

ANNEX 1

Multi-annual Work Programme
This document constitutes the multi-annual work programme in the sense of
Article 110(2) of Regulation (EU, Euratom) 2018/1046

Cross-border cooperation Action Programme Bosnia and Herzegovina and Montenegro for the years 2018-2020

1 IDENTIFICATION

Beneficiaries	<i>Bosnia and Herzegovina and Montenegro</i>
Basic act: CRIS/ABAC Commitment references Union Contribution Budget line Total cost	Instrument for Pre-accession Assistance (IPA-II) 2018/041-460 EUR 1 200 000.00 - 22.020401 2019/041-462 EUR 1 200 000.00 - 22.020401 2020/041-463 EUR 1 080 000.00 - 22.020401 EUR 3 480 000.00
Method of implementation Responsible Structures	Direct management by the European Commission For Bosnia and Herzegovina: Directorate for European Integration For Montenegro: the Office for European Integration
Final date for concluding <u>Financing Agreement(s) with the IPA II beneficiary countries (tripartite)</u>	For the budgetary commitment of year 2018 at the latest by 31 December 2019 For the budgetary commitment of year 2019 at the latest by 31 December 2020 For the budgetary commitment of year 2020 at the latest by 31 December 2021
Final date for concluding <u>procurement and grant contracts</u>	3 years following the date of conclusion of the Financing Agreement (signature of the last party)
Indicative operational implementation period	6 years following the date of conclusion of the Financing Agreement (signature of the last party)
Final date for implementing the Financing Agreement (date by which this programme should be de-committed and closed) after the acceptance of the accounts	12 years following the conclusion of the Financing Agreement (signature of the last party)

2 DESCRIPTION OF THE ACTION PROGRAMME

2.1 OVERVIEW OF THE 2014-2020 CROSS-BORDER COOPERATION PROGRAMME AND THE 2018-2020 CBC ACTION PROGRAMME

The 2014-2020 cross-border cooperation (CBC) action programme between Bosnia and Herzegovina and Montenegro was approved by Commission Implementing Decision C(2014)9351 of 10 December 2014. The adopted 2014-2020 programme constitutes the CBC cooperation strategy for the border region, setting out among others the list of geographical eligible areas, the area context, the programme thematic priorities and the indicative budget allocations for the seven year period.

The 2014-2020 CBC programme between Bosnia and Herzegovina and Montenegro also serves as a reference for the adoption of the CBC action programmes. The 2018-2020 CBC action programme aims at providing assistance for cross-border cooperation in the thematic areas spelled out in the 2014-2020 programme between Bosnia Herzegovina and Montenegro (as indicated in section 2.2).

On 6 February 2018, the European Commission adopted a Communication on "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans¹". This Communication aims to generate renewed reform momentum in the Western Balkans and provide significantly enhanced EU engagement to better support their preparations on the European path. The Communication sets the new strategic orientations, in particular as regards the implementation of the six flagship initiatives (i.e. strengthening support to the rule of law; reinforcing engagement on security and on migration; supporting socio-economic development; increasing connectivity; a Digital Agenda for the Western Balkans and supporting reconciliation and good neighbourly relations).

In particular, cross-border cooperation is a key vehicle for fostering reconciliation and dealing with the legacy of the past in the Western Balkans, in line with flagship 6 (supporting reconciliation and good neighbourly relations) and for sustainable local development, in line with flagship 3 (supporting socio-economic development).

List of geographical eligible areas

The following 56 municipalities in Bosnia and Herzegovina and 14 municipalities in Montenegro are eligible under this programme:

Bosnia and Herzegovina: Jablanica, Konjic, Trnovo, Trnovo RS, Pale, Pale Prača, Novo Goražde, Goražde, Čajniče, Foča Ustikolina, Kalinovik, Rudo, Višegrad, Rogatica, Foča, Gacko, Nevesinje, Mostar, Hadžici, Ist. Ilidža, Ilidža, Široki Brijeg, Ljubuški, Čapljina, Čitluk, Stolac, Berkovići, Bileća, Ljubinje, Neum, Ravno, Istočni Mostar, Trebinje, Prozor/Rama, Kupres, Kupres (RS), Tomislavgrad, Posušje, Grude, Livno, Sokolac, Istočno Novo Sarajevo, Sarajevo Novi Grad, Vogošća, Sarajevo Stari Grad, Sarajevo Istočni Stari Grad, Ilijaš, Vareš, Breza, Visoko, Kiseljak, Fojnica, Kreševo, Centar Sarajevo, Novo Sarajevo, Olovo.

Montenegro: Pljevlja, Plužine, Žabljak, Šavnik, Nikšić, Herceg Novi, Kotor, Tivat, Bijelo Polje, Mojkovac, Kolašin, Berane, Petnjica, Danilovgrad.

¹ COM (2018) 65 final, 6.2.2018

Cross-border cooperation (CBC) eligible area context

The situation analysis of this area which was conducted for the preparation of this programme pointed out the following key challenges and opportunities to be addressed and supported through cross-border cooperation. In particular the action programme envisages addressing the following issues:

Lack of employment opportunities

Lack of employment opportunities is one of the major threats in the programme area. It does affect the standard of living of the majority of the population and is a crucial cause of migration flows. Short-term improvement of this situation is unlikely and negative impacts might even worsen especially for vulnerable groups and rural population.

Rich natural resources threatened by pollution and natural disasters

While rich in natural resources, the programme area is also considered vulnerable and exposed to several risks ranging from pollution to natural disasters. Due to the region's high vulnerability to climate change, risk of flooding and forest fires have increased in the last decade. The climate change will also put an additional stress on hydropower production, and adaptation measures will have to take this into consideration. The programme territory's potential for renewable energy sources, especially in sustainable biomass, has not been tapped in.

Tourism can contribute to economic development

Adequate use and promotion of natural resources and cultural heritage can contribute to opening the area to sustainable tourism as a way for economic growth.

Overview of past and on-going CBC experience including lessons learned

Key recommendations from interim evaluations and audits on the 2007-2013 CBC programmes have been taken on board in the development of this programme. Thus, the 2014-2020 CBC programmes are more focused as regards the number of thematic priorities addressed, which will help to achieve better results and increased impact. Additionally the implementation of the CBC programmes has been simplified mainly by having a single contracting authority and a single financial envelope per programme.

Key lessons learnt were also identified by the final evaluation of IPA CBC Programmes 2007-2013 that was carried out between 2016 and 2017. The lessons learnt and the recommendations were discussed with the CBC stakeholders in the Western Balkans and follow-up measures were identified for the short and medium term, both for the on-going 2014-2020 CBC programmes and for the future 2021-2027 CBC programmes. The main recommendations regarding all CBC programmes at intra-Western Balkans level include:

- The main objective of promoting good neighbourly relations should be clearly reflected in the CBC projects.
- The calls for proposal should be more focused on a few priority issues that have high cross-border content.
- The intervention logic of programmes and the reporting and monitoring systems must be improved as they are not structured to set out a clear basis for measuring the results at regional level.
- There is a need for keeping on capacity building activities for Operating Structures and Joint Technical Secretariats/Antennas.

- There is a need for improving synergies with other policies and donors, capitalising and sharing experiences with the other CBC environments (CBC programmes with Member States, and European Neighbourhood Instrument CBC programmes).

As far as this programme is concerned, close cooperation between the two beneficiaries during every step of the implementation of the programme has been essential and will need to be ensured also in the future.

Experience has shown that potential applicants need support to identify possible project partners on the other side of the border and in the development of high-quality proposals. This support will be continued to be provided.

Moreover the Programme should build on the precise features and actions defined by both beneficiaries, Bosnia and Herzegovina and Montenegro, in the framework of the EU Adriatic and Ionian macro-regional Strategy on the EU Strategy for the Adriatic and Ionian Region², as well as, the EU Strategy for Danube macro-regional Strategy on the EU Strategy for the Danube Region³. The 2014-2020 CBC programme Bosnia and Herzegovina - Montenegro includes references to both macro-regional strategies and the requirement for synergies with the strategies was included in the first Call for Proposals of the Programme. Anyhow, as applicants rarely referred to the synergies between their project proposals and the macro-regional strategies, the IPA beneficiaries have decided to focus on that during next capacity building events for potential applicants in 2018.

The thematic priorities are further focused in Calls for Proposals, launched only for few specific objectives of the Programme at the time and in coordination with other IPA CBC bilateral programmes in the partner beneficiary.

2.2 DESCRIPTION AND IMPLEMENTATION OF THE ACTIONS

Action 1	Cross-Border Cooperation Operations	EUR 3 480 000.00
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The envisaged assistance to Bosnia Herzegovina and Montenegro is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU⁴.

(1) Description of the action, objective, expected results

Description of the action: Cross-border cooperation operations in the border region in the fields of employment, labour mobility and social and cultural inclusion; environment, climate change adaptation and mitigation, risk prevention and management; tourism and cultural and natural heritage.

Objective: Socioeconomic development and strengthening of the neighbourly relations in the cross border area through the implementation of cross-border cooperation operations aiming at:

(1) promoting employment, labour mobility and social and cultural inclusion across borders through, inter alia: integrating cross-border labour markets, including cross-border mobility;

² COM(2014) 357

³ COM(2010) 715

⁴ https://eeas.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en

joint local employment initiatives; information and advisory services and joint training; gender equality; equal opportunities; integration of immigrants' communities and vulnerable groups; investment in public employment services; and supporting investment in public health and social services;

(2) protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management through, inter alia: joint actions for environmental protection; promoting sustainable use of natural resources, resource efficiency, renewable energy sources and the shift towards a safe and sustainable low-carbon economy; promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems and emergency preparedness;

(3) encouraging tourism and cultural and natural heritage;

Where applicable, the actions related to the aforementioned objectives as developed in the Action Plan of the Adriatic and Ionian macro-regional strategy and the EU Strategy for the Danube Region where both countries participate shall be taken into account.

Expected results:

Related to objective 1):

- Advisory support to and skills of the employment seeking population in the cross border area are advanced.
- Opportunities for creation of new jobs for vulnerable groups and their employability are increased.

Related to objective 2):

- The capacity to enforce environmental and energy efficiency standards at local level for water supply, solid waste and wastewater management is strengthened.
- Public awareness of the merits of complying with EU water supply, solid waste and wastewater management, and environment protection practices is increased.
- The capacity of environmental emergency prevention and mitigation services to deal with natural disasters is strengthened.

Related to objective 3):

- The number of tourists in rural and natural protected areas is increased.
- The image and tourist attractiveness of the cross-border region as a multi-ethnic and culturally diverse European destination is improved.

The 2018-2020 CBC Action Programme will contribute to the achievement of the overall objectives and expected results as defined in the 2014-2020 CBC programme. For further details see section 3.2 of the 2014-2020 CBC programme (Annex 2 of the Commission Implementing Decision C(2014)9351 of 10 December 2014).

(2) Assumptions and conditions

As a necessary condition for the effective management of the programme, the participating countries shall establish a Joint Monitoring Committee and provide proper and functioning offices and staff for the Joint Technical Secretariat (to be set up under a separate Financing Decision) and the antenna, in case the latter will be set up.

So far, the beneficiaries have complied with this condition by ensuring the smooth run of the Joint Technical Secretariat in Sarajevo (Bosnia and Herzegovina) and the Antenna Office in Nikšić (Montenegro). These structures are fully financed by the Support Measure for Technical Assistance for cross-border cooperation programmes between IPA II beneficiaries under the Instrument for pre-accession assistance (IPA II) for the year 2014 C(2014) 37629. This Support Measure, in the case of the CBC programme 2014-2020 Bosnia and Herzegovina -Montenegro has been implemented under direct management by the Delegation of the European Union to Bosnia Herzegovina who signed a direct service contract with the Department of European Integration of Bosnia and Herzegovina. This service contract will expire on 31 December 2019.

Further financial support has been programmed by the European Commission for keeping on providing support to the Joint Technical Secretariat and the Antenna Office from 2019 onwards. Therefore new arrangements will be established with the beneficiaries who have to ensure that the conditions under this paragraph are furtherly respected.

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.

The responsible structures may decide to merge the 2019 allocation with subsequent budget allocations.

(3) Direct management

Grant – Call for proposal: EUR 3 480 000.00

a) The essential eligibility criteria

The eligible activities are set out in section 3.2 of the 2014-2020 CBC programme, Annex 2 of Commission Implementing Decision C(2014)9351 of 10.12.2014. The following list is a summary indicating the main eligible actions/operations:

- training and capacity building,
- exchange of experiences and best practices among stakeholders,
- information exchange,
- organisation of promotional events and communication and publicity campaigns,
- organisation of joint events, symposiums and workshops,
- procurement of equipment,
- small infrastructure works,
- restoration and preservation of historical and cultural sites.

In the context of the implementation of the programme preference may be given to the actions related to the macro-regional strategies where both countries participate.

The beneficiaries shall be legal entities and be established in an IPA II beneficiary participating in the CBC programme.

Potential beneficiaries could be: local authorities, legal entities managed by local authorities, associations of municipalities, development agencies, local business support organisations, economic factors such as SMEs, tourism and cultural organisations, non-governmental organisations (NGOs), public and private bodies supporting the workforce, vocational and

technical training institutions, bodies and organisation for nature protection, public bodies responsible for water management, fire/emergency services, schools, colleges, universities and research canterers including vocations and technical training institutions.

- b) The essential selection criteria are financial and operational capacity of the applicant.
- c) The essential award criteria are relevance, effectiveness and feasibility, sustainability and cost-effectiveness of the action.
- d) Maximum rate of EU co-financing for grants under the calls is 85% of the eligible cost of the action.
- e) Indicative amount of the calls: EUR 3 480 000.00

The responsible structures may decide to publish more than one call for proposals. Every call for proposals will have the same objectives, results, essential eligibility, selection and award criteria as described above. Each grant contract will be funded from one budgetary commitment.

The responsible structures may decide to merge the 2019 allocation with subsequent budget allocations.

The responsible structures may decide to launch a call for proposals which will include the 2018 and /or the 2019 and /or the 2019 allocation. They may also decide to launch a call which will include prior or subsequent budget allocations.

- f) Indicative date for launch of the call(s) for proposals: Q4 of 2018 for the budgetary commitment 2018 and Q2 of 2020 for the budgetary commitments 2019 and 2020.

3. BUDGET

2018				2019				2020				Total Financing Decision
	Union contribution*	Grant beneficiary/ies Co-financing**	Total expenditure		Union contribution	Grant beneficiary/ies Co-financing	Total expenditure		Union contribution	Grant beneficiary/ies Co-financing	Total expenditure	
CBC operations	1 200 000.00	211 764.00	1 411 764.00	CBC operations	1 200 000.00	211 764.00	1 411 764.00	CBC operations	1 080 000.00	190 588.00	1 270 588.00	3 480 000.00
in %	85	15	100		85	15	100		85	15	100	
TOTALS 2018	1 200 000.00	211 764.00	1 411 764.00	TOTALS 2019	1 200 000.00	211 764.00	1 411 764.00	TOTALS 2020	1 080 000.00	190 588.00	1 270 588.00	3 480 000.00

* The Union co-financing has been calculated in relation to the eligible expenditure, which is based on the total eligible expenditure including public and private expenditure. The Union co-financing rate at the level of each thematic priority shall not be less than 20% and not higher than 85% of the eligible expenditure.

**The co-financing of the thematic priorities will be provided by the grant beneficiaries. Grant beneficiaries should contribute with a minimum of 15% of the total eligible cost of the project.

4 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 Indicative Strategy Paper.

The National IPA Co-ordinators (NIPACs) will collect information on the performance of the actions and programmes (process, output and outcome indicators) and coordinate the collection and production of indicators coming from national sources.

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 the Commission 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, supported by the Joint Monitoring Committee, which will ensure a monitoring process at programme level.