



ANNEX C1: Twinning Fiche

Project title: Further support to Indirect Taxation Authority of Bosnia and Herzegovina

Beneficiary administration: Indirect Taxation Authority, Bosnia and Herzegovina (ITA BiH)

Twining Reference: The Twinning Reference Number: **BA 22 IPA FI 01 26**

Publication notice reference: 186112

EU funded project

TWINNING TOOL

(It is recommended that the complete Twinning Fiche should not exceed 10 pages, excluding annexes)

1. Basic Information

- 1.1 Programme: IPA III Annual Action Programme 2022 for Bosnia and Herzegovina; EU4 Public Administration Reform. Financed under the IPA III, implemented under direct management by the European Commission (Delegation of the EU to BiH): IPAIII/2022/JAD.1045709/AAP2022
- 1.2 Twinning Sector: Customs and Taxation
- 1.3 EU funded budget: EUR 1,000,000
- 1.4 Sustainable Development Goals (SDGs): The project primarily contributes to SDGs 8: *Decent Work and Economic Growth*; SDG 16 – Peace, justice and strong institution SDG 17 – *Partnership to achieve the goal*;

2. Objectives

- 2.1 **Overall Objective(s):** To further harmonise indirect taxation legislation with EU Acquis and to apply best EU practice in order to fulfil obligations from SAA regarding indirect taxation.
- 2.2. **Specific objective:** To strengthen the ITA institutional capacities and to improve overall performance by applying new laws, procedures and best practices in 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 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.

In Country Report for Bosnia and Herzegovina for 2025 *is written that the legislative framework for indirect taxation is partially aligned with the EU acquis. In April 2025, the Law on the value added tax (VAT) was amended to allow VAT refunds on the purchase of a first real-estate property. However, the necessary bylaws have yet to be adopted. As regards excise duties on tobacco, alcohol and energy, and general rules for the production, keeping, storage, movement and controls on products that are subject to excise duties, full alignment of the legislation with the EU acquis is needed.*

The Indirect Taxation Authority (ITA) is in charge of implementing the customs legislation and policies, which should be further aligned with the EU acquis including the Union customs code. Four companies have been recognised as authorised economic operators (AEOs), two of them in the reporting period. The customs tariff and classification of goods are aligned with the EU's combined nomenclature. The country continues to apply the Pan-Euro Mediterranean Convention and has begun adopting the transitional rules of origin in trade with the EU.

Bosnia and Herzegovina is still an observer in the Common Transit Convention and intends to join it once it has met all legal and technical requirements, including upgrading its new computerised transit system, which has been operational since August 2022. Bosnia and Herzegovina should continue aligning with the EU acquis its provisions on the customs enforcement of intellectual property rights. The country should implement the CEFTA additional protocol 5 on the mutual recognition of AEO programmes. The AEO programme was positively assessed by CEFTA during the reporting period. Bosnia and Herzegovina should improve cooperation, including with the European Anti-Fraud Office (OLAF), and step up the use of anti-fraud tools to combat cross-border smuggling of tobacco products and other illicit activities. Bosnia and Herzegovina has yet to accede to the WHO Framework Convention on Tobacco Control and its protocol to eliminate illicit trade in tobacco products. In October 2025 the Council of Ministers approved joining the latter protocol. The exchange of customs information within the framework of mutual administrative assistance to detect, prevent and combat customs fraud needs to be made effective and fully operational.

*The **administrative and operational capacity** of the Indirect Taxation Authority should be substantially strengthened, especially in operational posts. The risk management system remains inadequate and customs authorities still perform 40% of checks physically (decrease from 60% in 2023). Bosnia and Herzegovina needs to align its customs IT systems with EU requirements to achieve interoperability with the common customs IT systems.*

3. Description

3.1 Background and justification:

Bosnia and Herzegovina (BiH) has been recognised as a candidate country for EU accession since the European Council's decision in December 2022, following its formal application for membership in February 2016. BiH participates in the Stabilisation and Association Process, which provides the framework for its alignment with the EU standards and policies and is a prerequisite for accession negotiations.

EU pre-accession assistance in BiH targets key reform areas essential for EU integration, where taxation plays an important role within this support. Indirect Taxation Authority (ITA) is the only institution in BiH which is responsible for the implementation and compliance with the legislation on indirect taxation and policies established by the Council of Ministers on the proposal of the Board of Directors, as well as the collection and allocation of indirect taxes. In the structure of collected revenues in BiH from direct and indirect taxes, the share of indirect taxes is dominant. Therefore, it is of the utmost importance for the overall fiscal framework in BiH to ensure a functioning system for collecting indirect taxes. Indirect taxes and implementation of customs legislation are administered by the Indirect Taxation Authority (ITA), a State level institution responsible for collecting and distributing indirect taxes and for the collection of all customs duties, VAT, excise duties and road taxes.

Current organisational structure of the ITA consists of five sectors, four departments and the Office of Director. The ITA Headquarters is in Banja Luka. Activities on the ground are carried out through four regional centres-Sarajevo, Banja Luka, Mostar and Tuzla, 30

customs stations and 59 customs offices out of which there are 40 road border crossings, 4 customs stations at the airports, 8 railway border crossings, 3 postal depots and free zones. In cooperation with other institutions and inspection services, the ITA has considerable role in protection of society and health of people as well as protecting environment and cultural heritage, preventing trafficking in illegal and prohibited goods and substances. One of the important roles is also to facilitate trade in balance with control measures. This includes simplifications for reliable economic operators and work on secure supply chain environment.

The new Customs Policy Law and its Implementing regulation in BiH is in force since 1st August 2022. During the preparation phase of a.m. legislation it was harmonised with EU legislation, but due to long lasting process of law adoption, is not any more part of EU legislation. At the moment in BiH the draft of new CPL has been prepared in compliance with UCC, Regulation 952/2013, including amendments and changes. Also, the preparation of new Implementing regulation (IR) of the draft new CPL is ongoing to be aligned with EU Delegated Regulation 2015/2446 and EU Implementing Regulation 2015/2447 including changes and amendments. A lot of annexes of IR and instructions should be updated and aligned in the coming period.

It is necessary to continue with activities related to NCTS further alignment in relation to technical readiness. Bosnia and Herzegovina is expected to join the Common Transit Convention (CTC) in the coming year. As part of this process, the Indirect Taxation Authority of Bosnia and Herzegovina (ITA) has undertaken international commitments in the field of transit and transport. Transport is a critical factor driving Europe's competitiveness and economy. Transport results in the ever-increasing importance of the EU economy and, as such, to EU security. The purpose for ITA of joining the CTC and New Computerised Transit System (NCTS) is to begin the process of integration into the Trans-European eCustoms procedures. After the steps leading to the implementation of NCTS phase 6, ITA will be able to be a fully active partner of the European Union's Trans-European transit regime. The customs information system connectivity to EU systems is seen to have both physical and symbolic significance in linking Bosnia and Herzegovina to the European family. The further support is needed to improve all activities and procedures with the new version of the NCTS application NCTS P6 (OPT IN) as well as drafting the new Instruction for enquiry and recovery procedure.

One of the new simplified customs procedures, provided by the new Law on Customs Policy in BiH, is "Authorised economic operator" (AEO), which is one of the security measures in the global trade supply chain arising from the Framework of norms for securing and facilitating global trade established by the World Customs Organization. This status can be granted to reliable business entities that provide a high level of security guarantees in relation to their role in the international trade supply chain and meet the criteria and conditions for this status, which will enable them to use the benefits not only in terms of the simplification provided for in the customs regulations, but also facilitations in terms of customs controls related to protection and security in the supply chain. At the moment four (4) companies have status AEO in BiH.

The use of the new digital qualified signature in BiH opens the possibility of accelerating all business processes, much faster and better communication between the Indirect Taxation Authority and the business community, reducing costs, etc. The ITA has

introduced that electronic signature of tax returns become obligatory for all tax payers from January 1st 2024. Until October 2025 over 1,800,000 electronic documents signed with a qualified digital signature were submitted to the ITA.

The ITA is dedicated to the digitization of public administration and one of its strategic goals is digitization and the transition to paperless business. One of the most important steps towards achieving this goal is the fact that the ITA recognized from the very beginning the importance of digitization, and therefore the importance of electronic signatures, i.e. technology whose application in electronic business systems enables the verification of the authenticity of the signatory or document, which replaces the traditional signature and seal. The goal of the ITA is the complete transition to paperless business with persons liable to indirect taxes, who will be able to exercise all their rights and obligations using digital qualified signatures issued by the ITA, in a much faster, simpler and cheaper way and exclusively.

3.2 Ongoing reforms:

In Economic Reform Programme (ERP) of BiH the main challenges for BiH include, inter alia, implementing customs policy legislation and supporting the green and digital transition, which include e-authentication and simplification of business registration, licensing and permit procedures.

Also one of the key challenges in ERP is improving the business environment through closer cooperation and coordination at all levels of government.

Various important customs reforms such as the new electronic transit procedure (NCTS), the authorised economic operators (AEO) scheme and electronic customs declaration for import and export customs procedures depend on full implementation of the new Customs Policy Law.

The ERP presents a number of PFM measures but some of the most crucial challenges remain unaddressed including issues related to the proper involvement of the ITA in preparation and costing of proposed changes to the VAT and excise duty regimes.

All four governments (the State-level, the entities and Brčko District) have adopted in June 2022 a country wide public financial management (PFM) strategy for period 2021-2025. One of the measures is restructuring of the tax burden and improvement of the legislative framework where the alignment of customs and tax legislation and best practices with EU Acquis is written as activity. Also, it is necessary to continue the fight against tax and customs fraud through more effective detection and processing of customs and tax fraud. Behind that one of the objectives is to improve the efficiency and effectiveness of institutions responsible for collecting tax revenues through modernization of infrastructure and operations, which contributes to the removal of administrative barriers.

The **Reform Agenda** of the Growth Plan is an ambitious framework that aims to foster sustainable economic development, enhance governance, and support integration into the European Union for the countries of the Western Balkans. This initiative seeks to tackle key challenges faced by the region, including economic diversification, institutional

capacity-building, and alignment with EU standards. It is aligned with broader EU policies for the region and builds on the foundations of the Berlin Process and other EU-driven initiatives for regional cooperation and development.

The Growth Plan is designed to accelerate structural reforms and ensure the countries of the Western Balkans can successfully implement the necessary reforms to meet EU accession criteria. It focuses on improving the region's economic performance, boosting private sector development, and enhancing the resilience of public institutions.

The Reform Agenda for Bosnia and Herzegovina is approved by the European Commission on 4th December 2025.

3.3 Linked activities:

During 2024 and 2025 the twinning project IPA 2020 “Strengthening capacities of ITA” was implemented and on the achieved results and activities in that project, and on the base of numerous previous projects financed by EU, the plan for this one is prepared. ITA has support from EU twinning projects in continuation since 2010 and has already implemented five twinning and two twinning light projects with assistance of EU experts. Some crucial laws and bylaws were drafted, such as: Customs Policy Law, Law on VAT, Book of rules for implementation of new Law on VAT, new Law on Excise duties, new Law on Enforced collection procedures, etc.

In addition, a key lessons learned from the programming and implementation of the IPA I and IPA II assistance, is that systematically devoting efforts in securing not only consent but also the ownership and commitment of all stakeholders is an imperative before the actions start in the complex governmental and administrative framework of Bosnia and Herzegovina. This and other relevant lessons learned from the evaluations were taken in to account while the current Action was designed.

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. (OJL 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 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

3.5 Components and results per component

The Twinning project is structured in two components, each corresponding to mandatory results listed in the Action Document IPA2022 and detailed in the Logical Framework (Annex C1a).

Component 1: Customs and Taxation

Result 1.1

Capacity building assistance in customs –procedures, tariff, valuation, simplified procedures, transit, IPR provided

Result 1.2

Customs laboratory- Evaluation of documentation, revision and accreditation for BAS EN ISO 17025 standard prepared.

Result 1.3

Capacity building assistance in area of VAT refund improved

Component 2: Risk Management and Internal Audit

Result 2.1

Capacity for managing customs and tax compliance risks at strategic, tactical and operational strengthened.

Result 2.2

Internal audit capacity to align practices with the Global Standards on Internal Auditing strengthened.

Result 2.3

Personal data protection improved

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

3.6.1. Profile and tasks of the Project Leader (PL):

Qualifications and skills

- University degree or in its absence, equivalent professional experience of 8 years.
- Strong communication skills in English. both written and spoken

General professional experience

- At least 3 years of general professional experience in the area of indirect taxation gained within an EU Member State (MS) indirect taxation administration

Specific professional experience

- At least 3 years of experience in a managerial position within an EU MS indirect taxation administration

These qualifications ensure that the PL is well-equipped to lead the project effectively, fostering collaboration between the Member State and the Beneficiary administration.

Tasks

- Leading the planning, supervision, and coordination of the project's preparation and implementation.
- Co-chairing the Project Steering Committee meetings alongside the Beneficiary Country's Project Leader;
- Handling essential administrative tasks related to the project, such as signing quarterly progress reports, operational side letters, and any necessary addenda;
- Bearing the overall responsibility for the correct and successful implementation of the project and for its sound financial management.

3.6.2. Profile and Tasks of the Resident Twinning Adviser (RTA)

The Resident Twinning Adviser (RTA) plays a central role in the implementation of the Twinning project and is based full-time in the Beneficiary administration for the project's duration. The RTA leads day-to-day operations and provides support, coordinates activities, and ensures the smooth delivery of project outputs.

Qualifications and skills:

- University degree or in its absence at least 8 years of relevant experience

- Fluent written and spoken English;

General professional experience

- At least 3 years of general professional experience in the area of indirect taxation gained within an EU Member State (MS) indirect taxation administration

Specific professional experience

- At least 3 years of experience in a managerial position within an EU MS indirect taxation administration
- Relevant working experience in the Western Balkans would be an asset.

The RTA is expected to fill in the following tasks:

- Oversee and coordinate the implementation of all project activities, as well as management of the project administration
- Advise the Beneficiary administration on EU indirect taxation standards and practices;
- Supervise short-term experts and prepare their Terms of Reference;
- Preparation of project progress reports;
- Develop and regularly update the project work plan in collaboration with stakeholders;
- Coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs;
- Where appropriate, participation in project's workshops;
- Maintain regular communication with the Beneficiary administration, Member State PL, EU Delegation Programme Manager, and other relevant stakeholders;
- Ensure close cooperation with the Beneficiary administration and alignment with the objectives of the Twinning Fiche.

The RTA will work closely with short-term experts and the Beneficiary administration to ensure timely achievement of all project results and may propose justified adjustments or complementary activities during implementation, in agreement with the Beneficiary administration and the Member State Partner.

3.6.3. Profile and Tasks of the Component Leader

Two component leaders have to be proposed, one covering customs and taxation (legal aspects and capacity building assistance) and one covering Risk management and internal audit.

Qualifications and skills related to the tasks for which they will be deployed:

- University degree or in the absence of a university degree equivalent professional experience of 8 years;
- Fluent written and spoken English;
- At least 3 years of professional experience in one or more of the indirect taxation domains relevant to the project, gained within an EU MS 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 project or other similar international projects in the field of indirect taxation.

3.6.4 Profile and tasks of other short-term experts

Short-term experts are officials or assimilated agents of a Member State public administration, or mandated body. They deliver their expertise under the overall responsibility of the Member State PL and the coordination and supervision of the RTA.

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 the EU Delegation Programme Manager and with the BC Project Leader in cooperation with the beneficiary institutions.

The short-term experts are expected to have:

- University degree or equivalent professional experience of 8 years.
- At least 3 years of specific professional experience related to the tasks for which they will be deployed in a specialised national administration;
- Experience in implementation of training courses;
- Fluent written and spoken English.

4. Budget

Total amount EUR 1 000 000,00

5. Implementation Arrangements

5.1 Implementing Agency responsible for tendering, contracting and accounting:

The EU Delegation in Bosnia and Herzegovina

Contact point:

Ms. Dijana Sikima, Programme Manager

Delegation of the European Union to BiH

Skenderija 3a, Sarajevo

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5.2 Institutional framework

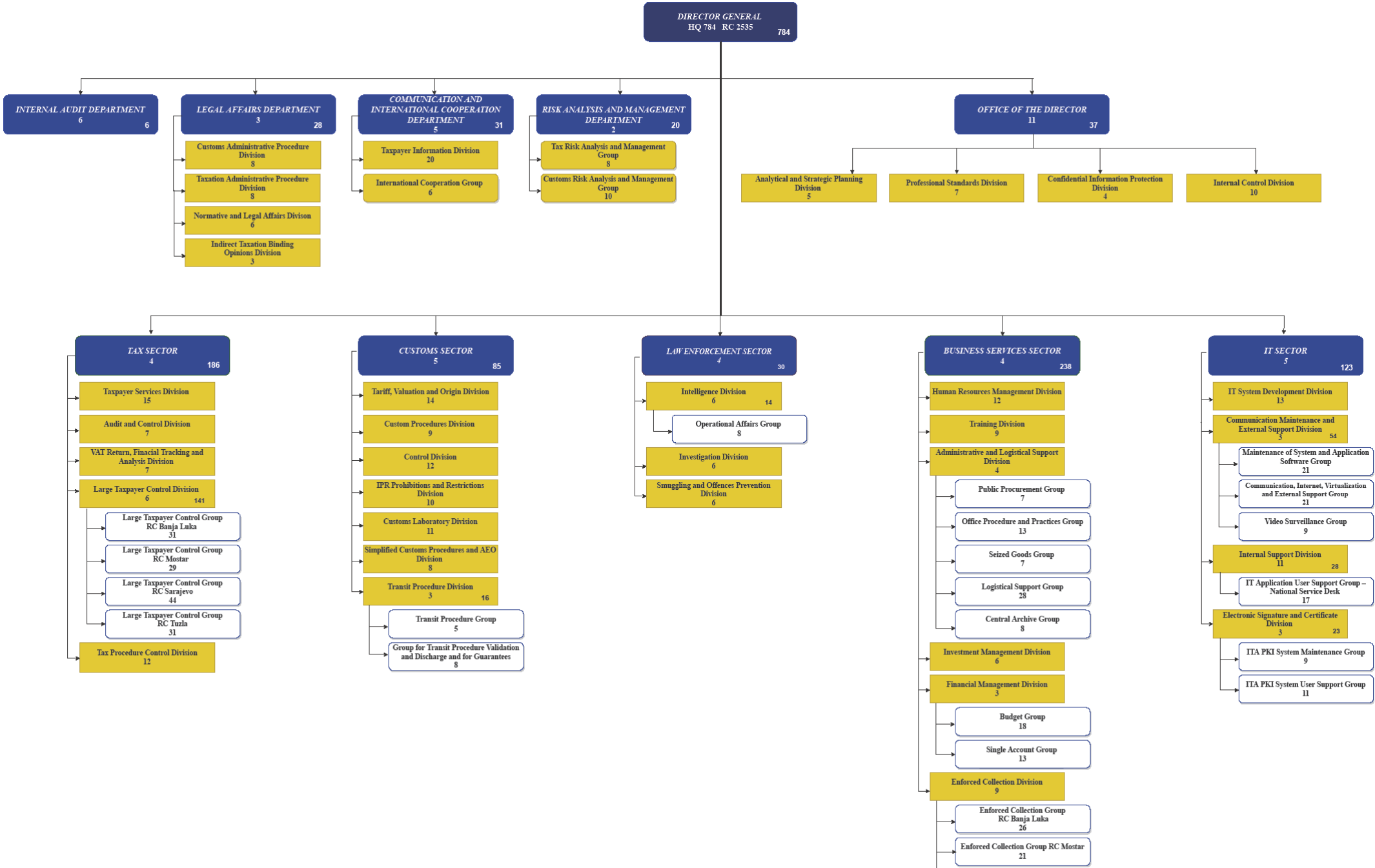
Indirect Taxation Authority is an autonomous administrative organisation responsible for its activities, through its Governing Board, to the Council of Ministers of Bosnia and Herzegovina. It is responsible for enforcement of legal provisions and policy on indirect taxation, as well as for the collection 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 54,500. 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. The organisational structure of the Indirect Taxation Authority (Head Quarters and Regional Centres) is presented down below as follows:

ITA Headquarters organigram:



5.3.1 Contact person:

5.3.1 Contact person:

Ms. Jasna Pavić, expert adviser in Communication and International cooperation department

Indirect Taxation Authority of BiH

Bana Lazarevica bb, 78000 Banja Luka

Phone: +387 51 335 143

5.3.2 PL counterpart

Mr. Ratko Kovačević, Head of Cooperation and International cooperation Department

Indirect Taxation Authority of BiH

Bana Lazarevića bb, 78 000 Banja Luka

Phone: +387 51 335 363, fax: +387 51 335 258

5.3.3 RTA counterpart

Ms Jasna Pavić, expert adviser in Cooperation and International cooperation dept.

Indirect Taxation Authority of BiH

Bana Lazarevića bb, 78000 Banja Luka

Phone: +387 51 335 143

6. Duration of the project

18 months

7. Management and reporting¹

7.1 Language

The official language of the project is English. 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) will be established to oversee the implementation of the project. Its key responsibilities include monitoring progress and verifying achievements against the mandatory results and outputs across all components, ensuring effective coordination among all stakeholders, reviewing and finalising interim reports, and discussing updates to the work plan. Further details on the composition and functioning of the PSC are outlined in the Twinning Manual.

7.3 Reporting

All project reports will include both a narrative and a financial section, and must, at a minimum, cover the elements specified in Annex A7 – Section 5 of the Twinning Manual.

¹ Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.

Reports are expected to go beyond a description of activities and inputs, providing a comprehensive analysis of progress towards the mandatory results. Two types of reports are foreseen within the Twinning framework: interim quarterly reports and a final report. An interim quarterly report will be submitted for review at each PSC meeting. The narrative section of these reports will assess progress against the mandatory results and include specific recommendations and corrective measures to ensure the project remains on course.

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...*)

9.1 Equal opportunities and non-discrimination

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

9.2 Minority and vulnerable groups

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

9.3 Environmental considerations

The projects will not lead to any negative environmental effects.

9.4 Civil society development and dialogue

Within the project, activities are planned to assist increased involvement of civil society in activities of the Parliaments in the context of the EU accession process.

9.5 Good governance, with particular attention to fight against corruption

All relevant requirements to insure a sound financial management of the Twinning Project will be fulfilled in accordance with the principle of good governance.

All necessary provisions will be taken to fight against corruption in accordance with the IPA Implementing Regulation.

10. Conditionality and Sequencing

N/A

11. Indicators for performance measurement

Please see section 3.5 and Annex 1 the Logical Framework (Annex C1a)

12. Facilities available

Required contributions of Beneficiary institution (including equipment, offices):

- I. Office space: Sufficient office space shall be allocated by the 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 necessary number of telephones and PC's (with e-mail and internet access). There will be access to photocopying and fax machines.

ANNEXES TO PROJECT FICHE

1. The Simplified Logical framework matrix as per Annex C1a (compulsory)

Annex C1a : Simplified Logical Framework: IPA 2022 Twinning

	Description	Indicators (with relevant baseline and target data)	Sources of verification	Risks	Assumptions (external to project)
Overall Objective	To further harmonise indirect taxation legislation with EU Acquis and to apply best EU practice in order to fulfil obligations from SAA regarding indirect taxation.	Progress in the alignment of BiH legislation and procedures with the EU acquis as evidenced by assessment in the EC's annual report Baseline 2025: Early stage, some level of preparations	Web, publications	Lack of agreement and cooperation between all involved partners in BiH might slow down the process and make more difficult the achievement of high quality and sustainable results.	
Specific (Project) Objective(s)	To strengthen the ITA institutional capacities and to improve overall performance by applying new laws, procedures and best practices in customs, VAT and excise controls.	Improved ITA capacities and overall performance (customs procedures, customs laboratory methods, VAT, risk management, internal audit)	ITA reports; EU reports	Lack of commitment and cooperation between all involved partners	

Mandatory results/outputs by components	Component 1: Result 1.1 Capacity building assistance in customs –procedures, tariff, valuation, simplified procedures, transit, IPR Result 1.2 Customs laboratory- Evaluation of documentation, revision and accreditation for BAS EN ISO 17025 standard prepared. Result 1.3 Capacity building assistance in area of VAT refund improved Component 2: Result 2.1 Capacity for managing customs and tax compliance risks at strategic, tactical and operational strengthened	Increased number of by-laws and instructions harmonized with EU referring to area of customs procedures, tariff, IPR, AEO ITA customs laboratory prepared for implementation of international standard BAS EN ISO 17025 EU best practices in VAT refund implemented Capacity of ITA staff increased and compliance risks methods applied at all levels. Advanced techniques of taxpayer profiling and risks arising from the digital economy applied.			
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	Result 2.2 Internal audit capacity to align practices with the Global Standards on Internal Auditing strengthened Result 2.3 Personal data protection improved	Increased knowledge of staff of internal audit department in relation to: international standards, financial management and control Work of Dept for data protection harmonised with new Law on data protection			

OVERALL OBJECTIVE: Indicate the global strategic objective which goes beyond the immediate scope of the project but to which the project can contribute. The overall objective should be linked to the general sector reform in the Beneficiary country, as agreed in the framework of the definition of cooperation with the EU.

These are the changes in the political, social, economic and environmental global context which will stem from interventions of all relevant actors and stakeholders in the project. These require the involvement of third parties that were not direct beneficiaries of the intervention. Hence, changes are indirectly influenced by EU Intervention.

Specific PROJECT OBJECTIVE(S): Identify the specific objective(s) that shall be achieved through the implementation of the Twinning project. These are the effects on the political, social, economic and environmental areas targeted by EU intervention as well as changes in behaviour of Beneficiaries of EU intervention.

MANDATORY RESULTS/OUTPUTS: Describe each of the results that shall be achieved by the project, as outlined in the Twinning Fiche. Each mandatory result/output should correspond to a "project component". Please include one line per component.

INDICATORS: (with relevant baseline and target data): Provide an indication of how the achievement of each component of the mandatory results, from sub results per component to outcomes (specific objectives) and to impact (overall objective), will be measured. Make sure that the indicators define the following, as appropriate: 1. Value of measurement (Quantity or Quality); 2. Baseline and target (values and times); 3. Actors in charge of data collection and reporting; 4. Target Group; 5. Deadline for reporting; 6. Place. Baseline and target data, as indicated in the Twinning Fiche, to be mentioned in brackets next to each indicator. Indicators may be revised if deemed appropriate when drafting the initial work plan.

SOURCES OF VERIFICATION: For every component, specify the sources of information from which evidence can be obtained that the targets have been achieved: e.g. independent reports, surveys, Official Journal, Commission reports, etc.

RISKS: Mention external factors which can potentially hinder the successful implementation of the project, including any event beyond the control of the main actors involved.

ASSUMPTIONS: Specify the external conditions and/or third parties initiatives which can influence the implementation of the project to the point that only their fulfilment can guarantee its success. These are the necessary and positive conditions that allow for a successful cause-and-effect relationship between different levels of results.