

Project Fiche – IPA National programme 2013 / Component I, Bosnia and Herzegovina

1 IDENTIFICATION

Project Title	European Integration Facility
CRIS Decision number	2013/23590
Project no.	8
MIPD Sector Code	9 - Support and other actions
ELARG Statistical code	40 – Project Preparation Facility/Technical Assistance Facility
DAC Sector code	43010 Multisector aid
Total cost	EUR 3 213 402
EU contribution	EUR 3 213 402
Management mode	Centralised
EU Delegation in charge	Delegation of the European Union to Bosnia and Herzegovina
Implementation management	Delegation of the European Union to Bosnia and Herzegovina
Implementing modality	Stand-alone project
Project implementation type	C01
Zone benefiting from the actions	Bosnia and Herzegovina (BiH)

2 RATIONALE

2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED

EU Integration

For the European integration process in Bosnia and Herzegovina (BiH) it is of critical importance to have effective European integration capacities at all relevant levels of government, in line with their respective competencies, as well as to ensure their effective cooperation and coordination. This in particular relates to the Stabilisation and Association Agreement (SAA) implementation, Programme of Integration (PI) implementation, legal harmonisation process i.e. transposition of *Acquis* in unique way in BiH, that remain rather challenging tasks in the BiH context and multi-level administrative set up.

The coordination mechanism including precise procedures and instruments that will enable timely and efficient internal harmonisation as well as approximation of BiH legislation with *Acquis*, is a must if BiH is striving for a smooth and fast integration to the EU. Further improvement of the European integration structures, including Directorate for European Integration (DEI) and line ministries of the Council of Ministers, Federation of BiH (FBiH) coordination capacities and their line ministries, the Republika Srpska (RS) Ministry of Economic Relations and Regional Cooperation and line ministries of RS Government, and Brcko District government, strengthening of their capacities, and enhancing cooperation among these institutions are key priorities.

The process of European integration is a dynamic and evolving process and is confronting the country and its institutions with new challenges that are to be tackled. Complementary to the mainstream IPA projects, which are programmed with a two years lead time, there is a need for a flexible instrument which can react to short-term developments and provide necessary assistance and capacity building support to the authorities in BiH at various levels by assisting them in Stabilisation and Association Agreement (SAA) implementation, *Acquis* transposition, projects preparation and implementation, as well as reinforcing their institutional capacity for SAA implementation and absorption, and management of IPA and other pre-accession funds.

Authorities at all levels of government in Bosnia and Herzegovina (BiH) face challenges in relation to IPA project/programme preparation and/or in relation to implementation of projects relating to specific parts of the *Acquis* or SAA requirements. Participants in the preparation of projects and their implementation come from different institutions from different levels of government, and not all of them have sufficient experience in this area and adequate and harmonised level of knowledge. Furthermore, project's readiness depends among other things also on the availability of quality tender documents. The authorities do not have sufficient experience in developing such documents and need assistance in this respect; sometimes the nature of technical specifications is also too specific requiring very specific expertise.

BiH authorities need to prepare for utilisation of the pre-accession assistance/instrument for the EU budgetary period 2014-2020. This includes preparatory activities and capacity building with respect to strategic planning, programming, implementation and strengthening capacity for coordination of these processes, taking into account the constitutional competencies and division of responsibilities among different levels of government in BiH and specific needs of different actors at various levels of government involved in programming, managing and implementation of pre-accession assistance. Currently there is limited support foreseen to do all that preparatory work. Therefore, among others, the activities foreseen in this project in relation to analysing and preparing sector and multi-sector strategies for the use of EU pre-accession funds become crucial.

2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES

In the MIPD 2011-2013 on *Public Administration Reform*, the relevant key areas of intervention include (Chapter 3.2.3. *Sector Objectives for EU support over next three years*):

“Support the alignment of the legislative framework with the European *Acquis* in all accession relevant sectors/.../”

Indicators:

- Progress in the alignment of the legislative framework with the European Acquis;
- Improved human resource management and training capacities.

Also the MIPD 2011-2013 specifically states (Chapter 3. Main sectors for EU support for 2011 – 2013) that: “IPA may finance actions that fall outside the scope of the specified main sectors such as, but not limited to: i) project/sector programme identification and preparation; ii) *Acquis* related actions that need to be adopted/implemented according to an established timetable (e.g. negotiating framework, NPAA, adapting the policy and institutional framework for the preparation of EU pre-accession assistance to agriculture and rural development, electronic communication or information society); iii) support measures for the implementation, monitoring and audit of IPA programmes; iv) as well as measures to support confidence building and reconciliation”.

BiH Strategy of Development of Science and Technology 2010-2015

The Strategy has been adopted in December 2009, with its Action Plan. The aim of the Strategy is to pave the way for the leading role of research and development as one of the main factors for enhanced long-term development of Bosnia and Herzegovina. The implementation of the strategy should also allow for stronger networking and joint researches between universities, research institutes and industry; higher participation of researchers and institutions in the European research network and the European Research Area; development of research infrastructure according to international and EU standards.

BiH Cultural Policy Strategy

The Cultural Policy Strategy of Bosnia and Herzegovina has been adopted in 2008 and it aims to include the cultural policy strategy into the process of European integration in BiH and use the European funds for the projects in the field of culture

It can hence be concluded that the project is in line with the MIPD 2011-2013 and it contributes to all of its strategic priorities as well as national ones.

2.3 LINK WITH STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT

The project contributes to the following SAA priorities:

Among the BiH commitments under the Interim Agreement and SAA, in Article 111 (*Public Administration Reform*), it is mentioned that "Cooperation will aim to further the development of an efficient and accountable public administration in Bosnia and Herzegovina and will focus on institutional building and strengthening of the policy making process".

Obligation to approximate existing legislation of BiH to the EU *Acquis* is stated in Article 70 of the SAA, Title VI – Approximation of Laws, Law enforcement and Competition Rules.

*Link with **Progress Report 2012** for BiH:*

The Progress Report identifies numerous lacks in coordination of European integration and harmonisation processes:

Chapter 1.2 (*Context*): "The need for an effective coordination mechanism between various levels of government for the transposition, implementation and enforcement of EU laws remains to be addressed as a matter of priority, so that the country can speak with one voice on EU matters and make an effective use of the EU's pre-accession assistance.."

Chapter 1.3 (*Relations between European Union and BiH*): "The lack of agreement between stakeholders in the country regarding the projects to be financed under the IPA 2012 national programme delayed the completion of the programming exercise in 2012. The difficulties encountered during the programming exercise demonstrate the need to urgently address the issue of coordination on EU matters at every level. Strengthening coordination mechanisms on the programming of future EU financial assistance and on other EU matters, is an issue to be addressed as a matter of urgency."

Chapter 4.1. (*Internal market - 4.1.9 Education and Research*): "there was some progress in the area of culture. Bosnia and Herzegovina started to participate in the Culture Programme. Focal points were established at State and Entity levels".

As stated in the **Enlargement strategy 2011-2012** (Annex 2 – Bosnia and Herzegovina), „Bosnia and Herzegovina made limited progress in aligning its legislation and policies with European standards."

2.4 PROBLEM ANALYSIS

EU Integration

The accession to the European Union is an extremely complex process, involving practically all governmental bodies, requiring continuous and efficient coordination among key players in the process. Some coordination bodies and mechanisms in BiH already exist, but they need to be re-organized and upgraded, and new structures should be established in order to be prepared for candidate status with the EU.

The European integration processes in BiH faces great challenges due to the administrative set-up of the country and division of competences among different levels of government. The EU coordination mechanism in BiH lacks coherent coordination/cooperation between state level, entities' and Brcko District. This will affect the entire process of legal harmonisation, i.e. transposition of *Acquis* in the legal system of BiH.

The need to respond to unforeseeable emerging needs for support for institutions in BiH in relation to SAA priorities implementation, *Acquis* transposition, pre-accession assistance utilisation and management, is omnipresent. For example BiH lacks important strategies in accession and *Acquis* related areas that will become even more critical in the context of effective preparation for and utilisation of the new upcoming pre-accession assistance instrument (IPA 2014-2020). This instrument requires its own strategic documents at different

levels: at the level of the entire pre-accession instrument and/or at the level of specific objectives and priorities.

The requirements for the establishment of the Decentralised Implementation System (DIS) are explicitly stressed within the framework on the new pre-accession assistance instrument, and it is necessary to secure further support in this respect, in line with the EU requirements in the period 2014-2020.

In addition to the support to IPA planning and programming and development of mature project proposals, specific interventions are required in relation to the preparation and implementation of the EU financed projects. Often there is lack of experience or expertise to prepare tender dossiers, technical specifications, terms of reference and other project documentation. In those cases the assistance of experts would facilitate the process and also provide the authorities in BiH at all levels with hands-on training.

In conclusion a flexible technical assistance instrument is necessary in order to address the respective needs of the authorities in BiH at various levels by supporting them in their European Integration process, project preparation and implementation, reinforcing their institutional capacity for SAA implementation, and absorption and management of IPA and other pre-accession funds.

The eligible beneficiaries for this component are the line-ministries and government institutions/agencies at various levels of government and staff directly involved in the EU accession process.

2.5 LINKED ACTIVITIES AND DONOR COORDINATION

EU Integration

Assistance to be provided will build on the previous, on-going and planned EU assistance provided through the following projects:

- BiH National CARDS 2001 “Support to the BiH Government for the European Integration Process and Co-ordination of Community Assistance – Phase I” (24 months duration, November 2003-December 2005);
BiH National CARDS 2005 “Support to the BiH Government for the European Integration Process and Co-ordination of Community Assistance – Phase II” (31 months duration, January 2006-August 2008);
IPA Programme 2007 “Support to the BiH Government for the European Integration process and co-ordination of Community Assistance – Phase III” (27 months duration, January 2010 - April 2012).

One of the main achievements of the above-mentioned projects was the improvement of capacities of DEI to coordinate European Integration activities, for example in developing methodology, drafting documents such as regular annual Contribution of BiH Institutions to the Regular Annual Report on BiH Progress etc. It is relevant to mention that these projects helped to establish joint bodies in accordance with the IA as well as provide trainings and seminars to the representatives from BiH institutions. Core assistance was targeted however to the DEI.

- IPA Programme 2010 “Support to the BiH Government for the European Integration process and co-ordination of Community Assistance – Phase IV” started in July 2012 for a duration of 12 months. The follow-up of "Support to the BiH Government for the European Integration process and co-ordination of Community Assistance – Phase III" will provide support to DEI and relevant institutions in BiH with respect to strengthening legal harmonisation process and aid coordination activities and is financed from the 2010 Project Preparation Facility.
- IPA 2008 Project Preparation Facility support is to assist the BiH authorities to produce good quality projects related to the priorities deriving from the European Partnership and the Stabilisation and Association Agreement, at the same time strengthening capacities of the BiH authorities.
- Similarly, IPA 2010 Project Preparation Facility support is to assist the BiH authorities to produce good quality projects and project implementation documentation in supporting the priorities deriving from the Stabilisation and Association Agreement. Additionally, it should support project preparation and effective implementation of environment and water and sanitation projects, at the same time strengthening capacities of the institutions in BiH.
- Under IPA 2011 the PP/GTAF has also been planned to provide flexible technical support to Bosnia and Herzegovina authorities aimed at addressing specific needs identified in the course of the SAA implementation and the usage of IPA instrument.
- IPA 2012 European Integration Facility has also been planned to provide flexible support to institutions at various levels, aimed at addressing specific needs identified in the course of European integration process.

Overview of budget allocations from IPA 2008-2012 for PPF/GTAF/EU Integration Facility :

PPF/GTAF/EU Integration Facility	IPA 2008	IPA 2009	IPA 2010	IPA 2011	2012
PPF/GTAF/EU Integration Facility	1 500 000	-	*2 478 099	3 030 000	3 648 495

* In addition to the indicated amount in the table, the IPA 2010 PPF fiche also includes the project related to Environmental infrastructure in the value of € 2 500 000.

2.6 Lessons learned

EU Integration

As referred above the European integration processes in BiH faces a great challenge due to the administrative set up of the country and division of competences among different levels of government. This has been seen during the SAA negotiations, the work of the Interim Committee and Interim Sub-Committees, *Acquis* transposition, IPA programming, and other European integration processes. The need to strengthen capacities of all institutions required to undertake European integration related work at various levels of government in their respective sectors has been recognised. Particular effort is required to develop and maintain effective

coordination among different levels of government for the European integration process purposes.

The need for strengthening capacities of DEI and line ministries of the BiH Council of Ministers, the RS Ministry of Economic Relations and Regional Cooperation and line ministries of RS Government, Brcko District and EU Integration Department of the General Secretariat of FBiH Government, as well as FBiH and cantonal line ministries, has been in particular recognised as far as EU policies, legal approximation, EU affairs coordination are concerned. The earlier technical assistance (TA) showed that development of capacity, models and mechanisms requires work with a wider range of recipient institutions and civil servants. More time for development of models and capacities due to higher number of players is needed, and the real needs need to be addressed in a flexible manner. As the previous and current TA projects have been more focused on the support of the DEI than its partners, the future assistance needs to give special attention also to the DEI partners which are Ministry of Economic Relations and Regional Cooperation of RS, Office of the Mayor of BD, and EU Integration Department of the General Secretariat of FBiH Government, as well as and FBiH and cantonal their line ministries. Given the administrative structure in BiH and the corresponding division of competencies, it has been in particular recognised that support is required to institutions at all levels of government.

The experience with IPA 2008 and IPA 2010 Project Preparation Facilities, has proven the need and substantial interest among beneficiary institutions in BiH for its utilisation. The experience shows that the demand for this type of assistance has always been very high and this type of assistance has been particularly useful to respond quickly to urgent and evolving needs.

3 DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE PROJECT

Contributing to Bosnia and Herzegovina's overall progress in fulfilling its obligations for accessing the European Union.

3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT

Flexible support to institutions in BiH at various levels, aimed at addressing specific needs identified in the course of European integration process.

3.3 RESULTS

- Flexible and effective technical assistance and other support provided to the pre-accession process and to the emerged unforeseen European Integration needs.

3.4 MAIN ACTIVITIES

EU Integration

The following list is indicative of the types of activities that may be implemented under this intervention but is not exhaustive:

- Provision of technical advice and preparation of required documents and analysis to support SAA implementation, *Acquis* transposition and implementation, and the EU accession process in BiH;
- Supporting urgent or unforeseen emerging priority tasks to support EU integration and SAA implementation priorities, through technical assistance and other interventions (including software and IT equipment);
- Drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation for the implementation of SAA priorities, utilisation of pre-accession instruments, DIS establishment, and in support of EU accession process in BiH;
- Analysing, assessment and preparation of sector strategies, multi-sector strategies and strategic programming documents, for the harmonisation of national legislation, SAA implementation, and the current and future use of EU pre-accession funds;
- Drafting of (pre-)feasibility and impact studies in relation to Bosnia and Herzegovina's compliance with the SAA and carrying out (pre-investment studies, regulatory impact assessment studies, environmental impact assessment studies, business plans, market studies, economic and cost-benefit analyses, investment appraisals, etc.) for the upcoming investments;
- Preparing projects for upcoming IPA/pre-accession funding, in particular those requiring specialised expertise, including support to the project preparation process and all necessary project documentation and annexes to programming documents;
- Preparing of project tender and procurement documentation (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers);
- Provision of institution building activities and training relevant to any of the above-mentioned activities and the European integration process;
- Participating in European integration related meetings, workshops, study visits;
- Provision of information activities and material regarding EU integration.
- Provision of assistance to the line-ministries and government institutions/agencies at various levels who are involved in the EU accession process through these above mentioned activities.

The activities linked to the above results will be implemented through various types of contracts (Service/Framework contracts/Twinning/Twinning light/Works/Supply).

3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT

EU Integration

Strengthening of coordination on European Affairs will enable competent institutions at all levels of government to fulfil their obligations arising from European Integration Process in a timely manner and coordinated way, contributing thus to the overall progress of BiH towards EU membership.

The Facility will enable to respond to the BiH's European integration priorities and needs, at the same time reinforcing its institutional capacities at various levels of government.

The assistance provided will facilitate effective SAA implementation and strengthen capacities of BiH authorities in this respect, through provision of required technical assistance and advice. The assistance will include support to smaller scale interventions that could not qualify as full-scale IPA projects and/or could not be foreseen at the stage of IPA programming. As such BiH authorities will be enabled to respond to emerging needs of EU accession in a more flexible and immediate manner.

The Facility will contribute to the quality of documents and processes of planning, programming and implementing the Instrument for Pre-accession Assistance (IPA) and the new 2014-2020 pre-accession instrument. In parallel, it will strengthen absorption and management capacities of the BiH authorities' via learning-by-doing and other forms of trainings addressing planning, programming and implementing of IPA/pre-accession assistance. Longer-term impact will be visible in well-targeted projects and efficient use of IPA/pre-accession funds.

3.6 SUSTAINABILITY

The Facility will strengthen institutional capacities in BiH at all levels with respect to IPA projects preparation and implementation, SAA implementation, *Acquis* application and effective implementation of the EU integration process, thus ensuring sustainability of the intervention and results. Furthermore, the facility will enable timely delivery of well-targeted priority interventions of critical importance for the EU integration process thus enabling unhindered progress of the EU integration..

3.7 ASSUMPTIONS AND PRE-CONDITIONS

EU Integration

The main assumptions related to the EU Integration component are the following:

- Commitment of BiH governments towards EU accession.
- Readiness of the state, entity, canton and district authorities to further support the EU Integration process through proactive participation.
- Continued commitment to the implementation of the Interim Agreement and SAA.
- Adequate and timely identification of priority areas for assistance and availability of high quality expertise are important preconditions for the success of the project. Furthermore it is necessary that the beneficiary institutions commit staff and other resources for effective implementation of the project and in order to ensure institutional capacity building.

4 IMPLEMENTATION ISSUES

EU Integration

The assistance will be implemented in the centralised management mode, in accordance with the PRAG rules and through multiple contracts of various types (Service, Framework, Twinning, Twinning light, Works, Supply). The Delegation of the EU will inform its partners in regular intervals of its intention to commit funds from the Facility. Requests for utilisation of Facility funds will be submitted to the EU Delegation via NIPAC. The preparation of Terms of Reference will be done in consultations with entities and Brcko District BiH in cases it directly concerns them. Implementation will be done in close coordination with the beneficiary institution(s) for the specific contract.

Transparency will be ensured with respect to the implementation of the Facility, through regular reporting on the utilisation of the funds.

4.1 INDICATIVE BUDGET

Overall budget of the Facility:

Total estimated expenditure – IPA 3 213 402 EUR

EU Integration component – IPA 3 213 402 EUR

Indicative Project budget 2013 (estimated amounts in EUR)

PROJECT TITLE – European Integration Facility				SOURCES OF FUNDING								
			TOTAL EXPENDITURE	IPA CONTRIBUTION 2013		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Loc al EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1 EU Integration Facility												
Multiple contracts over the lifetime of the Facility	X	X	3 213 402	3 213 402	100							
TOTAL IB			3 213 402	3 213 402	100		0					
TOTAL INV												
TOTAL PROJECT			3 213 402	3 213 402	100		0					

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contracts1* Multiple contracts over the lifetime of the Facility (Service/Framework contracts/Twinning/Twinning light/Works/Supply)	Ongoing from Q2 2014	Ongoing from Q3 2014 to Q2 2017 at latest	Q2 2019 at latest

*NB. Due to the nature of the Facility it is not possible to accurately predict precise timing of the implementation schedule.

4.3 CROSS CUTTING ISSUES

4.3.1 *Equal Opportunities and non discrimination*

Equal opportunity principles and practices in ensuring equitable gender participation and non-discrimination within the project will be guaranteed.

4.3.2 *Environment and climate change*

The projects will not lead to any negative environmental effects.

4.3.3 *Minorities and vulnerable groups*

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

4.3.4 *Civil Society/Stakeholders involvement*

IPA programming process included consultations with Civil Society and Donor Community in BiH, through two consultation meetings and exchange of relevant information on the process and individual proposals.

The involvement and participation of civil society in the European Integration process is very important and cooperation between governmental and non-governmental sectors crucial. As an integral part of the European Union accession process, opportunities for dialogue and cooperation among civil society actors and public sector actors will be further developed through various initiatives under the proposed Facility.

ANNEXES

- 1. Log frame**
- 2. Description of Institutional Framework**
- 3. Reference list of relevant laws and regulations only where relevant**
- 4. Details per EU funded contract**
- 5. Project visibility activities**

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number:	13 European Integration Facility (IPA 2013)
		Contracting period expires: Three years following the date of the conclusion of Financing Agreement	Execution period expires: Two years following the end date for contracting
		Total budget	3 213 402
		IPA budget:	3 213 402
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification	
Contributing to Bosnia and Herzegovina's overall progress in fulfilling its obligations for accessing the European Union.	Faster progress of BiH towards meeting the requirements of the SAA and the <i>Acquis</i> , and in participating in EU programmes.	EC Annual Progress Reports IPA Monitoring Reports	
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Flexible support to institutions BiH at various levels, aimed at addressing specific needs identified in the course of European integration process and EU funds utilisation.	Effective and timely response to emerged EU integration priorities Planning, contracting and disbursement of IPA/pre-accession assistance in line with programming timetable	Project reports IPA/pre-accession programme documents IPA monitoring reports	There is political support for BiH institutions to participate in the EU <u>integration processes</u>
Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Flexible and effective technical assistance and other support provided to the pre-accession process and to the emerged unforeseen European Integration needs	- 5-10 quality technical assistance and other projects/interventions implemented and/or documents prepared for the latest by Q2 2019	Minutes of the relevant meetings Project Reports DEI reports, EC Annual Progress Report Database reports Reports and project documentation from individual TA and other contracts Monitoring reports within DEI Submitted and approved fiches Tender documentation Documents developed Training records	Identification of priority areas for assistance in a timely manner. Good cooperation with all relevant stakeholders established.

Activities to achieve results	Means / contracts	Costs	Assumptions
Sample activities: - Provision of technical advice and preparation of required documents and analysis to support SAA implementation, Acquis transposition and implementation, and the EU accession process in BiH; - Supporting urgent or unforeseen emerging priority tasks to support EU integration and SAA implementation priorities, through technical assistance and other interventions (including software and IT equipment); - Drafting manuals, working procedures, job descriptions, rulebooks and other procedural documentation for the implementation of SAA priorities, utilisation of pre-accession instruments, DIS establishment, and in support of EU accession process in BiH; - Analysing, assessment and preparation of sector strategies, multi-sector strategies and strategic programming documents, for the harmonisation of national legislation, SAA implementation, and the current and future use of EU pre-accession funds; - Drafting of (pre-)feasibility and impact studies in relation to Bosnia and Herzegovina's compliance with the SAA and carrying out (pre-)investment studies, regulatory impact	Various contracts for specific technical assistance and other support contracts (Service, Framework, Twinning, Twinning light, Works, Supply)	IPA contribution: EUR 3 213 402	Availability of quality expertise. Good cooperation with all relevant stakeholders. There are sufficient good quality applications by the potential beneficiaries.

assessment studies, environmental impact assessment studies, business plans, market studies, economic and cost-benefit analyses, investment appraisals, etc.) for the upcoming investments; - Preparing projects for upcoming IPA/pre-accession funding, in particular those requiring specialised expertise, including support to the project preparation process and all necessary project documentation and annexes to programming documents; - Preparing of project tender and procurement documentation (terms of reference, technical specifications, bills of quantities, guidelines for grant schemes and other supporting documents for tender dossiers); - Provision of institution building activities and training relevant to any of the above-mentioned activities and the European integration process; - Participating in European integration related meetings, workshops, study visits; - Provision of information activities and material regarding EU integration. - Provision of assistance to the line-ministries and government institutions/agencies at various levels who are involved in the EU accession process through these above mentioned activities.			
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ANNEX 2 Description of Institutional Framework

EU Integration

Description of current coordination mechanisms in BiH dealing with EU affairs:

At the state level

At the State level, the Directorate for European Integration (DEI) is the responsible institution for the coordination of the EU integration and law approximation process.

At the entity levels

Republika Srpska (RS)

In the RS, the Ministry of Economic Relation and Regional Cooperation is the responsible institution for the coordination of the EU integration and law approximation process.

Federation of BiH (FBiH)

The organisational set-up of the European integration process in the FBiH is more complex. There is a Board for EU Integration, composed of all FBiH ministries and the cantons appointed coordinators for EU integration. An EU integration department will be established in the FBiH General Secretariat, which will be responsible for the European integration coordination process,

Brcko District of BiH

The Division for European Integration of the Government of Brcko District is responsible for overall coordination between DEI at state level and sectoral government departments at Brcko District level.

Details on the Institutional Framework

The role of Directorate for European Integration (DEI) is defined in accordance with the Article 23 of the Law on the Council of Ministers of BiH (Official Gazette of BiH, No. 38/2002, of December 18, 2002), as well as in accordance with the Article 18 of the Law on Ministries and Other Administration Bodies of BiH ("Official Journal of BiH" 5/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09 i 103/09). On the basis of these two laws, the Decision on the Directorate for European Integration (Official Gazette of BiH, No. 41/03) was also passed.

Among other things, DEI is competent for the following: co-ordination of activities on harmonisation of the BiH legal system with the EU accession standards (*Acquis*); verification of the coherence of all draft laws and regulations submitted to the BiH Council of Ministers; harmonisation of the activities of the authorities and institutions of BiH in the field of the EU integration; coordination of implementation of decisions passed by relevant authorities and institutions of BiH, Entities and of the Brčko District of BiH in regard to all activities necessary in the field of the EU integration.

Based on FBiH Government Decision from February 2012, the General Secretariat of FBiH will include EU integration department which will be responsible for overall horizontal and vertical coordination of all EU integration related matters. The role of EU integration department within the General secretariat is to support and monitor effective participation of all federal line ministries in all aspects of EU integration processes, as well as to establish and support effective participation and coordination of cantonal governments in this regard.

Line ministries - Board of EU Integration within respective ministries on FBiH level is chaired by the EU coordinator and comprise all representatives of the line ministry who take part in the work of joint working groups and committees set up for the purposes of EU integration (monitoring of the implementation of the Stabilisation and Association Agreement, IPA programming, etc). The chairman of a ministry-level Board of EU Integration reports to the EU integration department within the Secretariat for EU matters on all activities in the area of EU integration on a monthly basis.

Cantonal governments -All cantonal government have appointed a coordinator for EU matters. The process of defining coordination mechanisms between cantonal and federal level of governance will be launched shortly.

The role of the Ministry of Economic Relations and Regional Cooperation of RS is defined in accordance with the Article 31 of Law on Republic Administration. The Ministry of Economic Relations and Regional Cooperation of RS is within the RS responsible for coordination of EU integration related activities and, above all, for monitoring of implementation of the SAA through coordination and monitoring of actions of the representatives of the Republika Srpska in the joint bodies of BiH and EU based on the SAA, for coordination of harmonisation of legislation of the Republika Srpska with the regulations of the EU and for development of cooperation with the National Assembly of the Republic of Srpska in the legislative process concerning harmonisation of draft and proposal laws with the regulations of the European Union.

Competences of the Brcko District of BiH are determined by the Statute of BD providing that Brcko District of BiH is authorized to create its own legal framework. By the Supervisory Order Abolishing Entity Legislation within Brcko District and Declaring the Inter-Entity Boundary Line to Be of No Further Legal Significance within the District (dated August 4, 2006), the Entities laws have no legal effect on the territory of Brcko District of BiH.

The Division for European Integration of the Government of Brcko District is responsible for overall coordination between DEI at state level and sectoral government departments at Brcko District level. The Division coordinates with the Legislative Office at Brcko District level in terms of legislations harmonisation. The role of this Office is to provide technical assistance to the Government of Brcko District in the process of harmonisation of legislation.

ANNEX 3 Reference list of relevant laws and regulations only where relevant

Component I

State level

- Law on the Council of Ministers of BiH (Official Gazette of BiH, No. 38/2002, of December 18, 2002);
- Law on Ministries and Other Administration Bodies of BiH (“Official Gazette of BiH” 5/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09 i 103/09);
- Decision on the Directorate for European Integration (Official Gazette of BiH, No. 41/03);
- Decision on Implementation of Coordination in the Process of the BiH Accession to the EU” (Official Gazette of BiH, No. 44/03);
- Decision on Instruments of Harmonisation of Bosnia and Herzegovina Legislation with *Acquis* (“Official Gazette of BiH”, No. 23/11);
- Decision on the Establishment of Organisational Units for European Integration in Administrative Bodies of BiH (“Official Gazette of BiH”, No. 66/08);
- Decision on the Establishment of Working Groups for European Integration (“Official Gazette of BiH”, 47/09; 65/10);
- Decision on the establishment of Commission for EI within the Interim Committee (“Official Gazette of BiH”, 92/08; 25/12).
- Interim Agreement on Trade and Trade-Related Matters between European Community of the one part, and the Bosnia and Herzegovina, of the other part (“Official Gazette of BiH – International Agreements”, 5/08).

Entity level

Republika Srpska

- Law on Republic Administration (“Official Gazette of the Republika Srpska” No 118/08, 11/09, 74/10, 86/10 & 24/12);
- Decision on the harmonisation of RS legal system with the EU *Acquis* and legal acts of the Council of Europe (“Official Gazette of the Republika Srpska” No 46/11),
- Methodology of harmonisation of RS legal system with the EU *Acquis* (“Official Gazette of the Republika Srpska” No 46/11),
- Instruction for making the ToC with EU law (“Official Gazette of the Republika Srpska” No 68/11),
- Instruction for making the SoC with EU law (“Official Gazette of the Republika Srpska” No 68/11).

Federation BiH

Brčko District BiH

- Decision on the procedures in the process of harmonisation of the Brcko District of Bosnia and Herzegovina legislation with the *Acquis communautaire* (Official Gazette of the Brcko District of B&H, No. 25/09)

Key documents of relevance for EU accession of Bosnia and Herzegovina include:

- EU Integration Strategy of Bosnia and Herzegovina (2006)
- Interim Agreement on Trade and Trade-Related Matters between European Community and Bosnia and Herzegovina (Official Gazette of BiH – International Agreements, 5/08)
- Framework agreement between BiH and Commission of the European Communities on the rules for cooperation to implement EC financial assistance to BiH under the Instrument for Pre-Accession Assistance (IPA)
- IPA Multi-annual Indicative Planning Document (MIPD) 2011-2013
- Decision on the way of appointment, relieving, rights and obligations of IPA National Coordinator, of the Council of Ministers of BiH (Official Gazette of BiH, 92/8)
- Decision on the appointment of IPA National Coordinator, of the Council of Ministers of BiH (Official Gazette of BiH, 62/10)
- Decision on the establishment of the Senior Programme Officer function in the Ministries and other administrative bodies of Bosnia and Herzegovina, on the establishment of competencies and the necessary institutional support, of the Council of Ministers of BiH (Official Gazette of BiH, 05/09)
- Decision on the appointment of members of the IPA Coordination Board (Official Gazette of BiH, 92/8)
- Strategy for introduction of Decentralized Implementation System (DIS) for management of European Community assistance programmes in BiH (2008)
- Decision on the appointment of the *National Authorising Officer* (Official Gazette of BiH, 62/10)
- Decision on the appointment of *Competent Accrediting Officer* (Official Gazette of BiH, 44/12)

ANNEX 4 Details per EU funded contract

Due to the nature of the Facility it is not possible to detail elements of prospective individual contracts but multiple contracts (Service contracts, Twinning and Twinning Light, Framework contracts, Works contracts, Supply contracts) will be deployed over the lifetime of the Facility in accordance with the PRAG rules.

ANNEX 5 Project visibility activities

The Project visibility activities will be undertaken according to the specific project activities implemented, in line with the EU visibility and communication rules and requirements.