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COMMISSION DECISION

of

on a Multi-annual Indicative Planning Document (MIPD) 2008-2010 for Bosnia and Herzegovina

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)¹, and in particular Article 14 (2) (a) thereof,

Whereas:

- (1) Regulation (EC) No 1085/2006 creates a coherent framework for Community assistance for candidate countries and potential candidate countries. Article 6 (1) of that Regulation requires that the assistance shall be provided on the basis of Multi-annual Indicative Planning Documents established by country in close consultation with the national authorities. The Commission adopted on 24 May 2007 the MIDP 2007–2009 for Bosnia and Herzegovina².
- (2) In accordance with Article 6 (3) of Regulation (EC) No 1085/2006 assistance for countries listed in Annex II to that Regulation shall be based on the European Partnerships and cover the priorities and overall strategy resulting from a regular analysis of the situation in the country on which preparation for further integration into the European Union must concentrate.
- (3) Bosnia and Herzegovina is listed in Annex II to Regulation (EC) No 1085/2006.
- (4) The Council adopted on 18 February 2008 the European Partnership with Bosnia and Herzegovina³.
- (5) This Decision is in accordance with the opinion of the IPA Committee set up under Article 14 of Regulation (EC) No 1085/2006,

¹ OJ L 210, 31.7.2006, p. 82

² C(2007)2255 of 24 May 2007

³ Council Decision 2008/211/EC of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina (OJ L80/18, 19.3.2008)

HAS DECIDED AS FOLLOWS:

Sole Article

The Multi-annual Indicative Planning Document (MIPD) for the years 2008-2010 for Bosnia and Herzegovina attached to the present Decision is hereby adopted.

Done at Brussels,

For the Commission

Member of the Commission



Instrument for Pre-accession Assistance (IPA)

Bosnia and Herzegovina

**Multi-Annual Indicative Planning Document (MIPD)
2008 – 2010**

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1. EXECUTIVE SUMMARY

The Stabilisation and Association Agreement (SAA) with BiH was initialled in December 2007 following progress in the four key areas⁴. After the adoption of the two police laws⁵ in April 2008, the SAA was signed in June 2008 together with an Interim Agreement which focuses on trade and other Community-related competencies. The Interim Agreement entered into force on 1 July 2008.

However since the preparation of the precedent strategy paper (MIPD 2007 – 2009), Bosnia and Herzegovina has made only limited progress in implementing the remaining reforms required by the Stabilisation and Association Process (SAP). It is a continuing and considerable challenge for Bosnia and Herzegovina to comply with the political requirements of the SAP by increasing the effectiveness of the executive and legislative bodies, improving the co-ordination between State and Entities and to agree on the reform of its police structure. IPA can assist in the strengthening of administrative capacity, can support domestic efforts on constitutional reform, and can assist in the reform of the police and the judicial system. Substantial political risks relate to this core reform areas and resistance of key political stakeholders may impede the success of the reforms. The Commission will consider those risks in the programming of its assistance.

To complete the support to the political criteria, this MIPD places further emphasis on the civil society dialogue and the development of independent and professional media. IPA can assist in the fight against corruption and supports Bosnia and Herzegovina to meet its obligation towards returnees, minorities and vulnerable groups.

Several economic indicators raise concerns, among which the high unemployment rates and external imbalances. In addition, slippages in public spending create obstacles to social and economic recovery. To assist the country to comply with the economic criteria of the SAP, IPA can support stabilising the macro-economic environment and reducing and improving the quality of public spending to create a favourable business climate. In addition, the reform of the education system and of the labour market shall contribute to foster employment. Further sectors supported under the economic requirements are trade, health, SME and regional development.

Bosnia and Herzegovina made so far only limited progress in the approximation of its legislation and policies with the *acquis*. To assist the country to comply with the *acquis* related requirements of the SAP, IPA can support the development and the implementation of strategies and policies to approximate to the European *acquis* in the areas of internal market, sectoral policies and justice, freedom and security. The emphasis of the assistance is placed on agriculture and rural development, transport and energy. Examples of further supported sectors are environment, quality infrastructure, customs and taxation.

⁴ 1) implementation of police reform in compliance with the October 2005 agreement on police restructuring; 2) full co-operation with the ICTY; 3) adoption and implementation of all necessary public broadcasting legislation; and 4) developing the legislative framework and administrative capacity to allow for proper implementation of the SAA.

⁵ Law on Independent and Supervisory Bodies of the Police Structure of BiH and Law on Directorate for Coordination of Police Bodies and Agencies for Support of Police Structure of BiH

The focus of the assistance in the Cross-Border Cooperation component is on the support of Bosnia and Herzegovina's participation in the cooperation with its neighbouring countries Croatia, Montenegro and Serbia and on its participation in the Adriatic IPA cross-border programme with EU Member States and in the ERDF transnational programmes "South East Europe" and "Mediterranean".

As a potential candidate country, Bosnia and Herzegovina benefits from the first two components of IPA; component I for Transition Assistance and Institution Building and component II for Cross-Border Cooperation. The indicative allocation to Bosnia and Herzegovina under the Multi-annual Indicative Financial Framework (MIFF) for 2008-2010 amounts to EUR 269.9 million. Within component I, 30 – 40 % is indicatively allocated to assist the country to comply with the political criteria, 25 – 30 % to the economic criteria, 35 – 45 % to the *acquis* related requirements. The strategy of the pre-accession assistance is in line with the recommendations of the Enlargement Strategy and Progress Report, the European Partnership priorities and will address the requirements of the SAA.

2. SECTION 1 – ASSESSMENT OF PAST AND ONGOING ASSISTANCE

2.1. Introduction

IPA assistance in the period 2008 – 2010 will build on assistance programmed under IPA in 2007, the CARDS programme (2001 – 2006) and the PHARE and OBNOVA programmes (1995 – 2000), as well as the lessons learnt from programming and implementing programmes under the MIPD 2007 – 2009, as they become available. In particular, IPA will make use of the institutions, the strategies, and the existing pipeline of projects which have been developed and supported under preceding programmes.

The Commission implements IPA in Bosnia and Herzegovina through its Delegation as a centralised managed programme. The Government designated a National IPA Coordinator, who acts as the representative of Bosnia and Herzegovina vis-à-vis the Commission. He is supported by the Directorate for European Integration (DEI). The European Commission and Bosnia and Herzegovina have set up a Programming Management Committee and a Project Programming Committee, both composed of representatives of DEI and the Delegation to ensure that the programming of Community assistance is adequately co-ordinated.

The revised MIPD takes into account the recommendations of the 2007 Progress Report and is consistent with the 2008 European Partnership and the Enlargement Strategy.

2.2. Overview of past and ongoing assistance (EU and other assistance) including lessons learned

2.2.1. Overview of EU past and on going assistance

Since the end of the war in 1995, Community assistance to Bosnia and Herzegovina has totalled almost EUR 2.5 billion. Between 1995 and 2001 the Community provided more than EUR 540 million for humanitarian assistance. The PHARE, OBNOVA and CARDS programmes provided more than EUR 1 billion to Bosnia and Herzegovina, of which EUR 503 million had been provided by the CARDS programme in the years 2001 to 2006. IPA provided EUR 62 million in 2007.

While the first years of OBNOVA and CARDS focused on the restoration of the infrastructure and the return of refugees and internally displaced persons, the emphasis since 2003 shifted to institution building and to assistance to Bosnia and Herzegovina to comply with the priorities of the European Partnership. The priorities of CARDS in the years 2005 and 2006 were democratic stabilisation, good governance and institution building, including administrative capacities and justice and home affairs, and economic and social development, including environment and the participation of Bosnia and Herzegovina in Community Programmes. In 2007, IPA addresses in its national programme and its multi-beneficiary programme the political and economic requirements in the framework of the Stabilisation and Association Process, the approximation to European Standards, mainly to support Bosnia and Herzegovina to establish regulatory systems and to prepare for IPA pre-structural funds, and supports the participation in cross-border cooperation programmes with neighbouring countries and EU Member States.

The Tempus programme has provided considerable support to the modernisation and the reform of the higher education system in Bosnia and Herzegovina. Since 1997, Tempus has funded almost 90 cooperation projects with EU higher education institutions in the areas of curriculum development, university management and structural reform. The programme has been highly effective in developing human resources and building capacity in public administration bodies, civil society, and industry. It has also generally led to greater cooperation, not just through Tempus, but more importantly, at the national level.

Bosnia and Herzegovina benefits from the regional CARDS programme (now the IPA multi-beneficiary programme), which supports measures of common interest in the Western Balkans, such as infrastructure development, institution building and cross-border cooperation. The budget for the regional CARDS programmes for the period 2002 to 2006 amounts to EUR 280 million, for IPA in 2007 EUR 100.7 million. In addition the regional programme supported areas of key importance for the European integration, such as tax and customs, statistics, public administration (SIGMA) and horizontal support via TAIEX. Amongst others, important achievements of the regional programme are regional prosecutor cooperation and mutual legal assistance between the courts, improved police cooperation, integrated border management and cooperation in migration issues.

Community funds were provided to support the EU Police Mission (EUPM) with EUR 110 million, and the Office of the High Representative (OHR) and the EU Special Representative (EUSR) with EUR 127 million. Bosnia and Herzegovina remains a focus country for the European Instrument for Democracy and Human Rights. Support for de-mining was provided under the Anti-Land Mines Action Programme.

Bosnia and Herzegovina benefited from the LIFE Third Country environmental programme with a focus on integrating environmental activities. LIFE projects promoted successfully capacity building of environmental institutions such as waterworks association and the development of environmental tools and technologies including cleaner production techniques, control of diffuse sources of pollution, and action plans for wetlands.

Bosnia and Herzegovina benefited from 2002 to 2006 from EUR 60 million of EU macro-financial assistance (MFA), composed of a EUR 20 million loan component and a EUR 40million grant element. The MFA successfully contributed to macro-economic stability, by easing the country's external financial constraints and improving the foreign reserves position. The MFA conditionality which covered areas like public finance and administration reform,

financial sector reform, private sector development and the business environment had a positive impact on the growth potential of the economy.

EC assistance was extremely successful in the reconstruction of infrastructure after the war and in the support to the return of refugees and displaced persons. Bosnia and Herzegovina benefited from integrated reconstruction programmes involving buildings, houses, water and energy and transport networks. For returnees, more than 40.000 houses have been rebuilt, hand in hand with the rebuilding of health centres, schools and the revival of small businesses. The social and economic reintegration of returnees requires further support.

Further success stories of CARDS are the establishment of the Indirect Taxation Authority (ITA) and the introduction of the indirect taxation. The European Commission has substantially invested in the reform process of the judiciary. A remarkable result of these efforts is the High Judicial and Prosecutorial Council which became operational in 2004. Despite the political standstill in the structural reform of the police forces, the Commission has successfully supported professional training of the police forces and has invested in the improvement of technical standards.

Despite the efforts of EC assistance to support key reform priorities, progress has been rather limited in terms of state building, governance and rule of law implementation, as well as in the approximation to European Standards. The complex constitutional set-up, insufficient political support and an overall weak administrative capacity have not been supportive to reform implementation.

Overview of EU past and on going assistance

Phare/Obnova	778 M€
Humanitarian assistance	540 M€
CARDS	503 M€
Regional CARDS	280 M€
EUPM	110 M€
OHR/EUSR	127 M€
Macro-financial assistance	60 M€
IPA 2007	62 M€
Total	2460 M€

2.2.2. Overview of relevant IFI, multilateral and bilateral past and ongoing assistance

To increase effectiveness and efficiency in the delivery of assistance through donor coordination, the Commission and the Member States shall ensure coordination of their respective assistance programmes. This coordination is extended also to International Financing Institutions (IFI) and other non EU–donors.

Donor coordination in Bosnia and Herzegovina has significantly increased through the set up of a Donor Coordination Forum (with rotating chairmanship), which comprises the EC Delegation, the EBRD, the IMF, UNDP/UNRC and the World Bank, as well as the major bilateral donors. The EC Delegation provides to the forum and the EU Member States regular updates on the IPA programming process. All participants contributed to a donor mapping study that enhances the coordination of financial support. The EC Delegation, with the support of DfID and the Embassy of the Netherlands cooperates with the Directorate of European Integration, the Directorate for Economic Policies and the Ministry of Finance and Treasury in the set up of an Aid Coordination Committee.

At central level, coordination meetings with IFIs as well as with EU and non–EU donors are organised on a regular basis. They focus primarily on strategic orientations and regional dimension of IPA planning and programming. Additionally, the coordination between the Commission and Member States takes place on a regular basis in the context of the IPA Committee.

While the World Bank has focused on structural reforms, the EC is the main actor in institution building at State level. Bilateral assistance primarily focuses on support to sector policies at local or municipal level. Close coordination is also maintained with the WB, EBRD, EIB and KfW in the field of transport and environmental infrastructure, where the EC finances designs, studies, works and technical assistance in order that the conditions for investment by the IFIs are met. In addition, EC and IFIs cooperate in the new Infrastructure Projects Facility.

Beside the EC assistance, numerous other donors assist Bosnia and Herzegovina. Support to the public administration reform is mainly provided by Sweden, the Netherlands, United Kingdom, OSCE, UNDP, World Bank and the USA. A special co-operation form is the Public Administration Reform (PAR) Fund to which UK, Sweden and the Netherlands contribute. The EC contributes by providing umbrella assistance to the PAR Coordinator's Office.

In the police and security sector, assistance is provided by France, Germany, UK, Spain, EUPM, OSCE, and the USA. The justice sector is supported by the USA, Canada, Germany, UK, Sweden, Norway, Spain, the Netherlands, France, and Austria.

Civil society and media are supported by Sweden, UK, and the USA. Austria, Germany, Ireland, Slovenia, Spain, Sweden, the Netherlands, United Kingdom, UNDP, UNHCR, World Bank, Canada, Japan, Norway, Switzerland, and the USA contribute to the protection of Human rights and minorities.

Economic development is supported by Austria, France, Germany, Italy, Sweden, the Netherlands, United Kingdom, EBRD, EIB, World Bank, Switzerland, and USAID. As regards education, employment and health, main contributors are Austria, Denmark, Finland, France, United Kingdom, Council of Europe, WHO, World Bank, Canada, Switzerland, and USAID.

Germany, Italy, Spain, Sweden, United Kingdom, EBRD, EIB, World Bank, Canada, Japan, Norway Switzerland and USAID support the approximation to European Standards (including food safety, energy, agriculture and environment).

The above described coordination mechanisms ensure that EU assistance and the assistance of other donors produce synergies and are as much as possible complementary.

2.2.3. *Lessons learned*

Experience with previous CARDS assistance as well as the recommendations of the evaluation of the CARDS Assistance to Western Balkan countries in 2004 leads to the following considerations:

Increasing local ownership and gradual decentralisation of EC assistance to Bosnia and Herzegovina is essential for effective targeting of the support and achieving the agreed results. Significant efforts have been undertaken to involve Bosnia and Herzegovina's institutions in the planning and programming process of EC assistance. The DEI benefits from substantial institution and capacity building support. The introduction of the function of Senior Programme Officers in the ministries and agencies and the prominent role of the DEI in the programming process of CARDS 2006 and IPA 2007 are first steps in transferring the responsibilities to the Government of Bosnia and Herzegovina.

A number of assistance projects in Bosnia and Herzegovina did not achieve the expected results because of insufficient sense of ownership on the side of the beneficiaries. The lesson learned is that EC assistance must not only reflect European Partnership priorities but, in the broader sense of the Paris Declaration, must also be interlocked with Bosnia and Herzegovina's development and action plans e.g. the Bosnia and Herzegovina Public Administration Reform Action Plan, The Mid-term Development Strategy (MTDS), and the EU Integration Strategy. Therefore future EC assistance will promote ownership by ensuring

that projects are in line with Bosnia and Herzegovina's own reform strategies and by enhanced participation of future beneficiaries in the programming process. This will be supported by the demand for gradually increased co-financing of EC assistance.

The interim evaluation (Phare 1999 – 2002) and the ex-post evaluation (Phare 1999 – 2001) of EU pre-accession assistance have highlighted a number of lessons that may be drawn for future assistance. Especially the recommendations of the latter on better balancing the three Copenhagen criteria and support a broader, multi-pronged approach to address political criteria, in particular to public administration reform, have led to a stronger focus of the MIPD on the political criteria.

A recent audit by the European Court of Auditors on the EC judicial sector support noted shortcomings on the side of the beneficiaries to ensure the maintenance of buildings, infrastructure and equipment financed by the EC. Future investments of the EC will be conditional on increased efforts of Bosnia and Herzegovina to ensure the follow-up maintenance.

In the course of programming the IPA National Programme 2007, the Commission and the beneficiaries identified a number of proposed projects which carried political risks of various intensities, i.e. most of the projects to implement the European Partnership require reforms which are not necessarily endorsed by all competent authorities in Bosnia and Herzegovina. During the programming, the Commission and the beneficiaries minimised the risks by pre-selecting projects where the following conditions were met to the extent required for implementing the project:

- Existence of a political agreement
- Appropriate legal/regulatory framework in place
- Sufficiently equipped institutions exist

The Commission will further develop the risk assessment methodology for the programming of future annual national programmes.

3. SECTION 2 – PRE-ACCESSION ASSISTANCE STRATEGY FOR THE PERIOD 2008-2010

3.1. Introduction

Bosnia and Herzegovina's authorities were formally consulted through the Directorate for European Integration and provided their comments to the MIPD.

The views of civil society actors in Bosnia and Herzegovina were taken into account through consultation on the priorities and the scope of the present MIPD. The Commission met with representatives of the different civil society networks and received positive feedback on the draft planning document.

The Commission met in Sarajevo with representatives of the EU Member States, the Office of the High Representative/European Union Special Representative (OHR/EUSR), United Nations Development Programme (UNDP), the World Bank (WB), the European Bank for Reconstruction and Development (EBRD), and bilateral donors to discuss the strategic orientation of the planning document and to get feedback on their assistance programmes in

Bosnia and Herzegovina. Their suggestions and proposals are duly considered. Co-ordination of assistance to Bosnia and Herzegovina is continuous between the European Commission and the World Bank through the joint EC/WB office in Brussels.

In addition, the Commission organised in December 2007 in Brussels donor coordination meetings with IFIs, Member States and other bi-lateral donors to ensure enhanced cooperation and coordination of the assistance to the Western Balkans.

The Council of Ministers of Bosnia and Herzegovina is considering a revised Strategy for the Implementation of the Decentralised Implementation System (DIS). A DIS working group meets regularly and reviews the training plans for the National Fund and the Central Financial and Contracting Unit (CFCU). The first round of recruitment for the National Fund and the CFCU is completed and training is ongoing. The remaining positions are advertised. A National Authorising Officer (NAO) and the head of the National Fund have been appointed. The DEI aims for accreditation of the structures by February 2009.

3.2. Strategic objectives and choices for IPA assistance over the period 2008-2010

3.2.1. Strategic objectives for IPA assistance over the period 2008-2010

The objectives of EU assistance to Bosnia and Herzegovina result from the needs assessment described in general in this section. They are in line with the Enlargement Strategy, the findings of the 2007 Progress Report and the recommendations of the European Partnership. They take into account Bosnia and Herzegovina's own sectoral reform and development strategies, as well as the country's Mid-Term Development Strategy (MTDS) and the EU Integration Strategy. The main strategic objective of the pre-accession assistance to Bosnia and Herzegovina is to support the country in the transition from a potential candidate country to a candidate country and through to membership of the European Union. IPA will support Bosnia and Herzegovina to meet the criteria to prepare for membership.

IPA will continue to support Bosnia and Herzegovina's efforts mapping out and implementing its overall reform and development strategies as far as these strategies help achieving the requirements of the EU integration.

Since the preparation of the precedent strategy paper (MIPD 2007 – 2009), Bosnia and Herzegovina has made only limited progress in implementing the reforms required by the Stabilisation and Association process (Sap). The IPA Annual National Programme 2007 has been adopted by the European Commission in December 2007 and the start of the implementation of the NP 2007 is expected mid 2008. With no real progress on the reform agenda and with no feedback and lessons learned from the 2007 - 2009 strategy paper, the needs assessment [which is based on a comparison of the actual progress in reform areas as described in the 2007 progress report and the progress expected in the framework of the Sap] did not lead to a change of the priorities identified in the precedent document.

In line with the new Enlargement Strategy, the share of assistance to support institution building, better governance and civil society will be increased. As the overall financial envelope will also be larger, the allocation will also increase in absolute terms.

The following key reform areas have been selected on the basis of their relative importance for Bosnia and Herzegovina to fulfil the requirements of the Sap and in consideration of the comparative advantage of the EC in certain areas, i.e. *acquis* related matters.

These priorities have been outlined in the three key areas political criteria, economic criteria, the ability to assume the obligations of Membership as well as in the requirement of Bosnia and Herzegovina's participation in Cross-Border Co-operation.

The continuing challenge for Bosnia and Herzegovina is to increase the effectiveness of the executive and legislative bodies and to strengthen institutions and the co-ordination between State and Entities.

Several economic indicators raise concerns, among which the high unemployment rates and external imbalances. In addition, slippages in public spending create obstacles to social and economic recovery. Public finances are overstrained. The challenges for Bosnia and Herzegovina are to stabilise the macro-economic environment, to reduce public spending and to improve its quality (i.e. to ensure that preference is given to public spending that stimulates economic growth), to create a favourable business climate, to reform the education system, to adopt active labour market measures and to reduce structural rigidities which distort the function of the labour market to combat unemployment. Within Bosnia and Herzegovina obstacles continue to make it difficult for businesses and employees to move from one Entity to another. Diverse regulatory and administrative provisions, including in the current pension and health systems do not ensure portability of rights, and in some occasions hinder the mobility of labour and goods/services.

As a potential candidate country, Bosnia and Herzegovina has to approximate gradually its legislation and policies with the *acquis* and has to develop the relevant administrative capacity. Progress so far is limited.

Based on the above needs assessment the following conclusions have been drawn:

Community assistance will support Bosnia and Herzegovina to comply with the *political criteria* of the EP. Priority will be given to assistance with the aim at strengthening administrative capacity and to support domestic efforts on constitutional reform, ensuring that Bosnia and Herzegovina becomes a more democratic, sustainable and functional state. A second priority will be the support of Bosnia and Herzegovina's civil society and the civil society dialogue.

Community assistance will support Bosnia and Herzegovina to comply with the *economic criteria* of the EP. Priority will be given to assistance with the aim at creating employment.

Community assistance will support Bosnia and Herzegovina to increase the ability to assume the obligations of Membership in the areas of internal market, sectoral policies, and justice, freedom and security. Considering the potential of the agriculture sector to contribute to overall economic growth and development and that more than 50% of the population live in rural areas and is dependant on the agriculture sector for its livelihoods, priority will be given to assistance with the aim to reform the agriculture sector and to contribute to rural development. Also taking into consideration the importance of transport and energy to industrial growth and overall economic development, assistance to support the transport and energy sectors will be a further priority. Preference will be given to *acquis*-related support contributing to institution and state building

3.2.2. Strategic choices for IPA assistance over the period 2008-2010

Based on the operational needs assessment and priorities in article 2.2.1 above, on the lessons learned from the implementation of previous assistance and on the feedback received from the consultation with national authorities, Member States, international organisations and civil society representatives, the following strategic choices have been made:

Under Component 1 - Transition Assistance and Institution Building, IPA will support Bosnia and Herzegovina to cope with the political, economic and *acquis* related criteria of the SAP.

Political criteria

IPA will support the public administration reform, including support to the customs and taxation administration, the reform of the judiciary and of the police. The emphasis will be on institution building. It will also contribute to the constitutional reform process. Bosnia and Herzegovina will be supported to implement these reforms in a fiscally responsible way i.e. through assistance to identify and implement savings at all levels of Government.

One of the lessons learned in the implementation of the CARDS programme in Bosnia and Herzegovina is that political consent is a pre-requisite to establish or reform institutions or to re-balance State and Entity responsibilities. Support will be conditional to reliable consent amongst the relevant political stakeholders.

Further support will be provided to the development of the media and the civil society to contribute to the democratic stabilisation and the social and economic development of the country.

Assistance will contribute to overcome the legacy of the war through assistance to the return process, notably to the social and economic integration of returnees and to support de-mining and assistance to mine victims and will support the social and economic inclusion of minorities and vulnerable groups.

Economic criteria

IPA will assist Bosnia and Herzegovina's economic development by supporting the establishment of regulatory capacity and the enhancement of entrepreneurial know-how. Further assistance will support the development of the SME sector, the economic development of the regions, and will improve trade policies. The education reform will be advanced to promote the development of economy and society and active labour market measures shall assist in combating unemployment. The health sector will be reformed to ease the burden on public finances and to deliver adequate health care to citizens.

Ability to assume the obligations of Membership

IPA will assist Bosnia and Herzegovina to cope with the requirement to approximate to the European *acquis* in the areas of internal market, sectoral policies, and justice, freedom and security. The emphasis of the support will be placed on supporting the development of strategies and policies to establish sectoral policies and a regulatory framework compatible with European standards. Support for the establishment and capacity building of agencies and institutions required for the implementation and enforcement of the sectoral policies will also be ensured.

Cross-border Cooperation

Through its component II, IPA will support Cross-Border Co-operation by proposing joint projects at the borders with Croatia, Montenegro and Serbia, with EU MemberStates through the IPA CBC Adriatic Programme and by supporting Bosnia and Herzegovina to participate in joint projects under the European Regional Development Fund's (ERDF) transnational programmes "South-East Europe" (SEE) and "Mediterranean" (MED).

Especially within component I, IPA builds on Bosnia and Herzegovina's sector reform strategies or will support to define and develop sector strategies where necessary. Beside the former mentioned public administration reform strategy, the strategy for the Implementation of the Decentralised Implementation System the mid-term development strategy and the EU integration strategy, Bosnia and Herzegovina adopted or is developing a number of important reform strategies. The following enumeration by sector is not exclusive and summarises the most relevant strategies in the identified priority sectors.

The assistance to comply with the political criteria will also build on the judicial reform strategy, the strategy of public internal financial controls, the strategy against corruption and organised crime, and others.

The assistance to comply with the economic criteria will build on the SME development strategy, the WTO and CEFTA accession and implementation plans, the different education reform strategies (i.e. VET strategy, the draft strategy in adult education and the draft action plan on recognition of higher education qualifications), the national review of employment policies, the draft strategic plan on health care reform, and others.

The assistance to increase the ability to assume the obligations of Membership to European standards will build i.e. on the strategic plan for harmonisation of agriculture, food and rural development, the draft BiH energy strategy, the draft transport sector policy and its action plan, and others.

Programmes selected under IPA will be co-ordinated with the donor community in Bosnia and Herzegovina to ensure coherence and complementarity. IPA will assist Bosnia and Herzegovina in establishing its donor co-ordination facility.

Particular attention will be paid to programme readiness. Indicators for programme readiness are political consent amongst relevant stakeholders, the existence of Bosnia and Herzegovina's relevant sectoral strategies, Bosnia and Herzegovina's efforts and financial means devoted to the sector reform, the existence of relevant legislation, etc. Analytic and catalytic principles will be applied and monitored to ensure that IPA does not displace other financiers, especially from the private sector or from the international financial institutions. Planned assistance projects will be subject to a thorough measuring of their cost effectiveness.

The priorities are closely coordinated with other EU sponsored co-operation activities and with the IPA Multi-Beneficiary MIPD 2008-2010.

3.3. Multi-annual planning by component

The indicative budget allocation for the period 2008-2010 foresees EUR 254.5 million for Transition Assistance and Institution Building and EUR 15.4 million for Cross-Border Cooperation. The table below gives an overview over the yearly allocation.

Indicative financial allocation per component for the period 2008-2010 (in million Euro)

	2008	2009	2010	Total
Transition Assistance and Institution Building	69.9	83.9	100.7	254.5 ⁶
Cross-border Co-operation	4.9	5.2	5.3	15.4
Total	74.8	89.1	106.0	269.9

3.3.1. Component I - Transition Assistance and Institution Building

Based on the needs assessment as described earlier in this document, depending on project readiness and outcomes of ongoing programmes and in consideration of the management capacity of the EC Delegation and of the absorption capacity of proposed beneficiaries, the following objectives, choices and expected results have been identified. They base on Bosnia and Herzegovina's own development and action plans, as described further below. Results and indicators will be further developed in more detail in the framework of the annual programmes.

3.3.1.1. Political Criteria

The objectives and choices for the support comply with the political criteria of the SAP and are the same as in the MIPD 2007 – 2009.

IPA supports the **public administration reform** and offers assistance to the reform of the **constitution**. In line with the lessons learned on the need to increase local ownership, IPA will support the structures for the decentralisation of the assistance. Assistance can be provided to strengthen the **rule of law** and to support the **social inclusion** of vulnerable groups and **returnees**. Further target groups of IPA support are the **civil society** and the **media**.

Objectives and choices

- *Public Administration Reform and Governance:* Support capacity building in the **public administration** and the preparation of the structures for the decentralisation of EU assistance.
- *Constitutional reform:* Support domestic efforts on **constitutional reform**.

⁶ This includes allocations towards the Multi-Beneficiary programme, as described in the Multi-Beneficiary MIPD.

- *Rule of Law:* Support the **police reform, the reform of the judicial system** and assist in the implementation of the **anti-corruption** policy.
- *Social inclusion and return:* Support **minorities and vulnerable groups** (in particular Roma, children and handicapped) and continue support on **de-mining** and assistance to mine victims. Support the completion of the **return process** through assistance to the economic and social re-integration of returnees.
- *Civil Society and media:* Support development of **civil society** and the **media**.

Expected results and indicators

- *Public Administration Reform:* The public administration reform is implemented according to the agreed Public Administration Reform Strategy and the Action Plan. The civil service reform continues and an increasing number of civil servants are receiving professional training. The DIS strategy is implemented along the benchmarks of the new road map for decentralisation and an application sent to the European Commission for accreditation. The Public Administration Training Institute is established. A structured and institutionalised state/entity co-ordination with functioning mechanisms for political, legislative and technical coordination is in place.
- *Constitutional Reform:* The process of constitutional reform starts and leads to changes to the constitution which contribute to more functional and sustainable institutional structures and lead to a smoother decision-making process.
- *Police Reform:* Police restructuring is implemented in accordance with the agreements reached. The state bodies foreseen by the police legislation are established and operational.
- *Judicial Reform:* The justice sector institutions at all levels of the Bosnia and Herzegovina institutional system are effectively organised, functioning and co-operation between police, prosecution, courts and the penitentiary system is improved. A strategy for the development of the judicial sector is adopted and implemented.
- *Anti-Corruption Policy:* The anti-corruption policy is implemented. The recommendation made by the Group of States against Corruption (GRECO) and the obligations resulting from international conventions on corruption are implemented. Corruption is vigorously prosecuted and the law on conflict of interest is implemented.
- *Media:* The Public Broadcasting restructuring programme is implemented according to the State law on PBS and the CRA remains an independent, self sustainable, technically efficient institution.
- *Return Process:* Policies promoting the social and economic inclusion of returnees are adopted and there is visible progress on their implementation.
- *Minorities and vulnerable groups:* Policies promoting the social and economic inclusion of minorities and vulnerable groups are adopted and there is visible progress on their implementation.

- *De-mining:* Support to de-mining is continued not only to minimise risk of death and injure to significant portions of the population, but also to contribute to the economic and rural development by the reduction of mined area.
- *Civil Society:* A permanent dialogue between authorities and the civil society is developed and civil society organisations (CSO) and their coalition partners improve their internal communication and become better "watchdog" and also stronger partners of the Government. Local Governments have adopted transparent mechanisms for the disbursement of local funds foreseen for CSO projects. The understanding of youth issues at the political level will be improved by the support of the dialogue between governments and youth organisations.

3.3.1.2. Economic Criteria

The objectives and choices for the support to comply with the economic criteria of the SAP in this MIPD coincide with those in the MIPD 2007 – 2009, with the exception of the support to corporate governance and social dialogue. These two objectives have not been selected because Bosnia and Herzegovina has no developed or planned strategies in these sectors.

IPA supports **economic development, employment and education** as well as the reform of **social policies**.

Objectives and choices

- *Economic Development:* Support the development of improved and coordinated **economic and fiscal and trade policies**. Support **SME** and **regional development**.
- *Employment and Education:* Support the reform of the **education** system and support active **labour market** measures. Support an improved portability of pension and social insurance systems.
- *Social policies:* Support the reform of the public **health** system.

Expected results and indicators

- *Economic and Fiscal Policies:* Capacity building of the Ministry of Finance, the National Fiscal Council, the Indirect Tax Authority (ITA), and other relevant bodies leads to improved and coordinated economic and fiscal policies. The ITA Governing Board/National Fiscal Council is capable to produce regular reports of consolidated fiscal data and receives appropriate advice from their analyst/policy advisory unit. Development and cooperation of the relevant bodies and government institutions is enhanced. The governance of Bosnia and Herzegovina's Human Resources Development (HRD) system is improved and HRD strategies are integrated with economic strategies.
- *Trade:* The necessary institutional, policy and legal framework for trade policy formulation, regulation and negotiation, export promotion and FDI is in place and operational. The necessary reforms to comply with the SAA, CEFTA and WTO rules and obligations are implemented.
- *Education:* Standards for primary, secondary and higher education are adopted and implemented. The reform of the financing for primary, secondary and higher

education is advanced and models for the financing of higher education are developed; EU requirements for the mutual recognition of diplomas are implemented. The institutional set-up of universities is strengthened, the academic information network is established and new modular curricula are developed.

- *Employment:* A State action plan on employment based on the agreed employment strategy is adopted and implementation started. EU requirements on free movement of labour and minimum social standards are implemented. Relevant institution building at state and entity level continues and the Social and Economic Council is established and functioning. The improved portability of rights in the pension and social insurance systems will contribute to an improved labour market flexibility.
- *Health:* A strategy for the health sector reform is developed, adopted and the implementation started. The national preparedness to public health threats and the systems for health monitoring and disease surveillance are improved. Health care indicators complying with EUROSTAT standards are implemented and legal provisions are in line with EU health policies.
- *SME Development:* A national strategy on SME development is adopted and implemented. SME policy capability in MoFTER and the dialogue/consultation with the business community are significantly enhanced. A SME department in MoFTER and a national SME agency are set up. A significant degree of implementation of the European Charter for Small Enterprises and a fully harmonised and efficient company registration system is achieved. The participation of SME in the economy increases (measured by increased numbers of SME and their contribution to the GDP).
- *Regional Development:* Regional economic development strategy is adopted and the regional development centres continue their operation.

3.3.1.3. Ability to assume the obligations of Membership

The objectives and choices for the support to assume the obligations of Membership comply with the European standards in the MIPD 2007 – 2009, with the exception of the support to customs and taxes, which has been supported in the past by the IPA multi-beneficiary programme and will now be supported in the IPA national programme.

IPA supports the development and the implementation of strategies and policies to approximate to the European *acquis* in the areas of **internal market, sectoral policies and justice, freedom and security**. This includes institution and capacity building of agencies and institutions required for the implementation and enforcement of the sectoral policies, including mechanisms for the verification of EU compatibility of government policies and draft laws.

Objectives and choices

- *Internal Market:* Support the strengthening of the **quality infrastructure** institutions, the institutional set-up of **key market actors** and **customs and taxation**.
- *Sectoral Policies:* Support the development of a **single financial market**, the adoption and implementation of a comprehensive **agriculture and rural development** strategy. Support the adoption of the national **environment** strategy.

Support the **energy** and **transport** sectors, the **information society** and the capacity building in **statistics**.

- *Justice, Freedom and Security:* Support the **integrated border management (IBM)**, the **visa, asylum and migration** policy and the fight against **money laundering, drugs, organised crime, and terrorism**.

Expected results and indicators

- *Quality Infrastructure:* The legal framework for standardisation, metrology, accreditation, certification and market surveillance is in line with EU standards and best practices. The institutional, technical and professional capacity of the quality infrastructure institutions is improved.
- *Key Market Actors:* The legal framework for key market actors and their institutional set-up is improved.
- *Customs and Taxation:* The approximation to the *acquis* is advanced. The administrative capacity to implement legislation and to fight corruption, cross-border crime and fiscal evasion is increased. Transparency and exchange of information within the region are improved.
- *Single financial market:* Authorities responsible for financial supervision of banking and non-banking sector and regulating capital markets are operational and meet international standards. Investment climate and the business environment in general are improved through the support to SME and regional economic development. An industrial as well as a research/innovation policy are adopted and their implementation is in progress.
- *Agriculture and rural development:* A country wide agriculture and rural development strategy is adopted and implemented, with agriculture sector actively contributing to economic growth. Agricultural legislation is further approximated to the *acquis*. The administrative structures, responsible for the harmonised implementation of agricultural policy and rural development measures are established and became operational. Structures, strategies and programmes to agriculture and rural development in line with the requirements for implementing EU pre-accession assistance are planned. Support for rural census, farm register, land cadastre, agricultural statistics, and access to credits for farmers is provided. Quality and safety of domestic products is improved. Agriculture information systems are improved and provide collection and processing of agriculture data. Rural households and communities are strengthened and benefit from enhanced policies and measures resulting in increased prosperity.
- *Food safety, veterinary and phytosanitary policy:* Quality and safety of domestic products is improved. The specialised agencies, such as the Food Safety Agency and the Phytosanitary Agency are operational and contribute to the implementation of *acquis*-related legislation on animal and plant health and consumer protection. The veterinary services participate in the region-wide animal diseases eradication campaign.

- *Environment:* A country-wide Environment Strategy is adopted and implemented. The BiH Environment Agency is established and operational. The alignment of the sector to the environmental *acquis* is advanced. Tools for prioritization of environmental infrastructure investments and determination of measures for environmental protection are operational. Generation of co-financing mechanisms for environmental infrastructure are advanced. Enhanced investments in environmental infrastructure.
- *Energy:* The reform of the energy sector continues and a comprehensive energy strategy is adopted and under implementation. Bosnia and Herzegovina is progressing towards meeting the commitments undertaken in the framework of the Energy Community Treaty.
- *Transport:* The alignment of the transport sector to the *acquis* is advanced and transport infrastructure is improved. Bosnia and Herzegovina implements the commitments taken under the European Common Aviation Area agreement and actively participates in the workings of the SEE-FABA (South Eastern Europe Functional Airspace Blocks Approach) initiative with a view to adopt and implement the single European sky *acquis*. Bosnia and Herzegovina continues to implement the MoU on the core transport network. There is tangible progress in implementation of particular segments of the EU transport sector directives.
- *Information Society:* The Strategy and Action Plan for the development of the information society will be implemented and the telecom sector is liberalised. The national legislation for electronic communication and services will be aligned to the EU regulatory framework. The telecom regulator is able to carry out its mandate in accordance with EU standards.
- *Statistics:* Bosnia and Herzegovina develops the capacity to collect and produce reliable statistics, in particular economic and agricultural statistics. Data collection is improved and statistical methods are harmonised between the state and the entity statistical institutes. Preparations for the new census are well advanced.
- *IBM, Asylum and Migration:* The visa list is in line with EU lists and efficient procedures for the issue of visa are in place. The IBM strategy and asylum and migration policies are implemented in compliance with the EU *acquis*. The conditions to achieve visa liberalisation are met.
- *Fight against money laundering drugs, organised crime, terrorism and corruption.* The capabilities of the law enforcement agencies are improved. The conditions to achieve visa liberalisation are met.

3.3.1.4. Supporting programmes

Objectives and choices

- *Community programmes:* Support the participation in community programmes by co-financing the entry-tickets and accompanying measures such as institutional capacity building and training of participants.

- *Project Preparation Facility*: Support the Project Preparation Facility to improve the planning, programming and implementation of the IPA and to support a smooth EU integration process.

Expected results and indicators

- *Community programmes*: The administrative and institutional capacity for the participation in a number of community programmes is achieved and Bosnia and Herzegovina participates in these programmes.
- *Project Preparation Facility*: Authorities are able to prepare good quality project proposals and tender documentation.

3.3.1.5. Support Activities

Objectives and choices

- *EU Awareness*: Support programmes to ensure that public, civil society and government actors remain supportive to the accession to the European Union by providing communication expertise and supporting the established European Communication Centres throughout the country.

Expected results and indicators

- *EU Awareness*: Public awareness campaigns targeted at the general public, the media and other multipliers are organised. Networking and coordination between EU Info Centres, NGOs and other stakeholders is improved and there is an increased utilisation of the Euro Info Centres.

All programmes under the transition assistance and institution building component shall be subject to interim and/or *ex post* evaluation. The Commission plans to review in 2008 the donor coordination to identify best practices and lessons learned and will evaluate the design, the quality and achievements of interventions in Bosnia and Herzegovina.

The Commission plans a mid-term evaluation of the IPA Component I, an evaluation of the balancing of socio-economic development and integration needs, and an evaluation of the implementation of the IPA regulation in 2009 and 2010.

The Commission may undertake any actions it deems necessary to monitor the programmes concerned. The Commission has set up yearly IPA monitoring meeting for joint reviews of financial assistance activities involving the beneficiary country's representatives. Selected projects are subject to regular result-oriented monitoring.

3.3.2. *Component II – Cross border cooperation*

3.3.2.1. Current programmes under IPA component II for Cross-Border Cooperation

Cross-border cooperation between IPA countries: Croatia, Serbia, Montenegro and Bosnia and Herzegovina

The multi-annual cross-border programmes between Bosnia and Herzegovina and Croatia, Serbia, and Montenegro were jointly developed by the respective national authorities between

December 2006 and May 2007. The financing proposals for the first year 2007 were adopted by Commission Decisions in December 2007. The programmes aim at bringing together people, communities and economies of the border regions to jointly develop a cooperative area, using its human, natural, cultural and economic resources. The overall objective is to stimulate the economies, to foster sustainable development and to reduce the relative isolation of the border regions.

Adriatic IPA Cross-Border Programme

Bosnia and Herzegovina is part of the IPA Adriatic cross-border programme together with Italy, Slovenia, Greece, Croatia, Albania, Montenegro and Serbia. The Financing Decision for the first period 2007-2009 was adopted by Commission Decision in March 2008. The global objective of the programme is to strengthen sustainable development of the Adriatic region.

ERDF Transnational Programmes "South East Europe and "Mediterranean"

Bosnia and Herzegovina participates in the ERDF transnational programme "South-East Europe" under the European Territorial Co-operation objective of the Structural Funds 2007-2013. The Financing Proposal for the first year 2007 was adopted by Commission Decision in December 2007.

As of the year 2008, Bosnia and Herzegovina will also participate in the Mediterranean Transnational Programme. The ERDF Mediterranean Programme is a new Transnational Cooperation Programme which aims at encouraging cooperation between Mediterranean regions in nine EU Member States, namely: Cyprus, Spain, France, Greece, Italy, Malta, Portugal, UK, Slovenia, as well as two candidate/potential candidate countries, Croatia and Montenegro. This programme focuses on fostering the competitiveness of the programme area while guaranteeing sustainable growth and employment and sustainable development.

The objective of the participation of Bosnia and Herzegovina in the two programmes is to support the participation in joint transnational co-operation activities with partners from EU Member States and to familiarise the country with territorial co-operation under the EU Structural Funds.

3.3.2.2. Priorities of cross-border cooperation programmes

Cross-border cooperation between IPA countries: Croatia, Serbia, Montenegro and Bosnia and Herzegovina

The cross-border cooperation programmes between Bosnia and Herzegovina and Croatia, Serbia and Montenegro focus on the following areas (1) Economic development with an emphasis on tourism, SME support and rural development; (2) Environmental development to protect the environment and to promote the sustainable management of natural resources; (3) Social development to improve social cohesion and to promote cultural exchange.

Adriatic IPA Cross-Border Programme

The Adriatic IPA cross-border programme identifies the priorities in the area of economic, social and institutional cooperation, natural and cultural resources, and accessibility and networks.

ERDF Transnational Programme "South East Europe" and "Mediterranean"

The ERDF "South-East Europe" and "Mediterranean" programmes aim at establishing and developing transnational cooperation in the areas of innovation, environment, accessibility and sustainable urban development.

Table 3: Indicative Financial Allocation:

	2008	2009	2010	2008-2010
CBC with Croatia	1.000.000	1.000.000	1.000.000	3.000.000
CBC with Montenegro	500.000	500.000	500.000	1.500.000
CBC with Serbia	700.000	700.000	700.000	2.100.000
CBC Adriatic	2.239.137	2.447.544	2.496.495	7.183.176
ERDF SEE	406.080	460.202	460.202	1.326.484
ERDF MED	100.000	100.000	100.000	300.000
Total	4.945.217	5.207.746	5.256.697	15.490.660

3.3.2.3. Expected results of cross-border cooperation programmes

The expected results of the CBC between IPA countries are: (1) diversified tourist products and services and their joint marketing; upgraded skills of people working in tourism, agriculture and SMEs; business, research and education networks created; (2) sustainable use of natural resources in place; studies and awareness raising campaigns in environmental protection implemented; capacities for the protection of the environment increased; (3) networks between people in the area of education, health care, culture and sports established and communication improved.

The expected results in IPA Adriatic cross border cooperation are: (1) Economic, Social and Institutional Cooperation: joint research activities developed and improved; networks between entrepreneurial, academic, training and research sectors established; competitiveness and innovative capacity strengthened; knowledge of the Adriatic area developed. (2) Natural and Cultural Resources and Risk Prevention: joint management and risk prevention of the sea and coastal environment in place; renewable energy strengthened; management of natural and cultural resources improved; quality of tourist destinations improved. (3) Accessibility and Networks: port and airport systems developed and services connected; sustainable transport services promoted; communication and information networks developed and access secured.

The expected results of the cooperation in the ERDF "South East Europe" and "Mediterranean" are (1) Innovation: scientific and technological networks created; access to scientific knowledge and transfer of technology established. (2) Environment: water management in place, energy efficiency improved, risk prevention for fire, droughts and floods established; maritime security promoted; natural heritage protection enhanced. (3) Accessibility: quality and access of transport and telecommunication services improved; investments in trans-European networks attracted; interoperability of national and regional systems enhanced. (4) Urban development: networks established and urban-rural links improved; cultural heritage preserved and promoted; strategic integration of development zones on a transnational basis.

Cross-border programmes among beneficiary countries shall be subject to *ex ante* evaluation under the responsibility of the Commission. The Commission may undertake any actions it deems necessary to monitor the programmes concerned. The Commission has set up yearly IPA monitoring meeting for joint reviews of financial assistance activities involving the

beneficiary country's representatives. Selected projects are subject to regular result-oriented monitoring.

In cross border programmes between beneficiary countries and Member States, the participating countries shall jointly carry out an *ex ante* evaluation covering each cross-border programme. The Commission may undertake any actions it deems necessary to monitor the programmes concerned.

4. ANNEX 1 – INDICATIVE ALLOCATIONS TO MAIN AREAS OF INTERVENTION FOR THE PERIOD 2008-2010

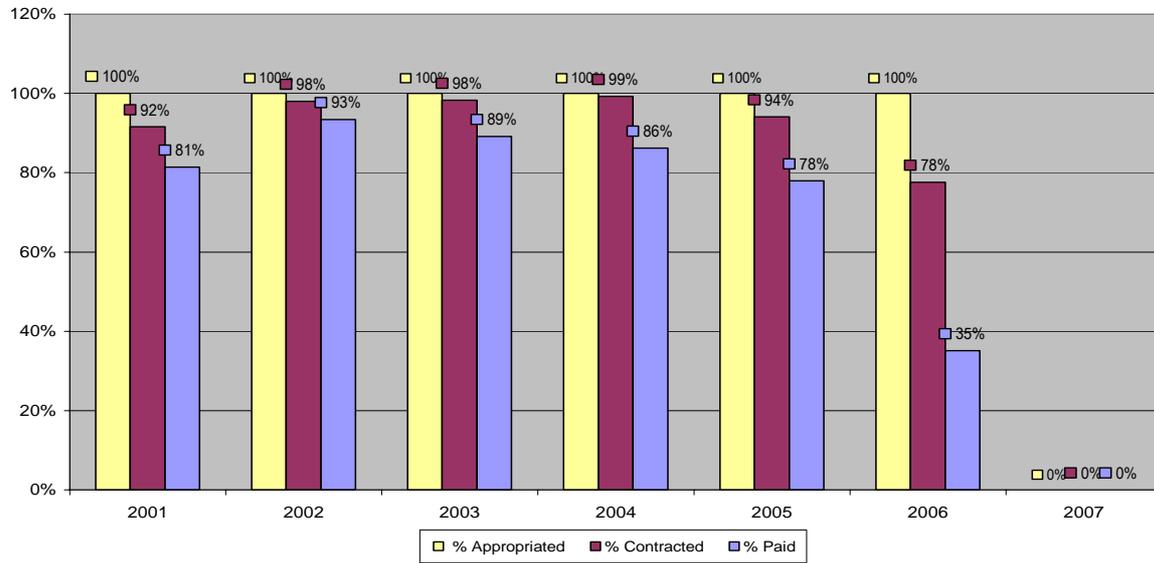
INDICATIVE ALLOCATIONS TO MAIN AREAS OF INTERVENTION FOR THE PERIOD 2008-2010	
Bosnia and Herzegovina	
Component I (Transition Assistance and Institution Building)	
Political Criteria	30 – 40 %
Economic Criteria	25 – 30 %
Ability to assume the obligations of Membership	35 – 45 %
Component II (Cross-Border Co-operation)	
CBC with Croatia	19 %
CBC with Montenegro	10 %
CBC with Serbia	14 %
CBC Adriatic	46 %
ERDF SEE	9 %
ERDF MED	2 %

5. ANNEX 2 – OVERVIEW OF EU CARD AND IPA ASSISTANCE

	2001-2007
Political Criteria	
Social Inclusion and Return	96.68 M€
Rule of Law	96.28 M€
Public Administration Reform	48.05 M€
Civil Society and Media	13.30 M€
Economic criteria	
Education and Employment	28.70 M€
Economic Development	53.00 M€
Social Policies	4.00 M€
Ability to assume the obligations of membership	
Internal Market	27.84 M€
Sectoral Policies	34.20 M€
Customs and Taxation	49.50 M€
Community Programmes	1.00 M€
Others	3.30 M€
Total allocations	455.85 M€

6. ANNEX 3 – CONTRACTING AND DISBURSEMENT RATES UNDER ONGOING PROGRAMMES

Contracting and disbursement rates 2001 - 2007



7. ANNEX 4 – CROSS CUTTING ISSUES

The major cross cutting issues to be tackled in Bosnia and Herzegovina are:

Civil Society will be supported by the European Instrument for Human Rights and Democracy and the IPA financial framework. Civil Society is understood including employer's organisations, trade unions, associations of local self-governments as well as non-governmental organisations etc.

All investments shall be carried out in compliance with the relevant Community environment legislation. In particular, the procedures for environmental impact assessments as set down in the EIA directive will fully apply to all investment projects and if a project is likely to affect sites of nature conservation importance, an appropriate nature conservation assessment shall be made, equivalent to that provided for in Article 6 of the Habitats Directive. The application of the European Principles for the Environment will be ensured.

Equal opportunities and non-discrimination will be respected as regarding gender as well as minorities at the programming and implementation stage, particularly in relation to economic support programmes.

Furthermore **minority concerns** will be reflected in all activities programmed under IPA, in particular when it concerns public services, legislative matters and economic development.

Specific action instruments for the **good governance**, with particular attention to **fight against corruption**, will be incorporated on a horizontal basis.