 13.12.2016**

**adopting a Country Action Programme for Bosnia and Herzegovina for the year 2016**

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## COMMISSION IMPLEMENTING DECISION

(1) of 13.12.2016

### adopting a Country Action Programme for Bosnia and Herzegovina for the year 2016

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures of the implementation of the Union's instruments for financing external action<sup>1</sup> and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>2</sup> and in particular Article 84(2) thereof,

Whereas:

- (1) Regulation (EU) No 231/2014<sup>3</sup> lays down the objectives and main principles for pre-accession assistance to beneficiaries listed in Annex I to that Regulation.
- (2) In accordance with Article 7 of Regulation (EU) No 231/2014 the assistance should be implemented through annual or multi-annual, country-specific or multi-country programmes. These programmes should be drawn up in accordance with the framework for assistance referred to in Article 4 of Regulation (EU) No 231/2014 and the relevant country or multi-country indicative strategy papers referred to in Article 6 of that Regulation.
- (3) The Council established an Accession Partnership or a European Partnership for all beneficiaries listed in Annex I of Regulation (EU) No 231/2014. The Commission adopted an indicative strategy paper for Bosnia and Herzegovina for 2014 - 2017 on 15/12/2014 which provides indicative allocations for the sectors for pre-accession assistance.<sup>4</sup>
- (4) Considering the proposals for action submitted by the beneficiaries concerned, the Country Action Programme for Bosnia and Herzegovina for 2016 aims at providing assistance for actions in the following sectors: Democracy and Governance; Rule of Law and Fundamental Rights; Competitiveness and Innovation; Education, Employment and Social Policies.
- (5) It is necessary to adopt a financing decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012.<sup>5</sup>
- (6) The Commission should be able to entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a

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<sup>1</sup> OJ L 77, 15.03.2014, p. 95.

<sup>2</sup> OJ L 298, 26.10.2012, p.1.

<sup>3</sup> Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (OJ L 77, 15.03.2014, p. 11).

<sup>4</sup> C(2014) 9495 final

<sup>5</sup> Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required under Regulation (EU, Euratom) No 966/2012, when the Commission manages Union funds.

These entities comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.

- (7) It is appropriate to authorise the award of grants without a call for proposals to the bodies identified in the Annex and for the reasons provided therein.
- (8) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (9) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (10) The action programme provided for by this Decision is in accordance with the opinion of the IPA II Committee set up by Article 13 of Regulation (EU) No 231/2014.

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### *Adoption of the programme*

The Action Programme under the Instrument for Pre-accession Assistance (IPA II) as set out in the Annex, is hereby approved.

#### *Article 2*

##### *Financial contribution*

The maximum amount of the European Union contribution for the implementation of the programme referred to in Article 1 is set at EUR 47 000 000 and shall be financed as follows:

EUR 21 900 000 from the budget line 22.02.01.01 of the general budget of the EU for year 2016 and

EUR 25 100 000 from the budget line 22.02.01.02 of the general budget of the EU for year 2016

The financial contribution(s) referred to in the first sub-paragraph may also cover interest due for late payment.

#### *Article 3*

##### *Implementation modalities*

This programme shall be implemented by direct and indirect management.

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

A Financing Agreement shall be concluded between the Commission and Bosnia and Herzegovina in conformity with the Framework Agreement concluded between the same parties on 24 August 2015.

*Article 4*

*Grants without a call for proposals*

Grants may be awarded without a call for proposals to the bodies identified in the Annex, in accordance with the conditions specified therein.

*Article 5*

*Non-substantial changes*

The following changes shall not be considered substantial provided that they do not significantly affect the nature and objectives of the actions:

- (a) increases or decreases for not more than 20 % of the maximum contribution set in the first paragraph of Article 2, and not exceeding EUR 10 million;
- (b) cumulated reassignments of funds between specific actions not exceeding 20 % of the maximum contribution set in the first paragraph of Article 2;
- (c) extensions of the implementation and closure period;
- (d) within the limits of 20 % referred to in points (a) and (b) above, up to 5 % of the contribution referred to in the first paragraph of Article 2 of this financing decision may serve to finance actions which were not foreseeable at the time the present financing decision was adopted, provided that those actions are necessary to implement the objectives and the results set out in the programme.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 13.12.2016

• *For the Commission*

*Johannes HAHN*

*Member of the Commission*

## ANNEX 1

### COUNTRY ACTION PROGRAMME ON BOSNIA AND HERZEGOVINA FOR THE YEAR 2016

#### 1 IDENTIFICATION

<b>Beneficiary</b>	Bosnia and Herzegovina
<b>CRIS/ABAC Commitment references</b>	2016/039-653: EUR 21 900 000 on 22.02 01 01 2016/037 889: EUR 25 100 000 on 22.02 01 02
<b>Total cost</b>	EUR 48 473 308
<b>EU Contribution</b>	EUR 47 000 000
<b>Management Mode/ Entrusted entities</b>	Direct management by the European Commission Indirect management by the entrusted entities listed below: - World Bank for Action n°2 - Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in partnership with United Nations Development Programme (UNDP) and the International Labour Organisation (ILO) for Action n° 7
<b>Final date for concluding <u>Financing Agreements</u> with the IPA II beneficiary</b>	At the latest by 31 December 2017
<b>Final date for concluding <u>delegation agreements</u> under indirect management</b>	At the latest by 31 December 2017
<b>Final date for concluding <u>procurement and grant contracts</u></b>	3 years following the date of conclusion of the Financing Agreement, with the exception of the cases listed under Article 189(2) Financial Regulation
<b>Final date for operational implementation</b>	6 years following the date of conclusion of the Financing Agreement
<b>Final date for implementing the Financing Agreement</b> (date by which this programme should be de-committed and closed)	12 years following the conclusion of the Financing Agreement.
<b>Programming Unit</b>	DG NEAR D4
<b>Implementing EU Delegation</b>	EU Delegation to Bosnia and Herzegovina

## **2 DESCRIPTION OF THE ACTION PROGRAMME**

### **2.1 SECTORS SELECTED UNDER THIS ACTION PROGRAMME**

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

The Instrument for Pre-accession Assistance (IPA) II Indicative Strategy Paper (ISP) for Bosnia and Herzegovina (2014-2017) addresses those sectors where agreed strategies and sufficient sector coordination exist. These are: Democracy and Governance; Rule of Law and Fundamental Rights; Competitiveness and Innovation; Local Development Strategies; Education, Employment and Social Policies.

The Actions proposed under this programme in the sector of Democracy and Governance will contribute to the ISP objective of public administration reform, through the further development of an efficient, professional and transparent civil service, the strengthening of public employment controls and the reduction of the wage bill, thus empowering the public sector to significantly contribute to the European integration process and deliver services to citizens. Another proposed Action will enhance the capacity of the Public Procurement Agency and contracting authorities at all levels of government to implement, monitor and control public procurement procedures in line with EU standards. Furthermore, one Action will strengthen the role of Parliaments (at state, entity, Brčko District and cantonal level) in the context of EU integration, and enhance their capacity to support and supervise accession negotiations and adopt legislation required for alignment with the *acquis*. Finally, one Action will ensure participation of Bosnia and Herzegovina in EU Programmes by co-financing the cost of entry-tickets and participation fees in areas such as research and innovation, culture and audio-visual activities, education, customs and fiscal policies.

The proposed Action in the sector of Rule of Law and Fundamental Rights will contribute to justice, accountability and the rule of law through the identification of persons still missing after the war in Bosnia and Herzegovina and the capacity building of local institutions in this field.

The proposed Actions in the sector Competitiveness and Innovation: Local Development will contribute to the country's capacity to generate growth and employment. One Action will support the development of the private sector with a focus on export-oriented, agro-rural and tourism sectors and the enhancing of operational environment of Micro Small and Medium Enterprises (MSMEs). The proposed Action in the area of flood protection and flood risk management will support the development of an integrated flood risk management in line with the EU Floods Directive and the Water Framework Directive, thus contributing to the further implementation of the Action Plan for flood protection and river management in BiH 2014-2017.

The proposed Actions in the sector Education, Employment and Social Policies will strengthen the capacity of the labour market institutions and help improve the education system in line with the labour market needs.

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

The EU has supported public procurement since 2004 with a project facilitating the legal drafting, establishment of central procurement institutions and the process of initial certification of trainers. A regional EU-funded training of trainers project completed in 2012 aimed at capacitating new trainers in this area and designing training materials to be used by

the accredited public procurement trainers locally. The public procurement system in Bosnia and Herzegovina was further strengthened through an IPA 2012 intervention that supported the implementation of a new public procurement law by drafting secondary legislation, manuals, guidelines and organisation of seminars on the new law. In 2013 the Gesellschaft für Internationale Zusammenarbeit (GIZ) supported the process of recertification of those trainers who had received certificates in the period of 2004-2006. The IPA 2012 project and GIZ project were successfully coordinated. The European Commission Result Oriented Monitoring (ROM) report recommended the granting of further IPA assistance to consolidate the results and enhance the modernisation process of the public procurement sector within the ongoing public finance management reform.

The EU has supported reforms in the area of human resources management in the civil service since 2004, and most recently through the IPA 2011 project 'Modernisation of Human Resources Management system in civil service' that supported the civil service authorities at all levels, developing guidelines and practices for job classification, job descriptions and recruitment procedures. The regionally funded OECD/SIGMA (Organisation for Economic Co-operation and Development/Support for Improvement in Governance and Management) programme provides continuous assistance through assessing and benchmarking progress in the area and by offering technical advice in the legal drafting of relevant regulations.

IPA successfully supported the functioning of Parliaments in Bosnia and Herzegovina through the Twinning project 'Enhancing the Role of Parliaments in Bosnia and Herzegovina in the EU Integration context' implemented between 2014 and 2016. The resulting recommendations were translated into adopted action plans and roadmaps tailored for each of the parliaments. Another outcome was the 'Concept on the cooperation mechanism for the Parliaments of Bosnia and Herzegovina in the tasks of the EU integration process' endorsed by the Speakers and Deputy Speakers of Parliamentary Assembly of Bosnia and Herzegovina, Parliament of the Federation, National Assembly of Republika Srpska and the Brčko District Assembly. The Organisation for Security and Cooperation in Europe (OSCE) and the United States Agency for International Development (USAID) have also been supporting parliaments in Bosnia and Herzegovina.

The EU has been supporting the International Commission on Missing Persons (ICMP) through previous IPA programmes, which have been indispensable in the effort to account for the missing persons from the war in Bosnia and Herzegovina through a DNA-led identification process. Thus, an increased number of missing persons were given back their identities, allowing their families to close their case. The ICMP is supported also by a range of other donors such as: the US, Norway, Sweden, Switzerland, the UK, Germany and Turkey. ICMP's activities also contribute to the International Community's response to the politically and socially sensitive question of missing persons, covering aspects from identifying victims to economic development.

Previous IPA assistance 2007-2011, including technical assistance and grants supporting MSMEs competitiveness, regional and local economic development and tourism, have significantly supported final users but had very limited impact at institutional and policy level. To abridge the lack of policy coordination between the state and entities and enable more direct MSMEs access to EU funds, IPA 2013 and 2014 programmes are currently implemented via the European Bank for Reconstruction and Development (EBRD) and GIZ (Small and Medium Enterprises (SME) flood recovery programme). Besides business advisory services provided via the EBRD's Small Business Support Programme, the assistance involves exchange of good practices in Small Business Act (SBA) implementation. As part of the Private Sector Support Facility for the Western Balkans, the EBRD has

successfully piloted SME Competitiveness Support Facility in Bosnia and Herzegovina. While this assistance has been effective at the company level, the sustainability prospects of these initiatives are limited as long as they lack political ownership and governmental support for integrating into such initiatives more strategic development goals for the private sector. This Action will therefore not only build up on these past and present interventions, but will also address the above sector strategic and ownership related challenges to the extent possible by enhancing the institutional and administrative capacities as well as policy implementation of the main sector stakeholders countrywide. Building up their capacities via the Action's technical assistance component, in particular in the fields of monitoring and evaluation, will contribute to more consolidated sector policy planning and coordination across the country, and eventually, to better business environment as well as SBA implementation.

The evaluation of IPA 2008 assistance to the tourism sector recommended future support to more tangible projects and capacity building. IPA and other donors' assistance in the Agriculture and Rural Development sector has pointed at the sector's potential for stimulating jobs and export, while improving the coordination and beneficiaries ownership to ensure sustainability. The three Triple Helix partnerships (supported by the OECD in cooperation with state level Ministry of Civil Affairs) demonstrated practical results in agri-food sector, despite the weaknesses in business-science linkages and limited predisposition for Research & Development and innovation. The latest Regional IPA Evaluation has pointed at the lack of beneficiaries' implementing capacities and on a need for reducing the range of sub-sectors to improve the results. The recommendations relate to increasing the capacities of beneficiaries institutions for developing result oriented monitoring mechanisms, ensuring that highly competitive criteria for selection of grant beneficiaries are not impeding the access of poor and needier communities to grants, and to improving the use of measuring mechanisms in project and programme management.

The EU-funded regional initiative 'IPA floods' managed by Directorate General ECHO started on January 2015 to run until the end of 2016 and aims at increasing flood risk management capacities at national, regional and EU levels. The ongoing assistance under the Western Balkans Investment Framework (WBIF) aims to provide flood hazard and flood risk maps in Bosnia and Herzegovina. According to the requirements of the EU Floods Directive, these outputs are a precondition for the development of flood risk management plans which are covered under Component 1 of this Action Document. The IPA 2011 project 'Capacity Building in the water sector in Bosnia and Herzegovina (harmonisation of the relevant legislation in Bosnia and Herzegovina with EU water related acquis, development of Management plans for the River Sava watershed in Bosnia and Herzegovina, capacity building, tariffs in the water sector and strengthening the water information system) and the IPA 2014 Special Measures Action 'Support to Flood Protection/Prevention and Water Management' showed the importance to involve all competent institutions and ensure their full commitment and ownership. The latter Action has also showed the need for adequate preparation (project documentation, construction permits, land expropriation) and improved coordination among the stakeholders for the successful implementation of infrastructure projects. The IPA 2014 regional project between Serbia and Bosnia and Herzegovina confirmed regional cooperation as an important aspect of water management and flood protection, in particular regarding rivers crossing several countries (e.g. the Sava River).

A number of IPA and other donors' projects have been implemented in the areas of employment and education. The on-going IPA 2014 'Local Employment Partnerships Project' is a good example of work in this sector at the level of local community. The project 'Youth Employment', supported by the Swiss and Austrian cooperation, provides assistance to youth in Bosnia and Herzegovina for employment or start-ups by direct assistance and reform of the employment system. In addition to local authorities' funds, specific reform activities in the



area of education were funded largely by donors, particularly the EU, which focused on secondary vocational training and higher education. The methodology employed in the joint EU-Council of Europe project 'Strategic Development of Higher Education and Qualification Standards' will be used for future actions in the field of general and vocational education and training (VET) and Lifelong learning.

*List of Actions foreseen under the selected Sectors/Priorities:*

Sector 1 Democracy and Governance

DIRECT MANAGEMENT EU DELEGATION TO BOSNIA AND HERZEGOVINA	
1. Strengthening the Public Procurement System in Bosnia and Herzegovina Phase II –Developing the capacities of contracting authorities	EUR 2 000 000
3. Support to the Parliaments of Bosnia and Herzegovina in EU Integration Tasks	EUR 4 000 000
4. European Integration Facility	EUR 6 355 043
5. Support to Participation in EU Programmes	EUR 3 444 957
INDIRECT MANAGEMENT BY ENTRUSTED ENTITY	
2. Support to Public Sector Management Reform in Bosnia and Herzegovina	EUR 3 100 000
<b>TOTAL</b>	<b>EUR 18 900 000</b>

Sector 2 Rule of Law and Fundamental Rights

DIRECT MANAGEMENT EU DELEGATION TO BOSNIA AND HERZEGOVINA	
6. Assistance to Bosnia and Herzegovina to address the issue of Missing Persons	EUR 3 000 000
<b>TOTAL</b>	<b>EUR 3 000 000</b>

Sector 6 Competitiveness and Innovation

INDIRECT MANAGEMENT BY ENTRUSTED ENTITY	
7. Local Development Strategies	EUR 15 000 000
DIRECT MANAGEMENT EU DELEGATION TO BOSNIA AND HERZEGOVINA	
8. Support to Flood Protection and Flood Risk Management	EUR 5 000 000
<b>TOTAL</b>	<b>EUR 20 000 000</b>

Sector 7 Education, Employment and Social Policies

DIRECT MANAGEMENT EU DELEGATION TO BOSNIA AND HERZEGOVINA	
9. Support to Employability	EUR 5 100 000
<b>TOTAL</b>	<b>EUR 5 100 000</b>
<b>PROGRAMME TOTAL</b>	<b>EUR 47 000 000</b>

## 2.2. DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

<b>SECTOR 1</b>	<b>Democracy and Governance</b>		<b>EUR 18 900 000</b>
<b>Action 1</b>	<b>Strengthening Public Procurement System in Bosnia and Herzegovina Phase II – Developing the capacities of contracting authorities</b>	<b>Direct management</b>	<b>EUR 2 000 000</b>

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

Description of the Action: This Action will build on achievements of previous EU support to increase efficiency, effectiveness and transparency of the Public Procurement System in Bosnia and Herzegovina in accordance with EU standards.

The objective is to enhance the capacities of public procurement staff at all levels of government.

#### Expected results:

- Capacity of Public Procurement Officers at all levels in Bosnia and Herzegovina, including public companies, schools, universities, in running procurement procedures according to EU standards enhanced,
- Plan for harmonisation with the new EU Directives on public procurements in BiH, with presentation of best practices in EU Member States developed,
- Public Procurement Law, Implementing Regulation and relevant Acts and legal documents upgraded.

#### Key performance indicators:

- % of trained candidates having obtained the status of a public procurement officer after the completion of the training,
- Number of further enhanced manuals, guidance, handbooks and/or procedures in line with EU standards and practices,
- Amendments to existing law and regulations prepared and accepted by the beneficiary,
- Comparative analysis of best practices in three EU Member States on application of the new Directives on public procurement and Road Map on further harmonisation towards the new EU Directives developed and published.

### *(2) Assumptions and conditions*

- Key institutions willing to lead reforms and provide proper human resources and financial means, where needed, to support implementation of the Action,

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

### *(3) Implementation arrangements for the action:* direct management by the EU Delegation

#### *(3)(a) Essential elements of the action (for direct management)*

## Procurement:

- a) The global budgetary envelope reserved for procurement: EUR 2 000 000
- b) the indicative number and type of contracts: 1 service contract
- c) indicative time frame for launching the procurement procedure: Q2/2017

<b>Action 2</b>	<b>Support to Public Sector management Reform in Bosnia and Herzegovina</b>	<b>Indirect management</b>	<b>EUR 3 100 000</b>
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### *(1) Description of the Action, objective, expected results and key performance indicators*

Description of the Action: This Action is designed to support implementation of the Reform Agenda (2015-2018) of Bosnia and Herzegovina and ongoing public administration reform efforts, in order to establish an efficient, professional, accountable and affordable public administration which provides high quality services to citizens and businesses in Bosnia and Herzegovina.

The objective of this Action is to strengthen public employment controls in Bosnia and Herzegovina in line with the obligations outlined in the Reform Agenda and in the arrangement with the International Monetary Fund.

#### Expected results:

- Data and control of staffing levels at all levels in Bosnia and Herzegovina (ministries and agencies of the State, Entities and cantons; municipalities; extra-budgetary funds; and health institutes) are improved, in full conformity with division of authorities between respective authority levels,
- Staffing at all levels of government is rebalanced in line with the recommendations from the functional reviews,
- Public sector pay structure is rationalised and simplified.

#### Key performance indicators:

- Consistent and harmonised data on employees at all levels in Bosnia and Herzegovina (ministries and agencies of the State, Entities and cantons; municipalities; extra-budgetary funds; and health institutes) is in place and regularly updated based on the data from the registries,
- Number of operational plans for rightsizing of employees in public sector at the State, Entities and cantonal levels in 2018 and 2019,
- Number of approved amendments to relevant salary laws at the State, Entities, and cantonal levels following the better regulation approach.

### *(2) Assumptions and conditions*

#### *Assumptions*

- The establishment of the registries will not be derailed by legal challenges. The Action will include a review of legal issues and implementation arrangements in order to mitigate this risk.

### *Conditions*

- Governments are fully committed to implement strategic plans on restraining public expenditures and wages,
- An IMF programme is implemented and remains on track.

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

**(3) *Implementation arrangements for the action:*** indirect management

**(3)(a) *Entity entrusted with budget implementation tasks***

The World Bank has been engaged in the reforms of some public sectors in Bosnia and Herzegovina (health and education) over the previous period and has recently undertaken a similar assessment of the public administration system in Serbia. The World Bank in BiH supports the implementation of the Bosnia and Herzegovina Reform Agenda of which Public Administration Reform (PAR) is a crucial pillar. The authorities in Bosnia and Herzegovina have undertaken to reform the public administration, constrain public spending, employment and payroll and to that end develop consistent and harmonised data on employees with the engagement of the World Bank.

The World Bank's knowledge of the public administration system in Bosnia and Herzegovina as well as experience in neighbouring countries and new Member States is a strong asset in this endeavour. The World Bank possesses wide experience in development and implementation of rightsizing programmes and is therefore recognised as the most suitable implementing partner for the activities envisaged under this Action.

**(3)(b) *Short description of the tasks entrusted to the entity***

All activities required to achieve the expected results and indicators described above will be entrusted to the World Bank.

The World Bank will provide expertise to the to the relevant institutions especially ministries of finance at different levels in Bosnia and Herzegovina. The World Bank will be responsible for procuring and contracting the services necessary to achieve the planned objectives. It will also be responsible for the implementation, monitoring of the activities and reporting to the EU Delegation and beneficiaries' institutions.

<b>Action 3</b>	<b>Support to the Parliaments of Bosnia and Herzegovina in the EU Integration Tasks</b>	<b>Direct management</b>	<b>EUR 4 000 000</b>
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**(1) *Description of the Action, objective, expected results and key performance indicators***

Description of the Action: This Action will support the strengthening of the functioning of the political and administrative structures for the EU integration tasks of the Parliaments in Bosnia and Herzegovina through the provision of a targeted support to Parliaments (Parliamentary Assembly of Bosnia and Herzegovina, Parliament of the Federation of Bosnia and Herzegovina, National Assembly of Republika Srpska and Brčko District Assembly).

The objective of the Action is to improve the role of the legislative institutions in Bosnia and Herzegovina in the strategic guidance of the EU accession process.

#### Expected results:

- The EU units in each Parliament are better enabled to provide practical administrative support to the monitoring and scrutiny functions of the Parliaments, and to prepare parliamentary positions and information activities and events related to EU accession issues,
- The cooperation mechanism on EU integration tasks is launched and its regular organisation by the EU units is ensured,
- The capacity of responsible administrative structures – acting in cooperation with respective executive offices – to provide the professional support to legislation compatibility checking and amendment drafting in a standard legal approximation procedure is improved,
- A common Action Plan for the cantonal assemblies to enhance their role in the European integration process and to ensure their required engagement is elaborated and implemented,
- Access to information on all legal acts/documents under procedure at state, entity and Brčko District level on the e-legislation portal is made available to general public and civil society organisations.

#### Key performance indicators:

- Degree of implementation of the EU Integration Action Plans of the Parliaments (in %),
- Number of cooperation events between Parliaments organized,
- % of legislation compatibility check procedures implemented,
- % of MPs and parliamentary staff in cantons knowledgeable of general issues of EU functioning and accession,
- % of processed legislative documents (per year) under the e-Legislation system.

#### ***(2) Assumptions and conditions***

- Political stability maintained,
- Key political players in Bosnia and Herzegovina remain committed to the EU perspective of Bosnia and Herzegovina,

***(3) Implementation arrangements for the action:*** direct management by the EU Delegation

***(3)(a) Essential elements of the action (for direct management)***

#### ***Procurement***

- a) The global budgetary envelope reserved for procurement: EUR 1 700 000
- b) the indicative number and type of contracts: 1 service contract, 1 supply contract
- c) indicative time frame for launching the procurement procedure: Q1/2017

**Grant – Twinning – Call for proposal: "Support to the Parliaments of Bosnia and Herzegovina in implementing the tasks of the preparation for European integration"**

a) Objectives and foreseen results:

The objective of the twinning is to improve the role of the legislative institutions in Bosnia and Herzegovina in the strategic guidance of the EU accession process.

Foreseen results:

- The EU units in each Parliament are better enabled to provide practical administrative support to the monitoring and scrutiny functions of the Parliaments, and to prepare parliamentary positions and information activities and events related to EU accession issues.
- The cooperation mechanism on EU integration tasks is launched and its regular organisation by the EU units is ensured.
- The capacity of responsible administrative structures – acting in cooperation with respective executive offices – to provide the professional support to legislation compatibility checking and amendment drafting in a standard legal approximation procedure is improved.
- A common Action Plan for the cantonal assemblies to enhance their role in the European integration process and to ensure their required engagement is elaborated and implemented.

b) The essential eligibility criteria: applicants must be EU Member State administrations or mandated bodies.

c) The essential selection criterion is the operational capacity of the applicant.

d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.

e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

f) Indicative amount of Twinning contract: EUR 2 300 000

g) Indicative date for launching the selection procedure: Q1/2017

<b>Action 4</b>	<b>European Integration Facility</b>	<b>Direct management</b>	<b>EUR 6 355 043</b>
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*(1) Description of the Action, objective, expected results and key performance indicators*

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

A variety of technical assistance and other types of support will be provided Bosnia and Herzegovina Institutions to enable them to respond to challenges and requirements of the EU integration process and to better prepare and implement IPA Programmes/Actions.

The objective of this Action is to address specific and unforeseeable needs identified in the course of European integration process of Bosnia and Herzegovina.

Expected result is that Bosnia and Herzegovina's authorities give more effective and timely responses to emerged EU integration priorities.

Key performance indicators:

- Increased administrative capacity of Bosnia and Herzegovina institutions involved in European integration process,
- % of tender procedures launched and finalised, of IPA funds contracted, of IPA funds disbursed.

**(2) Assumptions and conditions**

- Political support to institutions of Bosnia and Herzegovina to participate in the EU integration processes,
- Identification of priority areas for assistance in a timely manner by Bosnia and Herzegovina authorities
- Good cooperation with all relevant stakeholders established and maintained during Action implementation,

**(3) Implementation arrangements for the action:** direct management by the EU Delegation

**(3)(a) Essential elements of the action for direct management:**

**Procurement:**

- a. the global budgetary envelope reserved for procurement: EUR 5 755 043
- b. the indicative number and type of contracts: 15-17 service/FWC contracts, 2-3 supply contracts, 1-2 works contracts
- c. indicative time frame for launching the procurement procedure: Q2/2017-Q1/2018 (7-9 service/FWC, 1-2 supply, 1 works contract), Q2/2018-Q1/2019 (8-10 service, 1-2 supply, 1 works contract)

**Grant - Twinning –(2-3 Twinning light, EUR 600 000):a) Objectives and foreseen results:**

Objective: Further alignment of Bosnia and Herzegovina legislation and practices with the EU acquis in the relevant field

Foreseen result: Progress made towards accession criteria in the relevant field

b) The essential eligibility criteria: applicants must be EU Member State administrations or mandated bodies.

c) The essential selection criterion is the operational capacity of the applicant.

d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.

e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

f) Indicative amount of Twinning light contracts: EUR 600 000

g) Indicative date for launching the selection procedure: Q2/2017-Q1/2018 (1 twinning light) and Q2/2018-Q1/2019 (1-2 twinning light)

<b>Action 5</b>	<b>Support to Participation in EU Programs</b>	<b>Direct management</b>	<b>EUR 3 444 957</b>
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**(1) Description of the Action, objective, expected results and key performance indicators**

Description of the Action: This Action will co-finance the participation of Bosnia and Herzegovina in EU programmes.

The objective is to facilitate the participation of Bosnia and Herzegovina in European Union Programmes by co-financing the costs of the entry-tickets/participation fees to be paid in areas such as research and innovation, culture and audio-visual activities, education, customs and fiscal policies, competitiveness of enterprises and SMEs, health and consumer policy.

Expected results:

- Enhanced participation of Bosnia and Herzegovina in European Union Programmes, including increased exchanges with EU Member States,
- Strengthened ownership and responsibility of Bosnia and Herzegovina (including in financial terms) for participation in European Union Programmes.

Key performance indicators:

- Number of Programmes for which an International Agreement has been concluded,
- Participation rates in EU Programmes,
- Ratio of amount paid for the entry tickets and amount of co-financing of projects Bosnia and Herzegovina applicants annually receive.

**(2) Assumptions and conditions**

- Each institution signatory to an agreement for participation to a Union Programme has earmarked sufficient budget allocation for its annual contributions,
- Agreement signatories establish necessary support systems such as intermediary organisations or helpdesks and contact focal points per programme to support applicants and promote the EU programmes,

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

**(3) Implementation arrangements for the action:** direct management by the EU Delegation

**(3)(a) Essential elements of the action (for direct management)**

The activity will be implemented as a reimbursement of maximum 90% for the entry tickets for EU Programmes after the entry tickets have been paid, on the basis of an agreement between Bosnia and Herzegovina and the Commission.

<b>SECTOR 2</b>	<b>Rule of Law and Fundamental Rights</b>		<b>EUR 3 000 000</b>
<b>Action 6</b>	<b>Assistance to Bosnia and Herzegovina to address the issue of Missing Persons</b>	<b>Direct management</b>	<b>EUR 3 000 000</b>

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

Description of the Action: This Action will support Bosnia and Herzegovina in its efforts to address the issue of large numbers of persons missing as a result of the 1992-1995 conflict.

The objective is to enable the International Commission on Missing Persons (ICMP) and Bosnia and Herzegovina's partners to carry out DNA-assisted identifications of persons missing as a result of armed conflicts in Bosnia and Herzegovina and to provide forensic



support. This includes forensic anthropological and archaeological assistance at sites of excavation, assistance to the NN ("No Name") Working Group Process, DNA assisted identifications and development of a web-based online inquiry center offering ICMP's domestic partners access to its extensive genetic database.

Expected results:

- Assistance to the NN Working Group Process and Forensic Anthropology and Archaeology Activities ensured,
- Continuation of DNA matching and identification of the missing persons ensured,
- Usage of ICMP's Online Identification Centre (OIC) by individuals and organizations in Bosnia and Herzegovina is significantly increased,
- Legal Medicine in Bosnia and Herzegovina is strengthened.

Key performance indicators:

- Number of mortuaries inventoried,
- Number of NN cases with recommendations for next steps for closure provided to relevant prosecutors,
- % of local DNA scientists, pathologists and prosecutors trained in the use of ICMP's OIC.

**(2) Assumptions and conditions**

- Cooperation from state/entity/regional authorities,
- Cooperation from families of the missing.

**(3) Implementation arrangements for the action:** direct management by the EU Delegation

**(3)(a) Essential elements of the action (for direct management)**

**Grant –Direct grant award "Assistance to Bosnia and Herzegovina to address the issue of Missing Persons"**

(a) Objectives and foreseen results:

The objective of the grant is to enable the ICMP and Bosnia and Herzegovina's partners to carry out DNA-assisted identifications of persons missing as a result of armed conflicts in Bosnia and Herzegovina and to provide forensic support.

Expected results:

- Assistance to the NN Working Group Process and Forensic Anthropology and Archaeology Activities ensured.
- Continuation of DNA matching and identification of the missing persons ensured.
- Usage of ICMP's Online Identification Centre (OIC) by individuals and organizations in Bosnia and Herzegovina is significantly increased.
- Legal Medicine in Bosnia and Herzegovina is strengthened.

(b) Justification for the use of an exception to calls for proposals:

The direct agreement with ICMP will be concluded in accordance with Article 190(1c) of the Rules of Applications as ICMP has a de facto monopoly of the DNA identification of all victims in the country being the only organisation with the necessary equipment and skills to carry out this work.

- (c) The name of the beneficiary: International Commission on Missing Persons (ICMP)
- (d) The essential selection criteria are financial and operational capacity of the applicant
- (e) The award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the Action
- (f) Indicative amount of the grant: EUR 3 000 000
- (g) The maximum possible rate of EU co-financing of this action is 100% of the eligible costs of the Action.

The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of the Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising office in the award decision, in respect of the principles of equal treatment and sound financial management.

- (h) Indicative date for signing the grant agreement: Q3/2017

<b>SECTOR 6</b>	<b>Competitiveness and Innovation</b>		<b>EUR 20 000 000</b>
<b>Action 7</b>	<b>Local Development Strategies</b>	<b>Indirect management</b>	<b>EUR 15 000 000</b>

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

Description of the Action: This Action will strengthen Bosnia and Herzegovina's capacity for generating growth and employment through support to competitiveness and innovation. It will support Bosnia and Herzegovina's private sector development with a focus on export oriented, agro-rural and tourism sectors and on enhancing the operational environment for MSMEs.

The objective is to support Bosnia and Herzegovina's private sector development with a focus on export oriented, agro-rural and tourism sectors and on enhancing the operational environment for MSMEs including development of local digital entrepreneurship.

Expected results:

- MSMEs performance is increased due to better access and availability of innovative business development services in competitive export oriented sectors
- Business environment for development of new businesses and support to existing ones is improved
- Entrepreneurial initiatives in tourism and rural value chains for income and employment generation are increased.

Key performance indicators:

- Number of firms that utilise business development services,
- Number of e-business/ ICT services used by local actors,
- Net enterprise creation (new business per year),

- Number of new jobs created for youth (sex disaggregated),
- Progress made in regards to the World Travel and Tourism Council (WTTC) rankings,
- Number of business operators (individuals and firms) gaining access to a value chain and new jobs created (sex disaggregated).

**(2) Assumptions and conditions**

- Key institutions willing to lead reforms at the level of sector and provide proper human resources and financial means, where needed, and to support implementation of the envisaged activities,
- Stakeholders willing to participate in the monitoring and evaluation exercise,
- Key stakeholders are committed to ensure sustainability of the facilities and services.

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

**(3) Implementation arrangements for the action:** indirect management by entrusted entity

**(3)(a) Entity entrusted with budget implementation tasks**

GIZ (in partnership with United Nations Development Program (UNDP) and International Labour Organisation (ILO)) has been selected through a request for expression of interest based on the assessment of a transparent set of selection criteria, including its technical and professional capacity as well as the proposed methodology for the implementation of the Action. GIZ is an EU Member States Body whose pillars have been positively assessed for Budget Implementation Tasks by the European Commission. GIZ as a coordinator will work with UNDP and ILO as implementing partners.

**(3)(b) Short description of the tasks entrusted to the entity**

The entrusted Entity shall be responsible for carrying out all the tasks relating to the implementation of the action. In particular, the entrusted entity shall be responsible for preparation, implementation and conclusion of grant and procurement contracts, and for ensuring the legality and regularity of incurred expenditures. The entrusted entity will provide technical assistance (app. 25% of the total EU contribution) and will manage as well a Grant Fund Facility for the rest of the EU contribution (app. 75%). The Grant Fund Facility (GFF) will provide assistance to the beneficiaries (MSMEs, tourism operators as well as farmers and rural population) under Result 1 and Result 3.

<b>Action 8</b>	<b>Support to Flood Protection and Flood Risk Management</b>	<b>Direct management</b>	<b>EUR 5 000 000</b>
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**(1) Description of the Action, objective, expected results and key performance indicators**

Description of the Action: The Action supports the development of integrated flood risk management in Bosnia and Herzegovina in line with the European Union Floods Directive and with the Water Framework Directive.

The objective is to support the implementation of the Action Plan for Flood Protection and Water Management and thus increase capacities of key stakeholders of Bosnia Herzegovina to manage flood risk management in terms of prevention, protection and preparedness to respond to potential hazards.

Expected results:

- Flood risk management system in Bosnia and Herzegovina is improved,
- Readiness for implementation of structural measures protecting from floods in priority areas is increased.

Key performance indicators:

- Availability and adoption of Five Flood Risk Management Plans (FRMPs) as well as one roof report in Bosnia and Herzegovina,
- Finalisation of Erosion protection plans for the Federation of Bosnia and Herzegovina and Brčko District,,
- Availability of technical documentation for flood-protecting infrastructure in priority areas of the River Sava and the Adriatic watersheds

**(2) Assumptions and conditions**

- Good co-operation and co-ordination amongst key stakeholders,
- Proactive involvement of all stakeholders involved in implementation of the Action,
- Flood Hazard and Flood Risk Maps developed and available in time (subject to WBIF assistance), to allow for preparation of the Flood Risk Management Plans (FRMP),
- Key stakeholder institutions in Bosnia and Herzegovina agreed upon all Bosnia and Herzegovina FRMPs,

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

**(3) Implementation arrangements for the action:** direct management by the EU Delegation

**(3)(a) Essential elements of the action (for direct management)**

**Procurement:**

- a) The global budgetary envelope reserved for procurement: EUR 5 000 000
- b) the indicative number and type of contracts: 2 service contracts
- c) indicative time frame for launching the procurement procedure: Q3/2017

<b>Sector 7</b>	<b>Education, Employment and Social Policies</b>		<b>EUR 5 100 000</b>
<b>Action 9</b>	<b>Support to Employability</b>	<b>Direct management</b>	<b>EUR 5 100 000</b>

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

Description of the Action: This Action aims at creating a more effective labour market in Bosnia and Herzegovina.

The objective is to improve the quality and effectiveness of labour market institutions and improve the link between education systems and the labour market needs.

Expected results:

- The capacity of the labour market institutions is strengthened.
- Responsiveness of the education systems to labour market demands in Bosnia and Herzegovina is enhanced.

- Human capacity in education sector is strengthened.

Key performance indicators:

- % of PESs using newly developed procedures (manuals and instructions) to monitor active employment measures and labour market needs
- % of employed graduates following completion of secondary and tertiary education
- % of Ministries of Education, Agencies for Education and Pedagogical Institutes analysing and monitoring the education reform process

**(3) Implementation arrangements for the action:** Direct management by the EU Delegation.

**(3)(a) Essential elements of the action (for direct management)**

**Procurement**

- The global budgetary envelope reserved for procurement: EUR 4 500 000
- the indicative number and type of contracts: 2 service contracts
- indicative time frame for launching the procurement procedure: Q3/2017

**Grant – Twinning – "Recognition of qualifications"**

a) Objectives and foreseen results

Objective: To improve labour mobility in Bosnia and Herzegovina through recognition of qualifications in line with the provisions of the Lisbon Recognition Convention (LRC) and its accompanying documents.

Foreseen results:

1. Report with assessment and recommendations for implementation of LRC drafted/updated and published on Centre for recognition of qualifications in higher education (CIP) web site,
  2. Procedures for recognition of qualifications according to LRC developed,
  3. System of recognition introduced in universities and employment sector,
  4. Knowledge and capacities on recognition of qualifications and periods of study in sectors for education and employment increased,
  5. CIP participates in work of EU networks and bodies.
- b) The essential eligibility criteria: applicants must be EU Member State administrations or mandated bodies.
  - c) The essential selection criterion is the operational capacity of the applicant.
  - d) The essential award criteria are technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.
  - e) The maximum possible rate of EU financing may be up to 100% of the total cost of the action in accordance with Article 192 of Financial Regulation if full funding is essential for the action to be carried out. The necessity for full EU funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
  - f) Indicative amount of Twinning contract: EUR 600 000
  - g) Indicative date for launching the selection procedure: Q3/2017

### 3. BUDGET

#### 3.1 INDICATIVE BUDGET TABLE - COUNTRY ACTION PROGRAMME FOR BOSNIA AND HERZEGOVINA

		EU Contribution	IPA II beneficiary Co-financing	Total expenditure	Management Mode
<b>Objective 1</b>	<b>1) Democracy and Governance</b>	<b>18 900 000.00</b>	<b>1 473 308.35</b>	<b>20 373 308.35</b>	
	1 Strengthening the Public Procurement System in BiH II –Developing the capacities of contracting authorities	2 000 000.00		2 000 000.00	Direct management
	2 Support to Public Sector Management Reform in BiH	3 100 000.00		3 100 000.00	Indirect management
	3 Support to the Parliaments of BiH in EU Integration Tasks	4 000 000.00	225 000.00	4 225 000.00	Direct management
	4 EU Integration Facility	6 355 043.00		6 355 043.00	Direct management
	5 Support to Participation in EU Programmes	3 444 957.00	1 248 308.35	4 693 265.35	Direct management
	<b>2) Rule of Law and Fundamental Rights</b>	<b>3 000 000.00</b>		<b>3 000 000.00</b>	
	6 Assistance to BiH to address the issue of Missing Persons	3 000 000.00		3 000 000.00	Direct management
<b>Total Objective 1</b>		<b>21 900 000.00</b>	<b>1 473 308.35</b>	<b>23 373 308.35</b>	
<b>Objective 2</b>	<b>6) Competitiveness and Innovation</b>	<b>20 00 000.00</b>		<b>20 000 000.00</b>	
	7 Local Development Strategies	15 000 000.00		15 000 000.00	Indirect management
	8 Support to Flood Protection and Flood Risk Management	5 000 000.00		5 000 000.00	Direct management
	<b>7) Education, Employment and Social Policies</b>	<b>5 100 000.00</b>		<b>5 100 000.00</b>	
	9 Support to Employability	5 100 000.00		5 100 000.00	Direct management
<b>Total Objective 2</b>		<b>25 100 000.00</b>		<b>25 100 000.00</b>	
<b>Total Programme</b>		<b>47 000 000.00</b>	<b>1 473 308.35</b>	<b>48 473 308.35</b>	

#### **4. IMPLEMENTATION MODALITIES AND GENERAL RULES FOR PROCUREMENT AND GRANT AWARD PROCEDURES**

##### **DIRECT MANAGEMENT:**

Part of this programme shall be implemented by direct management by the Commission / by the Union Delegations in accordance with Article 58(1)(a) of the Financial Regulation and the corresponding provisions of its Rules of Application.

Procurement shall follow the provisions of Part Two, Title IV Chapter 3 of the Financial Regulation No 966/2012 and Part Two, Title II, Chapter 3 of its Rules of Application.

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

Under the Financial Regulation, Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

The Commission may also use services and supplies under its Framework Contracts concluded following Part One of the Financial Regulation.

##### Twinning:

Twinning projects shall be set up in the form of a grant agreement, whereby the selected Member State administrations agree to provide the requested public sector expertise against the reimbursement of the expenses thus incurred.

The contract may in particular provide for the long-term secondment of an official assigned to provide full-time advice to the administration of the IPA II beneficiary as resident twinning advisor.

The twinning grant agreement shall be established in accordance with relevant provisions of Part Two Title IV Chapter 4 of the Financial Regulation and Part Two Title II Chapter 4 of its Rules of Application. Parts One and Three of the Financial Regulation and its Rules of Application shall apply to external actions except as otherwise provided in Part Two, Title IV.

##### **INDIRECT MANAGEMENT:**

Part of this programme shall be implemented by indirect management with entrusted entities other than the IPA II beneficiary in accordance with Article 58(1)(c) of the Financial Regulation and the corresponding provisions of its Rules of Application.

The general rules for procurement and grant award procedures shall be defined in the Financing Agreement and the relevant delegation agreements between the Commission and the entrusted entity implementing such action.

#### **5. PERFORMANCE MONITORING ARRANGEMENTS**

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

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

The overall progress will be monitored through the following means: a) Result Orientated Monitoring (ROM) system; b) IPA II Beneficiaries' own monitoring; c) self-monitoring performed by the EU Delegations; d) joint monitoring by Directorate General NEAR and the IPA II Beneficiaries, whereby the compliance, coherence, effectiveness, efficiency and coordination in implementation of financial assistance will be regularly monitored by an IPA II Monitoring committee.