



## ANNEX C1: Twinning Fiche revised as per Corrigendum no 1

**Project title:** Further support to Indirect Taxation Authority (ITA) of BiH

**Beneficiary administration:** Indirect Taxation Authority of Bosnia and Herzegovina

**Twining Reference:** BA 17 IPA FI 01 20

**Publication notice reference:** EuropaAid/168959/DD/ACT/BA

**EU funded project**

***TWINNING TOOL***

## 1. Basic Information

1.1 Programme: National Programme for Bosnia and Herzegovina IPA 2017– Direct Management Mode – Decision number: 2017/040-524

*“For UK applicants: Please be aware that following the entry into force of the EU-UK Withdrawal Agreement<sup>1</sup> on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK residents and entities are therefore eligible to participate under this call.*

1.2 Twinning Sector: Customs and Taxation

1.3 EU funded budget: EUR 600 000

## 2. Objectives

2.1 Overall Objective(s):

To further align with EU Acquis and to implement legislation, practices and Stabilization and Association Agreement in the field of indirect taxation.

2.2 Specific objective:

To improve overall performance of Indirect Taxation Authority (ITA) by applying new laws, procedures and well developed effective systems of customs, VAT and excise controls.

2.3 The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans

Article 111 of the **Stabilisation and Association Agreement (SAA)** concluded between BiH and the EU in June 2008, stipulates cooperation of Parties to the Agreement in improving development of effective and responsible public administration. In the most part, the cooperation will be directed toward development of institutions, encompassing all levels of public administration in Bosnia and Herzegovina. Article 97 stipulates establishment of cooperation in the area of customs duties in order to align the customs duties system of BiH with the EU system, as well as customs laws of BiH with the *Union acquis*. Article 98 stipulates establishment of cooperation in the area of taxation, including measures of further tax system reforms with the aim of ensuring more efficient tax revenues collection and combating tax fraud.

**The Indicative Strategy Paper for Bosnia and Herzegovina (ISP) 2014-2020** underlines the need for further public administration reforms, including, inter alia, comprehensive public financial management reform. It has been concluded that Public Administration Reform is being implemented very slowly, showing weaknesses in different areas including policy planning and coordination, human resources management, budget planning, transparency and vertical coordination. Different public finance sub-systems still show certain weaknesses. There is a need for defining timely, upgraded and efficient fiscal policies. Therefore, as the

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<sup>1</sup> Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community”

result of IPA financing between 2014 and 2020, it is expected for the public financial management capacities of BiH to be strengthened, including more efficient management and collection of revenues, as well as budget preparation and execution.

**In the Analytical Report for Bosnia and Herzegovina** published on 29 May 2019, in the area of customs and taxation, some level of preparation has been reported. Full report is available at: <https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20190529-bosnia-and-herzegovina-analytical-report.pdf>

### 3. Description

#### 3.1 Background and justification:

Bosnia and Herzegovina is a potential candidate country for the EU membership. The Stabilisation and Association Agreement (SAA) entered into force in June 2015. Application for membership was submitted in February 2016. In September 2016 the EU Council invited the European Commission to present an Opinion on the merits of the Bosnia and Herzegovina's EU membership application.

The Parliament of Bosnia and Herzegovina, in 2003, adopted the Law on Indirect Taxation System and thus ensured the legal basis for establishing the Indirect Taxation Authority (ITA), the biggest state level institution with over 2 400 employees. The Indirect Taxation Authority is an autonomous administrative organisation responsible for its activities, through its Governing Board, to the Council of Ministers of Bosnia and Herzegovina. Its jurisdiction is in the field of indirect taxes (customs, value added tax, road tolls, and excises).

The support and capacity building for further alignment of customs and taxation legislation, procedures and standards with the *Union acquis* is necessary in order to create better conditions for more effective legislation thus contributing to more efficient functioning of the ITA, particularly in the area of fighting customs and fiscal frauds, as well as other negative impacts of revenue collection. In addition, the procedures and practices applied in the EU Member states' administrations (dealing with indirect taxation) should be presented to the ITA and applied taking into consideration the legislative frame and IT capabilities of Bosnia and Herzegovina.

As regards excise duty and road toll, the Law on Excise Duty has been adopted and applied since July 1, 2009. The Law is not in line with the EU Directive 2008/11/EC and the new draft of BiH law on excise was prepared in the Twinning project "Improving capacity of the Indirect Taxation Authority" BA 14 IB FI 01 R and is aligned with EU Directives dealing with excise duty. The new Draft Law on Excise Duties has a completely new approach to taxation in terms of facilitating the functioning of the economy, and reducing tax burden of taxpayers. A different payment system is being introduced, which has not existed before. For the new Law on Excise Duties to be implemented, it is also necessary to develop an implementing regulation or Rulebook on the implementation of the new Law on Excise Duty, for which the experience and practices of EU experts are of great importance.

Furthermore, it is necessary to enhance the system of enforced collection of debt on the basis of indirect taxes and the handling of seized customs goods, in order to further contribute to reducing the accumulated debt and to shorten (in compliance with EU standards) the time period for handling the seized goods.

#### 3.2 Ongoing reforms:

One of ten integrated guidelines, **Europe 2020** is ensuring quality and sustainability of public finance. In this regard, in their Document on Enlargement Strategy for 2013-2014, the European Commission announced the new approach to further enlargement policy with emphasis on economy (economic governance, competency and growth) with the aim of enabling better coordination and convergence of economic and fiscal policies between candidate countries and potential candidate countries and the EU. It is intended for the countries in the process of enlargement to connect more with the new system of economic governance in the EU based on the European Semester, through annual presentation of national economic reforms programmes and public financial management action plans.

**In the BiH Reform Agenda 2015-2018**, measures are envisaged for improvement of collection of tax revenues, including improvement of exchange of information between tax administrations and introduction of e-Services for VAT. Likewise, BiH should support increase of excise duties on tobacco and alcohol representing direct revenues of the Health Insurance Fund. It is stated that implementation of the new Law on Customs Policy will be ensured, thus simplifying customs processing and decrease the number of administrative requests, resulting in facilitation of trade. In addition, it is envisaged for the renewed Public Administration Reform Strategy to be prepared, under which the Public Financial Management Reform Strategy represents one of the main pillars of the Public Administration Reform Strategy.

### 3.3 Linked activities:

The project of technical assistance, IPA 2014 “Improving capacity of Indirect Taxation Authority” is implemented in ITA since September 2018. The activities of the project are focused on practical implementation of the NCTS at national level and at Common Transit Convention level, development of application at CTC level and providing management support for NCTS. The activities also focus on legal harmonisation, assistance in implementing new legislation and improvement on working methods in the Indirect Taxation Authority. Activities will be implemented in order to improve cooperation with customs and tax administrations from other countries.

Supply of IT equipment for the ITA is foreseen within IPA 2017 and implementation is expected in Q42019/Q12020.

Implementation of twinning light aimed to support internal audit department of the ITA commenced in September 2019. Duration of project implementation is eight months. The objective of this project is to assist the ITA to establish internal audit that will assist the institution in achieving its goals, by assuring systematic and disciplinary approach to the evaluation, and improvement of efficiency in risk management, control and governance processes.

### 3.4 List of applicable *Union acquis*/standards/norms:

- Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade (OJ 2008, No L 23, p. 21);
- Decision No 624/2007/EC of the European Parliament and of the Council of 23 May 2007 establishing an action programme for customs in the Community (Customs 2013) (OJ L 154 of 14.6.2007 p.25).
- Council Regulation (EC) No 515/1997 of 13 March 1997 on mutual assistance between the administrative authorities of the Member States and cooperation between the latter Council Directive 2006/112/EC of 28 November 2006 on the common

system of value added tax and the Commission to ensure the correct application of the law on Customs and agricultural matters. (OJ L 82, 22.3.1997, p.1).

- Council Regulation (EC) No 1798/2003 of 7 October 2003 on administrative cooperation in the field of value added tax and repealing Regulation (EEC) No 218/92 (OJ L 264, 15.10.2003).
- Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11 December 2006).
- Directive 2008/118/EC of 16 December 2008 concerning the general arrangements for excise duty and repealing Directive 92/12/EEC;
- Regulation No 2009/684/EC of 24 July 2009 implementing Council Directive 2008/118/EC as regards the computerised procedures for the movement of excise goods under suspension of excise duty;
- Decision n° 1152/2003/EC of the European Parliament and of the Council, dated 16 June 2003 laid the legal basis for the development of EMCS (Excise Movement and Control System).
- REGULATION (EU) No 952/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 9 October 2013 laying down the Union Customs Code
- COMMISSION DELEGATED REGULATION (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code
- Corrigendum to Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code
- COMMISSION IMPLEMENTING REGULATION (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code
- Corrigendum to Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code
- COMMISSION DELEGATED REGULATION (EU) 2016/341 of 17 December 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446
- Corrigendum to Commission Delegated Regulation (EU) 2016/341 of 17 December 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446
- Convention on a Common Transit Procedure (OJ L 226 13.8.1987)

Additional Excise legislation:

- Commission Implementing Decision concerning the application of the control and movement provisions of Council Directive 2008/118/EC to certain additives, in accordance with Article 20(2) of Council Directive 2003/96/EC (2012/209/EU)
- Council Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity
- 2011/544/EU: Commission Implementing Decision of 16 September 2011 on establishing a common fiscal marker for gas oils and kerosene (notified under document C(2011) 6422)
- Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco
- Council Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages
- Council Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages
- Commission Regulation (EC) No 3199/93 on the mutual recognition of procedures for the complete denaturing of alcohol for the purposes of exemption from excise duty
- Commission Implementing Regulation (EU) No 612/2013 on the operation of the register of economic operators and tax warehouses, related statistics and reporting pursuant to Council Regulation (EU) No 389/2012 on administrative cooperation in the field of excise duties
- Commission Regulation (EEC) No 3649/92 on a simplified accompanying document for the intra-Community movement of products subject to excise duty which have been released for consumption in the Member State of dispatch
- Council Regulation (EU) No 389/2012 on administrative cooperation in the field of excise duties and repealing Regulation (EC) No 2073/2004
- Commission Regulation (EC) No 31/96 on the excise duty exemption certificate

### 3.5 Components and results per component

#### Result 1

Component 1: ITA's performance improved and practices and procedures aligned with EU standards in the field of customs, VAT and excise duty.

#### Sub-results:

- draft Strategy and corresponding action plan for further alignment of BiH customs legislation with Acquis in the field of customs legislation prepared (and ready for approval);
- operational instruction on the enforcement of the customs procedure using the electronic customs declaration, and further alignment of customs procedures in the electronic business environment with the EU best practice prepared;
- relevant bylaws related to the new Law on Excise Duties further developed;
- Capacity of the ITA taxation department increased by presentation of specific examples of the application of VAT regulations in EU practice;
- Law on Indirect Taxation Procedure aligned with the Union Acquis;
- implementation of the CITES Convention provided;

- capacity of the ITA's IPR department further increased by further work on the development of catalogues of prohibitions and restrictions, development of annexes for the website.

Result 2: Component 2: ITA's capacities strengthened in the field of enforced collection and dealing with seized goods.

Sub-results:

- Draft of the Law on Enforced Collection Procedure prepared;
- Draft of the Decision on the sale of goods seized in customs and misdemeanor proceedings prepared.

Result 3: Component 3: ITA's working methods of the Risk Analysis Department and Section for Professional Standards improved.

Sub-results:

- Capacity building of the ITA improved
- structuring of the business processes of the Risk Analysis Department carried out/developed;
- the method of documenting activities developed;
- Capacity of ITA's risk management department increased by creating risk models for the broader population of taxpayers, managing the development of operational risk profiles in the field of taxpayers (including customs) and development of Human Resources Strategy and Competence Models

3.6 Means/input from the EU Member State Partner Administration(s):

Proposals submitted by Member State shall be concise and focussed on the strategy and methodology and an indicative timetable underpinning this, the administrative model suggested, the quality of the expertise to be mobilised and clearly show the administrative structure and capacity of the Member State entity/ies. Proposals shall be detailed enough to respond adequately to the Twinning Fiche, but are not expected to contain a fully elaborated project. They shall contain enough detail about the strategy and methodology and indicate the sequencing and mention key activities during the implementation of the project to ensure the achievement of overall and specific objectives and mandatory results/outputs.

The Twinning Partners shall ensure that EU funded Twinning project has high and consistent level of visibility. Minimum two visibility events will be organized during implementation, namely a Kick-off meeting at project commencement and a Final event at the end of the implementation period, to wrap-up work done.

Compliance will be ensured with the provisions of the document 'Communication and Visibility in EU-financed external actions', available at [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf).

3.6.1 Profile and tasks of the **Project Leader**:

#### Qualifications and skills

- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 4.1.6;
- Fluent written and spoken English.

#### General professional experience

- At least 8 years of general professional experience in the area of customs and/or taxation gained within an EU MS Customs and/or Taxation Administration.

#### Specific professional experience

- At least 3 years of experience in a managerial position within an EU MS Customs and/or Taxation Administration;
- Previous experience in Twinning Projects is considered an asset

#### Tasks:

1. Conceive, supervise and coordinate the overall preparation of the project;
2. Coordinate and monitor the overall implementation of the project;
3. Liaise with the Project Leader from the Beneficiary Institution;
4. Co-chair, with the Beneficiary Project Leader, the project implementation at the Steering Committee meetings;
5. Execute administrative issues (i.e. signing quarterly reports, Operative side letters, addenda, etc.)

### 3.6.2 Profile and tasks of the **Resident Twinning Adviser (RTA)**:

One Resident Twinning Adviser (RTA) over a period of 18 months and short term experts will implement the objectives listed in this Standard Twinning Project Fiche.

The RTA has the responsibility to guide the work of the team. Short term experts will work in close cooperation with the RTA and the beneficiary administration staff in order to meet the specific objectives as set out in Standard Twining Project Fiche.

The RTA is expected to fill the following:

#### Qualifications and skills

- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 4.1.6
  - Fluent written and spoken English.

#### General professional experience

- At least 8 years of general professional experience in the area of customs and/or taxation gained within an EU MS Customs and/or Taxation Administration.

#### Specific professional experience:

- At least 3 years of experience in indirect taxation;
- Overall knowledge of relevant EU legislative and institutional, requirements related to the various components of this project;
- Excellent management, leadership, communication and coordination skills,
- Proven managerial experience in forming an appropriate team of short-term experts;



- Experience in twinning/technical assistance projects or other similar international projects in the field of indirect taxation;
- Good training, public speaking and written communication skills.

Assets:

- Background in drafting and/or implementing strategies, policies or regulations;
- Relevant working experience in the new Member States and the Western Balkans;
- Good knowledge regarding the situation and the administrative structures from BiH.

Tasks:

- Overall supervision of the project implementation and coordination of all activities, as well as management of the project administration;
- Advise on indirect taxation standards and practices in EU Member States;
- Coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs;
- Preparation of the Terms of Reference for the Short/Medium Term Experts;
- Where appropriate participation in project's workshops;
- Preparation of project progress reports;
- Permanent contact with the BC Project Leader;
- Liaison with EU Delegation Programme Manager;
- Liaison with other relevant projects.

The RTA is expected to ensure, together with the beneficiary administration, the achievement of the purposes listed in 2.1/2.2. In order to meet these purposes, and if fully justified, the RTA may propose alternative and/or complementary project activities and/or outputs to those identified in the section 3.5.

### 3.6.3 Profile and tasks of Component Leaders:

The Component Leaders are expected to fulfil the following requirements:

Qualifications and skills

- Proven contractual relation to public administration or mandated body, as defined under Twinning manual 4.1.6
- Fluent written and spoken English.

General professional experience

- At least 8 years of general professional experience in the area of customs and/or taxation gained within an EU MS Customs and/or Taxation Administration.

Specific professional experience:

- At least 3 years of experience in the area for which component leader is proposed;
- Overall knowledge of relevant EU legislative and institutional, requirements related to the various components of this project;
- Experience in twinning/technical assistance projects or other similar international projects in the field of indirect taxation would be an advantage;

### 3.6.4 Profile and tasks of other short-term experts:

Terms of Reference (ToR) for short-term expert(s) will be elaborated by the RTA. The ToR for the short term experts is to be agreed with EU Delegation Programme Manager and with the BC Project Leader in cooperation with the beneficiary institutions.

Short -term customs and tax experts are expected to have:

- For customs experts: Professional legal/customs background related to the tasks for which they will be deployed such as: simplified procedures, valuation, origin, post-clearance audit, laboratory, tariff, transit, intellectual property rights, risk analysis, etc.
- For tax experts: Professional legal/tax background related to the tasks for which they will be deployed such as: VAT, excise, tax audit, special schemes, tax returns, risk analysis, etc.
- For experts working on component 2 and 3: professional experience related to risk analysis and enforced collection
- Fluent written and spoken English
- Solid training skills and experience in organizing training courses;
- At least 3 years of general professional experience in national administration.

## **4. Budget**

EUR 600 000

## **5. Implementation Arrangements**

5.1 The Delegation of the EU to Bosnia and Herzegovina is the implementing agency responsible for all procedural aspects of the tendering, contracting, payments, accounting and overall supervision of the implementation of the project.

Contact point :

Ms. Dijana Sikima, Programme Manager  
Delegation of the European Union to BiH  
Skenderija 3a, Sarajevo, BiH  
Tel: + 387 33 254 707, Fax: + 387 33 666 037

### 5.2 Institutional framework

Indirect Taxation Authority is an autonomous administrative organisation responsible for its activities, through its Governing Board, to the Council of Ministers of Bosnia and Herzegovina. It is responsible for enforcement of legal provisions and policy on indirect taxation, as well as for the collection and allocation of indirect taxes revenue (of all indirect taxes in Bosnia and Herzegovina: value added tax, customs duties, excise duties and road taxes) The ITA keeps the Single account, and all indirect tax based revenues are paid to this account, with the allocation and disbursement of indirect tax based revenues defined in the law on allocation and disbursement of the aforementioned revenues. The Indirect Taxation Authority has currently registered and is maintaining a VAT taxpayer population of over

50,000. The Indirect Taxation Authority has set the following goals towards future EU integration:

- To accelerate the flow of goods and people while simultaneously intensifying the targeted controls,
- To enhance the level of security of the citizens, to develop cooperation with other national and international institutions aimed at harmonizing the procedures and aligning the legislation with the EU standards,
- Better exchange of information between other institutions and the successful fight against trafficking and all other types of customs or tax frauds.

Operational line of responsibility extends throughout the headquarters and all the way to the branch office and sub-office and encompasses taxes, customs, law enforcement, business services and information technology. The ITA has branch offices and sub-offices in the entire BiH territory.

### 5.3 Counterparts in the Beneficiary administration:

#### 5.3.1 Contact person:

Ms. Jasna Pavić, Expert Adviser in Communication and Cooperation Dept.  
Indirect Taxation Authority of BiH  
Bana Lazarevica bb, 78000 Banja Luka  
Tel: + 387 51 335 143, Fax: + 387 51 335 258  
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#### 5.3.2. The Beneficiary Project Leader:

Mr Ratko Kovacevic, Head of International Relations and Communications department  
Deputy Beneficiary PL: Ms. Jasna Pavić, Expert Adviser in Communication and Cooperation Dept. Indirect Taxation Authority of BiH  
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#### 5.3.3 The RTA counterpart

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## 6. **Duration of the project**

18 (implementation) + 3 months.

## 7. **Management and reporting**

### 7.1 **Language**

The official language of the project is the one used as contract language under the instrument (English / French). All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

### 7.2 **Project Steering Committee**

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements via-à-vis the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

### **7.3 Reporting**

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twinning: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements via-à-vis the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

## **8. Sustainability**

The sustainability of results will be dependent on the commitment of the Beneficiary institution. The prospects for sustainability are good, as the introduction of legal acts aligned with EU legislation and trained staff is likely to have sustainable effects. As this is capacity building project, the key issue is maintaining in the Indirect Taxation Authority (ITA) of Bosnia and Herzegovina the staff gaining know-how through the activities implemented. The MS will also propose its own approach to ensure sustainability of the project achievements.

## **9. Crosscutting issues (*equal opportunity, environment, climate etc...*)**

### **GENDER MAINSTREAMING**

It is expected that gender equity will be fully observed in the drafting legislative framework and regulations. Regarding all capacity building activities, these will be available and accessible equally to men and women. Envisaged training(s) will be equally available to men and women. Gender sensitive language will be maintained throughout the entire project cycle. All analyses and drafting legislation will be conducted using gender-sensitive methodologies, and gender will be mainstreamed in all activities and deliverables related to the implementation of this Action. In general, gender perspective will be maintained ensuring that the results of the project impact positively on gender equality as well. Gender sensitive language will be maintained throughout the entire project cycle.

### **EQUAL OPPORTUNITIES**

Based on the fundamental principles of promoting equality and combating discrimination, participation in the Action will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

The principles of equal opportunities are duly taken into account throughout the project cycle and the Action will promote an environment that is conducive and enabling to gender equality, ensuring equal participation of women and men in all Action activities, as well as taking into account promotion and participation of people with disabilities.

### **MINORITIES AND VULNERABLE GROUPS**

Bosnia and Herzegovina is committed to a policy of social inclusion of minority and marginalised social groups, notably Roma, persons with disabilities, young persons, internally displaced persons, and women. During implementation of activities anticipated in the Action, full respect of minorities and vulnerable groups will be ensured. Thus, during the implementation of the Action, there shall be no direct or indirect discrimination against any person based on gender, age, marital status, language, sexual orientation, political affiliation or conviction, ethnic origin, religion, social origin or any other status.

#### **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

Civil society organisations have been consulted throughout the design of the interventions foreseen in the PAR Sector Planning Document (2015-2017) including sub-sector Public Financial management, which is supposed to represent the basis for the Action development.

When it comes to the implementation of this specific Action, all envisaged activities will be open to cooperation and setting of synergies with CSOs and other interested non-stakeholders.

#### **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

The Action aims at strengthening public finance management in order to ensure efficient, transparent and responsible public administration in BiH. As such, the Action is environment and climate change-neutral.

The Action and the activities deriving from the Action will not have any negative impact on the environment nor jeopardise environment, health and security in the future. The activities deriving from this Action will be delivered in the most environmentally friendly possible way.

### **10. Conditionality and sequencing**

Conditionality

N/A

Sequencing

Key milestones will be:

1. Approval and launch of the Twinning Project Fiche;
2. Selection of the twinning partner;
3. Signature of the Twinning Contract;
4. Establishment of the Steering Committee;
5. Commencement of the implementation of the Twinning;
6. End of the implementation period;
7. Submission of the final report.

### **11. Indicators for performance measurement**

- Indicator for result 1: 30-40% of legal acts and procedures in the area of indirect taxation aligned with the Union acquis and with EU MS best practices;
- Indicator for result 2: 30% of legal act and procedures in the area of Enforced Collection aligned with the Union acquis and with EU MS best practices
- Indicator for result 3: Working methods and procedures in the area of Risk Analysis aligned with the one in the EU

## **12. Facilities available**

- I. Office space: Sufficient office space shall be allocated by the Indirect Taxation Authority (ITA) to the MS Twinning Partner for the RTA, the Project Assistant(s) and for the short-term experts on mission. Meeting space will be provided when necessary.
- II. Logistical support: The project office at the ITA BiH will be furnished with the necessary number of telephones and PC's with e-mail and internet access. Free use of photocopying and fax machines will be provided by the beneficiary.

## **ANNEXES TO PROJECT FICHE**

1. The Simplified Logical framework matrix as per Annex C1a

## Simplified Logical Framework

	<b>Description</b>	<b>Indicators (with relevant baseline and target data)</b>	<b>Sources of verification</b>	<b>Risks</b>	<b>Assumptions (external to project)</b>
<b>Overall Objective</b>	To further align with EU Acquis and to implement legislation, practices and Stabilization and Association Agreement in the field of indirect taxation.	Progress made towards meeting accession criteria in Chapters 16 and 29	EC reports on BiH		Commitment of all levels of government to the reform
<b>Specific (Project) Objective(s)</b>	To improve overall performance of ITA by applying new laws, procedures and well developed effective systems of customs, VAT and excise controls.	Extend to which the legal bases for full implementation of EU procedures and practices in the area of indirect taxation are in place	Official Gazette of BiH	Relevant legislation not adopted or implemented	Commitment of all levels of government to the reform
<b>Mandatory results/outputs by components</b>	<p>Result 1: ITA's performance improved and practices and procedures aligned with EU standards in the field of customs, VAT and excise duty</p> <p>Result 2: ITA's capacities strengthened in the field of enforced collection and dealing with seized good</p> <p>Result 3: ITA's working methods of the Risk Analysis Department and Section for Professional Standards improved.</p>	<p>30-40% of legal acts and procedures in the area of indirect taxation aligned with the Union acquis and with EU MS best practices;</p> <p>30% of legal act and procedures in the area of Enforced Collection aligned with the Union acquis and with EU MS best practices</p> <p>Working methods and procedures in the area of Risk Analysis aligned with the one in the EU</p>	<p>ITA annual reports</p> <p>ERP data</p>	Non-Implementation of electronic signature in BiH	Implementation of electronic signature in BiH is enabled