

*EUSAIR Stakeholders Engagement Point*  
*“STEP” Strategic Project-Cod. 00539*  
*WP n. 5 -Deliverable n. 5.4.1*

**TITLE: Guidance report for NIPACs and DG NEAR**  
**VERSION n. 1**  
**DATE: 20.12.2024**  
**RESPONSIBLE PP: P2 DEI**

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## Executive Summary

The document provides an analysis of the alignment between the Instrument for Pre-Accession Assistance (IPA) III programming and the EU Strategy for the Adriatic-Ionian Region (EUSAIR) pillars in EUSAIR participating countries from the Western Balkan (WB). It examines the status of programming, identifies challenges, and explores opportunities to optimise IPA III funding in support of EUSAIR objectives. The analysis considers the tight programming schedule for the remaining bilateral annual programmes and multi-country programmes, the limited budget allocations for Windows 3 and 4 for the period 2025-2027, and the introduction of the Reform and Growth Facility. By identifying potential synergies and opportunities for integration, the document aims to contribute to a more efficient use of EU pre-accession funds, inform future IPA programming, and ensure stronger alignment with EUSAIR objectives—ultimately supporting the WB countries on their path towards EU accession and enhanced regional cooperation.

Analysis builds on the EUSAIR Action Plan, revised in September 2024, which is a comprehensive framework for cooperation between four EU Member States (Croatia, Greece, Italy, Slovenia), five EU candidate countries (Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia) and San Marino. The Action Plan is structured around five key pillars: Blue Sustainable Economy, Connecting the Region, Environmental Quality, Sustainable Tourism, and Improved Social Cohesion (newly added). It addresses horizontal topics like EU enlargement, capacity building, and research/innovation, as well as cross-cutting issues such as circular economy, green rural development, and digitalization. The plan serves as a rolling implementation tool aligned with EU funding frameworks, aiming to promote effective multilevel and cross-sectoral cooperation for an economically prosperous, socially inclusive, well-connected, more integrated, green and liveable Adriatic-Ionian Region.

The methodology for assessing the alignment of programmes and projects with EUSAIR pillars categorises alignment into four levels: direct alignment, partial alignment, complementary objectives, and no alignment. The assessment focuses on actions from IPA III Windows previously identified as having strong synergies with EUSAIR pillars, thus excluding Windows 1 and 2 due to their limited relevance. This approach involves analysing each IPA action's objectives and outputs against EUSAIR pillar objectives, applying this process to annual bilateral actions (2021-2024), multiannual operational programmes (2024-2027), and multi-country programmes (2021-2024). For proposed actions in 2025-2027, the assessment is conducted to the extent possible, given the lack of full action documents. The analysis also identifies opportunities to embed EUSAIR actions into multiannual operational programmes (2024-2027) and ongoing IPA III programming (2025-2027), focusing on areas where funding allocations and priorities remain flexible. This methodology provides a detailed understanding of how IPA contributes to EUSAIR goals and can inform future programming to better align with EUSAIR objectives.

The analysis of IPA III bilateral actions (2021-2024) demonstrates predominantly weak alignment with the objectives of the EUSAIR across most pillars, with notable discrepancies. Pillar 5 (Social Cohesion) exhibits the strongest alignment, particularly regarding youth employment and support for disadvantaged groups, albeit primarily at a national level. Pillar 2 (energy) shows moderate alignment, mainly in power networks and renewable energy, while the transport component is largely unaligned. Pillar 1 (Blue Growth) and Pillar 3 (Environmental Quality) show limited alignment, with only isolated national programmes addressing blue economy and environmental protection measures. Pillar 4 (Sustainable Tourism) displays minimal alignment, with only a few national initiatives addressing sustainable tourism objectives. A significant gap across all pillars is the predominant focus of IPA III actions on national-level development, which contrasts with the transnational, macro-regional cooperation intended by EUSAIR.

IPA 2021-2024 Multi-country Programmes are designed to complement bilateral programmes and address regional issues in the WBs. Specific actions relevant to EUSAIR, such as youth employment initiatives, competitiveness support, and sustainable transport connectivity, reflect the EU's significant financial commitment to regional stability, development, and preparation for EU integration. The IPA 2021-2024 Multi-country Programmes demonstrate strong alignment with several EUSAIR pillars, particularly in areas of regional connectivity, environmental quality, and social cohesion. Key initiatives such as the Western Balkans Investment Framework (WBIF) and the EU Contribution to Sustainable Transport Connectivity directly support Pillar 2 (Connecting the Region) and Pillar 3 (Environmental Quality). Social cohesion (Pillar 5) is well addressed through programmes like EU4Youth and SOCIEUX+. However, alignment with Pillar 1 (Blue Growth) is largely indirect, supported mainly through broader economic initiatives that could potentially benefit blue economy sectors. Pillar 4 (Sustainable Tourism) sees only partial alignment, primarily through infrastructure and digitalisation efforts that may indirectly benefit tourism. While the programmes make significant contributions to EUSAIR objectives, opportunities remain to enhance direct support for Blue Growth and Sustainable Tourism initiatives. Future programming could aim to address these gaps and strengthen overall alignment with EUSAIR priorities.

The analysis of WBIF projects reveals alignment gaps with EUSAIR pillars across the WBs. Transport investments primarily focus on TEN-T compliance, with limited attention to maritime connectivity; energy projects emphasise conventional infrastructure over EUSAIR's targeted hydrogen and LNG initiatives; environmental projects concentrate on basic infrastructure rather than marine and coastal biodiversity; and social sector investments focus on physical infrastructure, overlooking EUSAIR's youth engagement and skills development objectives. The most substantial alignment gaps are found

in Pillar 1 (Blue Economy) and Pillar 4 (Sustainable Tourism), where no dedicated projects are identified. Partial alignment occurs in energy connectivity and environmental infrastructure through broader regional development initiatives.

The IPA III Bilateral Multiannual Operational Programmes (OPs) for Albania, Montenegro, North Macedonia, and Serbia show a strong commitment to supporting these countries' development and aligning them with EU standards. The assessment of the IPA 2024-2027 Bilateral Multiannual Operational Programmes reveals distinct alignment patterns with EUSAIR's five pillars across Albania, Montenegro, North Macedonia, and Serbia. Pillar 1 (Blue Growth) demonstrates minimal to no alignment, primarily due to geographic limitations and insufficient maritime-focused initiatives. Pillar 2 (Connecting the Region) shows partial alignment, with strong correspondence in multimodal connectivity but significant gaps in maritime transport and urban mobility. The energy component exhibits partial alignment, particularly in renewable energy and efficiency measures, whilst lacking in integrated network development. Pillar 3 (Environmental Quality) indicates minimal alignment, with substantial gaps in marine and terrestrial biodiversity conservation. Pillar 4 (Sustainable Tourism) presents minimal to no alignment, with only indirect potential through digital transformation initiatives. In contrast, Pillar 5 (Improved Social Cohesion) demonstrates strong alignment across all countries, particularly in youth employment, skills development, and social innovation, although regional cooperation aspects require enhancement. The findings indicate that substantial adjustments to existing OPs would be necessary to achieve comprehensive alignment with EUSAIR objectives, particularly in maritime-related and environmental domains.

The IPA III 2025-2027 programming period demonstrates a strategic shift towards multiannual programming across Western Balkan countries, with notable variations in budget allocation across four windows. The distribution pattern indicates a potential misalignment between EUSAIR priorities and IPA funding focus areas, particularly in environmental sustainability and economic growth. However, the implementation of governance reforms under Windows 1 and 2 may indirectly support EUSAIR objectives through improved administrative capacity and institutional frameworks. The European Commission emphasises the need to align these initiatives with the Western Balkans Growth Plan and the Reform and Growth Facility to maximise funding effectiveness and support essential reforms.

The analysis of proposed IPA Bilateral Programmes (2025-2027) reveals limited alignment with EUSAIR Pillars across Western Balkan countries. Pillar 1 (Blue Growth) shows minimal alignment, particularly in landlocked countries, with only Montenegro offering potential indirect alignment through EU integration initiatives. Pillar 2 (Connecting the Region) demonstrates uneven alignment, with Serbia showing the strongest potential through railway modernisation and energy market reforms, whilst other countries exhibit limited correspondence. Pillar 3 (Environmental Quality) indicates partial alignment through environmental and climate change priorities, though specific EUSAIR actions remain largely unaddressed. Pillar 4 (Sustainable Tourism) shows minimal alignment, with only Serbia demonstrating partial alignment through local development initiatives. Pillar 5 (Social Cohesion) exhibits limited alignment, primarily through North Macedonia's education modernisation and Serbia's local development programmes. The assessment indicates that substantial adjustments to current bilateral priorities would be necessary to achieve alignment with EUSAIR objectives, particularly in maritime governance, environmental protection, sustainable tourism, and social innovation domains.

The proposed IPA Multi-Country actions for 2025-2027 focus on fewer, more targeted interventions across four windows. However, the relatively low allocations for Windows 3 and 4, which are most closely aligned with EUSAIR pillars, present challenges for embedding EUSAIR priorities. Still, opportunities do exist to leverage governance improvements and the multi-country approach. Achieving success in integrating EUSAIR priorities will require close coordination between EUSAIR bodies, national authorities, and DG NEAR, as well as targeted communication with key stakeholders. The assessment of alignment between proposed IPA Multi-Country Programmes (2025-2027) and EUSAIR Pillars indicates varying degrees of correspondence across different areas. Pillar 1 (Blue Growth) demonstrates limited alignment, with potential synergies primarily through EU4Digital initiatives that can support maritime sector digitalisation. Pillar 2 (Connecting the Region) shows partial alignment in digital transformation and environmental monitoring, particularly through EU4Digital and energy transition measures, whilst infrastructure development aspects remain largely unaddressed. Pillar 3 (Environmental Quality) exhibits limited direct alignment, with EU4Green measures focusing on broader environmental issues rather than specific EUSAIR priorities in marine and coastal protection. Pillar 4 (Sustainable Tourism) shows minimal direct alignment, though indirect support may be available through digital transition and green programmes. Pillar 5 (Social Cohesion) demonstrates the strongest alignment, particularly through EU4Inclusion measures supporting youth empowerment, skills development, and social innovation. The analysis suggests that whilst some alignment exists, significant advocacy and adjustment would be required to fully integrate EUSAIR priorities within the IPA III framework, particularly in areas of blue economy, environmental protection, and sustainable tourism.

To effectively embed EUSAIR actions within IPA programming across all pillars, it is essential to focus on practical strategies that leverage common interests between the two programmes. This involves aligning funding priorities by targeting sectors like digital transformation, environmental protection, and social cohesion to maximize resource efficiency and benefits for all countries. Enhancing institutional coordination through formal mechanisms among EUSAIR governance structures, DG NEAR, NIPACs, and Managing Authorities ensures better alignment of objectives and cohesive strategy implementation. Tools like standardized checklists for assessing project alignment, along with modifying funding mechanisms and selection criteria to prioritize EUSAIR objectives, promote synergy and effective resource allocation. Adopting inclusive and differentiated

approaches acknowledges the diverse needs of beneficiary countries, ensuring meaningful participation through tailored strategies. Strengthening cross-border cooperation, developing dedicated monitoring frameworks, and maintaining compliance with EU accession requirements further enhance integration and progress tracking. Capacity building, knowledge sharing, and leveraging complementary EU funding streams like Horizon Europe and LIFE amplify impact, ensuring that both IPA and EUSAIR mutually reinforce each other's goals for sustainable regional development.

## **Introduction**

This document provides an analysis of the alignment and synergies between the Instrument for Pre-Accession Assistance (IPA) III programming and the EU Strategy for the Adriatic-Ionian Region (EUSAIR) pillars for the Western Balkan (WB) countries of Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia.

Its purpose is to identify opportunities to optimise IPA III funding to support the achievement of EUSAIR objectives and promote sustainable development in the region.

### ***EUSAIR Pillars and IPA III Alignment***

As DG NEAR works to finalise the 2025-2027 IPA III Action Documents under tight scheduling constraints, aligning EUSAIR initiatives within this framework becomes increasingly important. Despite the financial limitations, significant opportunities remain for embedding EUSAIR into IPA III programming to support long-term regional development. This section explores how synergies between IPA III and EUSAIR can be leveraged across key thematic areas, emphasising the alignment of EUSAIR pillars with IPA III windows and priorities, while identifying both opportunities and challenges.

#### **EUSAIR Pillar 1: Blue Growth**

EUSAIR Pillar 1, focusing on Blue Growth, aligns with IPA III Window 4: Competitiveness and Inclusive Growth, particularly through Thematic Priority 2: Private sector development, trade, research and innovation and Thematic Priority 4: Fisheries, and Window 2: Administrative Capacity and EU Acquis Alignment, regarding maritime governance. This alignment supports objectives in private sector development, research, innovation, and sustainable fisheries management. However, practical challenges arise in embedding these initiatives within IPA III programming, due to diverse regional priorities.

#### **EUSAIR Pillar 2: Connecting the Region**

EUSAIR Pillar 2, focused on Connecting the Region, aligns primarily with IPA III Window 3: Green Agenda and Sustainable Connectivity, and Thematic Priority 2: Transport, Digital Economy and Society, and Energy. This alignment promotes shared goals such as sustainable transport, enhanced regional connectivity, and the transition to a low-carbon economy. The pillar's energy-related topics (e.g., Energy Networks and Green Energy) further strengthen these connections by focusing on energy security and efficiency.

#### **EUSAIR Pillar 3: Environmental Quality**

EUSAIR Pillar 3, addressing Environmental Quality, aligns with IPA III Window 3: Green Agenda and Sustainable Connectivity, and Thematic Priority 1: Environment and Climate Change. This alignment reflects mutual objectives in environmental protection, biodiversity conservation, and sustainable resource management. The pillar's emphasis on marine, coastal, and terrestrial biodiversity underscores the importance of ecosystem conservation within these frameworks.

#### **EUSAIR Pillar 4: Sustainable Tourism**

EUSAIR Pillar 4, focused on Sustainable Tourism, aligns with IPA III Window 4: Competitiveness and Inclusive Growth, particularly through Thematic Priority 2: Private Sector Development, Trade, Research and Innovation, and Thematic Priority 3: Agriculture and Rural Development. This alignment supports efforts to enhance the competitiveness of the tourism sector while promoting sustainable practices and rural development through tourism initiatives. Additionally, there is secondary alignment with Window 3: Green Agenda and Sustainable Connectivity, which emphasises eco-friendly tourism practices.

#### **EUSAIR Pillar 5: Improved Social Cohesion**

EUSAIR Pillar 5, focused on Improved Social Cohesion, demonstrates strong alignment with IPA III Window 4: Competitiveness and Inclusive Growth, particularly Thematic Priority 1: Education, Employment, Social Protection and Inclusion Policies, and Health. This alignment spans across all topics within the pillar, focusing on youth engagement, skills development, equal opportunities, and social innovation. The synergy between EUSAIR Pillar 5 initiatives and IPA III

objectives provides a solid foundation for embedding efforts aimed at improving social cohesion across the Adriatic-Ionian region.

### **Methodology for Alignment Assessment**

The assessment of IPA actions in alignment with the EUSAIR pillars follows a structured methodology that categorises the degree of alignment into four levels:

#### **1. Direct Alignment:**

This indicates that the objectives and activities of a programme or project are explicitly and directly aligned with the objectives outlined in an EUSAIR Pillar. There is a clear and strong match between the programme/project and the EUSAIR Pillar, demonstrating that the initiative is designed to directly contribute to the pillar's goals.

#### **2. Partial Alignment:**

This category applies when there is significant overlap between the programme/project's goals and the objectives of an EUSAIR Pillar, even if the programme was not explicitly designed for this purpose. The programme/project contributes to the pillar's objectives as a secondary effect or supports the intended outcomes through enabling conditions or spillover effects that meaningfully contribute to achieving its goals.

#### **3. Complementary Objectives:**

In this category, the programme/project's objectives are not directly aligned with the EUSAIR Pillar but work together to achieve broader goals. The two may address different aspects of the same overarching issue or provide mutually reinforcing benefits, complementing each other's efforts.

#### **4. No Alignment:**

There is no alignment between the programme/project's objectives and those of the EUSAIR Pillars, and no realistic possibility for embedding exists.

#### **Choice of Actions for Assessment:**

The selection of actions for this assessment was based on a previously conducted analysis of the alignment between IPA III Windows and EUSAIR (see previous section). This prior assessment identified strong synergies between specific IPA III Windows and the EUSAIR pillars. As a result, actions from IPA III Windows 1 and 2 were not included in this assessment, given their limited direct relevance to the core objectives of the EUSAIR pillars.

#### **Application of the Methodology:**

- Each IPA action is analysed based on its objectives and expected outputs.
- These elements are compared against the specific objectives of each EUSAIR pillar (see annexes 2-6).
- Based on the degree of alignment, the action is categorised into one of the three levels, including instances where no alignment is evident.
- This process is applied for each IPA action across all EUSAIR pillars, allowing for a comprehensive assessment of how well the IPA programming supports the EUSAIR strategy.
- The methodology was applied to annual bilateral actions for the period 2021-2024, bilateral multiannual operational programmes (2024-2027), and multi-country programmes (2021-2024).
- For proposed actions and measures for the period 2025-2027, both bilateral and multi-country, the methodology was applied to the extent possible, recognising that full action documents have yet to be developed.

#### **Identifying Opportunities for Embedding EUSAIR Actions:**

The analysis focused on embedding EUSAIR Actions, particularly those outlined in the EUSAIR Action Plan, into the IPA III framework. This forward-looking approach concentrated on the Multiannual OPs 2024-2027, the priorities for 2025-2027 and WBIF projects, as funding for earlier periods (2021-2024) is already allocated and unlikely to be revised. The analysis assessed the alignment of EUSAIR Actions with IPA III Windows and Thematic Priorities, and examined potential allocations within the 2024-2027 Bilateral OPs, WBIF Projects, Indicative Annual Bilateral IPA 2025-2027, and Indicative Multi-country IPA 2025-2027 that could support EUSAIR Actions. The goal was to identify gaps and opportunities where future IPA III programming can better integrate EUSAIR Actions, particularly in areas where funding allocations and priorities remain flexible.

### Benefits of the Methodology:

- **Detailed understanding:** This methodology provides a nuanced understanding of how IPA contributes to EUSAIR goals, moving beyond a simple "aligned" or "not aligned" assessment.
- **Recognition of complexity:** By including categories for partial alignment and complementary objectives, the methodology recognises the complex ways in which IPA actions can support strategic goals.
- **Identification of gaps:** The methodology helps identify areas where direct support for EUSAIR Actions may be lacking in current IPA programming.
- **Informing future programming:** The results of this assessment can inform future IPA programming to better align with EUSAIR objectives where needed, improving overall efficiency and effectiveness

## IPA 2021-2024 Annual Bilateral Programmes

This section examines the budget allocations for the 2021-2024 IPA programmes across five Western Balkan (WB) countries, totalling approximately EUR 1.7 billion. By analysing the distribution of funds across the four IPA III Windows, the report highlights key shifts in priorities during this period, with significant investments in infrastructure, environmental sustainability, and economic competitiveness.

Through this analysis, we gain a clearer understanding of the EU's financial support strategy in the region, its alignment with the pre-accession process, and its relevance to EUSAIR objectives. The detailed examination of budget trends, co-financing arrangements, and national contributions offers valuable insights into the challenges and opportunities facing the WB countries as they progress towards EU integration.

### *Alignment of IPA Annual Bilateral Programmes 2021-2024 with EUSAIR Pillars*

The analysis of IPA III bilateral actions 2021-2024 reveals predominantly weak alignment with EUSAIR objectives across most pillars, with notable variations. Pillar 5 (Social Cohesion) demonstrates the strongest alignment, particularly in youth employment and disadvantaged groups' support, though primarily at national rather than macro-regional level. Pillar 2's energy component shows moderate alignment in basic power networks and renewable energy, while its transport component has limited alignment except for some rail and road capacity improvements. Pillar 1 (Blue Growth) exhibits weak alignment across all topics, with only isolated initiatives like Albania's innovation programme and Montenegro's fisheries systems showing relevant connections. Pillar 3 (Environmental Quality) demonstrates limited alignment, with only basic environmental infrastructure being addressed rather than comprehensive protection measures. Pillar 4 (Sustainable Tourism) shows consistently limited direct alignment across all actions, with only North Macedonia's "EU for Prespa" programme providing significant tourism-specific interventions. The primary implementation gap across all pillars is that IPA III actions focus predominantly on basic national-level development needs (environmental protection, social services, economic development, and infrastructure) rather than the transnational, macro-regional cooperation and integration envisioned by EUSAIR.

#### **Pillar 1: Blue Growth**

The analysis of IPA III actions' alignment with EUSAIR Pillar 1 reveals **predominantly weak alignment** across all topics and actions. The strongest alignment is found in Topic 1.1 (Blue and green technologies) through Albania's "EU for Innovation Phase II" programme, which supports start-up ecosystems and innovation, while other countries show moderate to partial alignment through various green economy initiatives. Topics 1.2 (Fisheries and aquaculture) and 1.3 (Maritime and marine governance and services) demonstrate significantly weaker alignment, with only Montenegro showing limited relevant interventions through its agriculture sector support and environmental programmes. Specifically, Montenegro's programmes include elements such as a Fisheries Information System, maritime safety measures in Boka Kotorska, and a multi-purpose research vessel. Most IPA III actions across all WB countries focus on other priorities such as general environmental protection, social services, education, or basic economic development, rather than specifically targeting blue economy objectives. **This creates a clear implementation gap between EUSAIR's strategic focus on blue economy development and the actual IPA III funded interventions in the region.**

#### **Pillar 2: Connecting the Region**

Based on the detailed analysis of EUSAIR Pillar 2 (transport) and IPA III actions for 2021-2024, there is **overall weak alignment across all three topics (Maritime Transport, Multimodal Connectivity, and Urban Nodes)** and their nine associated actions. The strongest, though still moderate, alignment is found in Action 2.2.3 regarding rail and road transport capacity improvements, where several countries have specific transport-related interventions in their IPA III programming. All

other actions show limited or extremely limited alignment. Maritime transport actions (2.1.1-2.1.3) have virtually no direct alignment except for isolated cases like Montenegro's maritime safety measures for Boka Kotorska. Multimodal connectivity actions (2.2.1-2.2.3) show limited alignment with some transport policy implementation elements but lack comprehensive cross-border approaches. Urban nodes actions (2.3.1-2.3.3) demonstrate minimal alignment, with only fragmented connections to sustainable transport initiatives but no specific focus on urban mobility planning, integrated ticketing, or cycling infrastructure. Most IPA III actions across all countries focus instead on other priorities such as environmental protection, social services, economic development, or basic transport infrastructure, rather than the specific objectives outlined in EUSAIR Pillar 2.

The analysis of Pillar 2 "Connecting the Region" (energy) specifically for Topics 2.4 (Energy networks) and 2.5 (Green energy) shows **predominantly moderate to limited alignment** with IPA III actions. For energy networks (Topic 2.4), there is moderate alignment in power networks and energy market development (Action 2.4.1) and energy corridors infrastructure (Action 2.4.2), but very limited alignment for LNG infrastructure (Action 2.4.3). For green energy (Topic 2.5), moderate alignment exists in renewable energy deployment (Action 2.5.1) and energy efficiency improvements (Action 2.5.2), while there is very limited alignment for advanced energy technologies and hydrogen economy (Action 2.5.3). The primary limitation across all actions is that IPA III interventions focus on national-level improvements rather than regional integration and cooperation as envisioned by EUSAIR. The most relevant IPA III programmes are found in Montenegro's and Serbia's "EU for Connectivity and Green Agenda," Bosnia and Herzegovina's "EU4 Energy," and North Macedonia's "EU for Economic Cohesion," but these primarily address basic energy development needs rather than comprehensive regional integration or advanced energy solutions.

### Pillar 3: Environmental Quality

The analysis of Pillar 3 (Environmental Quality) shows **predominantly limited alignment between** IPA III actions and EUSAIR objectives across both marine/coastal (Topic 3.1) and terrestrial (Topic 3.2) components. In marine and coastal actions (3.1.1-3.1.3), the only notable alignments are found in Montenegro's programmes for marine research and monitoring, and Albania's water management initiatives, though these focus primarily on basic infrastructure rather than comprehensive environmental protection. The ballast water management action (3.1.3) shows virtually no meaningful alignment across all IPA III programmes. For terrestrial habitats and biodiversity (Actions 3.2.1-3.2.3), there is slightly better but still limited alignment, with the strongest connections in Albania's "EU for Nature" programme and Montenegro's environmental action policies, particularly for general habitat protection and monitoring. The best alignment is found in Action 3.2.3 (anthropic-natural ecosystem interaction), where multiple countries show relevant interventions through nature-based solutions and green economy initiatives. However, across the entire Pillar, IPA III actions predominantly focus on basic environmental infrastructure and national-level systems rather than the transnational, comprehensive environmental protection approach envisioned by EUSAIR.

### Pillar 4: Sustainable Tourism

Based on the detailed analysis of EUSAIR Pillar 4 and its alignment with IPA III Actions across all topics and projects, there is **consistently limited direct alignment across all eight examined actions** (4.4.1, 4.1.2, 4.1.3, 4.2.1, 4.2.2, 4.3.1, 4.3.2, and 4.3.3). The most significant connection exists in North Macedonia's "EU for Prespa" programme, which includes concrete outputs for sustainable tourism products, promotion, and diversification. Secondary relevant but indirect connections appear in various country programmes such as Bosnia and Herzegovina's "Harnessing Culture and Creativity for sustainable development" and "EU4 Green Economy," Montenegro's environmental and agriculture initiatives, and Albania's "EU for Innovation Phase II" and "EU for Nature." However, most IPA III actions across all participating countries prioritize broader objectives such as environmental protection, social services, economic development, and basic infrastructure, without specifically targeting sustainable tourism development, digital transformation in tourism, tourism management, skills development for tourism, or specialized forms of tourism (agritourism, rural tourism, ecotourism). This creates a clear implementation gap between EUSAIR's tourism objectives and the actual funded actions under IPA III.

### Pillar 5: Improved Social Cohesion

Based on the detailed analysis of EUSAIR Pillar 5 and its alignment with IPA III actions across all topics and projects, there is a clear pattern of **strong to moderate alignment** at the national implementation level, **but consistent gaps** in cross-border and macro-regional cooperation. Strong direct alignment is evident in youth-focused interventions (Topic 5.1), particularly in youth employment and empowerment programmes, with specific national initiatives implemented across Albania, Bosnia and Herzegovina, Montenegro, and Serbia. There is also strong alignment in programmes targeting disadvantaged groups through upskilling and reskilling (Topic 5.2.2). However, moderate alignment is found in skills policy development (Topic 5.2.1), gender equality initiatives (Topic 5.3), and social innovation ecosystem development (Topic 5.4), where programmes primarily address basic national-level reforms rather than comprehensive macro-regional objectives. The most significant gap across all topics is the limited implementation of cross-border and macro-regional cooperation mechanisms, with IPA III programming focusing on national-level initiatives rather than the regional cooperation and integration envisioned by EUSAIR. This creates a clear pattern where operational alignment is strong at the national level but structural alignment with EUSAIR's macro-regional objectives remains underdeveloped.

## IPA 2021-2027 Multi-country Programmes

Multi-country programmes are designed to complement bilateral programmes and address regional issues more efficiently by targeting specific sectors or cross-cutting issues at both national and regional levels. These programmes are implemented through annual or multiannual action plans and play a key role in advancing the **Economic and Investment Plan (EIP)** and supporting the **Growth Plan for the Western Balkans (WBs)** from 2024 onwards.

The European Commission has adopted several financing decisions to support multi-country programmes in the WBs and Türkiye for the 2021-2024 period. These programmes aim to address regional challenges, promote development, and facilitate closer integration with the EU. The areas covered include migration management, civil society and media support, regional cooperation, and economic development. By tackling these key areas, the programmes foster long-term growth and prepare beneficiary countries for potential EU membership.

The significant financial commitments made by the EU reflect its dedication to promoting regional stability and development. Furthermore, the use of **indirect management** for implementing these programmes allows for effective delivery through partnerships with experienced entities, ensuring efficient use of resources and expertise. Flexibility is also embedded in these programmes, allowing them to adapt to evolving circumstances without compromising their core objectives.

### **Financing Decisions**

#### ***EU Civil Society Facility and Media Programme (2021-2023):***

- Budget: EUR 218,500,000
- Focus: Supporting civil society and media freedom
- Beneficiaries: All WB countries and Turkey

#### ***Multi-Country Multiannual Action Plan (2021-2022):***

- Budget: EUR 191,750,000
- Focus: Addressing regional issues across five thematic windows
- Beneficiaries: WBs and Turkey

#### ***Western Balkans Investment Framework (2021-2027):***

- Budget: EUR 3,194,801,816
- Focus: Long-term economic recovery, green and digital transition
- Beneficiaries: WB countries

#### ***Migration Flows Management (2022):***

- Budget: EUR 101,250,000
- Focus: Strengthening response capacity for migration flows
- Beneficiaries: Primarily Bosnia and Herzegovina, North Macedonia, and Serbia

#### ***Multi-Country Annual Action Plan (2022):***

- Budget: EUR 72,000,000
- Focus: Rule of law, fundamental rights, statistical capacities, regional cooperation, and participation in Union programmes
- Beneficiaries: WBs and Turkey

#### ***Multi-Country Annual Action Plan (2024):***

- Budget: EUR 128,226,000
- Focus: Rule of law, social inclusion, governance, EU integration, just transition, digital connectivity, and youth cooperation
- Beneficiaries: WBs and Turkey

#### ***EU Civil Society Facility and Media Programme (2024-2025):***

- Budget: EUR 132,400,000
- Focus: Strengthening participatory democracies and EU integration through civil society and media
- Beneficiaries: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia, and Turkey

#### **Western Balkans Investment Framework (2024-2027):**

- Budget: EUR 1,009,000,000 (action plan) + EUR 927,699,049 (Common Provisioning Fund)
- Focus: Long-term recovery, green and digital transition, implementation of Economic and Investment Plan
- Beneficiaries: WB countries

#### **Alignment of IPA 2021-2027 Multi-country Programmes with EUSAIR Pillars**

The multi-country actions under the IPA financing decisions (2021-2024) demonstrate good alignment with key EUSAIR pillars, particularly **Pillar 2: Connecting the Region**, **Pillar 3: Environmental Quality**, and **Pillar 5: Improved Social Cohesion** (detailed assessments are available in Annex 7). These actions contribute to the EUSAIR strategy by focusing on sustainable transport, environmental protection, social inclusion, and regional cooperation.

##### **Pillar 1: Blue Growth**

The alignment with Pillar 1 is mostly indirect or partial. Initiatives provide partial alignment by supporting small and medium-sized enterprises (SMEs) and innovation, which can extend to the blue economy sectors. For example, the **EU Support to Competitiveness and Sustainability in the WBs and Turkey** indirectly supports blue growth by enhancing competitiveness and sustainability efforts across various sectors. However, there is a missed opportunity for more explicit support of blue growth sectors.

##### **Pillar 2: Connecting the Region**

Pillar 2 shows strong alignment through actions such as the **EU Contribution to Sustainable Transport Connectivity** and WBIF initiatives, which focus on promoting sustainable transport, infrastructure improvements, and digital connectivity. These actions are crucial for enhancing regional infrastructure and facilitating movement across borders, thereby supporting both economic growth and regional integration.

##### **Pillar 3: Environmental Quality**

Pillar 3 benefits from strong alignment through initiatives such as the **WBIF** and the **EU Support to Facilitate Just Transition**, which promote environmental protection, green transitions, and the Green Agenda for the WBs. However, gaps remain in addressing specific areas like habitat protection, pollution prevention, and biodiversity conservation. Future programmes could more directly target these areas to better align with Pillar 3 objectives and contribute more effectively to long-term environmental sustainability.

##### **Pillar 4: Sustainable Tourism**

Pillar 4 shows partial or complementary alignment. Actions like the WBIF and the **Common Regional Market (CRM) initiative** offer limited and indirect support. Many of initiatives do not directly focus on sustainable tourism, which represents a missed opportunity to leverage tourism as a key driver for regional development. More direct investment in eco-tourism, cultural heritage preservation, and tourism infrastructure could better align with Pillar 4 and help stimulate economic growth in the region.

##### **Pillar 5: Improved Social Cohesion**

Pillar 5 demonstrates strong alignment through initiatives such as **EU4Youth** and **EU Support to Facilitate Just Transition**. These programmes directly address social inclusion, youth empowerment, employment, and social protection, helping to reduce socio-economic disparities and foster social cohesion. Some initiatives could further enhance their impact by, for example, integrating social objectives into broader economic development strategies, ensuring that the benefits of growth are widely shared and fully aligned with Pillar 5 objectives.

## Western Balkan Investment Framework

### Overview

The Western Balkans Investment Framework (WBIF) is a joint initiative of the EU, International Financial Institutions (IFIs), Bilateral Donors, and WB economies. It seeks to harmonise and coordinate investments to support the socio-economic development of the region and to contribute to the European integration of the WBs. Established in 2009, WBIF has evolved to focus, since 2020, on key investments that promote public and private sector development through blending and guarantee instruments. Following the adoption of the Economic and Investment Plan for the Western Balkans (EIP) on 6 October 2020, WBIF is the main financial instrument for implementing EIP flagship investments, aimed at supporting socio-economic recovery and the region's convergence towards the EU.

The WBIF Strategic Orientations 2021-2027<sup>1</sup> set out an investment strategy for the region, backed by up to EUR 9 billion in EU funding through the EIP. The framework operates through two primary mechanisms: the WB Guarantee Facility (EFSD+ budgetary guarantees) and WBIF public and private sector blending. It supports sustainable connectivity, human capital, competitiveness, and the green and digital transitions.

The investment strategy is structured around six core areas: sustainable transport, clean energy, environment and climate, digitalisation, private sector competitiveness, and human capital development. These areas directly align with the implementation of IPA III Window III (Green Agenda and sustainable connectivity) and Window IV (Competitiveness and inclusive growth).

The guarantee facility operates through six investment windows:

- Micro, Small, and Medium Enterprises (MSMEs),
- Connectivity (Energy, Transport, and Digital),
- Sustainable Agriculture, Biodiversity, Forests, and Water,
- Sustainable Cities,
- Sustainable Finance and Impact Investing, and
- Human Development.

Blending investment priorities align with these areas, with emphasis on:

1. Sustainable transport infrastructure and technologies,
2. Clean energy transition and efficiency,
3. Environment and climate action,
4. Digital infrastructure and services,
5. Private sector competitiveness, including green and digital transitions, and
6. Human capital development, particularly in education, skills, and healthcare.

The framework follows the "policy first" principle, ensuring that investments align with EU priorities, including the Green Agenda for the Western Balkans and the Innovation Agenda. Implementation is based on the Team Europe approach, combining resources from the EU, Member States, financial institutions, and WB partners.

Through the EFSD+ guarantee mechanism, the framework aims to mobilise up to EUR 20 billion in investments over the next decade, by reducing financing costs and mitigating risks to attract both public and private capital.

### Alignment with EUSAIR Pillars

#### Pillar 1 Blue Sustainable Economy

The WBIF demonstrates **limited alignment** with EUSAIR Pillar 1 objectives, particularly in maritime sectors like fisheries, aquaculture, and marine governance in the Adriatic-Ionian Region. The portfolio focuses primarily on inland infrastructure projects rather than maritime-specific initiatives. **Albania's digital projects** (e.g., high-performance computing project) and the **WB EDIF** offer potential, but would require adjustments to meet maritime needs. In countries with Adriatic coastlines like **Albania** and **Montenegro**, there is a notable absence of investments in fisheries or marine environmental protection. Opportunities for future alignment could be realized by integrating maritime components within existing sector windows, particularly in Environmental, Digital, and Private Sector Development, but this will require strategic reorientation of project scopes.

<sup>1</sup> [https://www.wbif.eu/storage/app/media/Library/11.Funding/Annex%201\\_WBIF%20Strategic%20Orientation.pdf](https://www.wbif.eu/storage/app/media/Library/11.Funding/Annex%201_WBIF%20Strategic%20Orientation.pdf)

## Pillar 2: Connecting the Region

### Transport

Despite substantial investments in railway modernisation and highway development, the WBIF's transport project portfolio shows **misalignment** with EUSAIR Pillar 2 objectives, particularly in maritime transport actions (e.g., vessel traffic monitoring, port IT systems, environmental monitoring) and urban mobility initiatives (e.g., SUMP, integrated ticketing, cycling infrastructure). The strongest alignment is found in rail and road infrastructure projects, which directly support regional connectivity. However, the **absence of maritime projects** and the **limited integration of ICT in logistics chains** represent key gaps in fully addressing Pillar 2's comprehensive connectivity objectives.

### Energy

The energy sector shows **mixed alignment** with Pillar 2 objectives. Strong alignment is evident in conventional power infrastructure and energy efficiency projects, such as the **Albania-North Macedonia Power Interconnection** and the **REEP programme**. However, there are gaps in **LNG infrastructure development, hydrogen economy, and advanced energy technologies**. Despite over €2 billion in potential investments, there is a notable absence of projects addressing **future-proof energy solutions** like biomethane, hydrogen, carbon capture storage, and AI integration in energy systems. Traditional energy efficiency projects remain the strongest alignment, while emerging technologies lag behind.

## Pillar 3: Environmental Quality

The WBIF's environmental projects portfolio shows **limited alignment** with EUSAIR Pillar 3 objectives, particularly in areas like marine, coastal, and terrestrial biodiversity. Most investments focus on conventional infrastructure, such as water supply, wastewater treatment, and flood protection, aligning mainly with Action 3.1.2 (reduction of sea and inland water pollution). There is **no direct alignment** with key biodiversity and habitat protection initiatives, such as marine biodiversity enhancement, ballast water management, or ecosystem interactions. While water quality improvements provide indirect environmental benefits, there is **gap in addressing broader conservation goals** outlined in Pillar 3.

## Pillar 4: Sustainable Tourism

The WBIF portfolio shows a **significant alignment gap** with EUSAIR Pillar 4's sustainable tourism objectives. While investments in digital infrastructure and private sector development may indirectly benefit tourism, there are **no projects directly targeting tourism development, destination management, or tourism innovations**. Key EUSAIR priorities like smart tourism, sustainable tourism management, and tourism-specific skills development remain unaddressed. Albania's smart city and broadband projects present potential opportunities for tourism-related interventions, but these currently lack explicit tourism focus. Overall, the **absence of targeted tourism investments** across all sectors indicates a need for more focused actions to support sustainable tourism aligned with Pillar 4.

## Pillar 5: Improved Social Cohesion

The WBIF projects demonstrate **limited alignment** with EUSAIR Pillar 5 objectives for improved social cohesion. While the investment portfolio includes substantial projects in education and social infrastructure, these primarily focus on physical development rather than addressing core social cohesion goals such as youth engagement, employment, skills development, and social innovation. Education projects in **Albania** and **North Macedonia** improve educational access, but do not include components for youth empowerment, employment, or gender equality. The **WB EDIF**, while supporting SME development, lacks specific focus on social cohesion objectives. The gap between infrastructure investments and socio-economic development goals represents a **strategic misalignment** with Pillar 5.

## ***IPA 2024-2027 Bilateral Multiannual Operational Programmes***

The IPA III Bilateral Multiannual Operational Programmes (OPs) for Albania, Montenegro, North Macedonia, and Serbia demonstrate a significant commitment to supporting these countries' development and aligning them with EU standards.

The total EU contribution across these four countries amounts to **EUR 789,387,500**, with an additional **EUR 755,287,979** in IPA III beneficiary co-financing, resulting in a total expenditure of approximately **EUR 1.5 billion** (see table 6 below).

### ***Alignment of IPA 2024-2027 Bilateral Multiannual Operational Programmes with EUSAIR Pillars***

#### **Pillar 1: Blue Growth**

Overall, there is **minimal to no alignment** between EUSAIR Pillar 1 and the IPA III OPs for Albania, Montenegro, North Macedonia, and Serbia. While Albania's Digital Economy and Society OP offers limited potential alignment through its focus on digital infrastructure, which could support innovation ecosystems in green and blue technologies (Action 1.1.1), and environmental programmes in Montenegro could be expanded to include maritime governance elements (Actions 1.3.1 and 1.3.2), none of the current OPs directly address the sustainable fisheries and aquaculture actions (Actions 1.2.1 and 1.2.2) or the promotion of skills and digital tools in the maritime industry (Action 1.3.3). Landlocked countries like North Macedonia and Serbia face geographic limitations in aligning with maritime-focused actions. Significant adjustments to the existing OPs would be required to fully align with EUSAIR's Pillar 1 objectives, indicating substantial gaps between the strategy's priorities and the current operational programmes.

#### **Pillar 2: Connecting the Region**

##### **Transport**

Overall, there is **partial alignment** between EUSAIR Pillar 2 and the IPA III OPs. Significant direct alignment exists in multimodal connectivity, particularly through North Macedonia's Transport OP focus on upgrading road and rail networks to TEN-T standards and Montenegro multiannual action dedicated to road (highway) construction (Actions 2.2.2 and 2.2.3). However, there is limited or minimal alignment in maritime transport objectives (Actions 2.1.1, 2.1.2, and 2.1.3), with existing OPs focusing more on road and rail rather than maritime systems. Urban nodes actions (Actions 2.3.1, 2.3.2, and 2.3.3) show minimal to no alignment, highlighting significant gaps in sustainable urban mobility and integrated transport solutions within the current OPs. This indicates that while some Pillar 2 objectives are being addressed, key areas like maritime transport and urban mobility require more targeted efforts to achieve full alignment with EUSAIR's priorities.

##### **Energy**

Overall, there is **partial alignment** between EUSAIR Pillar 2 and the IPA III OPs in the areas of energy networks and green energy. Albania's Energy OP shows significant alignment with Actions 2.5.1 and 2.5.2 by focusing on renewable energy production, greenhouse gas emission reduction, and energy efficiency improvements. Serbia's environmental OP also aligns with Action 2.5.2 through energy efficiency measures. However, there is limited or minimal alignment with Actions 2.4.1, 2.4.2, and 2.4.3 concerning integrated power networks, energy corridors, and LNG infrastructure, as the existing OPs lack specific provisions for power network integration, energy corridor development, and LNG applications. Additionally, there is minimal alignment with Action 2.5.3 on advanced energy technologies and hydrogen economy, indicating significant gaps between EUSAIR's energy objectives and the IPA III OPs. Overall, while some green energy initiatives are addressed, key areas like integrated energy networks and advanced energy technologies require more targeted efforts to achieve full alignment with EUSAIR's priorities.

#### **Pillar 3: Environmental Quality**

Overall, there is **minimal alignment** between EUSAIR Pillar 3 and the IPA III OPs for Albania, Montenegro, North Macedonia, and Serbia. Montenegro's Environmental OP includes general components for nature protection and climate change adaptation but does not specifically address marine and coastal biodiversity enhancement (Action 3.1.1) or the management of ballast water and maritime discharges (Action 3.1.3). North Macedonia and Serbia focus on wastewater treatment, waste management, and energy efficiency without specific provisions for marine pollution reduction (Action 3.1.2) or terrestrial biodiversity conservation (Actions 3.2.1 and 3.2.2). Albania's OPs concentrate on digital transformation, energy efficiency, and employment, lacking environmental components related to marine and coastal environments. Overall, significant gaps exist between EUSAIR's environmental quality objectives and the IPA III OPs, indicating that substantial adjustments would be required to achieve alignment with the strategy's priorities in marine and terrestrial biodiversity conservation and pollution reduction.

#### **Pillar 4: Sustainable Tourism**

Overall, there is **minimal to no alignment** between EUSAIR Pillar 4 and the IPA III OPs for Albania, Montenegro, North Macedonia, and Serbia. While Albania's Digital Economy and Society OP offers minimal indirect alignment through its focus on digital transformation that could theoretically support tourism digitalization (Actions 4.1.1, 4.1.2, and 4.1.3), none of the current OPs directly address collaborative governance, sustainable tourism innovation, or the promotion of smart and sustainable tourism indicators. Employment and human capital OPs in North Macedonia, Serbia, and Montenegro include components for skills development and social entrepreneurship but lack specific focus on tourism sector skills or sustainable tourism management (Actions 4.2.1 and 4.2.2). Additionally, there is no alignment with the objectives of promoting agritourism, ecotourism, fishing tourism, rural tourism, or the Mediterranean Diet and local, organic production (Actions 4.3.1, 4.3.2, and 4.3.3). This indicates significant gaps between EUSAIR's sustainable tourism objectives and the IPA III OPs, suggesting that substantial adjustments would be required to achieve alignment with the strategy's priorities in sustainable tourism development and management.

#### **Pillar 5: Improved Social Cohesion**

Overall, there is **strong alignment** between EUSAIR Pillar 5 and the IPA III OPs for Albania, Montenegro, North Macedonia, and Serbia. All four countries have employment and social inclusion programmes that directly support youth empowerment and employment (Actions 5.1.1 and 5.1.2) through initiatives like Youth Guarantee implementation and capacity building for youth policy stakeholders. There is also significant alignment in promoting skills acquisition for future labour markets (Actions 5.2.1 and 5.2.2), with programmes focusing on vocational education, training improvements, and upskilling/reskilling for disadvantaged groups. Partial alignment exists for enhancing gender equality and quality of employment (Action 5.3.1), with some countries incorporating gender-focused components, although strategic cooperation and best practice exchange are less emphasized. Additionally, there is substantial alignment in fostering social innovation (Action 5.4.1), with programmes supporting social entrepreneurship and the development of social enterprises, even if the creation of a cross-border Adriatic-Ionian ecosystem is less prominently featured. Overall, the current OPs largely support the objectives of Pillar 5, with strong national initiatives and some gaps in regional cooperation and specific strategic elements.

## Proposed IPA Bilateral Programmes (2025-2027)

The budget allocations for the IPA III 2025-2027 programming period, as shown in Table 8, reflect a strategic shift towards multiannual programming. This approach aims to streamline EU assistance in the WBs by ensuring that funds are allocated to long-term, sustainable objectives, tailored to each country's specific needs as they move closer to EU accession. The European Commission's guidance emphasizes the importance of focusing on fewer but more impactful actions, ensuring that these initiatives are complementary to the **WBs Growth Plan** and the newly introduced **Reform and Growth Facility**. This strategy is intended to maximize the effectiveness of EU funding, support essential reforms, and foster sustainable development in the region.

### Alignment of Proposed IPA Bilateral Programmes (2025-2027) with EUSAIR Pillars

#### Pillar 1: Blue Growth

The analysis of Bilateral Priorities 2025-2027 for Montenegro, Bosnia and Herzegovina, North Macedonia, and Serbia shows **limited alignment** with **EUSAIR Pillar 1**. There is **no direct alignment** with actions related to blue and green technologies, fisheries, aquaculture, or maritime governance. For countries like North Macedonia and Serbia, which are landlocked, the focus remains on other priorities such as rule of law, governance, and EU acquis alignment. Even Montenegro, with its coastline, does not prioritize fisheries or maritime sectors. The only potential entry point for alignment lies in Montenegro's focus on **EU integration**, which could indirectly support institutional capacity building for sustainable resource governance. However, significant adjustments to current priorities would be necessary to fully align with the Blue Sustainable Economy objectives of EUSAIR.

#### Pillar 2: Connecting the Region

##### Transport

The alignment of bilateral actions with EUSAIR Pillar 2 is **limited and uneven** across the countries. Serbia demonstrates the most potential for alignment, particularly with its planned transport action, which focuses on technical assistance for railway infrastructure modernization and aligns well with EUSAIR's objectives of upgrading rail networks and improving international links. However, Montenegro, Bosnia and Herzegovina, and North Macedonia show little to no direct alignment with Pillar 2 actions in their current IPA priorities for 2025-2027. Maritime transport actions are completely absent across countries, which is understandable for landlocked nations but represents a gap for coastal states. While some integration is possible, significant adjustments are needed to fully align with EUSAIR Pillar 2 objectives.

##### Energy

The alignment of bilateral actions with Pillar 2 Energy Networks and Green Energy varies across the countries. Serbia shows the most potential, especially through planned **electricity and gas market reforms**, which align with EUSAIR's goals of facilitating electricity trade and market integration. However, Montenegro, Bosnia and Herzegovina, and North Macedonia show minimal direct alignment with EUSAIR's energy-related actions in their current IPA priorities for 2025-2027. Overall, while Serbia presents some opportunities for integration, the other countries exhibit limited alignment with EUSAIR's energy objectives.

#### Pillar 3: Environmental Quality

The alignment of bilateral actions with EUSAIR Pillar 3 is **generally limited** across the four countries. While some **partial alignment** exists, particularly through Environment and Climate Change priorities, substantial changes would be needed to fully address EUSAIR's environmental goals. For example, Montenegro's **EU Integration Facility** offers some potential to integrate marine and coastal biodiversity protection within broader EU acquis alignment efforts. Bosnia and Herzegovina and Serbia could address inland water pollution reduction and habitat protection through their environmental priorities. However, there is **minimal or no alignment** with specific actions such as ballast water management, large carnivore population management, or migratory waterbird conservation. Overall, the bilateral priorities for 2025-2027 do not strongly reflect the Environmental Quality objectives of Pillar 3.

#### Pillar 4: Sustainable Tourism

The Bilateral Priorities 2025-2027 for Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia show **very limited alignment** with EUSAIR Pillar 4. Serbia presents the most promising opportunities for partial alignment, particularly through its priority on **Good governance - Local development and integrated territorial investments**, which supports local tourism development and infrastructure improvement, aligning with sustainable tourism practices under Pillar 4. North Macedonia shows **limited partial alignment** through its focus on skills development, but Bosnia and Herzegovina and Montenegro show

no direct or partial alignment with Pillar 4. EUSAIR Actions such as promoting the Mediterranean Diet, agritourism, or ecotourism are not reflected in any bilateral priorities. Thus, significant revisions and focused interventions would be needed to align these countries with EUSAIR's Sustainable Tourism objectives.

#### **Pillar 5: Improved Social Cohesion**

The alignment of bilateral priorities with EUSAIR Pillar 5 is also **limited**. North Macedonia shows some potential for alignment, particularly through its priority on **EU for modern education and skills**, which could support youth engagement and skills development. Serbia's priority on **local development** indirectly contributes to youth opportunities by promoting entrepreneurship and economic diversification. However, there is no significant alignment for Montenegro or Bosnia and Herzegovina with the specific actions under Pillar 5. Bilateral priorities **lack focus on areas** such as youth employment, skills policies for future labour markets, equal opportunities, and social innovation. While there are a few areas of potential partial alignment, the bilateral priorities do not sufficiently address the specific objectives outlined in EUSAIR Pillar 5.

## ***Proposed IPA Multi-Country Programmes (2025-2027)***

The programming for 2025-2027 builds on ongoing activities, including socio-economic analyses, Commission assessments, Reform Agendas, and developments in accession negotiations. While primarily focused on the WBs, Türkiye is included in areas of mutual interest. The new approach aims to concentrate on fewer, more focused interventions, complementing beneficiaries' sector objectives and priorities. The process involves consultation with NIPACs to ensure complementarity with bilateral programming and to consolidate the programme before final decision-making.

### ***Alignment of Proposed IPA Multi-Country Programmes (2025-2027) with EUSAIR Pillars***

#### **Pillar 1: Blue Growth**

The alignment between EUSAIR Pillar 1 and the proposed multi-country IPA III actions for 2025-2027 is limited. Most of the actions under this pillar, including those concerning blue and green technologies, fisheries, aquaculture, and maritime governance, do not have direct counterparts within the IPA III priorities. However, there is some potential for alignment in specific areas. For instance, EUSAIR Action 1.3.3, which focuses on developing digital skills and tools for the maritime industry, shows some alignment with the **"EU4Digital"** action under IPA III, which supports digital transition and skills development. This may benefit the maritime sector. Despite this overlap, the overall alignment between Pillar 1 and the multi-country actions is minimal, indicating a need for targeted advocacy to integrate blue economy initiatives into future IPA III programming.

#### **Pillar 2: Connecting the Region**

##### **Transport**

The alignment between IPA III multi-country actions and EUSAIR Pillar 2 varies in degree. Certain actions, particularly those related to digital transformation and environmental monitoring, demonstrate stronger alignment. For example, the **"EU4Digital"** measure partially aligns with actions aimed at improving traffic monitoring systems and implementing ICT infrastructure in logistics chains. Additionally, the **"EU support to energy and green transition"** measure can indirectly support environmental monitoring in ports. However, there are gaps in alignment, particularly in relation to rail and road infrastructure upgrades, where no direct correspondence exists within the IPA III priorities. Actions such as integrated ticketing solutions and cycling infrastructure show no alignment and they would require explicit advocacy for their inclusion in the IPA III framework.

##### **Energy**

EUSAIR Pillar 2's energy-related actions demonstrate varying degrees of alignment with the IPA III multi-country actions, particularly under the **"EU support to energy and green transition and alignment with the EU acquis"** measure. The **EU4Energy** component provides opportunities for integration, especially in renewable energy deployment and energy efficiency improvements. The focus on decarbonisation and green transition aligns with EUSAIR's goals in renewable energy cooperation and energy efficiency within the Adriatic-Ionian region. However, certain EUSAIR actions, such as those concerning integrated power networks and LNG infrastructure, lack alignment. The **measure's support for the Covenant of Mayors for Climate and Energy** presents an opportunity for local-level initiatives in energy efficiency and renewable energy deployment. While there is room for alignment in areas such as advanced energy technologies and the hydrogen economy, explicit incorporation of these topics would be needed to fully embed EUSAIR actions within the IPA III framework.

#### **Pillar 3: Environmental Quality**

The alignment between EUSAIR Pillar 3 and the IPA III multi-country actions is limited and indirect. While both initiatives address environmental concerns, their specific areas of focus differ significantly. EUSAIR Pillar 3 concentrates on marine and coastal biodiversity, pollution reduction in water bodies, and terrestrial habitat conservation, whereas the IPA III multi-country actions, particularly through the **EU4Green** measure, focus on broader environmental issues such as climate change mitigation, decarbonisation, and sustainable agriculture. For example, EUSAIR's actions on marine biodiversity and the management of large carnivores find little direct correspondence within the IPA III priorities. However, there is potential for synergy in areas such as environmental governance and climate risk mitigation. The limited focus on marine, coastal, and biodiversity issues in IPA III actions suggests a need for further advocacy and adjustment to effectively integrate these priorities.

#### **Pillar 4: Sustainable Tourism**

The alignment between EUSAIR Pillar 4 and the IPA III multi-country actions is limited and indirect. The IPA III framework does not explicitly address tourism development, although broader themes could support tourism-related initiatives. For

instance, the **EU4Digital** initiative could assist in the digital transition of tourism services, and the **EU4Green** programme might support sustainable tourism practices. Furthermore, the Common Regional Market and private sector development initiatives could enhance the capacities of tourism SMEs. However, embedding EUSAIR tourism actions into IPA III would require significant advocacy, as tourism is not directly addressed within the multi-country measures. Specific actions, such as promoting agritourism, ecotourism, and rural tourism, receive little direct support from the IPA III framework. While some alignment exists in areas such as digital skills, green transition, and SME development, the absence of an explicit focus on tourism in IPA III poses challenges for implementing EUSAIR Pillar 4 actions.

#### **Pillar 5: Improved Social Cohesion**

Pillar 5 of the EUSAIR aligns well with several IPA III multi-country priorities. The actions under this pillar, which focus on youth engagement, skills development, equal opportunities, and social innovation, have strong connections with IPA III's Priority **Area 10: Socio-economic inclusion**. For instance, EUSAIR's Action 5.1.1 on youth empowerment aligns directly with the **EU4Inclusion** measure, which supports policies for the inclusion and empowerment of vulnerable groups. Similarly, Action 5.2.2 on upskilling disadvantaged groups corresponds with IPA III's focus on improving professional skills for vulnerable populations. EUSAIR's emphasis on gender equality and quality employment (Action 5.3.1) also aligns with IPA III's support for equality and inclusion policies. These alignments provide concrete opportunities to embed EUSAIR actions within the IPA III framework, which could lead to more effective implementation and resource allocation for social cohesion initiatives in the Adriatic-Ionian region.

## **Recommendations for embedding EUSAIR Action Plan in IPA III and Post-2027 Pre-accession Instrument**

The recommendations for embedding EUSAIR Actions within the IPA III, as detailed across the five pillars, necessitate a strategic realignment and targeted interventions to bridge implementation gaps.

Regarding **Pillar 1: Blue Growth**, potential for embedding EUSAIR actions exists through Albania's digital infrastructure initiatives and Montenegro's environmental programmes, which could be expanded to encompass maritime elements. The EU4Digital action under IPA III multi-country programmes provides an opportunity for the integration of maritime digital skills development, while existing SME support mechanisms could be tailored to include blue economy sectors. Nonetheless, the implementation gap between EUSAIR's blue growth objectives and current IPA funding is considerable, necessitating deliberate policy interventions such as modifying existing WBIF sector windows to incorporate maritime priorities, expanding digital transformation programmes to include blue economy components, and adjusting innovation support schemes to focus on maritime sectors. Given the geographic constraints of landlocked beneficiaries, a differentiated approach is proposed, focusing maritime-specific interventions on coastal states while maintaining broader blue economy alignment through innovation and digital transformation initiatives for all beneficiaries.

For **Pillar 2: Connecting the Region**, the strongest embedding potential lies in conventional transport and energy infrastructure through WBIF projects and Multiannual OPs, particularly in rail/road capacity enhancement and renewable energy and energy efficiency. However, significant implementation gaps persist in maritime transport, urban mobility, and advanced energy technologies. The current IPA funding predominantly supports national-level infrastructure development instead of the cross-border, innovative solutions envisioned by EUSAIR. To address this misalignment, leveraging WBIF's substantial transport and energy portfolio by incorporating explicit EUSAIR objectives into project selection criteria, enhancing Multiannual OPs' alignment through dedicated EUSAIR-focused selection criteria, and utilising EU4Energy and EU4Digital components of multi-country IPA as vehicles for implementing more innovative actions are recommended.

**Pillar 3: Environmental Quality** demonstrates limited potential for embedding EUSAIR actions within IPA programming. While some alignment exists through specific programmes in all countries, most IPA programmes show minimal integration with EUSAIR objectives. The most significant gap appears in marine and coastal environment actions, where only marginal alignment exists. To enhance embedding, it is recommended to modify existing WBIF assessment criteria to prioritise projects aligned with EUSAIR pillars; and introduce cross-cutting requirements in bilateral programmes mandating consideration of EUSAIR priorities.

**Pillar 4: Sustainable Tourism** reveals substantial implementation gaps across all examined IPA III programmes. While indirect alignment exists through broader multi-country initiatives like EU4Digital and EU4Green framework, direct tourism-focused investments or programmes are largely absent. To address these gaps, leveraging existing bilateral actions like Serbia's "Good governance - Local development" priority and North Macedonia's "EU for Prespa" programme as immediate entry points for EUSAIR tourism objectives is recommended. Mainstreaming EUSAIR tourism priorities through EU4Digital and EU4Green actions by incorporating specific tourism-focused components and establishing a dedicated tourism priorities within future IPA programming cycles, potentially through a specific cross-border cooperation, would enhance alignment.

**Pillar 5: Improved Social Cohesion** presents substantial potential for embedding EUSAIR objectives within IPA III programming, particularly through strong alignment at the national level in youth employment, skills development, and social inclusion. However, gaps in cross-border and macro-regional cooperation persist. To optimise embedding, incorporating specific cross-border cooperation requirements within multi-country programming, and establishing dedicated cross border cooperation funding targeting macro-regional cooperation aligned with EUSAIR pillars are recommended.

To effectively embed EUSAIR actions within IPA programming across all pillars, it is crucial to focus on practical strategies that capitalize on common interests between the two programmes. By prioritizing shared objectives, enhancing institutional coordination, and employing concrete tools for alignment, we can ensure mutual reinforcement of goals.

Firstly, **aligning funding priorities is essential**. Identifying areas where IPA objectives overlap with EUSAIR goals allows for strategic allocation of resources to initiatives that benefit both. Concentrating on sectors such as digital transformation, environmental protection, and social cohesion—which are pivotal for regional development (among others)—ensures efficient use of resources and maximizes benefits for all participating countries.

**Enhancing institutional coordination is critical**. Establishing formal mechanisms between EUSAIR governance structures, DG NEAR and National IPA Coordinators (NIPACs) ensures better alignment between EUSAIR objectives and national/regional programming. Implementing regular consultation processes informs both IPA programming and EUSAIR action planning, maintaining a cohesive approach to strategy implementation.

**Developing a standardized checklist to assess actions and OPs against EUSAIR objectives** provides a practical tool for ensuring alignment at the project level. Integrating this checklist into programming and selection processes for IPA programmes creates a consistent framework for assessing alignment, ensuring that funded projects contribute to EUSAIR's overarching goals.

**Leveraging existing multi-country initiatives** like EU4Digital, EU4Energy, and EU4Green can significantly enhance alignment. By integrating EUSAIR-specific components into these programmes we utilize existing resources effectively and promote synergy between initiatives.

**Adopting inclusive and differentiated approaches acknowledges the diverse geographic and economic landscapes of beneficiary countries.** Tailoring strategies—focusing maritime-specific interventions on coastal states while landlocked countries contribute through innovation and support services—ensures meaningful participation from all countries.

**Maintaining compliance with EU accession requirements** while supporting EUSAIR goals necessitates a balanced approach. Closely monitoring compliance ensures projects align with both EUSAIR and EU accession requirements, keeping pre-accession countries on track while benefiting from regional cooperation initiatives.

**Strategic realignment of existing funding mechanisms is critical.** Fine-tuning WBIF sector windows, assessment criteria, and support schemes to better align with EUSAIR priorities addresses current gaps where funding mechanisms do not adequately support EUSAIR objectives. These adjustments, requiring minimal structural changes, can significantly enhance the embedding potential of EUSAIR actions within the IPA framework.

**Enhanced cross-border and regional cooperation is a cornerstone of EUSAIR's value.** Incorporating explicit requirements for cross-border initiatives within IPA III programming and creating new instruments designed to support regional cooperation aligned with EUSAIR objectives strengthens macro-regional integration.

**Integrating EUSAIR objectives into project selection criteria ensures that funded projects align with strategic goals rather than solely national priorities.** Modifying selection criteria within WBIF and Multiannual OPs to include EUSAIR-specific objectives prioritizes projects that support the strategy, requiring deliberate policy interventions for effective alignment.

**Developing dedicated monitoring frameworks is recommended to track alignment and progress.** Creating a comprehensive set of indicators aligned with both IPA and EUSAIR objectives allows for tracking progress and identifying areas for improvement across all pillars. Integrating these indicators into monitoring frameworks provides a universal mechanism for assessing impact, with regular joint assessments ensuring a systematic approach.

**Capacity building, knowledge sharing, and peer-to-peer learning are vital.** Implementing these programmes for national and regional authorities on aligning EUSAIR objectives with IPA funding mechanisms, and establishing knowledge-sharing platforms, help authorities understand and implement objectives while disseminating best practices across all pillars.

**Leveraging complementary EU funding streams enhances impact.** Identifying and promoting synergies between IPA, EUSAIR, and other EU instruments like Horizon Europe, LIFE, etc. involves developing guidance on blending funding sources to maximize alignment with EUSAIR objectives, ensuring complementary streams are utilized effectively

## Country Specific Analysis: Albania

### Bilateral Annual Country Programmes 2021-2024

The table 1 outlines the financial allocations provided to **Albania** under the IPA III for the period 2021-2024.

The total budget for this period is EUR 344.750 million, distributed across various thematic priorities and actions aimed at supporting Albania's integration into the EU.

The IPA III allocations are divided across different years and windows:

- **2021:** A total of EUR 64.9 million was allocated, primarily focused on Judiciary and Fundamental Rights (EUR 18 million under Window 1) and Environmental Protection (EUR 36.9 million under Window 3). Window 4 received EUR 10 million, mainly for private sector development and innovation.
- **2022:** The budget increased significantly to EUR 132.5 million. Window 1 received EUR 31.1 million, mainly targeting the Judiciary and Migration Management. Window 2 was allocated EUR 19 million, focusing on administrative capacity and alignment with EU regulations. The largest allocation, EUR 77.4 million, was under Window 3, dedicated to environmental initiatives, particularly water management.
- **2023:** A total of EUR 80 million was allocated, primarily under Window 3 and Window 4, for state and resilience-building contract (budget support for energy crisis).
- **2024:** a total budget of EUR 67.35 million has been allocated. The largest portion, EUR 40.5 million, is earmarked for Window 4. Other allocations include EUR 3.85 million for Window 1, EUR 13 million for Window 3 and EUR 10 million for Window 2.

Between 2021 and 2024, the EU's IPA III funding prioritized several key thematic areas across different budget windows. In 2021, priorities included judiciary reform (EUR 8 million for EU for Justice) and fundamental rights (EUR 10 million for Property Rights – Phase II), alongside a significant focus on environment and climate change (EUR 36.9 million for Circular Economy and Green Growth). In 2022, priorities expanded to include law enforcement (EUR 14.9 million), administrative capacity (EUR 19 million), and environment (EUR 77.4 million for Water). By 2023, all funds (EUR 80 million) were directed toward state and resilience building. In 2024, the focus shifted towards employment and social inclusion (EUR 28 million), agriculture and rural development (EUR 12.5 million), and good governance (EUR 10 million), along with continued investment in environmental initiatives. These priorities highlight a strong emphasis on environmental sustainability, governance, and social inclusion throughout the four years.

The Tables 1 and 2 also detail specific actions funded under each thematic priority, along with the corresponding budgets:

- **EU for Circular Economy and Green Growth:** This action was the largest single allocation in 2021, with EUR 30.9 million fully financed by the EU.
- **EU for Water:** In 2022, this action received EUR 77.4 million, with co-financing from national sources amounting to EUR 48.4 million, reflecting Albania's significant investment in improving water infrastructure.
- **EU for Employment and Social Inclusion:** In 2024, this action received EUR 28 million, making it a significant allocation aimed at enhancing social and employment policies.
- **EU for Law Enforcement and EU for Democracy:** These actions also received substantial allocations, emphasizing the EU's commitment to strengthening governance and democratic processes in Albania, with law enforcement receiving EUR 14.9 million in 2022.

**Table 1: IPA 2021-2024 Financial Allocations by Window, Thematic Priority and Action**

Year	Total Budget per Annual Programme	IPA III Window	Window Budget	IPA III Thematic Priority	Thematic Priority Budget	Action title	Action Budget
2021	64.900.000,00	Window 1	18.000.000,00	Thematic priority 1 - Judiciary	8.000.000,00	EU for Justice	8.000.000,00
				Thematic priority 5 – Fundamental rights	10.000.000,00	EU for Property Rights – Phase II	10.000.000,00
		Window 3	36.900.000,00	Thematic Priority 1 - Environment and climate change	36.900.000,00	EU for Circular Economy and Green Growth	30.900.000,00
						EU for Nature	6.000.000,00

		Window 4	10.000.000,00	Thematic Priority 2 - Private sector development, trade, research and innovation	10.000.000,00	EU for Innovation – Phase II	10.000.000,00
2022	132.500.000,00	Window 1	31.100.000,00	Thematic priority 1 - Judiciary	11.200.000,00	International Monitoring Operation (IMO): Support to the process of temporary re-evaluation of Judges and Prosecutors in Albania - Phase III	11.200.000,00
				Thematic priority 3 - Fight against organised crime; Thematic Priority 4: Migration and Border Management	14.900.000,00	EU for Law Enforcement	14.900.000,00
				Thematic priority 5 – Fundamental rights; Thematic Priority 6: Democracy; Thematic Priority 7: Civil Society	5.000.000,00	EU for Democracy	5.000.000,00
		Window 2	19.000.000,00	Thematic priority 2 - Administrative capacity and acquis alignment	19.000.000,00	EU Integration Facility	19.000.000,00
		Window 3	77.400.000,00	Thematic Priority 1 - Environment and climate change	77.400.000,00	EU for Water	77.400.000,00
		Window 4	5.000.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	5.000.000,00	EU for Youth	5.000.000,00
2023	80.000.000,00	Window 3; Window 4	80.000.000,00	Various	80.000.000,00	State and Resilience Building Contract	80.000.000,00
2024	67.350.000,00	Window 4	28.000.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	28.000.000,00	EU for Employment and Social Inclusion	28.000.000,00
		Window 1	3.850.000,00	Thematic priority 3 - Fight against organised crime	3.850.000,00	EU for Fight against Corruption	3.850.000,00
		Window 4	12.500.000,00	Thematic Priority 3 - Agriculture and rural development	12.500.000,00	EU for Food Safety	12.500.000,00
		Window 3	13.000.000,00	Thematic Priority 1 - Environment and climate change	13.000.000,00	EU for Forests	13.000.000,00
		Window 2	10.000.000,00	Thematic Priority 1 - Good governance	10.000.000,00	EU for Local Governance	10.000.000,00
<b>344.750.000,00</b>							

Table 2: IPA 2021-2024 Co-financing

Year	Action Title	Sum of Total Financing per Action	Sum of National Co-financing per Action	Sum of EU Co-financing per Action
2021	EU for Circular Economy and Green Growth	30.900.000,00	0,00	30.900.000,00
	EU for Innovation – Phase II	10.000.000,00	0,00	10.000.000,00
	EU for Justice	8.000.000,00	0,00	8.000.000,00
	EU for Nature	6.000.000,00	0,00	6.000.000,00
	EU for Property Rights – Phase II	10.000.000,00	0,00	10.000.000,00
	<b>Total 2021</b>	<b>64.900.000,00</b>	<b>0,00</b>	<b>64.900.000,00</b>
2022	EU for Democracy	5.000.000,00	0,00	5.000.000,00
	EU for Law Enforcement	14.900.000,00	0,00	14.900.000,00
	EU for Water	77.400.000,00	48.400.000,00	29.000.000,00
	EU for Youth	5.000.000,00	0,00	5.000.000,00
	EU Integration Facility	19.000.000,00	0,00	19.000.000,00

	International Monitoring Operation (IMO): Support to the process of temporary re-evaluation of Judges and Prosecutors in Albania - Phase III	11.200.000,00	1.500.000,00	9.700.000,00
	<b>Total 2022</b>	<b>132.500.000,00</b>	<b>49.900.000,00</b>	<b>82.600.000,00</b>
<b>2023</b>	State and Resilience Building Contract	80.000.000,00	0,00	80.000.000,00
	<b>Total 2023</b>	<b>80.000.000,00</b>	<b>0,00</b>	<b>80.000.000,00</b>
<b>2024</b>	EU for Employment and Social Inclusion	28.000.000,00	0,00	28.000.000,00
	EU for Fight against Corruption	3.850.000,00	0,00	3.850.000,00
	EU for Food Safety	12.500.000,00	0,00	12.500.000,00
	EU for Forests	13.000.000,00	0,00	13.000.000,00
	EU for Local Governance	10.000.000,00	0,00	10.000.000,00
	<b>Total 2024</b>	<b>67.350.000,00</b>	<b>0,00</b>	<b>67350000</b>
		<b>277.400.000,00</b>	<b>49.900.000,00</b>	<b>227.500.000,00</b>

The two tables below (3 and 4) provide a detailed breakdown of the budget allocations for Albania, focusing on both implementation arrangements and management. In the first table, which addresses Implementation Arrangements and Modality, most of the budget (55.01%) is allocated to IMEE. Other significant allocations include SBS (28.84%) and Procurement (14.17%), while Grants receive a much smaller portion of the budget at just 1.98%. The total budget for implementation modalities stands at 277,400,000.00.

The second table, which focuses on Implementation Management, shows that Indirect management consumes 58.04% of the budget, compared to 41.96% allocated to Direct management. This heavier reliance on indirect management is due to the substantial role played by IMEE and Implementing Partners, which necessitates external management structures.

**Table 3: Implementation Arrangements and Modality**

	Total Budget Amount	% of Total
<b>Grants</b>	6.500.000,00	1,89%
<b>IMEE</b>	188.100.000,00	54,56%
<b>Procurement</b>	46.150.000,00	13,39%
<b>SBS</b>	104.000.000,00	30,17%
<b>Grand Total</b>	<b>344.750.000,00</b>	<b>100%</b>

**Table 4: Implementation Management**

	Total Budget Amount	% of Total
<b>Direct management</b>	148.250.000,00	43%
<b>Indirect management</b>	196.500.000,00	57%
<b>Grand Total</b>	<b>344.750.000,00</b>	<b>100,00%</b>

### **Bilateral Multiannual Operational Programmes (2024-2027)**

The **Operational Programme on Digital Economy and Society** for Albania aims to advance the implementation of Albania's Digital Agenda in key sectors over the 2024-2027 period. With a total budget of EUR 44 million (see table 5), including EUR 30 million in EU contribution and EUR 14 million in national co-financing, the programme represents a significant investment in Albania's digital transformation.

The OP falls under Window 3 (Green Agenda and Sustainable Connectivity) of the IPA III framework, specifically addressing Thematic Priority 2. The programme is structured around three main Areas of Support:

- ICT infrastructure for better services for society (EUR 29 million total). This is the largest component, accounting for about 66% of the total budget. The substantial allocation indicates a strong focus on improving digital infrastructure and services that directly benefit Albanian citizens and society. Potential areas include e-government services, digital health systems, or educational technology.
- Integration with EU information technology systems, cybersecurity and digital connectivity (EUR 12 million total). This area aims to enhance Albania's digital integration with EU systems, strengthen cybersecurity, and improve overall digital connectivity. The investment in this area (about 27% of the budget) reflects the importance of aligning Albania's digital ecosystem with EU standards and securing it against cyber threats.
- Other Support (EUR 3 million total). This smaller component covers programme management, technical assistance, and other supporting activities essential for effective implementation.

The substantial national co-financing (about 32% of the total budget) demonstrates Albania's strong commitment to and ownership of the digital transformation process. This level of national investment is also to enhance the sustainability and long-term impact of the programme.

Albania's **Operational Programme on Energy for 2024-2027** falls under Window 3 of IPA III and focuses on Thematic Priority 2. The programme has a total budget of EUR 72.67 million, with EUR 43.7 million (60%) coming from EU contributions and EUR 28.97 million (40%) from IPA III beneficiary co-financing. The OP is structured around four main Areas of Support:

- Support to renewables and energy efficiency of buildings (EUR 28.2 million total). This is the largest area of support, accounting for nearly 39% of the total OP budget. It aims to promote renewable energy adoption and improve energy efficiency in buildings across Albania. The significant allocation reflects the importance of upgrading building infrastructure to meet energy efficiency standards.
- Deployment of electric high-speed recharging infrastructure for clean road vehicles (EUR 13.5 million total). This area focuses on developing charging infrastructure to support the transition to electric vehicles. It represents about 19% of the OP budget, indicating Albania's commitment to sustainable transportation.
- Energy efficiency and environmental protection in the water sector (EUR 25 million total). This substantial allocation (34% of total budget) highlights the importance of improving energy efficiency in water management systems while also addressing environmental concerns.
- Other Support (EUR 5.97 million total). This smaller allocation (8% of budget) likely covers technical assistance, capacity building, and programme management.

The OP demonstrates Albania's comprehensive approach to energy sector development, addressing building efficiency, clean transportation, water sector improvements, and overall sector support. The significant co-financing from Albania (40% of total budget) shows strong national commitment to these energy priorities. The focus on renewable energy, energy efficiency, and clean transportation aligns well with EU priorities and the broader goals of the green transition.

The **Operational Programme on EU for Youth Employment** in Albania for 2024-2027 is a comprehensive initiative aimed at enabling the inclusive and labour-market responsive integration of a skilled and adaptable young workforce. With a total expenditure of EUR 63.48 million, of which EUR 50 million is contributed by the EU (approx. 79%) under IPA III Window 4, Thematic Priority 1, the programme focuses on three key Areas of Support.

- Area of Support 1, Youth Employment, has been allocated EUR 30.23 million (47,6%). This area aims to enhance employment opportunities and employability of young individuals, particularly those from vulnerable groups. It will implement a reinforced Youth Guarantee (YG) delivery model, building capacities of relevant institutions at national and local levels. Outreach activities, youth-friendly employment services, and targeted support for vulnerable youth through Active Labor Market Programmes (ALMPs) are key components.
- Area of Support 2, Youth Vocational Education and Training, has a budget of EUR 25.54 million (40,2%). The objective is to improve the quality, flexibility, and diversity of the vocational education and training (VET) offer to enhance career prospects of youth. This will be achieved by updating initial and continuous VET programmes, developing post-secondary education, providing grants to VET schools for capacity building and infrastructure improvements, and offering specialized support for students with learning difficulties and from vulnerable backgrounds.
- Area of Support 3, Other Support, has been allocated EUR 7.71 million (12,2%). This area focuses on strengthening the capacities of the Managing Authority, Intermediate Bodies, and other partners for the efficient implementation, monitoring, and communication of the OP.

The OP on EU for Youth Employment in Albania demonstrates a significant investment in addressing youth unemployment, skills mismatches, and social inclusion. By targeting both the supply and demand sides of the labour market, fostering cross-sectoral partnerships, and emphasizing the needs of vulnerable groups, the programme aims to create sustainable pathways for young people to access quality employment and education opportunities

**Table 5: Financial Allocations by Operational Programme**

Operational Programme	IPA III Window	Thematic Priority	Area of Support	EU Contribution (EUR)	IPA III Beneficiary Co-financing (EUR)	Total Expenditure (EUR)
OP on Digital Economy and Society in favour of Republic of Albania for 2024 - 2027	Window 3	Thematic Priority 2	Area of Support 1: ICT infrastructure for better services for the society	20.150.000,00	8.850.000,00	29.000.000,00
			Area of Support 2: Integration with EU information technology systems, cybersecurity and digital connectivity	8.425.000,00	3.575.000,00	12.000.000,00

			Area of support 3: Other Support	1.425.000,00	1.575.000,00	3.000.000,00
<b>OP ON DIGITAL ECONOMY AND SOCIETY IN FAVOUR OF REPUBLIC OF ALBANIA FOR 2024 - 2027 TOTAL</b>				<b>30.000.000,00</b>	<b>14.000.000,00</b>	<b>44.000.000,00</b>
<b>OP on Energy in favour of Albania for 2024 -2027</b>	Window 3	Thematic Priority 2	Area of support 1: Support to renewables and energy efficiency of buildings	17.700.000,00	10.500.000,00	28.200.000,00
			Area of support 2: Deployment of electric high-speed recharging infrastructure for clean road vehicles	6.000.000,00	7.500.000,00	13.500.000,00
			Area of support 3: Energy efficiency and environmental protection in the water sector	15.834.000,00	9.166.000,00	25.000.000,00
			Area of support 4: Other Support	4.166.000,00	1.799.000,00	5.965.000,00
<b>OP ON ENERGY IN FAVOUR OF ALBANIA FOR 2024 -2027 TOTAL</b>				<b>43.700.000,00</b>	<b>28.965.000,00</b>	<b>72.665.000,00</b>
<b>OP on EU for Youth Employment in favour of Albania for 2024-2027</b>	Window 4	Thematic priority 1	Area of Support 1: Youth Employment	24.000.000,00	6.230.000,00	30.230.000,00
			Area of Support 2: Youth Vocational Education and Training	20.500.000,00	5.040.247,00	25.540.247,00
			Area of support 3: Other Support	5.500.000,00	2.209.753,00	7.709.753,00
<b>OP ON EU FOR YOUTH EMPLOYMENT IN FAVOUR OF ALBANIA FOR 2024-2027 TOTAL</b>				<b>50.000.000,00</b>	<b>13.480.000,00</b>	<b>63.480.000,00</b>
<b>Grand Total</b>				<b>123.700.000,00</b>	<b>56.445.000,00</b>	<b>180.145.000,00</b>

### State Building and Resilience Contract - Annual IPA 2023 Programme

The State and Resilience Building Contract (SRBC) action provides EUR 80 million in budget support to Albania to mitigate the immediate socio-economic impact of the energy crisis and build energy resilience. It falls under IPA III Window 3 (Green agenda and sustainable connectivity) and Window 4 (Competitiveness and inclusive growth).

The support will focus on three main areas: 1) Providing assistance to vulnerable households to counter rising energy poverty, 2) Supporting SMEs to cope with increased electricity prices and maintain economic activity, and 3) Promoting Albania's longer-term energy resilience and transition to renewable sources.

Specific measures include continued subsidies for household energy bills, allowances for vulnerable groups, support schemes for SMEs, legislative changes to promote renewable energy, and development of an energy resilience strategy. The action will be implemented through two fixed budget support tranches over 24 months, with no complementary support foreseen.

The support aims to provide fiscal space for Albania to implement targeted measures while maintaining macroeconomic stability and continuing energy sector reforms aligned with EU and Energy Community commitments.

### Overview of WBIF Projects in Albania by Sector

#### Digital Infrastructure

Albania is undergoing significant digital transformation with 8 major projects in preparation or tender phase. The flagship Balkans Digital Highway project (EUR 16.6 million) aims to increase household access to ultra-fast internet from 40% to 75%. The country is addressing its low broadband penetration through multiple initiatives, including connecting 500 health facilities, 3,000 educational institutions, and establishing 684 smart ICT labs in 627 schools. Total investments in digital infrastructure exceed EUR 300 million, with projects ranging from government networks to smart cities initiatives.

#### Energy

The energy sector comprises 13 projects across various stages, from completed to preparation phase. Notable investments include the EUR 700.12 million Offshore Wind Power Plant, the EUR 202.67 million Fierza-Koman Pump Storage Plant, and multiple renewable energy projects. The sector focuses on diversifying energy sources, with projects like the 50 MW Belshi Solar Plant and the 12.9 MW Vau i Dejës Floating Solar Plant. Completed projects include the Gas Development Masterplan

and national electricity transmission system upgrades, while implementation phase projects focus on power interconnection with North Macedonia and regional transmission network improvements.

### **Environment**

Environmental projects focus heavily on water supply, wastewater management, and waste treatment systems. Notable implementations include water infrastructure improvements in multiple municipalities like Fier, Gjirokastra, Saranda, and Lezha, with project values ranging from EUR 12.55 million to EUR 155.6 million. The sector includes flood protection infrastructure along major rivers, benefiting 400,000 residents and 80,000 farmers. Waste management projects in Elbasan and Fier aim to increase waste treatment capacity significantly, serving populations of up to 500,000 people.

### **Social**

The social sector features key projects in education and healthcare. The completed Education Excellence and Equity Project involved EUR 61.1 million in investments to improve ICT infrastructure in schools. The ongoing Tirana University Hospital Centre Reform Programme Phase 2, with EUR 32.25 million in funding, aims to serve 65,000 patients annually. These projects focus on enhancing public services and improving social infrastructure.

### **Transport**

Transport infrastructure represents some of the largest investments, with multiple railway and highway projects. Key initiatives include the Mediterranean Corridor railway improvements, the Tirana Bypass (EUR 248.39 million), and the Adriatic-Ionian Corridor highway section (EUR 423.69 million). Railway projects focus on modernizing connections between major cities and neighbouring countries, with the Vorë - Hani i Hotit Route 2 Railway Line alone receiving EUR 317.89 million in funding. Completed projects include the rehabilitation of regional and local roads.

## ***Overview of Regional WBIF Projects in which Albania Participates***

### **Energy Sector**

Albania is involved in 11 regional energy projects through the WBIF, with five completed, three in implementation, and three in preparation. The completed projects focused on sustainable hydropower, gas infrastructure, renewable energy potential, voltage regulation, and biomass heating, with total grant funding of EUR 4.63 million. The ongoing projects, including the Regional Energy Efficiency Programme (REEP) and its extensions, aim to promote energy efficiency and renewable energy investments, with a combined project financing of EUR 730.49 million, including EUR 84.57 million in grants and EUR 613.5 million in loans. The projects in preparation, such as the Albania-Kosovo Gas Pipeline (ALKOGAP) and the Ionian Adriatic Pipeline, focus on establishing new natural gas supply routes, with a total financing of EUR 1.03 billion, including EUR 307.51 million in grants and EUR 436 million in loans.

### **Environmental Sector**

In the environmental sector, Albania participated in one completed regional project through the WBIF. The Gap Analysis/Needs Assessment project, related to implementing the EU Floods Directive in the Western Balkans, was financed by a EUR 330,000 grant and aimed to align regional flood management practices with EU standards.

### **Private Sector Development**

Albania is involved in three regional private sector development projects through the WBIF, with two completed and one in implementation. The completed projects focused on strengthening public-private partnerships (PPPs) and were funded by grants totalling EUR 3 million. The ongoing Western Balkan Enterprise Development and Innovation Facility (WB EDIF) project, which supports SMEs through equity financing and guarantee facilities, has a total project value of EUR 294.1 million, with EUR 5.5 million in grants from the WBIF.

### **Transport Sector**

In the transport sector, Albania participates in four regional WBIF projects, with three completed and one in implementation. The completed projects include a feasibility study for the Adriatic-Ionian Highway (EUR 3.5 million grant), a connectivity gap analysis (EUR 565,250 in grants), and an update of the Regional Transport Study (EUR 600,000 grant). The ongoing Safe and Sustainable Transport Programme (SSTP) focuses on improving transport safety and sustainability, with a total financing of EUR 494.8 million, including EUR 80 million in grants and EUR 413 million in loans.

## IPA 2025-2027 Priorities

For **Window 1:** Rule of Law, Fundamental Rights, and Democracy, which is allocated 46% of the indicative budget for 2025-2027, the main focus is on strengthening the justice system, civil society, and media. Priorities include ensuring the successful finalisation of the judicial vetting process, monitored by the International Monitoring Operation (IMO), and improving the effectiveness of law enforcement through alignment with EU-wide programmes and structures. The window also seeks to promote freedom of expression and media independence by aligning the legal framework with EU standards, supporting public institutions like the National Broadcaster, and fostering media literacy and journalist safety. Additionally, efforts will be directed toward supporting a more independent and pluralistic media environment, while contributing to a vibrant and gender-responsive civil society.

**Window 2:** Good Governance, Acquis Alignment, Good Neighbourly Relations, and Strategic Communication also receives 46% of the indicative budget for 2025-2027. The priorities here focus on advancing good governance and supporting Albania's EU integration process. Key objectives include advancing civil service reform to improve public sector efficiency, ensuring the effective implementation of the Public Financial Management (PFM) strategy, and aligning national legislation with the EU acquis to facilitate Albania's EU accession. These efforts are aimed at strengthening the country's governance frameworks while promoting stability and good relations with neighbouring countries.

**For Window 3:** Green Agenda and Sustainable Connectivity, the budget allocation and detailed priority areas were not specified.

**Window 4:** Competitiveness and Inclusive Growth is allocated 8% of the indicative budget for 2025-2027, with a focus on promoting sustainable economic growth. The main objective in this window is to integrate Albania into the EU's supply chain, particularly in sectors related to critical raw materials (CRM), such as chrome, ferrochrome, copper, and lithium. The window aims to foster economic growth by supporting geological mapping of these resources and ensuring sustainable extraction practices, thereby attracting investments and improving Albania's competitiveness within the EU market.

## Alignment of IPA Annual Actions 2021-2024 and Multiannual OPs 2024-2027 with EUSAIR Pillars

**Pillar 1 – Blue Sustainable Economy:** IPA III Actions demonstrate limited alignment with EUSAIR Pillar 1. The "EU for Circular Economy and Green Growth" and "EU for Innovation – Phase II" programmes in Albania show strong alignment by promoting green technologies, circular economy frameworks, and innovation ecosystems that support blue and green economic activities. These initiatives directly support EUSAIR Actions 1.1.1 and aspects of Pillar 3 (Environmental Quality) by enhancing resource efficiency, waste management, and green business models. However, the focus remains predominantly national, lacking the comprehensive, region-wide collaboration and specific emphasis on blue economy sectors such as sustainable fisheries and maritime governance envisioned by EUSAIR. Consequently, while there are significant national-level efforts that complement Pillar 1 objectives, the macro-regional integration and targeted support for blue technologies are notably absent.

**Pillar 2 – Connecting the Region:** Alignment between IPA III Actions and EUSAIR Pillar 2 is generally limited. Programmes like the "Multiannual Operational Programme on Digital Economy and Society" and the "Multiannual Operational Programme on Energy" in Albania show moderate alignment by supporting digital infrastructure, energy efficiency, and renewable energy deployment, which correspond to EUSAIR's objectives for integrated energy networks and sustainable connectivity. Additionally, the "State and Resilience Building Contract" aligns with Actions 2.4.1 and 2.4.2 by promoting energy resilience and renewable energy sources. However, most IPA III Actions do not specifically address maritime transport monitoring, ICT interoperability in ports, or comprehensive multimodal connectivity as outlined by EUSAIR. The initiatives tend to focus on national infrastructure and energy projects without fostering the cross-border cooperation and integrated transport systems required for Pillar 2's regional connectivity goals.

**Pillar 3 – Environmental Quality:** IPA III Actions exhibit partial alignment with EUSAIR Pillar 3, particularly through the "EU for Nature" and "EU for Water" programmes in Albania. These initiatives support marine and coastal biodiversity, pollution reduction, and sustainable water management, aligning with EUSAIR Actions 3.1.1 and 3.1.2. They focus on establishing protected areas, enhancing waste management systems, and implementing the Marine Strategy Framework Directive, which are crucial for improving environmental quality. However, the alignment is primarily at the national level, lacking the transnational coordination and comprehensive strategies needed for effective regional environmental management. Additionally, specific EUSAIR Actions such as ballast water management and migratory waterbird conservation receive minimal attention, highlighting gaps in addressing broader marine and coastal environmental challenges across the Adriatic-Ionian region.

**Pillar 4 – Sustainable Tourism:** Alignment between IPA III Actions and EUSAIR Pillar 4 is generally limited and indirect. Programme like the "EU for Local Governance" in Albania provides some support for sustainable tourism through capacity

building and infrastructure improvements. North Macedonia's "EU for Prespa" also contributes by promoting sustainable tourism products and environmentally friendly practices. However, these actions do not comprehensively address EUSAIR's specific objectives for collaborative governance, smart tourism indicators, or the green and digital transition of tourism strategies. Most IPA III Actions focus on broader governance and economic development without targeting the integrated and sector-specific sustainable tourism innovations and management systems required by EUSAIR Pillar 4. Consequently, while there are supportive elements, the overall alignment falls short of facilitating the extensive sustainable tourism framework envisioned by EUSAIR.

**Pillar 5 – Improved Social Cohesion:** IPA III Actions show strong to moderate alignment with EUSAIR Pillar 5, particularly through initiatives like "EU for Youth," "EU for Employment and Social Inclusion," and the "Multiannual Operational Programme on EU for Youth Employment." These programmes effectively support youth empowerment, employment, and skills development, directly addressing EUSAIR Actions 5.1.1, 5.1.2, 5.2.1, and 5.2.2. They implement Youth Guarantee schemes, promote upskilling and reskilling for disadvantaged groups, and enhance social protection measures, aligning well with objectives for improved social cohesion and inclusive growth. Additionally, actions promoting gender equality and social innovation partially support EUSAIR's broader social objectives. However, the focus remains primarily on national-level interventions, with limited emphasis on cross-border cooperation and macro-regional strategies. This national-centric approach restricts the full realization of EUSAIR Pillar 5's goals for comprehensive social cohesion across the Adriatic-Ionian region.

**Table 6: Assessment of IPA Actions (Bilateral Annual for period 2021-2027 and Multi-annual OPs for Period 2024-2027) Against EUSAIR Pillars**

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>IPA 2021</b>				
<b>EU FOR CIRCULAR ECONOMY AND GREEN GROWTH</b>	Window 3 – Green Agenda and sustainable connectivity  Thematic Priority 1 - Environment and climate change	Impact	To contribute to improving the protection of the environment and developing circular economy and sustainable green growth in Albania.	The IPA III Action shows direct alignment with several EUSAIR Actions, particularly under Pillar 1 (Blue Sustainable Economy) and Pillar 3 (Environmental Quality). Specifically, there is strong alignment with Action 1.1.1 on building innovation ecosystems for green technologies, as both focus on developing circular economy frameworks and supporting innovative green business models. There is also clear alignment with Actions under Topic 3.1 (Marine and coastal environment) regarding pollution reduction and waste management. The IPA III Action's focus on Extended Producer Responsibility systems, waste management infrastructure, and resource efficiency directly complements EUSAIR's environmental protection goals. However, while there are these areas of strong alignment, it's important to note that the IPA III Action has a broader scope focused on national-level circular economy development in Albania, while EUSAIR takes a macro-regional approach.
		Outcome(s)	Extended Producer Responsibility (EPR) system for specific waste streams established.	
			Infrastructure capacities supporting CE&GG, resource efficiency, recycling and reuse increased at zone (regional) level.	
			Resource efficiency, co-design and greening of production improved in increasingly "regenerative" businesses and supply chains.	
		Output(s)	Waste legislation further aligned with EU acquis and properly enforced enabling implementation of circular economy.	
			Communication, awareness and engagement of communities and private sector in circular economy and green growth and regional waste management increased.	
			Institutional capacities strengthened at all levels for waste management, CE&GG, gender sensitive data collection, monitoring and enforcement.	
Legal system for implementing EPR schemes for at least three special waste streams established and enforced.				
EU FOR INNOVATION – PHASE II	Window 4 - Competitiveness and inclusive growth  Thematic Priority 2 - Private sector development, trade, research and innovation	Impact	To increase the competitiveness and post-COVID socio-economic recovery through improvement of the business environment, innovation ecosystem and investment climate.	There is direct alignment with Action 1.1.1 under EUSAIR Pillar 1 (Blue Sustainable Economy) - "Building Adriatic-Ionian Region innovation ecosystems." Both initiatives focus on strengthening innovation ecosystems, supporting startups, and promoting collaboration between stakeholders through the Quadruple Helix approach. There is also partial alignment with several actions under Pillar 4 (Sustainable Tourism), particularly Actions 4.1.1 and 4.2.1, which address innovation in tourism and smart management. However, while the IPA III Action takes a broad approach to innovation ecosystem development in Albania, EUSAIR actions are more specifically focused on blue/green technologies and tourism innovation. The IPA III Action's emphasis on post-COVID recovery and general startup ecosystem development represents a wider scope than the sector-specific focus of EUSAIR. Therefore, while there is strong thematic alignment in terms of innovation support and ecosystem development, the geographic and sectoral scope differs significantly. Integration is possible particularly in areas where Albanian startups and innovators could contribute to EUSAIR's blue economy and sustainable tourism objectives, but this would represent only a subset of the IPA III Action's broader innovation agenda.
		Outcome(s)	Maturity and exposure of the Albanian start-up and innovation ecosystem and its stakeholders are increased.	
		Output(s)	Albania's startup and innovation ecosystem promoted with innovators and entrepreneurs both domestically and internationally.	
			Finance opportunities for Albanian startups and Innovation Support Organisations improved and diversified.	
			The Quadruple Helix approach promoted and implemented	
The stakeholders of the Albanian startup ecosystem benefited from capacity development interventions				

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>EU FOR NATURE</b>	Window 3 – Green Agenda and sustainable connectivity  Thematic Priority 1 - Environment and climate change	Impact	To protect and conserve through a well-connected and effective system of protected areas and other area-based conservation measures at least 25 per cent of the Albanian territory (at land and sea), by 2030, with the focus on areas particularly important for biodiversity.	There is partial alignment with EUSAIR actions under Pillar 3 (Environmental Quality). The IPA III Action's focus on protected areas management, biodiversity conservation, and alignment with Natura 2000 requirements directly corresponds to these EUSAIR initiatives. There is also partial alignment with Action 3.1.1 on enhancing marine and coastal biodiversity, particularly through the IPA Action's inclusion of marine protected areas. The IPA Action's emphasis on institutional capacity building, community engagement, and nature-based solutions complements EUSAIR's approach to transnational environmental protection. However, while the IPA III Action is focused on national-level implementation in Albania, EUSAIR takes a broader macro-regional approach. Therefore, while there is strong thematic alignment in terms of biodiversity conservation and protected areas management, the geographic scope differs significantly. Integration is possible particularly in areas where Albanian protected areas contribute to broader regional ecological corridors or where management practices can be harmonized with neighbouring countries.
		Outcome(s)	Improved management effectiveness of protected areas.	
		Output(s)	Conservation and restoration measures foreseen in the management plans are implemented.	
			Increase communication, awareness and engagement of communities and private sector in nature conservation and Natura 2000.	
			Nature based solutions (focusing but not limited to nature protection/conservation and fighting of environmental crime) implemented.	
			New management plans for the use of forest and non-timber forest products developed.	
			Performance monitoring system in place.	
			Revised and new protected areas management plans through assessment of biodiversity values and threats following Natura 2000 requirements.	
			Strengthened capacities of the relevant institutions (NAPA/RAPA) to effectively manage protected areas according to the EU acquis and best practices.	
Support to civil society for environmental protection and restoration of protected areas.				
<b>IPA 2022</b>				
<b>EU FOR WATER</b>	Window 3 – Green Agenda and sustainable connectivity  Thematic Priority 1 - Environment and climate change	Impact	To maintain or improve the water bodies quality status in Albania.	There is direct alignment with Action 3.1.2 under EUSAIR Pillar 3 (Environmental Quality) focused on "Reduction of pollution of the sea and inland/transition waters." The IPA III Action's focus on reducing wastewater pollution, improving water bodies quality, and enhancing water monitoring systems directly corresponds to EUSAIR's objectives for water quality improvement. There is also partial alignment with Action 3.1.1 on marine and coastal biodiversity through the IPA Action's component on establishing the Marine Strategy Framework Directive (MSFD) framework. The IPA Action's emphasis on EU water acquis alignment, river basin management, and institutional capacity building complements EUSAIR's approach to transboundary water management and pollution reduction. However, while the IPA III Action is focused on national-level implementation in Albania, EUSAIR takes a broader macro-regional approach. Therefore, while there is strong thematic alignment in terms of water quality improvement and pollution reduction, the geographic scope differs significantly. Integration is possible particularly in areas where Albanian water management efforts contribute to broader regional water quality objectives, especially in shared water bodies and coastal areas.
		Outcome(s)	To increase Albania approximation with the EU water acquis.	
			To reduce the discharge of wastewater pollution load in water bodies, advancing the alignment with the requirements of the UWWTD.	
		Output(s)	The access of population in the programme area to wastewater collection with centralised treatment systems monitored according to the EU directives is increased.	
			The Implementation of River Basins Management is increased in all river basins in line with the requirements of the WFD.	
			The overarching IWM legal and institutional framework is substantially enhanced in line with the requirements of the EU acquis (WFD and other water related directives).	
			The strategic and institutional framework for the implementation of the MSFD is established.	
			The sustainability of the selected municipal utilities in the programme area is enhanced.	
Water monitoring, reporting and enforcement are sustainably enhanced in line with the requirements of water related EU Directives.				
<b>EU FOR YOUTH</b>	Window 4 - Competitiveness and inclusive growth Thematic priority 1 -	Impact	To contribute to youth political, economic and social participation in society through increased quality youth employment and youth active citizenship.	There is strong direct alignment with Actions 5.1.1 and 5.1.2 under EUSAIR Pillar 5 (Improved Social Cohesion). The IPA III Action's focus on youth employment, civic participation, and implementation of the Youth Guarantee scheme directly corresponds to EUSAIR's objectives for youth engagement and employment. There is also partial alignment with Actions 5.2.1 and 5.2.2 regarding skills development and support for disadvantaged groups, particularly
		Outcome(s)	Youth civic participation consolidated through inclusive, gender responsive and structured dialogue, youth human rights consolidated and youth volunteerism and participation in local community development, culture and sports fostered.	
			The employability of young boys and girls not in education and employment improved through the implementation of qualitative and labour market relevant education and training.	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	Education, employment, social protection and inclusion policies, and health	Outputs	<p>Life skills improved through their integration in secondary education curricula and careers guidance introduced in the school system.</p> <p>The capacities of the operationalised National and Local Youth Councils as implementers to enable the engagement of youth in local and central decision making enhanced.</p> <p>Youth activism and volunteering for improving resilience and ensuring gender responsive and social inclusiveness of local communities supported, including for vulnerable youth, young girls, minorities and disabled youth.</p> <p>Institutional capacities for the implementation of the Youth Guarantee (YG) Implementation Plan in place.</p> <p>Pilot action for vulnerable Youth NEET for a good quality offer of employment or further education/training within 4 months of leaving formal education and/or registering as unemployed implemented.</p> <p>Mechanisms and systems for the Youth Guarantee (YG) Implementation Plan established/enhanced.</p> <p>Improved '21st century skills' (critical thinking, communication, collaboration, and creativity) of adolescents with a pilot in small and medium-sized cities.</p> <p>Career guidance model prepared and agreed with the Ministry and other Albanian institutional stakeholders.</p>	through the IPA Action's components on life skills improvement and career guidance. The IPA Action's emphasis on institutional capacity building, youth councils, and support for vulnerable youth (including NEETs) complements EUSAIR's approach to youth empowerment and labour market integration. However, while the IPA III Action is focused on national-level implementation in Albania, EUSAIR takes a broader macro-regional approach. Therefore, while there is strong thematic alignment in terms of youth empowerment and employment support, the geographic scope differs significantly. Integration is possible particularly in areas where Albanian youth initiatives could contribute to broader regional youth employment and engagement objectives, especially through the Youth Guarantee scheme implementation and cross-border knowledge sharing.
<b>IPA 2023</b>				
<b>STATE AND RESILIENCE BUILDING CONTRACT</b>	Window 3 – Green Agenda and sustainable connectivity;  Window 4 - Competitiveness and inclusive growth	Impact  Outcome(s)  Induced Outputs  Direct Outputs	<p>To mitigate the immediate socio-economic impact of the energy crisis and set the basis for building energy resilience in Albania</p> <p>Albania's mid- and long-term objectives of energy resilience are supported, including increasing energy efficiency and promoting the use and diversification of renewable energy sources</p> <p>Socio-economic impact of energy crisis is mitigated, with a special focus on vulnerable households as defined by the DCM no.616, of 22.09.2022</p> <p>Socio-economic recovery and economic growth for SMEs are supported to cope with the combined negative effects of the rise in energy prices and the COVID-19 crisis</p> <p>Development of a short to medium term energy resilience strategy/action plan</p> <p>Measures to support households and vulnerable groups are put in place to fight against energy poverty, including clear conditions for their phasing out</p> <p>Support measures to SMEs are in place to protect them from increased electricity market prices, including clear conditions for their phasing out</p> <p>Continued subsidies for households to counter the price increase of energy bills</p> <p>Continued support to vulnerable categories of people that are beneficiaries of economic aid schemes with an allowance for energy supply</p> <p>Legislative changes to promote of use of energy from Renewable Energy Sources</p> <p>Progress in development and implementation of projects for diversification of RE production through solar and/or wind</p> <p>Promotion of solar energy for water heating for households</p> <p>Support to SMEs to reduce the effects of the energy prices in order to ensure sustainability of their economic activity and prevent increase of unemployment</p>	There is strong direct alignment with Actions 2.4.1 and 2.4.2 under EUSAIR Pillar 2 (Connecting the Region), Topic 2.4 (Energy Networks). The IPA III Action's focus on building energy resilience, promoting renewable energy sources, and supporting energy efficiency directly corresponds to EUSAIR's objectives for integrated power networks and future-proof energy infrastructure. There is also partial alignment with Action 2.5.1 and 2.5.2 regarding renewable energy deployment and energy efficiency improvement. The IPA Action's emphasis on developing energy resilience strategies, promoting renewable energy sources (particularly solar and wind), and supporting vulnerable households complements EUSAIR's approach to energy transition and security. However, while the IPA III Action is focused on national-level implementation in Albania with a strong emphasis on immediate crisis response and social protection measures, EUSAIR takes a broader macro-regional approach to energy infrastructure and market integration. Therefore, while there is strong thematic alignment in terms of energy transition and security objectives, the geographic scope and immediate priorities differ significantly. Integration is possible particularly in areas where Albanian energy resilience efforts contribute to broader regional energy security and transition goals.
<b>IPA 2024</b>				
<b>EU FOR LOCAL GOVERNANCE</b>	Window 2 - Good governance,	Impact Outcome	<p>To improve local governance and local socio-economic development</p> <p>Improved quality, coverage, and access to the infrastructure and services of the local government, responsive to citizens' needs and conducive to socio-economic development</p>	There is partial alignment with Actions under EUSAIR Pillar 4 (Sustainable Tourism), particularly Action 4.2.1 regarding smart destination management and Action 4.1.1 on destination management

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	acquis alignment, good neighbourly relations and strategic communication Thematic Priority 1 - Good governance		Strengthened local governance capacities to advance and respond to demands of the European integration process through proactive policy dialogue between the two tiers of government, along with active participatory engagement of citizens	capacity building. The IPA III Action's focus on strengthening local governance capacities and improving local infrastructure and services could complement EUSAIR's objectives for sustainable tourism development at the local level. However, the alignment is limited and indirect, as the IPA III Action takes a broader approach to local governance improvement and socio-economic development, while EUSAIR actions are specifically focused on tourism and sectoral development. The IPA Action's emphasis on EU accession process, intergovernmental dialogue, and general local government capacity building represents a different scope than EUSAIR's targeted sectoral interventions. While there could be some complementary benefits where local governance improvements support tourism development or environmental management, there is no direct alignment between the core objectives of this IPA III Action and specific EUSAIR Actions/Projects. Integration possibilities exist but would be indirect and secondary to the main objectives of both frameworks
		Output	Empowered LSGUs to plan, design, implement, and monitor actions for the improvement of the quality, coverage, or access to the infrastructure and service of the local government through integration of environment, social and gender aspects, and enhanced socio-economic opportunities for local communities.  Enhanced LSGUs capacities and awareness to contribute to and benefit from the EU accession process, to perform efficiently their functions based on EU values and standards, to strengthen intergovernmental policy dialogue, coordination and cooperation on local self-governments, and to engage efficiently with local stakeholders and communities in the EU accession process.	
<b>EU FOR FORESTS</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change	Impact	Improvement in the quality of the environmental protection and contribution to actions and policies against climate change to accelerate the shift towards a low-carbon economy	There is direct alignment with Action 3.2.3 under EUSAIR Pillar 3 (Environmental Quality) focused on "Improving interaction between anthropic and natural ecosystems and habitats." The IPA III Action's focus on sustainable forest management, increasing forest coverage, and enhancing carbon sink capacities directly corresponds to EUSAIR's objectives for ecosystem management and climate action. There is also partial alignment with Actions 3.2.1 and 3.2.2 regarding habitat protection and conservation, particularly through the IPA Action's components on forest protection and biodiversity preservation. The IPA Action's emphasis on administrative capacity building, legal framework alignment with EU acquis, and improved data collection complements EUSAIR's approach to environmental protection and climate change mitigation. However, while the IPA III Action is focused on national-level implementation in Albania, EUSAIR takes a broader macro-regional approach. Therefore, while there is strong thematic alignment in terms of environmental protection and climate action objectives, the geographic scope differs significantly. Integration is possible particularly in areas where Albanian forest management efforts contribute to broader regional ecosystem and biodiversity conservation goals.
		Outcome	Administrative capacities and alignment of the legal framework in the forestry sector in Albania with the EU acquis improved Forest coverage and the carbon sink capacities for Albania increased	
		Output	Accounting emissions process and removals from the forests in line with the LULUCF and related acquis supported	
			Administrative capacity and capabilities for Sustainable Forest Management and data collection and reporting improved EU Forestry acquis aligned, and other legislation prepared	
<b>EU FOR EMPLOYMENT AND SOCIAL INCLUSION</b>	Window 4 - Competitiveness and inclusive growth Thematic priority 1 - Education, employment, social	Impact	To expand coverage, inclusiveness, effectiveness and shock responsiveness of social protection and labour market measures including categories at risk of exclusion	There is strong direct alignment with multiple actions under EUSAIR Pillar 5 (Improved Social Cohesion). Specifically, there is clear alignment with Actions 5.1.2 on boosting youth employment, 5.2.1 on development and harmonization of skills policies, and 5.2.2 on promoting employment opportunities through upskilling/reskilling for disadvantaged groups. The IPA III Action's focus on expanding social protection, improving labour market measures, and supporting disadvantaged categories through upskilling and employment directly corresponds to these EUSAIR initiatives. There is also alignment with Action 5.3.1 regarding equal opportunities in the labour market and
		Outcome	Social inclusion increased through upskilling, employment and social reintegration of disadvantaged categories	
			Adequacy of the social protection measures, accessibility and quality of integrated social care services at the local level are improved	
		Induced Outputs	Governance and delivery systems are enhanced to facilitate increased labour market participation, including NE and DA beneficiaries, youth, women, men and other populations at-risk of exclusion More relevant Vocational Education and Training (VET) programs are provided with a focus on quality, inclusive lifelong learning and system permeability	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	protection and inclusion policies, and health		<p>Increased outreach and adequacy of social protection measures</p> <p>Functional and integrated system of quality social and community care services is established</p>	<p>Action 5.4.1 on social innovation, particularly through the IPA Action's components on social inclusion and integrated social care services. The IPA Action's emphasis on vocational education, labour market participation, and social protection systems complements EUSAIR's approach to social cohesion and inclusive growth. However, while the IPA III Action is focused on national-level implementation in Albania, EUSAIR takes a broader macro-regional approach. Therefore, while there is strong thematic alignment in terms of social inclusion and employment objectives, the geographic scope differs significantly. Integration is possible particularly in areas where Albanian employment and social inclusion initiatives could contribute to broader regional objectives for social cohesion.</p>
<b>IPA 2024-2027</b>				
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON DIGITAL ECONOMY AND SOCIETY IN FAVOUR OF REPUBLIC OF ALBANIA FOR 2024 - 2027</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 2 - Transport, digital economy and society, and energy	Impact	<p>Advanced implementation of Albania's Digital Agenda in selected sectors.</p> <p>Increased readiness of Albania for EU accession negotiations under Chapter 22.</p>	<p>There is direct alignment with Action 2.1.2 under EUSAIR Pillar 2 (Connecting the Region) regarding the improvement of IT systems interoperability, and partial alignment with Action 2.3.1 concerning smart solutions for local mobility through the 5G infrastructure components. The OP's focus on digital infrastructure development, cybersecurity enhancement, and digital service implementation complements several EUSAIR objectives for digital transformation, particularly in the context of connectivity and smart solutions. However, while the OP takes a comprehensive approach to digital transformation across multiple sectors (healthcare, education, taxation, cybersecurity), EUSAIR's digital components are more specifically focused on transport, tourism, and connectivity applications. Therefore, while there is clear alignment in terms of digital infrastructure development and interoperability goals, the scope and sectoral focus differ significantly. Integration possibilities exist particularly in areas where digital infrastructure improvements could support EUSAIR's objectives for smart connectivity and services.</p>
		Outcome(s)	Healthcare delivery improved.	
			Improved learning outcomes of pre-university students using digital tools and systems.	
			Integration/interoperability of the Albanian and EU taxation systems, achieved.	
			CbCR adopted and exchange of information methods established.	
			Increased capacities of the general cyber defence capabilities, against sophisticated attacks which target the Albanian Government digital ecosystem (e-services).	
			Digital Connectivity with Very High-Capacity Networks (VHCN)/gigabit infrastructure with FO and 5G improved	
		Outputs	Capacities of MA, IBFM Partners, and end recipients for efficient implementation of the OP strengthened.	
			Detailed design for the system established.	
			Infrastructure and Software Systems for Electronic Health Record System and Radiology Information System established.	
			Healthcare providers enabled to use the Radiology Information System and Electronic Health Record Systems.	
			End recipients and healthcare professionals fully informed of the new system's benefits.	
			Strengthened ICT-oriented curriculum of high schools (last 3 years of pre-university education).	
			Capacities of teachers built for the new curricula and on the sustainable use of digital tools, circular economy principles, and energy efficiency.	
			Secondary School equipped with laptops.	
			Existing IT infrastructure upgraded, and new hardware established at GDT.	
			Existing interoperability framework modified.	
Awareness raising and information campaign for Albanian taxpayers carried out.				
Technical recommendations, specifications and guidelines developed.				
Legislative and regulatory reform to prepare the ground for implementation, prepared.				
CbCR portal built, existing IT infrastructure upgraded, and new hardware established at GDT.				
IT staff at GDT and other public bodies/agencies trained.				
Awareness raising and information campaign for Albanian enterprises, carried out.				
Monitoring and evaluation system for CbCR established.				

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			Physical hosting capacity of NAIS Data Centre (supplies) increased and related Critical Information Infrastructures hardware/software equipment upgraded. Threat Intelligence platform for proactive detection against sophisticated attacks, established. Dark Web monitoring platform established. Cyber awareness and preventive analysis capacity, and cyber resilience and response capacities of involved public sector organizations, improved. Digital Connectivity with Very High-Capacity Networks (VHCN)/gigabit infrastructure with FO and 5G improved Geographical Survey for broadband network, VHCN prepared Gigabit Infrastructure Act drafted Technical study for 5G use cases in smart communities, prepared 5G use cases pilot project End users and relevant stakeholders fully informed of the Gigabit infrastructure/5G use cases benefits. Administrative capacities of MA, IBFM, Partners, recipients, and end recipients increased. Capacities of Partners to participate actively in the OP implementation strengthened. Effective implementation of OP supported. Monitoring and evaluation of the OP results effectively implemented.	
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON ENERGY IN FAVOUR OF ALBANIA FOR 2024 -2027</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 2 - Transport, digital economy and society, and energy	Impact	To promote the green agenda by reinforcing environmental protection, contributing to mitigation, increasing resilience to climate change, and accelerating the shift towards a low-carbon economy.	There is strong direct alignment with multiple actions under EUSAIR Pillar 2, particularly Actions 2.4.1, 2.4.2, 2.5.1, and 2.5.2. The OP's focus on energy efficiency, renewable energy deployment, greenhouse gas reduction, and sustainable mobility directly corresponds to EUSAIR's objectives for integrated energy networks, future-proof infrastructure, and green energy transition. There is particularly strong alignment with Action 2.5.1 on renewable energy deployment and Action 2.5.2 on improving energy efficiency. The OP's components addressing energy poverty and administrative capacity building complement EUSAIR's broader approach to energy transition. However, while the OP is focused on national-level implementation in Albania with specific emphasis on public buildings and water utilities, EUSAIR takes a broader macro-regional approach to energy infrastructure and market integration. Therefore, while there is strong thematic alignment in terms of energy transition and efficiency objectives, the geographic scope and specific implementation mechanisms differ significantly. Integration is possible particularly in areas where Albanian energy efficiency and renewable energy initiatives could contribute to broader regional energy transition goals.
		Outcome(s)	Energy efficiency increased and greenhouse gas emissions reduced.	
			Greenhouse gas (GHG) emissions avoided with IPA III support	
			Renewable energy production increased.	
			Energy poverty is mitigated.	
			Sustainable mobility promoted as part of transition to a net zero carbon economy.	
			Energy efficiency increased and greenhouse gas emissions reduced in the water utilities.	
		Outputs	Administrative capacity required to achieve the objectives of the Operational Programme are increased through support to Operational Programme bodies and Partners, as well as to increase the IPA III funds' absorption capacity.	
			Energy efficiency of public buildings improved	
			Production capacity for renewable energy added in public buildings	
			Energy poor households supported from the grant scheme	
			Legislative framework prepared and approved to facilitate the deployment of ECVS	
Alternative fuels infrastructure added.				
	Energy efficiency in water utilities improved.			
	Additional operational capacity installed for renewable energy in Water utilities			
	Preparation of project documentation and programme implementation supported.			
	Administrative capacities for the management of the programme increased			
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON EU FOR YOUTH EMPLOYMENT IN FAVOUR OF</b>	Window 4: Competitiveness and Inclusive Growth	Impact	To enable the inclusive and labour-market responsive integration of a skilled and adaptable young workforce. Administrative capacity and EU acquis alignment	There is strong direct alignment with multiple actions under EUSAIR Pillar 5 (Improved Social Cohesion). Specifically, there is clear alignment with Action 5.1.2 on boosting youth employment through Youth Guarantee implementation, Action 5.2.1 on skills policy development and VET enhancement, and Action 5.2.2 on promoting employment opportunities through upskilling/reskilling for
		Outcome(s)	Enhanced employment and employability of young individuals, focusing on vulnerable groups.	
			Improved quality, flexibility, and diversity of the vocational education and training offer to enhance the career prospects of youth.	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
ALBANIA FOR 2024-2027	Thematic priority 1: Education, employment, social protection and inclusion policies, and health	Outputs	Capacities of MA, IBPM, IBFM Partners and end recipients for the efficient implementation of the OP, strengthened	disadvantaged groups. The OP's focus on youth employment, VET improvement, and support for vulnerable groups directly corresponds to these EUSAIR initiatives. There is also partial alignment with Action 5.1.1 regarding youth engagement and empowerment. The OP's emphasis on capacity building, employment services enhancement, and VET development complements EUSAIR's approach to youth employment and skills development. However, while the OP is focused on national-level implementation in Albania, EUSAIR takes a broader macro-regional approach. Therefore, while there is strong thematic alignment in terms of youth employment and skills development objectives, the geographic scope differs significantly. Integration is possible particularly in areas where Albanian youth employment initiatives could contribute to broader regional objectives for improving youth employment and skills development.
			Employment opportunities of young people increased through the implementation of a reinforced YG delivery model.	
			Employability of youth in the labour market improved through Employment Promotion Programmes and enhanced Employment Services	
			The development of a high-quality and relevant VET offers supported.	
			Relevant upskilling and reskilling opportunities provided in partnership with public and private providers	
			Administrative capacities of MA, IBPM, IBFM, partners, recipients, and end recipients increased	
			Capacities of Partners to participate actively in the OP implementation strengthened	
			Effective implementation of the OP supported	
Monitoring and evaluation of the OP results effectively implemented				

Table 7: Bilateral IPA 2025-2027 Proposed Actions

Action/Measure title	Window	Action/Measure Brief explanation	Indicative timing
EU for Rule of Law	Window 1: Rule of law, fundamental rights and democracy.	Cooperation with Member States or technical assistance via EUJF to improve effectiveness of the judiciary system, fight against organised crime and corruption and tackling other areas that need to be addressed for meeting chapter 23 and 24 closing benchmarks.	2026/2027

Action/Measure Title	Window	Action/Measure Brief Explanation	Indicative Timing
AD: EU for Integrated Justice Programme	Window 1: Rule of law, fundamental rights and democracy	Aims to increase the effectiveness, efficiency, independence, and accountability of new and reformed justice institutions, with a focus on addressing recommendations of the CPT reports and supporting prison reforms.	2025
AD: EU for Integrated Law Enforcement	Window 1: Rule of law, fundamental rights and democracy	Aims to strengthen the capacities of law enforcement agencies involved in the fight against organised crime and ensure effective international cooperation between Albanian and European law enforcement agencies.	2027
AD: EU for Integrated Democracy	Window 1: Rule of law, fundamental rights and democracy	Aims to contribute to building stronger democratic institutions by supporting the Assembly of Albania, improving human rights monitoring, and gender-specific reporting in the context of EU accession.	2026
AD: EU Civil Society Facility and Media Programme	Window 1: Rule of law, fundamental rights and democracy	Aims to contribute to a conducive environment for civil society by intensifying cooperation between CSOs and public institutions, fostering media independence, and ensuring media freedom.	2026
AD: EU for Integrated Public Administration Reform (PAR)	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Aims to enhance the effectiveness and efficiency of local government, improve property register management, and align the capacities of INSTAT with EU accession expectations.	2026
AD: EU for Integrated Public Finance Management (PFM)	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Aims to improve budget oversight by strengthening the capacity of the Supreme Audit Institution and supporting the set-up of a Fiscal Council function to improve domestic revenue management.	2025
Support to EU Integration Programme	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Aims to support authorities in the implementation of Roadmaps, continue accession negotiations, and accelerate the adoption of reforms under the Growth Facility.	2026

AD: EU 4 Sustainable and Competitive Critical Raw Materials (CRM) sector	Window 4: Competitiveness and inclusive growth	Aims to foster and accelerate Albania's integration into the EU's supply chain by supporting geological mapping of potential critical raw material resources and increasing extraction in a sustainable manner.	2025
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**Table 8: Overview of WBIF Projects in Albania by Sector**

Status	Investment	Completion (est)
<b>Digital infrastructure</b>		
Preparation	Balkans Digital Highway	28.12.28
	Development of Broadband Atlas for Albania	n/a
	Expansion of the Government Network (GovNet) to Ensure Faster, Reliable and Secure Communication Between Healthcare Service Providers	29.6.26
	High Performance Computing for Government Data and Secure Information Exchange Network for Regional Interoperability in the Western Balkans	30.12.25
	Regional Broadband Infrastructure Development	31.12.24
	Regional HPC Infrastructure, Interconnection of Regional University Campuses via WB NREN to the Infrastructure and Upgraded HPC-hosting Data Centre	n/a
Tender Preparation	Smart Cities – Smart Villages	n/a
	Establishment of Smart Labs - Network of ICT Laboratories for the Pre-university Education System	31.5.25
<b>Energy</b>		
Completed	Gas Development Masterplan	17.5.17
	Upgrade of the National Electricity Transmission System	1.6.09
Implementation	Albania – North Macedonia Power Interconnection: Grid Section in Albania	30.6.25
	Tirana - Durrës Region: Upgrade of the Electricity Transmission Network	31.12.21
Preparation	Belshi Solar Photovoltaic Power Plant	31.3.27
	Dumrea Underground Natural Gas Storage	n/a
	Energy Efficient Schools Buildings in Albania (EnE4Schools)	31.10.26
	Fierza – Koman Pump Storage Plant	30.5.31
	Green Transport Tirana	29.6.29
	New 400 kV OHTL Rrashbull (Albania) – Arachtos (Greece)	28.6.30
	Offshore Wind Power Plant	31.12.30
	Fier – Vlora Gas Transmission Pipeline	n/a
Tender Preparation	Fier – Vlora Gas Transmission Pipeline	n/a
	Rehabilitation of Fierza Hydropower Plant	28.2.29
Tendering	Vau i Dejës Floating Solar Photovoltaic Power Plant	31.12.25
<b>Environment</b>		
Completed	Fier, Gjirokastra, Saranda and Lezha Water Supply and Wastewater Collection Systems	4.4.17
	Kamza Water and Sanitation Systems Phase 1	14.1.17
	Kavaja and Golemi Wastewater Treatment Plant and Sewerage System	n/a
	Pogradec Water Supply and Wastewater Collection Systems	24.9.18
Implementation	Rural Areas Water Supply and Wastewater Systems	19.2.22
	Vlora/Vlorë Regional Sanitary Landfill	30.4.23
	Water Sector Performance and Investment Programme / Municipal Infrastructure V	31.12.27
	Water Supply and Sewerage Systems in Himara Municipality and Its Coastal Villages	30.1.25
Preparation	Durrës Wastewater Management Project	31.12.29
	Functional Waste Area for Elbasan in Albania	n/a
	Functional Waste Area for Fier in Albania	n/a
	Improvement of Flood Protection Infrastructure on Erzen-Ishem, Shkumbin, Seman and Vjosa Rivers	31.12.30
	Integrated National Sanitation Strategy & Investment Planning, Regional Masterplan for Tirana Region	5.9.24
	Optimisation of Dam Safety and Resilience of Irrigation Systems to Climate Change in Albania	30.12.28

Status	Investment	Completion (est)
	Shkodra/Skadar Lake Area, Villages of Shiroka and Zogaj: Water Supply and Sewage Systems and Improvement of Waste Management	n/a
Tender Preparation	Mati River Flood Protection Infrastructure	31.3.22
<b>Social</b>		
Completed	Communal Infrastructure Works in Albanian Alps Area	31.12.20
	Education, Excellence and Equity Project (EEE-P) and Rehabilitation of Tirana Schools Phase 2	29.6.13
Implementation	Tirana University Hospital Centre Reform Programme Phase 2	31.12.22
<b>Transport</b>		
Completed	Improvement of Rural Roads (Feeder Roads)	12.11.18
	Rehabilitation of Regional and Local Roads	31.12.16
	Upgrade of the National Road Network	n/a
Implementation	Electrification of Durres – Tirana PTT – Tirana CCS Railway Line and Link to Tirana Airport	12.7.24
	Mediterranean Corridor: Rehabilitation of Tirana - Durrës Railway Line and Construction of New Line to Rinas Branch	30.6.25
Preparation	Adriatic-Ionian Corridor: Murriqan – Lezhë Highway Section	28.6.30
	Corridor VIII: Durrës - Rrogzhihë - Border with North Macedonia Railway Line	n/a
	Mediterranean Corridor: Tirana Bypass	28.4.28
	Mediterranean Corridor: Vorë - Hani i Hotit Route 2 Railway Line	31.8.30

**Table 9: Overview of Regional WBIF Projects in which Albania Participates**

Status	Investment	Beneficiary	Completion (est)
<b>Energy</b>			
Completed	Regional Strategy for Sustainable Hydropower in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.18
	Regional Study – Consortium approach to developing the Gas to Power Initiative and the Energy Community (EnC) Gas Ring in Southeast Europe	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.18
	Regional Study on Renewable Energy Potential and Energy Efficiency in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	28.2.20
	Regional Study on Voltage Regulation in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.1.21
	Sector Study on Biomass-based Heating in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.7.18
Implementation	Establishment of a Regional Energy Efficiency Programme (REEP) for the Western Balkans	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	30.9.22
	Regional Energy Efficiency Programme for the Western Balkans - REEP Plus	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.25
	Regional Energy Efficiency Programme for the Western Balkans - REEP Plus Replenishment	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.28
Preparation	Albania - Kosovo Gas Pipeline (ALKOGAP)	Albania, Kosovo*	n/a
	Ionian Adriatic Pipeline	Albania, Montenegro	n/a
	Regional Energy Efficiency Programme for the Western Balkans - REEP Extension	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.32
<b>Environment</b>			
Completed	Gap Analysis/Needs Assessment in the Context of Implementing the EU Floods Directive in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	24.9.15
<b>Private sector development</b>			
Completed	PPP Institutional Strengthening in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.10.14

Status	Investment	Beneficiary	Completion (est)
	Strengthening the Capacity of the Public Sector to Undertake PPPs in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.19
Implementation	Establishment of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	n/a
<b>Transport</b>			
Completed	Mediterranean Corridor (Road R1, R2): Construction of Adriatic-Ionian Highway in Albania and Montenegro	Albania, Montenegro	19.11.21
	Regional Connectivity Networks Gap Analysis	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.19
	Update of the Regional Transport Study (REBIS)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.15
Implementation	Safe and Sustainable Transport Programme (SSTP)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.12.28

## Country-Specific Analysis: Bosnia and Herzegovina

### Bilateral Annual Country Programmes (2021-2024)

The table 1 provides a detailed breakdown of the financial allocations for **Bosnia and Herzegovina** under the Instrument for Pre-accession Assistance (IPA) III for the period 2021-2024.

The total budget for this period is EUR 250.6 million, distributed across various windows and thematic priorities to support the country's EU integration process.

The financial allocations for BiH are spread across multiple years, each focusing on specific windows and thematic priorities:

- **2021:** The total budget was EUR 78.99 million, with the largest allocations directed towards Window 1 (EUR 22.33 million) and Window 4 (EUR 27.16 million). Window 1 targeted security and democracy, with significant support in organized crime prevention, border management, and democracy support. Window 4 focused on education, employment, social protection, and private sector development, along with agricultural reforms.
- **2022:** The total allocation was EUR 50.83 million. Most funds were allocated to Window 4 (EUR 23 million), focusing on social inclusion policies and private sector development. Window 2 received EUR 15 million, emphasizing good governance and administrative capacity.
- **2023:** A total of EUR 70 million was allocated, primarily under Window 3 and Window 4, for state and resilience-building contract (budget support for energy crisis).
- **2024:** The budget for this year was EUR 50.8 million, allocated across multiple thematic areas, with a strong focus on environmental and socio-economic initiatives.

Thematic priorities in BiH reflect the country's needs in governance, social inclusion, and economic development:

- **Security and Organized Crime:** This thematic priority was heavily funded in 2021, with EUR 10 million directed towards fighting organized crime and enhancing border management under Window 1.
- **Democracy and Good Governance:** This area consistently received attention across all years. In 2021, democracy initiatives under Window 1 received EUR 7.33 million, while governance improvements under Window 2 received EUR 2 million. In 2022, EUR 9.5 million was allocated to governance under Window 2.
- **Social Inclusion and Economic Development:** These priorities were strongly supported, especially in 2022, where substantial funding was allocated to education, employment, social protection, and private sector development under Window 4. For instance, EUR 12.5 million was earmarked for employment and social protection in 2021, and EUR 23 million was directed towards similar initiatives in 2022.

The tables 1 and 2 provides specific actions associated with each thematic priority and their respective budgets:

- **EU4 Migration, Border Management and Mine Action:** This action was the largest allocation in 2021, receiving EUR 15 million entirely financed by the EU.
- **EU Integration Facility:** Significant investments were made under this action across multiple years, highlighting the importance of aligning BiH's administrative capacities with EU standards. In 2021, EUR 8.5 million was allocated, followed by EUR 5.5 million in 2022.
- **EU4 Green Economy:** Environmental initiatives received consistent funding, with EUR 22.5 million allocated in 2024, fully financed by the EU. This reflects a long-term commitment to environmental sustainability.

**Table 1: IPA 2021-2024 Financial Allocations by Window, Thematic Priority and Action**

Year	Total Budget per Annual Programme	IPA III PFW Window	Window Budget	IPA III PFW Thematic Priority	Thematic Priority Budget	Action title	Action Budget
2021	78.989.624,00	Window 1	22.327.624,00	Thematic Priority 3: Fight Against Organised Crime/Security	10.000.000,00	Action 01 - EU4 Migration, Border management and Mine Action	10.000.000,00
				Thematic Priority 4: Migration and Border Management	5.000.000,00		5.000.000,00
				Thematic Priority 6: Democracy	7.327.624,00	Action 02 - EU 4 Electoral Process	2.000.000,00

						Individual Measure in favour of the Office of the High Representative (OHR) in Bosnia and Herzegovina from July 2021 to June 2022	5.327.624,00
		Window 2	10.500.000,00	Thematic Priority 1 - Good governance	2.000.000,00	Action 04 - EU4 Regional Development	2.000.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	8.500.000,00	Action 03 - EU Integration Facility	8.500.000,00
		Window 3	19.000.000,00	Thematic Priority 2 - Transport, digital economy and society, and energy	19.000.000,00	Action 05 - EU4 Energy Action 06 - EU4 Transport	9.000.000,00 10.000.000,00
		Window 4	27.162.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	12.500.000,00	Action 07 - EU4 Mitigating Socio-Economic Consequences of COVID-19 pandemic in Bosnia and Herzegovina: Employment, Social Protection and Inclusion Policies	12.500.000,00
				Thematic Priority 2 - Private sector development, trade, research and innovation	10.000.000,00	Action 08 - EU4 Private Sector Development in BiH (Post COVID-19)	10.000.000,00
				Thematic Priority 3 - Agriculture and rural development	4.662.000,00	Action 09 - EU4 Animal disease control	4.662.000,00
2022	50.827.627,00	Window 1	8.827.627,00	Thematic priority 1 - Judiciary	3.500.000,00	EU Support to Justice	3.500.000,00
				Thematic Priority 6: Democracy	5.327.627,00	Individual Measure in favour of Bosnia and Herzegovina concerning support of the Office of the High Representative (OHR) from July 2022 to June 2023, for 2022	5.327.627,00
		Window 2	15.000.000,00	Thematic Priority 1 - Good governance	9.500.000,00	EU4 Public Administration Reform (PAR) Increased Administrative Capacity	6.000.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	5.500.000,00	EU4 Public Finance Management (EU4PFM)	3.500.000,00
				EU Integration Facility			5.500.000,00
		Window 3	4.000.000,00	Thematic Priority 1 - Environment and climate change	4.000.000,00	EU4 Environment and Climate Change	4.000.000,00
		Window 4	23.000.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	23.000.000,00	EU4People (Employment and Social Protection)	23.000.000,00
2023	70.000.000,00	Window 3; Window 4	70.000.000,00	Various	70.000.000,00	State and Resilience Building Contract	70.000.000,00
2024	50.800.000,00	Window 1	13.100.000,00	Thematic priority 1 - Judiciary	7.205.000,00	EU 4 Rule of Law and Equality (Justice, Roma inclusion, Gender equality)	7.205.000,00
				Thematic priority 3 - Fight against organised crime	655.000,00		655.000,00
				Thematic priority 5 - Fundamental rights	5.240.000,00		5.240.000,00
		Window 2	6.250.000,00	Thematic Priority 1 - Good governance	1.500.000,00	EU Integration Facility	1.500.000,00
				Thematic priority 2 - Administrative	2.200.000,00		2.200.000,00

			capacity and acquis alignment			
			Thematic Priority 3 - Good neighbourly relations and reconciliation	2.550.000,00	Harnessing culture and creativity for sustainable development	2.550.000,00
	Window 3	7.425.000,00	Thematic Priority 2 - Transport, digital economy and society, and energy	7.425.000,00	EU4Green Economy	7.425.000,00
	Window 4	24.025.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	8.950.000,00	Harnessing culture and creativity for sustainable development	5.950.000,00
			Support to Youth Employment in Bosnia and Herzegovina			3.000.000,00
			Thematic Priority 2 - Private sector development, trade, research and innovation	15.075.000,00	EU4Green Economy	15.075.000,00
<b>250.617.251,00</b>						

Table 2: IPA 2021-2024 Co-financing

Year	Action Title	Sum of Total Financing per Action	Sum of National Co-financing per Action	Sum of EU Co-financing per Action
2021	Action 01 - EU4 Migration, Border management and Mine Action	15.000.000,00	0,00	15.000.000,00
	Action 02 - EU 4 Electoral Process	2.000.000,00	0,00	2.000.000,00
	Action 03 - EU Integration Facility	8.500.000,00	0,00	8.500.000,00
	Action 04 - EU4 Regional Development	2.000.000,00	0,00	2.000.000,00
	Action 05 - EU4 Energy	9.000.000,00	0,00	9.000.000,00
	Action 06 - EU4 Transport	10.000.000,00	0,00	10.000.000,00
	Action 07 - EU4 Mitigating Socio-Economic Consequences of COVID-19 pandemic in Bosnia and Herzegovina: Employment, Social Protection and Inclusion Policies	12.500.000,00	0,00	12.500.000,00
	Action 08 - EU4 Private Sector Development in BiH (Post COVID-19)	10.000.000,00	0,00	10.000.000,00
	Action 09 - EU4 Animal disease control	4.662.000,00	662.000,00	4.000.000,00
	Individual Measure in favour of the Office of the High Representative (OHR) in Bosnia and Herzegovina from July 2021 to June 2022	5.327.627,00	2.914.299,00	2.413.328,00
	<b>Total 2021</b>	<b>78.989.627,00</b>	<b>3.576.299,00</b>	<b>75.413.328,00</b>
2022	EU Integration Facility	5.500.000,00	0,00	5.500.000,00
	EU Support to Justice	3.500.000,00	0,00	3.500.000,00
	EU4 Environment and Climate Change	4.000.000,00	0,00	4.000.000,00
	EU4 Public Administration Reform (PAR) Increased Administrative Capacity	6.000.000,00	0,00	6.000.000,00
	EU4 Public Finance Management (EU4PFM)	3.500.000,00	0,00	3.500.000,00
	EU4People (Employment and Social Protection)	23.000.000,00	0,00	23.000.000,00
	Individual Measure in favour of Bosnia and Herzegovina concerning support of the Office of the High Representative (OHR) from July 2022 to June 2023, for 2022	5.327.627,00	2.914.299,00	2.413.328,00
	<b>Total 2022</b>	<b>50.827.627,00</b>	<b>2.914.299,00</b>	<b>47.913.328,00</b>
2023	State and Resilience Building Contract	70.000.000,00	0,00	70.000.000,00
	<b>Total 2023</b>	<b>70.000.000,00</b>	<b>0,00</b>	<b>70.000.000,00</b>
2024	EU 4 Rule of Law and Equality (Justice, Roma inclusion, Gender equality)	13.100.000,00	100.000,00	13.000.000,00
	EU Integration Facility	3.700.000,00	0,00	3.700.000,00
	EU4Green Economy	22.500.000,00	0,00	22.500.000,00
	Harnessing culture and creativity for sustainable development	8.500.000,00	0,00	8.500.000,00
	Support to Youth Employment in Bosnia and Herzegovina	3.000.000,00	0,00	3.000.000,00
	<b>Total 2024</b>	<b>50.800.000,00</b>	<b>100.000,00</b>	<b>50.700.000,00</b>
		<b>250.617.254,00</b>	<b>6.590.598,00</b>	<b>244.026.656,00</b>

The two tables below (3 and 4) provide a detailed breakdown of the budget allocations for Albania, focusing on both implementation arrangements and management. In the first table, which addresses Implementation Arrangements and Modality, most of the budget (44,59%) is allocated to IMEE. Other significant allocations include SBS (27,93%) and Procurement (19,64%), while Grants receive a much smaller portion of the budget at just 3,59%. n/a stand for two actions concerning individual measures in favour of the Office of the High Representative (OHR) in Bosnia and Herzegovina.

The second table, which focuses on Implementation Management, shows that Indirect management consumes 44.59% of the budget, compared to 55.41% allocated to Direct management. This high allocation to indirect management is due to the substantial role played by IMEE and Implementing Partners, which necessitates external management structures.

**Table 3: Implementation Arrangements and Modality**

Row Labels	Total Budget Amount	% of Grand Total
<b>Grants</b>	9.000.000,00	3,59%
IMEE	111.750.000,00	44,59%
n/a	10.655.251,00	4,25%
<b>Procurement</b>	49.212.000,00	19,64%
SBS	70.000.000,00	27,93%
<b>Grand Total</b>	<b>250.617.251,00</b>	<b>100,00%</b>

**Table 4: Implementation Management**

Row Labels	Total Budget Amount	% of Grand Total
<b>Direct management</b>	138.867.251,00	55,41%
<b>Indirect management</b>	111.750.000,00	44,59%
<b>Grand Total</b>	<b>250.617.251,00</b>	<b>100,00%</b>

### State Building and Resilience Contract - Annual IPA 2023 Programme

Under IPA 2023, Bosnia and Herzegovina received support under State and Resilience Building Contract aimed at mitigating the socio-economic impacts of the ongoing energy crisis. It is a EUR 70 million budget support package provided in two fixed tranches.

The primary objective of the action is to assist Bosnia and Herzegovina in addressing the rising energy prices that affect small and medium-sized enterprises (SMEs) and households, thereby strengthening the government's capacity to support vulnerable populations and promote long-term socio-economic recovery. This initiative is part of a broader effort to ensure access to sustainable and modern energy. Through this action, Bosnia and Herzegovina aims to enhance energy security and transition towards a more sustainable energy framework, in line with the EU's external energy strategy and the REPowerEU plan.

### Overview of WBIF Projects in Bosnia and Herzegovina by Sector

#### Digital Infrastructure

The WBIF may support one project in the digital infrastructure sector in Bosnia and Herzegovina, currently in the preparation phase. The "Core Broadband Infrastructure Development" project has a total financing of EUR 21,763,425, predominantly through a EUR 20,000,000 loan from the EBRD, along with a EUR 263,425 grant from WBIF and a EUR 1,500,000 external grant.

#### Energy

In the energy sector, there are 5 WBIF projects in Bosnia and Herzegovina, with one in the implementation phase and four in preparation. The projects focus on renewable energy (wind farms and hydropower), smart metering, and a gas interconnection with Croatia. The total financing for these projects amounts to EUR 534.97 million, with EUR 47.36 million in grants and EUR 301.27 million in loans from various sources, including WBIF, EIB, EBRD, and KfW

#### Environment

The environment sector has the highest number of WBIF projects in Bosnia and Herzegovina, with 18 projects spanning completed, implementation, tender preparation, and preparation stages. These projects cover water supply, wastewater treatment, flood risk management, and solid waste management. The total financing for environmental projects is EUR 677.88 million, with EUR 54.57 million in grants and EUR 298.83 million in loans from WBIF, EBRD, EIB, KfW, World Bank, and other sources

#### Social

In the social sector, there are 4 WBIF projects in Bosnia and Herzegovina, with one completed, one in implementation, and two in preparation. These projects focus on a maximum-security prison, housing for refugees and displaced persons, a cultural and sports centre, and healthcare facilities. The total financing for social projects is EUR 269.13 million, with EUR 17.54 million in grants and EUR 195.64 million in loans from CEB and EIB

#### Transport

The transport sector has 10 WBIF projects in Bosnia and Herzegovina, with four completed, one in implementation, and five in tender preparation or preparation stages. The projects cover road, rail, and port infrastructure, with a focus on the development of Corridor Vc and regional connectivity. The total financing for transport projects is EUR 5.12 billion, with EUR 883.15 million in grants and EUR 2.98 billion in loans from WBIF, EBRD, EIB, World Bank, and other sources

## **Overview of Regional WBIF Projects in which Bosnia and Herzegovina Participates**

### **Energy Sector**

BiH is involved in several energy-related projects aimed at improving efficiency, sustainability, and regional connectivity. These include the Regional Strategy for Sustainable Hydropower, studies on gas infrastructure development, renewable energy potential, and voltage regulation. The Regional Energy Efficiency Programme (REEP) is a major initiative with multiple phases, totalling over EUR 1 billion in financing. REEP aims to improve energy efficiency in public and private buildings, with targets including energy savings of 964,000 MWh/year and 121 MW of renewable energy capacity installed

### **Environment Sector**

Environmental projects focus on water resource management and flood prevention. The Drina River Basin project, with EUR 21.2 million in financing, aims to improve water management across BiH, Montenegro, and Serbia. The Sava River Basin flood management project, supported by a EUR 2 million WBIF grant, addresses flood risks for over 8 million people in the region. BiH also participates in initiatives to implement EU Flood Directives and protect water sources, such as the Klokot source project.

### **Private Sector Development**

BiH benefits from projects strengthening public-private partnerships (PPPs) and supporting small and medium-sized enterprises (SMEs). The Western Balkan Enterprise Development and Innovation Facility (WB EDIF) is a significant initiative with EUR 294.1 million in total project value, providing equity financing and guarantees to support SMEs across the region

### **Social Sector**

In the social sector, BiH is part of the Regional Housing Programme (RHP), which provides housing solutions for refugees and displaced persons. This project, primarily funded by the EU, involves the construction and reconstruction of homes across BiH, Montenegro, Serbia, and Croatia.

### **Transport Sector**

Transport projects aim to improve regional connectivity and safety. The Safe and Sustainable Transport Programme (SSTP), with EUR 494.8 million in total financing, focuses on road safety improvements, alternative fuel infrastructure, and intelligent transport systems. BiH also participated in the Regional Connectivity Networks Gap Analysis and the update of the Regional Transport Study, which identified priority corridors for infrastructure investment.

## **IPA 2025-2027 Priorities**

For Bosnia and Herzegovina, the European Commission, in collaboration with country, has identified several priority areas across the four IPA III windows.

**Window 1: Rule of law, fundamental rights and democracy:** proposed actions focus on strengthening the justice sector, promoting trust-building and reconciliation, improving migration management, and supporting civil society and media. Key measures include expertise in the justice sector, external monitoring of asset declarations, trust-building initiatives, transitioning migrant services to state management, and fostering media independence and civil society engagement.

**Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication:** plans to accelerate its path towards EU accession through the implementation of the Reform Agenda and alignment with the EU Acquis are proposed. A significant measure is the introduction of the European Single Emergency Number 112, which aims to improve emergency response capabilities across the country.

**Window 3: Green agenda and sustainable connectivity:** The focus is on aligning with EU acquis in climate change and nature protection, including enhanced waste management. Proposed actions include establishing a legislative framework for climate governance, developing an Emissions Trading System, improving protected area management, and implementing integrated waste management systems.

**Window 4: Competitiveness and inclusive growth:** proposed priorities aim to improve the investment climate and governance for sustainable management of critical raw materials (CRM). Additionally, there's a strong emphasis on health

initiatives, particularly the implementation of a Comprehensive Preventive Program for cervical, breast, colorectal, and prostate cancer, aligning with European and international standards for cancer screening and prevention.

### **Alignment of IPA 2021-2024 Actions with EUSAIR Pillars**

#### **Pillar 1: Blue Sustainable Economy**

The ACTION 08 - EU4 Private Sector Development in Bosnia and Herzegovina (BiH) directly aligns with EUSAIR Pillar 1 by focusing on strengthening MSME competitiveness, innovation support, and facilitating a green transition. This corresponds with EUSAIR Action 1.1.1 on building innovation ecosystems in the Adriatic-Ionian region. While the action's emphasis on state aid harmonization and institutional capacity building does not directly align with EUSAIR projects, its efforts in enhancing MSME resilience and promoting eco-innovation finance contribute to the objectives of a blue sustainable economy. However, the alignment is mainly thematic, and practical synergies may be limited due to the action's national focus on post-COVID-19 recovery in BiH.

#### **Pillar 2: Connecting the Region**

Several actions demonstrate strong direct alignment with EUSAIR Pillar 2. ACTION 05 - EU4 Energy aligns with EUSAIR's objectives on integrated energy networks and energy efficiency, corresponding to Actions 2.4.1, 2.4.2, 2.5.1, and 2.5.2. ACTION 06 - EU4 Transport directly aligns with EUSAIR's goals of upgrading transport networks and improving connectivity, particularly Actions 2.2.2 and 2.2.3. The State and Resilience Building Contract and EU4Green Economy actions also align with Pillar 2 by focusing on energy transition, legislative frameworks for electricity markets, and promoting low-carbon principles, corresponding to Topics 2.4 and 2.5. While these actions are focused on national implementation in BiH, they complement EUSAIR's macro-regional approach. Differences in geographic scope and implementation mechanisms may limit direct operational integration, but the thematic objectives align closely.

#### **Pillar 3: Environmental Quality**

The EU4 Environment and Climate Change action partially aligns with EUSAIR Pillar 3 by addressing climate change adaptation, flood risk management, and water resources management, relating to Topics 3.1 and 3.2. However, this action is specifically focused on BiH's national climate adaptation capacity and the introduction of the EU Emissions Trading System. EUSAIR actions under this pillar have a broader transnational scope with different specific objectives. Therefore, the alignment is limited and primarily complementary, without direct operational overlap or integration.

#### **Pillar 4: Sustainable Tourism**

The action "Harnessing Culture and Creativity for Sustainable Development" directly aligns with EUSAIR Pillar 4 by enhancing the cultural and creative sectors in BiH, corresponding with Topic 4.1 on facilitating the digital and green transition of tourism and cultural heritage. By upgrading cultural facilities and strengthening professionals' skills, the action supports EUSAIR's objectives of integrating cultural heritage into sustainable development strategies. Additionally, there is partial alignment through ACTION 08 - EU4 Private Sector Development, as its focus on MSME competitiveness and digital/green transition can benefit tourism businesses, although tourism is not its primary focus.

#### **Pillar 5: Improved Social Cohesion**

Multiple actions show direct alignment with EUSAIR Pillar 5. ACTION 07 – EU4 Mitigating Socio-Economic Consequences of COVID-19 Pandemic aligns with actions promoting employment opportunities for disadvantaged groups and developing social entrepreneurship. The EU4People (Employment and Social Protection) action aligns with EUSAIR's objectives on boosting youth employment, promoting upskilling/reskilling for disadvantaged groups, and advancing gender equality. The "Support to Youth Employment in Bosnia and Herzegovina" action directly corresponds with EUSAIR Action 5.1.2 by focusing on implementing the Youth Guarantee and improving labour market access for youth. While these actions are focused on national reforms and capacity building within BiH, they contribute to EUSAIR's broader goals of social inclusion and labour market integration, despite differences in operational focus and geographic scope.

**Table 5: Assessment of IPA Actions (Bilateral Annual for period 2021-2024) Against EUSAIR Pillars**

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>2021</b>				
<b>EU4 REGIONAL DEVELOPMENT</b>	Window 2 - Good governance, acquis alignment, good neighbourly relations and Strategic communication  Thematic Priority 1 - Good governance	Impact	To prepare BiH for assuming obligations of the EU membership in Chapter 22 Regional Policy and Coordination of Structural Instruments	There is limited direct alignment with EUSAIR actions, as this IPA III Action primarily focuses on internal capacity building and preparation for EU Regional Policy requirements in Bosnia and Herzegovina. However, there is partial complementary alignment with cross-cutting aspects of EUSAIR's governance framework, particularly in terms of regional development planning and statistical harmonization. The IPA III Action's focus on developing regional statistics, improving data availability, and creating preconditions for regional development planning could indirectly support EUSAIR implementation by strengthening the institutional capacity needed for macro-regional cooperation. However, it's important to note that this is a complementary rather than direct alignment, as the IPA III Action is specifically focused on BiH's internal preparation for EU Chapter 22 requirements rather than macro-regional cooperation objectives. While the improved regional development planning capacity could eventually benefit EUSAIR implementation, the immediate focus and objectives of this IPA III Action are distinct from EUSAIR's specific project actions.
		Outcome(s)	Level of knowledge and understanding on EU Regional Policy at all levels of governance and civil society increased	
			Preconditions for sound and consistent regional development planning created	
			Improved planning for meeting the requirements of the EU Regional Policy	
		Outputs	Capacity Building Programme for Regional Policy developed	
			Capacity building programme timely implemented	
			Proposal for definition of NUTS regions and improvement of regional statistics and data availability	
Preparatory analysis and guidelines for regional development policy planning produced				
<b>ACTION 05 - EU4 ENERGY</b>	Window 3 – Green Agenda and sustainable connectivity  Thematic Priority 2 - Transport, digital economy and society, and energy	Impact	To ensure access to affordable, reliable, sustainable, and modern energy for BiH	There is direct alignment with multiple actions under EUSAIR Pillar 2, specifically Actions 2.4.1, 2.4.2, 2.5.1, and 2.5.2. The IPA III Action's focus on sustainable energy, energy efficiency, and renewable energy implementation directly corresponds to EUSAIR's objectives for integrated energy networks, renewable energy deployment, and energy efficiency improvement. There is particularly strong alignment with Action 2.5.1 on cooperation in renewable energy deployment and Action 2.5.2 on improving energy efficiency through action and cooperation. The IPA Action's emphasis on reducing greenhouse gas emissions, promoting sustainable energy concepts, and achieving energy savings through efficiency projects complements EUSAIR's approach to energy transition and climate action. However, while the IPA III Action is focused on national-level implementation in Bosnia and Herzegovina with specific emphasis on Energy Community Treaty obligations, EUSAIR takes a broader macro-regional approach to energy infrastructure and market integration. Therefore, while there is strong thematic alignment in terms of sustainable energy and efficiency objectives, the geographic scope differs significantly. Integration is possible particularly in areas where BiH's energy initiatives could contribute to broader regional energy transition goals.
		Outcome(s)	Contribute to the fulfilment of the obligations of BiH under Energy Community Treaty, Paris Agreement and other international agreements through implementation of energy efficiency and renewable energy projects.	
		Output(s)	Benefits of sustainable energy concepts promoted among the citizens and public institutions of BiH	
			Emission of GHG reduced through sustainable energy pilot projects implemented at local level Energy savings achieved through energy efficiency projects/programmes	
		Impact	To promote sustainable, safe and environmentally friendly transport	There is direct alignment with multiple actions under EUSAIR Pillar 2 (Connecting the Region), particularly Actions 2.2.2 and 2.2.3 focused on

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>ACTION 06 - EU4 TRANSPORT</b>	Window 3 – Green Agenda and sustainable connectivity  Thematic Priority 2 - Transport, digital economy and society, and energy	Outcome(s)	Capacity of BiH to implement priority transport projects strengthened	upgrading transport networks and improving connectivity. The IPA III Action's focus on sustainable, safe, and environmentally friendly transport directly corresponds to EUSAIR's objectives for transport infrastructure development and sustainable mobility. The IPA Action's emphasis on strengthening capacity to implement priority transport projects complements EUSAIR's approach to developing transport infrastructure and removing bottlenecks. However, while the IPA III Action is focused on national-level implementation in Bosnia and Herzegovina with specific emphasis on project preparation and capacity building, EUSAIR takes a broader macro-regional approach to transport connectivity. Therefore, while there is strong thematic alignment in terms of sustainable transport development objectives, the geographic scope and implementation mechanisms differ significantly. Integration is possible particularly in areas where BiH's transport projects could contribute to broader regional connectivity goals and sustainable transport networks.
		Output(s)	Increased maturity of selected priority transport projects in BiH	
<b>ACTION 07 – EU4 MITIGATING SOCIO-ECONOMIC CONSEQUENCES OF COVID-19 PANDEMIC IN BOSNIA AND HERZEGOVINA: EMPLOYMENT, SOCIAL PROTECTION AND INCLUSION POLICIES</b>	Window 4 - Competitiveness and inclusive growth  Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	Impact	To contribute to the mitigation of negative social consequences of the COVID-19 pandemic in BiH and support a green and digital socio-economic recovery	There is direct alignment with multiple actions under EUSAIR Pillar 5 (Improved Social Cohesion). Specifically, there is strong alignment with Action 5.2.2 on promoting employment opportunities through upskilling/reskilling for disadvantaged groups, and Action 5.4.1 on social innovation ecosystem development. The IPA III Action's focus on facilitating post-pandemic employment, supporting vulnerable groups, and developing social entrepreneurship directly corresponds to EUSAIR's objectives for social inclusion and labour market integration. There is also partial alignment with Action 5.2.1 regarding skills development for future labour markets, particularly through the IPA Action's emphasis on green and digital economy transitions. The IPA Action's components addressing social service delivery and active labour market measures complement EUSAIR's approach to social protection and employment support. However, while the IPA III Action is focused on national-level COVID-19 recovery in Bosnia and Herzegovina, EUSAIR takes a broader macro-regional approach to social cohesion. Therefore, while there is strong thematic alignment in terms of employment and social inclusion objectives, the geographic scope and immediate priorities differ significantly.
		Outcome(s)	Post pandemic employment facilitated and access to labour market fostered in support of an increasingly 'resilient' / 'regenerative' / 'circular' economy.  Vulnerability of targeted groups decreased, their socio-economic independence and wellbeing fostered post pandemic	
		Output(s)	Established systems of social service delivery (institutional and non-institutional) for support of vulnerable groups affected by the pandemic strengthened	
			New, post-pandemic ALMM: labour supply and matching, developed and targeted groups supported for better access to formal employment in view of a future, 'green' and 'digital' economy.  Social entrepreneurship policy and legal framework set up, and existing SE ecosystem further strengthened through additional funding	
<b>ACTION 08 - EU4 PRIVATE SECTOR DEVELOPMENT IN BIH (POST COVID-19)</b>	Window 4 - Competitiveness and inclusive growth  Thematic Priority 2 - Private sector development, trade, research and innovation	Impact	To contribute to the post COVID-19 economic recovery and creation of a more competitive and sustainable economic space in BiH	There is direct alignment between IPA Action and several EUSAIR Actions, particularly under Pillar 1 (Blue Sustainable Economy) and Pillar 4 (Sustainable Tourism). Specifically: Direct alignment exists with EUSAIR Action 1.1.1 on "Building Adriatic-Ionian Region innovation ecosystems" as both focus on strengthening SME competitiveness, innovation support, and green transition. The IPA Action's outputs regarding MSME resilience and innovation financing directly correspond to EUSAIR's goals of enhancing cooperation between SMEs and supporting innovation investments. Partial alignment can be found with EUSAIR Actions under Topic 4.1 (digital and green transition in tourism) and Topic 4.2 (tourism management and skills),
		Outcome(s)	Increased competitiveness and innovation of MSMEs in BiH in line with transition towards a green and digital economy  State aid system in BiH aligned with obligations set forth in the SAA	
		Output(s)	Awareness of key stakeholders on state aid rules raised	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			<p>Capacities for long-term regenerative economic recovery planning strengthened</p> <p>Continuity and resilience of post COVID-19 operation in (i) MSMEs, with particular focus on export orientated SMEs in BiH, (ii) start-ups establishment and innovative entrepreneurship, and (iii) women and youth run businesses improved through better access to sustainability linked and eco-innovation finance and innovation</p> <p>Resilience of MSMEs in strategic sectors strengthened, based on the principles of green economy and digital transition</p> <p>State aid legislation further harmonised with the EU acquis</p> <p>Strengthened institutional/ administrative capacities of the SAC and IAs</p>	<p>as IPA Action's focus on MSME competitiveness and digital/green transition would benefit tourism businesses, though this is not its primary focus.</p> <p>However, it's important to note that while IPA Action has broad private sector development goals that could theoretically support many EUSAIR initiatives, its specific focus on BiH's post-COVID recovery and state aid system alignment means that some potential synergies may be limited in practice.</p> <p>The action's primary emphasis on state aid harmonization and institutional capacity building represents areas where there is no direct alignment with EUSAIR projects.</p>
<b>2022</b>				
<b>EU4 ENVIRONMENT AND CLIMATE CHANGE</b>	Window 3 – Green Agenda and sustainable connectivity  Thematic Priority 1 - Environment and climate change	Impact	To reduce vulnerability and increase adaptive capacity of Bosnia and Herzegovina to respond to impacts of climate change	There is partial alignment with EUSAIR Actions under Pillar 3 - Environmental Quality, specifically with Topic 3.1 (Marine and coastal environment) and Topic 3.2 (Transnational terrestrial habitats and biodiversity). The IPA Action's focus on climate change adaptation, flood risk management, and water resources management shows complementary objectives with EUSAIR Action 3.1.2 (Reduction of pollution of sea and inland/transition waters) and Action 3.2.3 (Improve interaction between anthropic and natural ecosystems and habitats). However, it's important to note that while there are some overlapping areas in terms of environmental protection and climate change response, the IPA Action is specifically focused on Bosnia and Herzegovina's national climate adaptation capacity and emissions trading system implementation, while EUSAIR Actions have a broader transnational scope and different specific objectives. The alignment is therefore limited and partial, mainly in terms of complementary environmental protection goals rather than direct operational alignment. There is no meaningful alignment with other EUSAIR Pillars or Actions.
		Outcome(s)	Climate change adaptation planning and response improved  Introduction of EU Emissions Trading System (ETS) in BiH facilitated	
		Output(s)	Climate resilience flood risk management strengthened  Effective response to impact of climate change on water resources in BiH developed  Study on possibilities and impacts of introducing EU Emissions Trading System in BiH is prepared	
<b>EU4PEOPLE (EMPLOYMENT AND SOCIAL PROTECTION)</b>	Window: Window 4 - Competitiveness and inclusive growth Thematic Priority 1: Education, employment, social protection and inclusion policies, and health	Impact	To accelerate Bosnia and Herzegovina's employment, education and social reforms and socio-economic recovery post Covid-19 crisis	There is direct alignment with EUSAIR Pillar 5 (Improved Social Cohesion), specifically with Actions 5.1.2 (Boosting youth employment), 5.2.2 (Promoting employment opportunities through upskilling/reskilling for disadvantaged groups), and 5.3.1 (Enhance Strategy cooperation and exchange of best practices on Gender Equality and Quality of Employment). The IPA Action's focus on increasing employment opportunities for youth, rural women, and hard-to-employ categories, along with improving social inclusion and gender equality, directly corresponds to these EUSAIR actions' objectives. Both share common goals in addressing youth unemployment, supporting disadvantaged groups' access to the labour market, and promoting gender equality. However, while the EUSAIR actions take a macro-regional approach with emphasis on policy exchange and cross-border cooperation, the IPA Action is specifically focused on Bosnia and Herzegovina's national reforms
		Outcome(s)	Employment opportunities for youth, rural women and hard-to-employ categories increased  Social inclusion of vulnerable target groups improved, and gender equality advanced	
		Outputs	Facilitated transition of young people from education system, rural women and hard to employ categories to the labour market  Strengthened capacities of Centres for Social Work (CSW) to provide better services to vulnerable groups	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			<p>Integrated model of social protection at local level and non-institutional forms of social protection established and/or further strengthened</p> <p>Social and child protection inspection and monitoring system and services control strengthened</p> <p>Access to social inclusion services and social inclusion of Roma improved</p> <p>Gender equality advanced in accordance with the GAP Bosnia and Herzegovina 2018-2022 key priorities in employment, education and health and social protection</p>	and institutional capacity building. This creates a complementary relationship where BiH's national reforms through IPA could contribute to broader EUSAIR objectives, though the operational focus and geographic scope differ. There is no meaningful alignment with other EUSAIR Pillars or Actions.
<b>2023</b>				
<b>STATE AND RESILIENCE BUILDING CONTRACT</b>	Window 3 – Green Agenda and sustainable connectivity	Impact	Mitigation of the immediate socio-economic impact of the rising energy prices and boosted sustainable economy based on climate resilient low-carbon principles of Bosnia and Herzegovina.	There is direct alignment with EUSAIR Actions under Pillar 2 - Connecting the Region, specifically with Topic 2.4 (Energy networks) and Topic 2.5 (Green energy). The IPA Action's focus on establishing legislative frameworks for electricity markets, promoting energy efficiency, and supporting the transition to low-carbon principles directly corresponds with Action 2.4.1 (Integrated power networks and market supporting green transition) and Action 2.5.2 (Improving energy efficiency). The shared objectives include developing energy markets, enhancing energy efficiency in residential and commercial sectors, and promoting sustainable energy solutions. Additionally, there is partial alignment with Action 2.5.1 (Cooperation in deployment of renewable energy sources) through the IPA Action's components on reducing GHG emissions and upgrading policy frameworks for increased investments in energy sectors. However, while the EUSAIR actions emphasize regional cooperation and cross-border initiatives, the IPA Action is specifically focused on Bosnia and Herzegovina's national energy system and social protection measures. This creates a complementary relationship where BiH's national reforms through IPA could contribute to broader EUSAIR objectives, though the operational focus and geographic scope differ. There is no meaningful alignment with other EUSAIR Pillars or Actions.
	Window 4 - Competitiveness and inclusive growth		Mitigation of the immediate socio-economic impact of the rising energy prices and boosted sustainable economy based on climate resilient low-carbon principles of Bosnia and Herzegovina.	
		Outcome(s)	Establishment of a legislative framework for the electricity allowing for the establishment of a power exchange and participation in market coupling	
			More efficient and rational use of energy resources in residential sector	
			Increased access of vulnerable households to immediate energy poverty mitigation measures	
		Direct Output(s)	Increased access to reliable, energy and resources efficient affordable commercial facilities (focused on M/SMEs)	
			Strengthened policy evidence on energy efficiency, energy resilience and related support measures	
	Induced Output(s)	Financial incentive mechanisms adopted to increase energy savings and reduce GHG emissions in the M/SMEs		
		Financial incentive mechanisms adopted to increase energy savings and reduce GHG emissions in the residential buildings		
		Increased access to financial services and products to energy poor households, and resource efficiency investments (residential sector and M/SMEs)		
			Policy and regulatory framework are upgraded to allow for increased investments in the sectors of intervention and facilitating the implementation of the investment projects by private as well as public stakeholders	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			<p>Progress on implementation of the National Energy Action Plan</p> <p>Continued existing measures to subsidise electricity/utility bills for energy poor consumers</p> <p>Targeted measures to support the socially vulnerable population are put in place</p>	
		Direct Output(s)	Fiscal space for reallocation of funds to vulnerable stakeholders	
<b>2024</b>				
<b>EU4GREEN ECONOMY</b>	<p>Window 3 – Green Agenda and sustainable connectivity</p> <p>Thematic Priority 2 - Transport, digital economy and society, and energy</p> <p>Window 4 - Competitiveness and inclusive growth</p> <p>Thematic Priority 2 - Private sector development, trade, research and innovation</p>	<p>Impact</p> <p>Outcome(s)</p> <p>Output(s)</p>	<p>To advance energy transition and improve business environment for low carbon and circular economy in Bosnia and Herzegovina</p> <p>The circular transition of MSMEs and entrepreneurs across different growth stages (including innovative start-ups) enhanced based on introduction of circular business models</p> <p>Improved effectiveness and transparency of the just energy transition governance at the state, entity and local level</p> <p>Increased livelihoods and relevant labour market technical and soft skills of affected workforce</p> <p>Increased public and private investments for energy transition in the targeted coal mining regions stakeholder consultations/engagement improved</p> <p>Grievance Redress Mechanism established and running</p> <p>Improved organisational and technical capacities for energy transition including governance model at specific coalmine and TPP areas defined</p> <p>Increased availability of tools to design and implement livelihood measures and employment policies that address specific needs of the affected workforce</p> <p>Increased awareness of the affected coal mining regions on just energy transition</p> <p>Knowledge, recommendations and tools generated for strategic and policy frameworks to repurpose coal mine pilot regions</p> <p>Pilot market-oriented reskilling mechanisms established at the local level</p> <p>Policy and regulatory constraints to optimising CE opportunities identified (in priority areas of waste and raw materials management) and measures proposed and designed by IP</p> <p>Portfolio of bankable energy transition investment projects developed</p>	<p>There is strong direct alignment with multiple EUSAIR Actions, particularly under Pillar 2 (Connecting the Region). The IPA Action shows direct alignment with Action 2.4.1 (Integrated power networks and market supporting green transition) and Action 2.5.1 (Cooperation in deployment of renewable energy sources) through its focus on energy transition governance and increasing investments in energy transition. There is also direct alignment with Action 2.5.2 (Improving energy efficiency) through the IPA Action's emphasis on circular economy and low-carbon development. Additionally, there is partial alignment with Actions under Topic 1.1 (Blue and green technologies) regarding the promotion of green economy value chains and support for innovative/green start-ups. The IPA Action's components on workforce reskilling and livelihood measures also show complementary alignment with Actions under Pillar 5 (Social Cohesion), specifically Action 5.2.2 on upskilling/reskilling for affected groups. However, while these alignments exist in terms of objectives and approaches, it's important to note that the IPA Action is specifically focused on Bosnia and Herzegovina's energy transition and circular economy development, particularly in coal mining regions, while EUSAIR Actions take a broader macro-regional approach. This creates opportunities for complementary implementation while maintaining distinct operational focuses.</p>

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			<p>Strengthened consultation mechanisms for repurposing action plans development</p> <p>Innovative/green start-ups supported for young entrepreneurs including in remote and coal transition regions</p> <p>Linkages between MSMEs and European green economy/CE value chains in the key manufacturing and service sectors promoted and facilitated</p> <p>Local green economy/CE activities targeting sustainable waste stream collection and increased product's lifecycle promoted</p> <p>MSMEs implementation of circular business models improved</p>	
<b>HARNESSING CULTURE AND CREATIVITY FOR SUSTAINABLE DEVELOPMENT</b>	<p>Window 2 - Good governance, acquis alignment, good neighbourly relations and strategic communication</p> <p>Thematic Priority 3 - Good neighbourly relations and reconciliation</p> <p>Window 4 - Competitiveness and inclusive growth</p> <p>Thematic priority 1 - Education, employment, social protection and inclusion policies, and health</p>	Impact	To increase socio-economic impact of the cultural and creative sectors in Bosnia and Herzegovina	<p>There is direct alignment with EUSAIR Actions under Pillar 4 (Sustainable Tourism), specifically with Topic 4.1 (Facilitating digital and green transition of the tourism and cultural heritage offer). The IPA Action's focus on cultural and creative sectors shows strong alignment with EUSAIR's emphasis on integrating cultural heritage into sustainable development strategies.</p> <p>Additionally, there is partial alignment with Actions under Topic 4.2 (Preparing for the future: knowledge, skills and management) through the shared objectives of developing skills and capacities in cultural and creative sectors. The IPA Action's emphasis on cultural heritage preservation and promotion complements EUSAIR's goals for sustainable tourism development and cultural heritage valorisation. However, while the IPA Action focuses primarily on Bosnia and Herzegovina's cultural sector development and reconciliation through culture, EUSAIR takes a broader macro-regional approach to cultural heritage in tourism development. This creates opportunities for complementary implementation while maintaining distinct operational focuses. There is no meaningful alignment with other EUSAIR Pillars or Actions.</p>
		Outcome(s)	Enhanced cultural and creative sectors capacities for fostering cultural diversity and intercultural dialogue in Bosnia and Herzegovina	
		Output(s)	<p>Upgraded cultural facilities in selected locations in Bosnia and Herzegovina</p> <p>Strengthened competences and skills of professionals in culture and creative sectors in the field of management, business planning, community engagement and communication</p>	
<b>SUPPORT TO YOUTH EMPLOYMENT IN BOSNIA AND HERZEGOVINA</b>	<p>Window 4 - Competitiveness and inclusive growth</p> <p>Thematic priority 1 - Education, employment, social protection and inclusion policies, and health</p>	Impact	Functioning of the labour market improved for youth, entrants and young employees	<p>There is direct alignment with EUSAIR Pillar 5 (Improved Social Cohesion), specifically with Action 5.1.2 (Boosting youth employment). The IPA Action's focus on implementing Youth Guarantee, improving labour market functioning for youth, and building capacity of employment services directly corresponds with EUSAIR Action 5.1.2's objectives of promoting Youth Guarantee implementation and active labour market measures for youth. There is also partial alignment with Action 5.2.2 (Promoting employment opportunities through upskilling/reskilling for disadvantaged groups) through the shared focus on improving labour market access for vulnerable groups, particularly youth. However, while EUSAIR takes a macro-regional approach emphasizing cross-border cooperation and policy exchange, the IPA Action is specifically focused on Bosnia and Herzegovina's national youth employment initiatives and institutional capacity building. This creates a complementary relationship where BiH's national reforms through IPA could contribute to broader EUSAIR objectives, though the operational focus and geographic scope differ. There is no meaningful alignment with other EUSAIR Pillars or Actions.</p>
		Outcome(s)	Young people progress into the labour market [using the Youth Guarantee]	
		Output(s)	Local pilot programmes designed	
			Local pilot programmes implemented and monitored	
	Local pilot programmes reviewed, and model refined			
	Selected PES/employment bureaus and other involved entities capacitated for Youth Guarantee management and implementation			

**Table 6: Bilateral IPA 2025-2027 Proposed Actions**

Action/Measure title	Window	Action/Measure Brief explanation	Indicative timing
<b>Expertise in the justice sector, External Monitoring Operation, Missing Persons and Anticorruption</b>	Window 1: Rule of law, fundamental rights and democracy.	Bosnia and Herzegovina need to align its judicial system with EU standards by strengthening rule of law, ensuring judicial independence, and improving efficiency of judiciary. External monitoring of the HJPC verification of Asset declarations department is essential for strengthening integrity in the judiciary. A comprehensive anti-corruption framework and policy is critical to address pervasive corruption.	2026 (Starting in 2025 for the part related to external monitoring of the HJPC verification of Asset declarations department)
<b>Trust building and reconciliation</b>	Window 1: Rule of law, fundamental rights and democracy.	This area continues being the most divisive one and the main source of ongoing political tensions between high-level Bosnia and Herzegovina officials, resulting in increased polarisation and mistrust within Bosnia and Herzegovina society. The groundwork done by the EU in local communities in the last years has opened a chance to engage on policy-related matters at the State and Entity level.	2026
<b>Support the transition of provision of services for migrants from IC managed to state managed system</b>	Window 1: Rule of law, fundamental rights and democracy.	Bosnia and Herzegovina must take over management of the temporary reception capacities, to have efficient and fast screening procedures, access to asylum and provision of basic services. Bosnia and Herzegovina need to ensure a sustainable border, migration and asylum management system and create conducive environment for an EU budget support.	2026
<b>EU Civil Society Facility and Media Programme - Bosnia and Herzegovina - 2026-2027</b>	Window 1: Rule of law, fundamental rights and democracy.	his Action aims to foster independence and pluralism of media through a conducive environment for the freedom of expression, improved internal governance of media outlets, and established professional and ethical standards. It also aims to support a more vibrant and gender-responsive civil society sector through a conducive environment, intensified cooperation between CSOs and public institutions, and reinforced CSO capacity.	2026-2027
<b>EUIF</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Following EU Council decision to open accession negotiations in March 2024, Bosnia and Herzegovina has set for itself the monumental task to accelerate in the path towards the EU. The implementation of the Reform Agenda of the Growth Plan, a historical opportunity to boost the convergence of the economy towards the EU indicators, and the alignment to the EU Acquis will require significant technical support in order not to lose momentum.	2025
<b>Introduction of the European Single Emergency Number 112 in Bosnia and Herzegovina</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	After more than a decade of failure to break the deadlock regarding the introduction of the European Single Emergency Number 112 in Bosnia and Herzegovina, in July/August 2023 the Feasibility study 112 for Bosnia and Herzegovina was produced by a team of international experts and in October 2023 handed over to state, entities and Brcko District authorities for further consideration, i.e. adoption of appropriate model of 112 system. In April 2024 the Government of Federation BiH made a conclusion by which they adopted recommendation of the Federal Police Administration and Federal Administration of Civil Protection to conduct activities necessary for introduction of 112 number in FBiH and tasked the Federal Mol and Federal Police to work on it. Making other level/parts of authority in Bosnia and Herzegovina to fulfil all necessary preconditions will require significant support and engagement in order to make country ready to introduce the 112 number.	2026

Action/Measure title	Window	Action/Measure Brief explanation	Indicative timing
<b>Support to EU acquis alignment in area of climate change and nature protection, including enhanced waste management</b>	Window 3: Green agenda and sustainable connectivity	<p>The proposed assistance aligns with the pillars of the EU Green Deal and reflects priorities outlined in the Western Balkans Green Agenda Action Plan. It targets areas where progress has been limited, as identified in the Country Report and relevant Sub-Committees of the Stabilisation and Association Agreement, necessitating improvement. The proposed assistance would entail:</p> <ul style="list-style-type: none"> <li>• In the area of climate change: support shall focus on establishing a legislative framework to efficiently align with EU Climate Acquis, including with the Governance Regulation. In line with the Growth Plan, support shall focus particularly in establishing an Emissions Trading System (ETS), and in the development of a long-term climate strategy.</li> <li>• In the area of nature protection: support shall focus on the establishment and management of protected areas, including Natura 2000 sites, and on the conservation of species and habitats.</li> <li>• In the area of waste management: support shall focus on the establishment of an integrated waste management system, including the development of waste management plans and the improvement of waste collection and treatment infrastructure.</li> </ul>	IPA 2025-2026
<b>Improve investment climate and governance for sustainable management of critical raw materials (CRM) in Bosnia and Herzegovina Action/Measure</b>	Window 4: Competitiveness and inclusive growth	Meeting the EU climate objectives and integration into the EU single market would be the core elements of the expected Bosnia and Herzegovina's accession negotiations with the EU. The sustainable management of natural resources especially of critical raw materials (CRM) requires a multi sectoral approach across the value chains which Bosnia and Herzegovina is presently lacking.	2026
<b>Cervical, Breast, Colorectal and Prostate Cancer Prevention Program - Support to implementation of the Cervical and Breast Cancer Prevention Program</b>	Window 4: Competitiveness and inclusive growth	Considering the devastating effects and burden of reproductive health and other cancers on the population's health, their families, and the health systems in Bosnia and Herzegovina, the implementation of Cervical, Breast, Colorectal and Prostate Cancer Prevention Program (hereafter called "Comprehensive Preventive Program") is a crucial public health priority in Bosnia and Herzegovina, namely in the Federation of BiH (FBiH), the Republika Srpska (RS) and Brcko District of BiH (BD). This proposed action, which is only the first stage of multiannual programme, builds on the identified needs for comprehensive reproductive cancers preventive programmes implementation expressed by the Ministries of Health in FBiH, RS and BD, as well as the results of the pilot project "From Awareness to Care, Women holder of the right to health in BiH" implemented by the NGO RETE in Zenica-Doboj Canton of BiH from 2020 to 2023 in partnership with the cantonal government. The proposed action also contributes to fostering the alignment of the current cancer screening status in Bosnia and Herzegovina with the European and International Standards, following the footsteps of the European Commission "A cancer plan for Europe", a political commitment to turn the tide against cancer, as well as the Global Strategy on Elimination of Cervical Cancer as well as The Global Breast Cancer Initiative led by the World Health Organization.	2026

**Table 7: Overview of WBIF Projects in Bosnia and Herzegovina by Sector**

Status	Investment	Completion (est)
<b>Digital infrastructure</b>		
Preparation	Core Broadband Infrastructure Development in Bosnia and Herzegovina	29.6.28
<b>Energy</b>		
Implementation	Smart Metering / Automated Meter Reading (AMR) System	n/a
Preparation	Poklečani Wind Farm	30.11.27
	Vlašić Wind Power Plant	31.12.28
	Bosnia and Herzegovina - Croatia South Gas Interconnection	n/a
	Rehabilitation and Modernisation of Čapljina Pump Storage Hydropower Plant	30.12.26
<b>Environment</b>		
Completed	Bijeljina Wastewater Treatment Plant	31.3.16
	Banja Luka Water Supply and Sewerage Collection Systems	31.12.15
	Regional Sanitary Landfill for Zivinice, Banovici and Kladanj	9.9.22
	Gradacac Water Supply Project	1.2.24
Implementation	WATSAN Programme in the Federation of Bosnia and Herzegovina	31.12.24
	WATSAN Programme in Republika Srpska	31.12.24
	Bosnia and Herzegovina Flood Risk Management Project	31.3.23
	Tuzla Water Leakage Reduction Plan	31.12.20
	Mostar Water and Sewerage Systems	30.12.22
	Sarajevo Water Project: Reconstruction of Water Supply Network	1.10.26
	Preparation	Plava Voda Regional Water Supply System
Preparation	Secondary Sewerage Network for Mostar City	29.9.30
	Water and Sanitation Services Modernisation Project in Bosnia and Herzegovina	31.12.26
	Implementation of a Pilot Sustainable Waste Management System in Central Bosnia	29.12.28
	Water Supply and Wastewater Systems for Zivinice Agglomeration	29.6.29
	Tender Preparation	Water and Sanitation Republika Srpska II
Tender Preparation	Visoko Water Supply Project: Mostre Subsystem and Water Network Reconstruction	30.6.26
<b>Social</b>		
Completed	Maximum Security State Prison	31.12.20
Implementation	Housing and Social Integration of Vulnerable Persons Living in Collective Accommodation	30.12.24
Preparation	Banja Luka Medical Faculty, Centre for Education and Research, Faculty of Health Care	n/a
	Mostar "Integra" Cultural and Sports Centre	n/a
	Banja Luka Medical Complex Project Phase 3: Rehabilitation and Extension	31.1.30
<b>Transport</b>		
Completed	Core Network (Road R2): Construction of Mahovljani Interchange	1.6.12
	Comprehensive Network (Road R9a): Construction of Brčko Bypass	31.7.19
	Republika Srpska: Motorway Toll System	15.7.12
	Extension of TEN-T Core Network: Bosnia and Herzegovina – Croatia R2a Road Interconnection	29.7.22
Implementation	Corridor Vc Motorway in Bosnia and Herzegovina	30.7.29
	Reconstruction and Modernisation of the River Port of Brčko Phase 1	31.12.24
Preparation	Corridor Vc: Overhaul of Sarajevo - Podlugovi Railway Section	n/a
	Corridor Vc: Track Overhaul on Bosanski Šamac - Sarajevo Railway Line	n/a
	Corridor Vc: Šamac – Doboj – Rječica Vc Railway Section	n/a
Tender Preparation	Rhine-Danube Corridor: Demining the Right Bank of the Sava River	30.7.26

**Table 8: Overview of Regional WBIF Projects in which Bosnia and Herzegovina Participates**

Status	Investment	Beneficiary	Completion (est)
<b>Energy</b>			
Completed	Regional Strategy for Sustainable Hydropower in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.18
	Regional Study – Consortium approach to developing the Gas to Power Initiative and the Energy Community (EnC) Gas Ring in Southeast Europe	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.18
	Regional Study on Renewable Energy Potential and Energy Efficiency in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	28.2.20
	Regional Study on Voltage Regulation in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.1.21
	Sector Study on Biomass-based Heating in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.7.18
	TA for SEE Regional Security Coordination Initiative	Bosnia and Herzegovina, Montenegro, Serbia	30.9.20
Implementation	Establishment of a Regional Energy Efficiency Programme (REEP) for the Western Balkans	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	30.9.22
	Regional Energy Efficiency Programme for the Western Balkans - REEP Plus	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.25
	Regional Energy Efficiency Programme for the Western Balkans - REEP Plus Replenishment	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.28
Preparation	Regional Energy Efficiency Programme for the Western Balkans - REEP Extension	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.32
	Croatia - Bosnia and Herzegovina Power Interconnection: Strengthening of the Croatian Main North-South Transmission Axis Enabling New Interconnection Development	Bosnia and Herzegovina, Croatia	n/a
<b>Environment</b>			
Completed	Gap Analysis/Needs Assessment in the Context of Implementing the EU Floods Directive in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	24.9.15
	Drina River Basin Water Resources Management	Bosnia and Herzegovina, Montenegro, Serbia	30.12.20
	Establishment of the Protection Zones of a "Klokot" Source (Bihać)	Bosnia and Herzegovina, Croatia	30.12.20
	Improvement of Joint Actions in Flood Management in the Sava River Basin	Bosnia and Herzegovina, Montenegro, Serbia	29.6.19
<b>Private sector development</b>			
Completed	PPP Institutional Strengthening in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.10.14
	Strengthening the Capacity of the Public Sector to Undertake PPPs in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.19
Implementation	Establishment of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	n/a
<b>Social</b>			
Completed	Regional Housing Programme on Durable Solutions for Refugees and Displaced Persons (RHP)	Bosnia and Herzegovina, Montenegro, Serbia, Croatia	30.6.12
<b>Transport</b>			
Completed	Regional Connectivity Networks Gap Analysis	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.19
	Update of the Regional Transport Study (REBIS)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.15
Implementation	Safe and Sustainable Transport Programme (SSTP)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.12.28

## Country-Specific Analysis: Montenegro

### Bilateral Annual Country Programmes (2021-2024)

The table 1 provides a detailed overview of the financial allocations for **Montenegro** under the IPA III for the period 2021-2024.

The total budget for this period is EUR 130.89 million, which is allocated across various thematic priorities and actions to support Montenegro's path towards EU integration.

The financial allocations for Montenegro are distributed over multiple years, each focusing on different windows and thematic priorities:

- **2021:** The total budget was EUR 33.52 million, distributed primarily across three windows. Window 2 received EUR 13.65 million, focused on governance and administrative capacity, while Window 3 was allocated EUR 10.87 million for environmental and digital economy initiatives. Window 4 received EUR 9 million, primarily for agricultural development.
- **2022:** The total allocation was EUR 37.72 million. Window 1 received EUR 15 million, with a significant focus on migration and border management, while Window 2 was allocated EUR 22.72 million, targeting good governance and administrative capacity. This reflects the EU's priority to strengthen Montenegro's governance structures.
- **2023:** A total of EUR 30 million was allocated, primarily under Window 3 and Window 4, for state and resilience-building contract (budget support for energy crisis).
- **2024:** The budget for this year was EUR 29.65 million, distributed across multiple thematic areas, with a notable emphasis on administrative capacity, rule of law, and environmental initiatives under Window 2, Window 3, and Window 4.

Thematic priorities in Montenegro reflect the country's needs in governance, environmental sustainability, and economic development:

- **Governance and Administrative Capacity:** This area was a major focus in both 2021 and 2022. In 2021, EUR 10 million was allocated under Window 2 for governance reforms. In 2022, EUR 14 million was directed towards public administration reform, reflecting the EU's emphasis on strengthening institutional frameworks.
- **Environment and Climate Change:** Environmental initiatives received substantial funding, particularly in 2021 under Window 3, with EUR 7.38 million allocated for climate action policies. This focus on sustainability continued in 2024, with EUR 6.87 million earmarked for environmental programmes.
- **Migration, Border Management, and Security:** In 2022, EUR 15 million was allocated under Window 1 to enhance border management and security, highlighting the EU's commitment to regional stability.

The tables 1 and 2 provides specific actions associated with each thematic priority and their respective budgets:

- **EU for Environmental and Climate Action Policies in Montenegro:** This action was one of the largest allocations in 2021, with EUR 7.38 million, of which EUR 6.28 million was co-financed by the EU. This underscores the EU's commitment to environmental sustainability in Montenegro.
- **EU Reform Facility and EU Integration Facility:** These actions received significant funding across multiple years, highlighting the focus on aligning Montenegro's governance and administrative capacity with EU standards. For example, EUR 10 million was allocated in 2021 for the EU Reform Facility, while EUR 8.72 million was directed to the EU Integration Facility in 2022.

**Table 1: IPA 2021-2024 Financial Allocations by Window, Thematic Priority and Action**

Year	Total Budget per Annual Programme	IPA III PFW Window	Window Budget	IPA III PFW Thematic Priority	Thematic Priority Budget	Action title	Action Budget
2021	33.517.353,00	Window 2	13.650.000,00	Thematic Priority 1 - Good governance	10.000.000,00	EU Reform Facility	10.000.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	3.650.000,00	EU Integration Facility	3.650.000,00

		Window 3	10.867.353,00	Thematic Priority 1 - Environment and climate change	7.382.353,00	EU for Environmental and Climate Action Policies in Montenegro	7.382.353,00
		Window 4	9.000.000,00	Thematic Priority 2 - Transport, digital economy and society, and energy	3.485.000,00	EU for Connectivity and Green Agenda	3.485.000,00
				Thematic Priority 3 - Agriculture and rural development	7.000.000,00	EU Support to the Agriculture Sector in Montenegro	7.000.000,00
				Thematic Priority 4 - Fisheries	2.000.000,00		2.000.000,00
2022	37.720.000,00	Window 1	15.000.000,00	Thematic Priority 4: Migration and Border Management	15.000.000,00	EU for Integrated Border Management	15.000.000,00
		Window 2	22.720.000,00	Thematic Priority 1 - Good governance	14.000.000,00	EU for Public Administration Reform	14.000.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	8.720.000,00	EU Integration Facility	8.720.000,00
2023	30.000.000,00	Window 3; Window 4	30.000.000,00	Various		State and Resilience Building Contract	30.000.000,00
2024	29.655.000,00	Window 1	7.000.000,00	Thematic priority 1 - Judiciary; Thematic Priority 2 - Home Affairs/Security	7.000.000,00	European Union support to the Rule of Law IV (EUROL IV)	7.000.000,00
		Window 2	12.500.000,00	Thematic priority 2 - Administrative capacity and acquis alignment	12.500.000,00	EU Integration Facility	12.500.000,00
		Window 3	6.875.000,00	Thematic Priority 1 - Environment and climate change	6.875.000,00	Preparation for Sector Operational Programme 2024-2027 implementation Environment and Climate Change	6.875.000,00
		Window 4	3.280.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	2.230.400,00	Preparation for Sector Operational Programme 2024-2027 implementation Employment and Social Policy	2.230.400,00
				Thematic Priority 2 - Private sector development, trade, research and innovation	1.049.600,00		1.049.600,00
					130.892.353,00		130.892.353,00

Table 2: IPA 2021-2024 Co-financing

Year	Action Title	Sum of Total Financing per Action	Sum of National Co-financing per Action	Sum of EU Co-financing per Action
2021	EU for Connectivity and Green Agenda	3.485.000,00	0,00	3.485.000,00
	EU FOR ENVIRONMENTAL AND CLIMATE ACTION POLICIES IN MONTENEGRO	7.382.352,00	1.107.352,00	6.275.000,00
	EU Integration Facility	3.650.000,00	0,00	3.650.000,00
	EU REFORM FACILITY	10.000.000,00	0,00	10.000.000,00
	EU SUPPORT TO THE AGRICULTURE SECTOR IN MONTENEGRO	9.000.000,00	0,00	9.000.000,00
	<b>Total 2021</b>	<b>33.517.352,00</b>	<b>1.107.352,00</b>	<b>32.410.000,00</b>
2022	EU for Integrated Border Management	15.000.000,00	0,00	15.000.000,00
	EU for Public Administration Reform	14.000.000,00	0,00	14.000.000,00
	EU Integration Facility	8.720.000,00	0,00	8.720.000,00
	<b>Total 2022</b>	<b>37.720.000,00</b>	<b>0,00</b>	<b>37.720.000,00</b>
2023	State and Resilience Building Contract	30.000.000,00	0,00	30.000.000,00
	<b>Total 2023</b>	<b>30.000.000,00</b>	<b>0,00</b>	<b>30.000.000,00</b>
2024	EU Integration Facility	12.500.000,00	1.500.000,00	11.000.000,00
	European Union support to the Rule of Law IV (EUROL IV)	7.000.000,00	0,00	7.000.000,00
	Preparation for Sector Operational Programme 2024-2027 implementation Employment and Social Policy	3.280.000,00	180.000,00	3.100.000,00
	Preparation for Sector Operational Programme 2024-2027 implementation Environment and Climate Change	6.875.000,00	1.375.000,00	5.500.000,00
		<b>Total 2024</b>	<b>29.655.000,00</b>	<b>3.055.000,00</b>

130.892.352,00 4.162.352,00 126.730.000,00

The two tables below (3 and 4) provide a detailed breakdown of the budget allocations for Montenegro, focusing on both implementation arrangements and management. In the first table, which addresses Implementation Arrangements and Modality, most of the budget (40.11%) is allocated to SBS. Other significant allocations include procurement (39,65%) and IMEE (14.67%), while Grants receive a much smaller portion of the budget at just 5.58%. The total budget for implementation modalities stands at 130,892,353.00.

The second table, which focuses on Implementation Management, shows that direct management consumes 64.37% of the budget, compared to 35.63% allocated to indirect management. This heavier reliance on direct management is for 2 reasons: smaller role played by IMEE and Implementing Partners; indirect management dedicated to multiannual operational programmes not included in this part of analysis.

**Table 3: Implementation Arrangements and Modality**

	Total Budget Amount	% of Total
Grants	7.300.000,00	5,58%
IMEE	19.200.000,00	14,67%
Procurement	51.892.353,00	39,65%
SBS	52.500.000,00	40,11%
<b>Grand Total</b>	<b>130.892.353,00</b>	<b>100,00%</b>

**Table 4: Implementation Management**

	Total Budget Amount	% of Total
Direct management	84.255.000,00	64,37%
Indirect management	46.637.353,00	35,63%
<b>Grand Total</b>	<b>130.892.353,00</b>	<b>100,00%</b>

**Bilateral Multiannual Operational Programmes (2024-2027)**

The **Trans-European Transport Network Core Network Extension Programme** in Montenegro aims to support the implementation of the Economic and Investment Plan for the Western Balkans and the accompanying Connectivity Agenda over the 2024-2027 period. With a total budget of EUR 600,000,000 (see table 5 below), including EUR 100,000,000 in EU contribution and EUR 500,000,000 in national co-financing, the programme represents a significant investment in Montenegro's transport infrastructure development (the EBRD is providing a significant loan of EUR 200 million as part of the financing package for this major infrastructure project, alongside national co-financing from Montenegro of EUR 300,000,000).

The action falls under Window 3 (Green Agenda and Sustainable Connectivity) of the IPA III framework, specifically addressing Thematic Priority 2: Transport, digital economy and society, energy. The programme is focused on a single major infrastructure project Trans-European Transport Network Core Network Extension in Montenegro, Route 4, Section Matesevo – Andrijevisa (EUR 600,000,000 total). This is the sole component of the programme, accounting for 100% of the total budget. The substantial allocation indicates a strong focus on improving Montenegro's road infrastructure and connectivity with the wider European transport network. This section is part of the larger Bar-Boljare highway project, which aims to connect Montenegro's Adriatic coast with Serbia.

The **Operational Programme on Employment and Social Inclusion** for Montenegro aims to promote social rights and employment opportunities of vulnerable groups over the 2024-2027 period. With a total budget of EUR 31,647,066.00 (see table 5 below), including EUR 26,900,000.00 in EU contribution and EUR 4,747,066.00 in national co-financing, the programme represents a significant investment in Montenegro's employment and social inclusion efforts.

The OP falls under Window 4 (Competitiveness and Inclusive Growth) of the IPA III framework, specifically addressing Thematic Priority 1: Education, employment, social protection and inclusion policies, and health. The programme is structured around three main Areas of Support:

- Inclusive Labour Market (EUR 23,176,473.00 total). This is the largest component, accounting for about 73% of the total budget. The substantial allocation indicates a strong focus on improving employment opportunities and skills, especially for youth and vulnerable groups. Potential areas include implementation of the Youth Guarantee, active labour market measures, and support for social entrepreneurship.
- Social Inclusion and Protection (EUR 5,411,767.00 total). This area aims to improve access to quality social services for vulnerable groups. The investment in this area (about 17% of the budget) reflects the importance of enhancing social protection and inclusion in Montenegro.

- Administrative Capacity Support (EUR 3,058,826.00 total). This component covers capacity building for EU funds management, preparation for implementing the European Child Guarantee, and strengthening labour institutions. It accounts for about 10% of the total budget.

The national co-financing (about 15% of the total budget) demonstrates Montenegro's commitment to and ownership of the employment and social inclusion process. This level of national investment is also expected to enhance the sustainability and long-term impact of the programme.

The **Operational Programme on Environment and Climate Change for Montenegro** aims to advance the implementation of Montenegro's environmental and climate action agenda in key sectors over the 2024-2027 period. With a total budget of EUR 48,484,372.28 (see table 5 below), including EUR 38,787,500,00 in EU contribution and EUR 9,696,872,00 in national co-financing, the programme represents a significant investment in Montenegro's environmental protection and climate action efforts.

The OP falls under Window 3 (Green Agenda and Sustainable Connectivity) of the IPA III framework, specifically addressing Thematic Priority 1: Environment and climate change. The programme is structured around four main Areas of Support:

- Municipal Water Management (EUR 11.151.405,00 total). This is the largest component, accounting for about 23% of the total budget. The substantial allocation indicates a strong focus on improving water infrastructure and services that directly benefit Montenegrin citizens and the environment. Potential areas include water supply systems, wastewater treatment plants, and sewage networks.
- Municipal Waste Management (EUR 11.151.405,00 total). This area aims to enhance Montenegro's waste management systems and infrastructure. The investment in this area (about 23% of the budget) reflects the importance of aligning Montenegro's waste management practices with EU standards and improving overall environmental quality.
- Nature Protection and Climate Change (EUR 18,424,062.00 total). This component focuses on protecting Montenegro's natural resources and addressing climate change challenges. It accounts for about 38% of the total budget, making it the largest component. This significant allocation indicates a strong emphasis on nature protection and climate change issues in Montenegro's environmental strategy.
- Other Support for Environment Sector (EUR 7,757,500.00 total). This component covers programme management, technical assistance, capacity building, and other supporting activities essential for effective implementation across all environmental sub-sectors. It accounts for about 16% of the total budget, which is higher than the typical allocation for management and support activities in similar programmes in other countries (usually below 10%).

The national co-financing (about 20% of the total budget) demonstrates Montenegro's commitment to and ownership of the environmental protection and climate action process. This level of national investment is also expected to enhance the sustainability and long-term impact of the programme.

**Table 5: Financial Allocations by Operational Programme**

Operational Programme	IPA III Window	Thematic Priority	Area of Support	EU Contribution (EUR)	IPA III Beneficiary Co-financing (EUR)	Total Expenditure (EUR)
<b>TRANS-EUROPEAN TRANSPORT NETWORK CORE NETWORK EXTENSION IN MONTENEGRO, ROUTE 4, SECTION MATESEVO – ANDRIJEVICA</b>	Window 3	Thematic Priority 2	n/a	100.000.000,00	500.000.000,00	600.000.000,00
<b>Trans-European Transport Network core network extension in Montenegro, Route 4, section Matesevo – Andrijevica Total</b>				<b>100.000.000,00</b>	<b>500.000.000,00</b>	<b>600.000.000,00</b>
<b>OP EMPLOYMENT AND SOCIAL INCLUSION IN FAVOUR OF MONTENEGRO FOR 2024-2027</b>	Window 4	Thematic priority 1	Area of Support 1 – Inclusive Labour Market	19.700.000,00	3.476.473,00	23.176.473,00
			Area of Support 2 – Social Inclusion and Protection	4.600.000,00	811.767,00	5.411.767,00
			Area of Support 3 – Administrative capacity support	2.600.000,00	458.826,00	3.058.826,00
<b>OP Employment and Social Inclusion in favour of Montenegro for 2024-2027 Total</b>				<b>26.900.000,00</b>	<b>4.747.066,00</b>	<b>31.647.066,00</b>

<b>OP ON ENVIRONMENT AND CLIMATE CHANGE IN FAVOUR OF MONTENEGRO FOR 2024-2027</b>	Window 3	Thematic Priority 1	Area of Support 1: Municipal Water Management	8.921.125,00	2.230.280,00	11.151.405,00
			Area of Support 2: Municipal Waste Management	8.921.125,00	2.230.280,00	11.151.405,00
			Area of Support 3: Nature Protection and Climate Change	14.739.250,00	3.684.812,00	18.424.062,00
			Area of support 4: Other Support	6.206.000,00	1.551.500,00	7.757.500,00
<b>OP on Environment and Climate Change in favour of Montenegro for 2024-2027 Total</b>				<b>38.787.500,00</b>	<b>9.696.872,00</b>	<b>48.484.372,00</b>
<b>Grand Total</b>				<b>165.687.500,00</b>	<b>514.443.938,00</b>	<b>680.131.438,00</b>

### **State Building and Resilience Contract – Annual IPA 2023 Programme**

IPA 2023 SRBC for Montenegro is designed to mitigate the socio-economic impacts of rising energy prices, particularly on small and medium-sized enterprises (SMEs) and households, with a budget allocation of EUR 30 million for direct budget support. The primary objectives of the action are to enhance energy security, promote a green energy transition, and strengthen the government's capacity to support vulnerable groups.

It is structured around specific outputs, including subsidizing electricity bills for vulnerable social groups and SMEs, increasing access to renewable energy sources, and preparing for the implementation of a day-ahead electricity market. Complementary activities include identifying vulnerable groups, defining client-oriented approaches for subsidies, and allocating funds for solar panel installations.

Overall, this initiative aims to build societal and state resilience, laying the groundwork for a sustainable, low-carbon economy. It addresses the immediate impacts of the energy crisis while fostering long-term energy security and transition, aligning with Montenegro's strategic framework and EU commitments.

### **Overview of WBIF Projects in Montenegro by Sector**

#### **Digital Infrastructure**

The sector features one project in preparation phase - the Broadband Infrastructure Development project (EUR 63.88 million), which aims to increase household access to next-generation broadband networks from 70% to 95%.

#### **Energy**

The energy sector portfolio totals approximately EUR 264 million across seven projects. This includes two completed projects (Gas Development Masterplan and Kolasin Biomass District Heating System), and one major implementation project - the Trans-Balkan Electricity Corridor (EUR 129.39 million), which aims to increase cross-border transmission by 2.5 TWh/year. Three projects in preparation phase include the Electricity Network Expansion (EUR 27.83 million), new 110kV OHL Virpazar-Briska Gora-Ulcinj (EUR 28.86 million), and 400kV Interconnection OHL Brezna-Crkvičko Polje-Sarajevo (EUR 71.94 million).

#### **Environment**

This sector represents the largest investment portfolio with eleven projects totalling over EUR 450 million. Four projects are in implementation phase, including the Municipal Water and Sanitation Infrastructure (EUR 140.42 million) and Podgorica Wastewater Treatment Plant (EUR 76.64 million). Two projects are in preparation phase: Nikšić and Pljevlja Wastewater Collection Systems (EUR 32.15 million) and Cetinje Water Supply System (EUR 21.65 million). Three projects are in tendering phase, including the Boka Bay Water Supply infrastructure (EUR 33.97 million) and improvements for Kolasin, Rozaje, and Mojkovac (EUR 34.91 million).

## Social

The social sector comprises three projects with a combined value of EUR 90.44 million. These include the completed Pljevlja Centre for Elderly (EUR 2.38 million), the ongoing Education Infrastructure Improvement project (EUR 64.32 million) which will create 2,100 new school places, and the Mojkovac Prison Facility in preparation (EUR 23.74 million)

## Transport

The transport sector features the largest individual projects, with eight initiatives totalling over EUR 1 billion. One project is completed (Bar-Boljare Highway Road Safety Audits), while two are in implementation phase, including the significant Orient/East-Med Corridor rail project (EUR 405.6 million). Five projects are in preparation phase, including major initiatives such as the Bar-Boljare Highway Phase 2 sections (EUR 425.4 million and EUR 191.9 million respectively), the Mediterranean Corridor rail interconnection (EUR 72.3 million), and the Budva Bypass (EUR 293 million)

## Overview of Regional WBIF Projects in which Montenegro Participates

### Digital Infrastructure

In the digital infrastructure sector, Montenegro is involved in one project currently in preparation - the Balkans Digital Highway. This project aims to improve access to high-speed broadband services across the region by leveraging existing Transmission System Operator (TSO) infrastructure. The total project financing is EUR 16,637,000, consisting of grants, loans from the World Bank and EBRD, and national contributions. The project targets increasing the percentage of households with ultra-fast internet access from 40% to 75%, thereby strengthening regional connectivity.

### Energy

Montenegro has participated in five completed regional energy projects, including studies on sustainable hydropower (EUR 1.42 million WBIF grant), the Energy Community Gas Ring (EUR 1 million WBIF grant), renewable energy potential and energy efficiency (EUR 337,750 WBIF grant), and voltage regulation (EUR 1 million WBIF grant). Two projects are currently in preparation: the Ionian Adriatic Pipeline (IAP), connecting Croatia's gas system to the Trans Adriatic Pipeline, with a total financing of EUR 292,012,500; and the Regional Energy Efficiency Programme (REEP) extension, promoting energy efficiency in buildings, with EUR 535.4 million in total financing.

### Environment

In the environment sector, Montenegro has been involved in three completed regional projects: a gap analysis for implementing the EU Floods Directive (EUR 330,000 WBIF grant), the Drina River Basin Water Resources Management project (EUR 21.2 million total financing, including a EUR 1.2 million WBIF grant and EUR 20 million World Bank loan), and a project on improving joint actions in flood management in the Sava River Basin (EUR 2 million WBIF grant).

### Social

Montenegro participated in the completed Regional Housing Programme (RHP) on durable solutions for refugees and displaced persons. The WBIF provided a EUR 225,000 grant to support this initiative, which was primarily funded by the EU and aimed at providing housing solutions to displaced individuals in the region.

### Transport

In the transport sector, Montenegro has been involved in three completed regional projects: the Mediterranean Corridor (Road R1, R2) for the construction of the Adriatic-Ionian Highway in Albania and Montenegro (EUR 3.5 million WBIF grant for feasibility study and designs), a Regional Connectivity Networks Gap Analysis (EUR 565,250 WBIF grants), and an update of the Regional Transport Study (REBIS) (EUR 600,000 WBIF grant). Montenegro is also participating in the ongoing Safe and Sustainable Transport Programme (SSTP), with a total financing of EUR 494.8 million (EUR 80 million in grants and EUR 413 million in loans), aimed at improving transport safety and sustainability in the Western Balkans.

## IPA 2025-2027 Priorities

**Window 1** focuses on "Rule of law, fundamental rights and democracy" and is allocated approximately 15% of the indicative 2025-27 budget. The main priority areas are Rule of Law and potentially Civil Society. The key objective is for Montenegro to achieve significant progress in meeting the closing benchmarks of chapters 23 and 24, particularly in implementing comprehensive justice reform, establishing robust systems to prevent and counter corruption, and developing effective systems to tackle and prevent organized crime. The primary action under this window is "EU for Rule of Law," which aims to improve the effectiveness of the judiciary system and combat organized crime and corruption.

**Window 2** addresses "Good governance, acquis alignment, good neighbourly relations and strategic communication" and is allocated approximately 85% of the indicative 2025-27 budget. The priority areas include EU Acquis alignment and capacity building, Public administration reform / Public finance management, and Gender equality and mainstreaming. The main objectives include aligning legislation with EU acquis and standards, ensuring administrative capacity for effective implementation, optimizing the number of civil servants, enhancing human resources management, and implementing structural reforms for socio-economic development. Key actions under this window include the EU Integration Facility (EUIF) and technical assistance for structural reforms through the EU Reform Facility.

The **absence of specific actions under Windows 3 and 4** suggests that these areas are not considered priority focuses for the 2025-2027 programming period in Montenegro's bilateral envelope.

### ***Alignment of IPA Annual Actions 2021-2024 and Multiannual OPs 2024-2027 with EUSAIR Pillars***

#### **Pillar 1: Blue Growth**

The action "EU Support to the Agriculture Sector in Montenegro" directly aligns with EUSAIR Pillar 1 by focusing on sustainable, resilient, and competitive fisheries and aquaculture sectors. The action's outputs on fisheries policy development, control systems, and information systems correspond with EUSAIR Actions 1.2.1 (Sustainable, resilient, and competitive fisheries) and 1.2.2 (Sustainable, resilient, and competitive aquaculture). While there is alignment in fisheries-related components, the action's emphasis on regulatory compliance and administrative capacity building shows limited alignment with EUSAIR elements related to tourism integration and cultural preservation under this pillar.

#### **Pillar 2: Connecting the Region**

Multiple actions demonstrate direct alignment with EUSAIR Pillar 2. The "EU for Connectivity and Green Agenda" action aligns with EUSAIR's objectives on transport infrastructure, maritime safety, and sustainable mobility, corresponding to Actions 2.1.1 (Traffic monitoring and management), 2.1.3 (Monitoring emissions and air quality), and 2.3.1 (Sustainable urban mobility). The "State and Resilience Building Contract" (2023) aligns with EUSAIR's focus on energy networks and energy transition under Topic 2.4, specifically Actions 2.4.1 (Integrated power networks and market) and 2.4.2 (Integrated future-proof energy corridors). The "Multiannual Action Plan Trans-European Transport Network Core Network Extension in Montenegro" directly aligns with EUSAIR's goal of upgrading transport networks to TEN-T standards, corresponding to Action 2.2.3 (Increase rail and road transport capacity and quality). While these actions focus on national implementation in Montenegro, they complement EUSAIR's macro-regional approach. However, differences in geographic scope and implementation mechanisms may limit direct operational integration, and the digital connectivity components show only partial alignment.

#### **Pillar 3: Environmental Quality**

Several actions show direct alignment with EUSAIR Pillar 3. The "EU for Environmental and Climate Action Policies in Montenegro" action aligns with objectives on enhancing marine and coastal biodiversity, reducing pollution, and improving environmental monitoring, corresponding to Actions 3.1.1 (Enhancing marine and coastal biodiversity), 3.1.2 (Reduction of pollution), and 3.2.1-3.2.3 (Terrestrial habitats and biodiversity). The "Preparation for Sector Operational Programme 2024-2027 Implementation Environment and Climate Change" and the "Multiannual Operational Programme on Environment and Climate Change in Favour of Montenegro for 2024-2027" also align by focusing on maturing environmental projects, improving management of municipal water and waste, nature protection, and enhancing capacity for environmental management. While these actions primarily focus on national-level implementation and capacity building, they support EUSAIR's environmental objectives. The alignment is strong in environmental protection aspects but more limited concerning economic integration of environmental measures.

#### **Pillar 4: Sustainable Tourism**

There is limited alignment between the actions and EUSAIR Pillar 4. While some actions, such as the "EU for Environmental and Climate Action Policies in Montenegro," touch on environmental management, they do not directly align with EUSAIR's objectives under Pillar 4, which focus on sustainable tourism development, integrating cultural heritage into tourism, and promoting green and digital transitions in the tourism sector. The actions primarily emphasize environmental compliance, regulatory frameworks, and capacity building rather than tourism development. Therefore, there is a lack of direct operational alignment with Pillar 4, and any alignment is only complementary.

#### **Pillar 5: Social Dimension (Improved Social Cohesion)**

The "Preparation for Sector Operational Programme 2024-2027 Implementation Employment and Social Policy" and the "Multiannual Operational Programme 'Employment and Social Inclusion' in Favour of Montenegro for 2024-2027" show strong direct alignment with EUSAIR Pillar 5. These actions focus on improving employment opportunities, particularly for youth and vulnerable groups, implementing the Youth Guarantee, enhancing social services, and promoting social entrepreneurship, corresponding to EUSAIR Actions 5.1.2 (Boosting youth employment), 5.2.1 (Development and harmonization of skills

policies), 5.2.2 (Promoting employment opportunities through upskilling/reskilling), and 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). While the actions concentrate on national reforms and capacity building within Montenegro, they contribute to EUSAIR's broader goals of social inclusion and labour market integration. The alignment is strong in social policy and employment aspects, though regional cooperation components are limited due to the national focus.

**Table 6: Assessment of IPA Actions (Bilateral Annual for period 2021-2027 and Multi-annual OPS for Period 2024-2027) Against EUSAIR Pillars**

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>2021</b>				
<b>EU FOR CONNECTIVITY AND GREEN AGENDA</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 2 - Transport, digital economy and society, and energy	Impact	Improved sustainable connectivity and green economy in Montenegro, in terms of performance, efficiency, digitalization and safety, by ensuring alignment with EU standard, and facilitating inter-connection of Montenegro with the neighbouring countries and the EU	There is direct alignment with several EUSAIR actions, particularly under Pillar 2 (Connecting the Region). Specifically, the IPA III action's focus on transport infrastructure, maritime safety, and sustainable mobility directly corresponds to EUSAIR Actions 2.1.1 (traffic monitoring and management), 2.1.3 (monitoring emissions and air quality), and 2.3.1 (sustainable urban mobility). The IPA III outputs regarding maritime safety measures for Boka Kotorska and sustainable alternative fuel vehicles align with EUSAIR's objectives for green and smart ports and sustainable transport solutions. There is also partial alignment with EUSAIR Actions 2.2.2 and 2.2.3 through the IPA III focus on transport system efficiency and legal harmonization with EU transport acquis. However, while the IPA III action includes digital elements, it shows more limited alignment with EUSAIR's broader digital transformation goals in transport. The focus is primarily on basic infrastructure and safety improvements rather than advanced digital solutions. Therefore, while there is clear alignment in core transport and environmental aspects, the digital connectivity components show only partial or complementary alignment.
		Outcome(s)	Capacity building and improved legal harmonization with the EU transport acquis communautaire of projects, further reinforced Performance and efficiency within the transport system increased	
		Output(s)	High risk road section interventions designed to maturity for implementation	
			Increased management capacity of institutions involved with transport policy implementation	
			Maritime safety measures for Boka Kotorska analysed and designed to maturity for implementation	
			National legislation and strategies aligned with EU Acquis for transport	
			National strategy for sustainable alternative fuel vehicles (towards zero-emission mobility)	
Project preparation facility to mature projects in place				
<b>EU FOR ENVIRONMENTAL AND CLIMATE ACTION POLICIES IN MONTENEGRO</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change	Impact	To align Montenegro with the EU acquis under Chapter 27 of the accession negotiations.	There is direct alignment with EUSAIR Actions under Pillar 3 (Environmental Quality), particularly Actions 3.1.1 (enhancing marine and coastal biodiversity), 3.1.2 (reduction of pollution), and 3.2.1-3.2.3 (terrestrial habitats and biodiversity). The IPA III action's focus on nature protection, pollution control, and environmental monitoring directly corresponds to these EUSAIR priorities. Specific outputs like the "Multi-purpose research vessel for Marine Strategy Framework Directive" and "Data gathering for pSCI areas" align with EUSAIR's marine and coastal environment objectives. There is also partial alignment with EUSAIR's climate action components through the IPA III outputs on EU ETS implementation and Low Carbon Strategy. However, while the IPA III action includes comprehensive environmental management elements, it shows more limited alignment with EUSAIR's broader sustainable tourism and economic development goals. The focus is primarily on environmental compliance and institutional capacity building rather than economic integration of environmental measures. Therefore, while there is clear alignment in core environmental protection aspects, the economic development and tourism components show only complementary alignment.
		Outcome(s)	AIR QUALITY: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Air Quality.	
			CHEMICALS: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Chemicals.	
			CIVIL PROTECTION: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Civil Protection.	
			CLIMATE CHANGE: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Climate Change.	
			HORIZONTAL LEGISLATION: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Horizontal Legislation.	
			INDUSTRIAL POLLUTION: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Industrial Pollution.	
			NATURE PROTECTION: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Nature Protection.	
NOISE: Increased Institutional Administrative Capacity for Implementing and Enforcing the Environmental EU Acquis in the field of Noise Prevention.				

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
		Output(s)	<p>STRATEGIC PLANNING, MONITORING AND IMPLEMENTATION: Increased Institutional Administrative Capacity for Environmental Planning, IPA Programming and Implementation</p> <p>Action plans for the protection against environmental noise prepared</p> <p>Asbestos management programme in Montenegro developed</p> <p>Communication materials and public awareness for Natura 2000</p> <p>Data gathering for identification of pSCI in pre-selected areas and the establishment of SPA</p> <p>Defining the initial long-term monitoring plan of habitats and species</p> <p>EIONET: Environmental Information and Reporting System fully operational, including provision of effective Geographic Information System (GIS) and Capacity Building Plan.</p> <p>Establishment of the system for prevention of burning of agricultural and other waste</p> <p>EU Emissions Trading System (EU ETS) implemented in Montenegro</p> <p>EU Monitoring Mechanism regulation (MMR) implemented in Montenegro</p> <p>European Pollutant Release and Transfer Register Established</p> <p>Helpdesk for Chemicals fully operational</p> <p>INSPIRE: Spatial Data Infrastructure (Geoportal) website operational, including Capacity Building</p> <p>Local Disaster Risk Assessments and Mapping for multi-hazard risks</p> <p>Low Carbon Strategy implemented</p> <p>Modelling and Development of air emissions projections</p> <p>Multi-purpose research vessel and on-board basic research and monitoring equipment for implementing Marine Strategy Framework Directive</p> <p>Organised data base and coaching on data management delivered</p> <p>Preparing or revising Directive Specific Implementation Plans (DSIP) for Environment and Climate Change</p> <p>Provided software solution and application for noise level data measuring and information</p> <p>Registers of chemicals and biocidal products established</p> <p>Risk Management Capacity Assessment and Disaster Risk Management Plan at national and local level</p> <p>Staff trained for mapping habitats and data gathering according to Birds and Habitats Directives.</p> <p>Strategic Noise Maps prepared</p> <p>Strengthening the capacity of EPA in the area of air quality data management</p> <p>Support for IPA III Programming and Implementation: remaining Action documents prepared and implemented for the period 2021-2027</p> <p>Training concerning implementation of the REACH, CLP, BPR Regulations</p>	
<b>EU SUPPORT TO THE AGRICULTURE SECTOR IN MONTENEGRO</b>	Window 4 - Competitiveness and inclusive growth	Impact	To create a successful agriculture and rural sector in Montenegro which provides employment and sustainable production of high-quality food for domestic and foreign consumers, supported by an efficient administration in the areas of agriculture and rural development, food safety, veterinary, phytosanitary, fisheries and forestry	There is direct alignment with EUSAIR Actions 1.2.1 (Sustainable, resilient and competitive fisheries) and 1.2.2 (Sustainable, resilient and competitive aquaculture), particularly through the IPA III outputs focused on fisheries policy development, control systems, and information systems. The IPA III action's emphasis on agriculture and rural development also shows partial

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	Thematic Priority 3 - Agriculture and rural development Thematic Priority 4 - Fisheries	Outcome(s)  Output(s)	Alignment with the EU acquis following developments under Chapters 11 and 12, is being completed and implementation is on track, including the establishment of the structures and systems necessary for implementation of CAP  Legislative framework with a significant level of harmonization with the EU acquis in the area of Fisheries is adopted and capacities for full implementation of the Common Fisheries Policy (CFP) upon the date of its accession to the EU are significantly improved  Capacities of the Ministry of Agriculture, Forestry and Water Management for ARD policy development and implementation are improved Administrative and inspection capacities of the Administration for Food Safety, Veterinary and Phytosanitary Affairs (AFSVPA) for policy development and implementation are improved Control over imported goods of veterinary and phytosanitary origin is improved Gathering and exchanging data on all levels needed for planning the sustainable management of forests is ensured Integrated Administrative and Control System (IACS) is further developed Management and control of the food safety system is further improved Operational system for future financial management of EAGF and EAFRD is established System for animal by-products management is further developed Administrative and inspection capacities of the Directorate for Fisheries for policy development and implementation are improved Effective control, inspection and enforcement of the rules of the CFP is ensured Fisheries Information System (FIS) is further developed to be fully compliant with EU requirements	alignment with EUSAIR Actions 4.3.1 (Promoting Agritourism) and 4.3.3 (Promotion of Mediterranean Diet and local production), though this alignment is more limited as the IPA III action focuses primarily on regulatory compliance rather than tourism integration. While both frameworks aim to develop sustainable agriculture and fisheries sectors, the IPA III action is predominantly focused on EU acquis alignment and administrative capacity building, whereas EUSAIR actions take a broader approach incorporating tourism, cultural heritage, and cross-sector integration. Therefore, while there is direct alignment in fisheries-related components and partial alignment in agricultural aspects, some EUSAIR elements related to tourism integration and cultural preservation show only complementary alignment with this IPA III action's more technically focused objectives.
<b>2023</b>				
<b>STATE AND RESILIENCE BUILDING CONTRACT</b>	Window 3 – Green Agenda and sustainable connectivity; Window 4 - Competitiveness and inclusive growth	Impact  Outcome(s)  Induced Output(s)	State and societal resilience is built To set the basis for a sustainable economy based on climate resilient low-carbon principles To mitigate the immediate socio-economic impact of the energy crisis on vulnerable households and vulnerable economic stakeholders Reforms that address sources of vulnerability in the energy sector are promoted To mitigate the immediate socio-economic impact of the energy crisis on vulnerable households and vulnerable economic stakeholders Energy transition in the country is defined Increased possibilities for enabling access to renewable sources of energies Obligations derived from Directive 2009/119 (on imposing an obligation on EU Member States to maintain minimum stocks of crude oil and/or petroleum products) are implemented Preparation for implementation of day-ahead market in electricity Strategic framework for National Energy and Climate Plan is defined Vulnerable social groups received subsidised electricity bill to mitigate the negative effects of the energy crisis SMEs received subsidised electricity bill to mitigate the negative effects of the energy crisis	There is direct alignment with EUSAIR Actions under Topic 2.4 ("Future-proof" Energy networks), particularly Actions 2.4.1 (Integrated power networks and market) and 2.4.2 (Integrated future-proof energy corridors). The IPA III action's focus on energy transition, renewable energy access, electricity market development, and strategic oil reserves directly corresponds to these EUSAIR priorities. Specific outputs like "Preparation for implementation of day-ahead market in electricity" and "Strategic framework for National Energy and Climate Plan" align with EUSAIR's goals for integrated power markets and energy transition. There is also partial alignment with Action 2.5.1 (Deployment of renewable energy sources) through the IPA III outputs on renewable energy access and solar panel installation. However, while the IPA III action includes socio-economic support elements for vulnerable groups and SMEs, these components show only complementary alignment with EUSAIR's broader energy market integration goals. The focus is primarily on crisis mitigation and social protection rather than long-term market development. Therefore, while there is clear alignment in core energy transition and market development aspects, the social protection components show only complementary alignment with EUSAIR objectives.

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
		Direct Output(s)	<p>Client-oriented approach is defined for vulnerable SMEs for applying for subsidies</p> <p>Client-oriented approach is defined for vulnerable social groups identified for applying for subsidies</p> <p>Funds are made available for electricity bill subsidised</p> <p>Funds are made available for electricity subsidy</p> <p>Funds are made available for the installation of solar panels</p> <p>Implementation of new law on strategic oil reserves is in place</p> <p>Preparatory works are in place for the National Energy and Climate Plan</p> <p>Preparatory works for regulation of day-ahead market in electricity</p> <p>SMEs are identified</p> <p>ToRs for Study on energy transition</p> <p>Vulnerable social groups identified</p>	
<b>2024</b>				
<b>PREPARATION FOR SECTOR OPERATIONAL PROGRAMME 2024-2027 IMPLEMENTATION EMPLOYMENT AND SOCIAL POLICY</b>	Window 4 - Competitiveness and inclusive growth Thematic priority 1 - Education, employment, social protection and inclusion policies, and health Thematic Priority 2 - Private sector development, trade, research and innovation	Impact	To enhance Montenegro's capacity for efficient and effective use of IPA III and future EU cohesion policy/ESF+ funds by supporting the establishment of functioning operational structures, preparatory work and the capacity to develop relevant programmes and projects in the area of employment and social policy and by enhancing support to functional innovation based on smart specialisation.	There is direct alignment with EUSAIR Actions under Pillar 5 (Improved Social Cohesion), particularly Actions 5.1.2 (Boosting youth employment), 5.2.1 (Development and harmonization of skills policies), and 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). The IPA III action's focus on youth guarantee implementation, social entrepreneurship framework, and capacity building for employment stakeholders directly corresponds to these EUSAIR priorities. Specific outputs like "Youth Guarantee implementation plan" and "Framework for social entrepreneurship" align perfectly with EUSAIR's goals for youth employment and social innovation. There is also partial alignment with Actions 5.2.2 and 5.3.1 through the IPA III focus on social inclusion and policy coordination. However, while the IPA III action includes research and innovation components, it shows more limited alignment with EUSAIR's broader innovation ecosystem goals. The focus is primarily on employment and social policy implementation rather than comprehensive innovation development. Therefore, while there is clear alignment in core social policy and employment aspects, the research and innovation components show only complementary alignment.
		Outcome(s)	<p>RDI actors' capacities for high-quality innovation enhanced, through strengthening intersectoral synergies</p> <p>Capacities to roll out the implementation of the OP ESP 2024-2027 and future ESF+ enhanced.</p> <p>Maturity of the activities foreseen to be implemented under the OP ESP 2024-2027</p> <p>Areas of Support enhanced, including through regulatory and procedural preparatory measures.</p>	
		Output(s)	<p>Capacities of relevant Employment and Social Policy stakeholders in charge of the policy implementation, including social partners and civil society organisations, improved.</p> <p>Framework for information and awareness rising of potential project beneficiaries and general public regarding opportunities offered by the OP ESP 2024-2027 and future ESF+ in place.</p> <p>Framework for prevention of institutionalisation and further de-institutionalisation in place</p> <p>Framework for social entrepreneurship in place</p> <p>Mature project documentation relevant to OP ESP 2024-2027 and ESP sector ready</p> <p>Policy, institutional and stakeholder coordination within the ESP sector established and working to improve the effectiveness of actions to be financed under the OP ESP 2024-2027 and beyond.</p> <p>Preparatory framework for the development of the management information system (MIS) for ESI funds defined.</p> <p>Youth Guarantee implementation plan ready for operationalisation</p> <p>Improved capacities of RDI actors to perform high-quality research, transferable into innovation, focusing up on green and digital transition</p>	
		Impact	Montenegro's absorption capacity of IPA funds under OP Environment 2024-2027	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>PREPARATION FOR SECTOR OPERATIONAL PROGRAMME 2024-2027 IMPLEMENTATION ENVIRONMENT AND CLIMATE CHANGE</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change	Outcome(s)	Improved maturity of the Environment and Climate Change Project Pipeline	There is direct alignment with EUSAIR Actions under Pillar 3 (Environmental Quality), particularly Actions 3.1.1 (enhancing marine and coastal biodiversity), 3.1.2 (reduction of pollution), and 3.2.1-3.2.3 (terrestrial habitats and biodiversity). The IPA III action's focus on maturing environmental projects and improving absorption capacity for environmental funds directly supports the implementation of these EUSAIR priorities. While the IPA III action is primarily focused on preparation and capacity building rather than direct implementation, its role in developing mature environmental projects is crucial for the successful execution of EUSAIR environmental initiatives. However, it's important to note that this is a preparatory action focused on programming and project pipeline development, so the alignment is more at the enabling level rather than direct implementation. The action shows procedural alignment but more limited operational alignment with EUSAIR's specific environmental objectives. Therefore, while there is clear direct alignment in terms of environmental priorities and objectives, the nature of this IPA III action as a preparatory measure means the alignment is primarily at the strategic and programming level.
		Output(s)	Environmental Projects matured for implementation	
<b>2024-2027</b>				
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON ENVIRONMENT AND CLIMATE CHANGE IN FAVOUR OF MONTENEGRO FOR 2024-2027</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 1: Environment and climate change	Impact		There is direct alignment with multiple EUSAIR Actions under Pillar 3 (Environmental Quality), particularly Actions 3.1.1 (enhancing marine and coastal biodiversity), 3.1.2 (reduction of pollution), 3.2.1-3.2.3 (terrestrial habitats and biodiversity). The IPA III action's focus on improved management of municipal water, waste, and nature protection directly corresponds to these EUSAIR priorities. The program's emphasis on climate change adaptation also shows direct alignment with EUSAIR's environmental objectives. The comprehensive approach to environmental management, including water supply, wastewater management, and capacity building, aligns with EUSAIR's goals for reducing pollution and protecting biodiversity. While the IPA III action has a broader scope covering multiple environmental aspects, its core components demonstrate operational and strategic alignment with EUSAIR's environmental priorities. The focus on municipal-level interventions and capacity building complements EUSAIR's macro-regional approach to environmental protection. Therefore, there is clear direct alignment in environmental protection and management aspects, with partial alignment in specific implementation approaches.
		Outcome(s)	Improved management of Municipal Water	
			Improved management of Municipal Waste	
			Improved management of Nature Protection	
			Improved adaptation to climate change	
Output(s)	Improved Capacity for Environmental Management (Horizontal)			
	Various related to water supply, wastewater management, waste management, nature protection, climate change adaptation, and capacity building			
<b>MULTIANNUAL OPERATIONAL PROGRAMME "EMPLOYMENT AND SOCIAL INCLUSION" IN FAVOUR OF MONTENEGRO FOR 2024-2027</b>	Window 4: Competitiveness and Inclusive Growth Thematic priority 1: Education, employment, social protection and inclusion policies, and health	Impact	To promote social rights and employment opportunities of vulnerable groups in Montenegro.	There is direct alignment with EUSAIR Actions under Pillar 5 (Improved Social Cohesion), particularly Actions 5.1.2 (Boosting youth employment), 5.2.1 (Development and harmonization of skills policies), 5.2.2 (Promoting employment opportunities through upskilling/reskilling for disadvantaged groups), and 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). The IPA III OP's focus on youth employment through Youth Guarantee implementation, employment measures for vulnerable groups, social entrepreneurship, and capacity building directly corresponds to these EUSAIR priorities. Specific outputs like "Improved youth employment opportunities and skills" and "Improved ecosystem for social
		Outcome(s)	Improved employment, access to employment and activation measures for all jobseekers, especially youth and vulnerable groups	
			Improved access of quality social services provided to vulnerable groups	
			Increased country's readiness under the relevant acquis chapters in accession negotiations	
		Output(s)	Improved youth employment opportunities and skills, through the implementation of YG	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			<p>Improved employment and skills of vulnerable groups in the labour market through ALMPs and improved EAM operational capacities and processes</p> <p>Improved ecosystem for social entrepreneurship</p> <p>Quality social services implemented in the new regional/local areas and residential institutions transformed.</p> <p>Strengthened capacities of the authorities for the implementation of the GBV policies</p> <p>Improved EU funds management and control system in the employment and social inclusion sector in accordance with EU requirements</p> <p>Strengthened capacity of national authorities for effective preparation, planning, coordination, and monitoring of the implementation of the National Action Plan for the implementation of the European Child Guarantee</p> <p>Strengthened capacities of labour institutions and social partners in aligning its policies with the <i>acquis communautaire</i></p>	<p>entrepreneurship" align perfectly with EUSAIR's goals for youth employment and social innovation. There is also partial alignment with Action 5.3.1 through the IPA III focus on gender-based violence policies and social inclusion. However, while the IPA III action includes comprehensive social policy elements, it shows more limited alignment with EUSAIR's broader regional cooperation goals. The focus is primarily on national-level implementation rather than macro-regional integration. Therefore, while there is clear alignment in core social policy and employment aspects, the regional cooperation components show only complementary alignment.</p>
<b>MULTIANNUAL ACTION PLAN TRANS-EUROPEAN TRANSPORT NETWORK CORE EXTENSION IN MONTENEGRO, ROUTE 4, SECTION MATESEVO – ANDRIJEVICA</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 2: Transport, digital economy and society, and energy	Impact	To facilitate the development and improvement of the transport infrastructure in Montenegro, thereby contributing to the overall efficiency and effectiveness of road transport operations in the Western Balkans region and leading to sustained and sustainable economic growth	There is direct alignment with EUSAIR Actions under Topic 2.2 (Multimodal connectivity), particularly Action 2.2.3 (Increase rail and road transport capacity and quality and upgrade the network to TEN-T standards). The IPA III action's focus on constructing the Matesevo-Andrijevica highway section and improving connectivity in line with TEN-T requirements directly corresponds to EUSAIR's goals for upgrading transport networks to TEN-T standards and removing bottlenecks. The project's aim to improve transport infrastructure efficiency and facilitate regional connectivity aligns perfectly with EUSAIR's objectives for enhancing multimodal transport networks. However, while the IPA III action includes elements of sustainable connectivity, it shows more limited alignment with EUSAIR's broader goals for digital transformation and smart transport solutions. The focus is primarily on physical infrastructure development rather than comprehensive transport system modernization. Therefore, while there is clear direct alignment in core transport infrastructure aspects, the digital and smart transport components show only complementary alignment.
		Outcome(s)	Advanced implementation of the EIP Investment Flagships: Flagship 2 "Connecting North to South" – TEN-T Road Route 4 linking Belgrade to Podgorica to the Montenegrin port of Bar	
		Output(s)	Constructed Matesevo-Andrijevica section of the BarBoljare highway and improved connectivity in line with the TENT regulatory requirements	

**Table 7: Bilateral IPA 2025-2027 Proposed Actions Against EUSAIR Pillars**

Action/Measure title	Window	Action/Measure Brief explanation	Indicative timing
<b>EU for Rule of Law</b>	Window 1: Rule of law, fundamental rights and democracy.	Cooperation with Member States or technical assistance via EUIF to improve effectiveness of the judiciary system, fight against organised crime and corruption and tackling other areas that need to be addressed for meeting chapter 23 and 24 closing benchmarks.	2026/2027
<b>EU Integration Facility (EUIF)</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	TA to support work on closing negotiation chapters, for acquis alignment, meeting EU standards and related capacity building. Technical assistance support under EUIF to PAR and PFM to reinforce administrative capacity under national system as preparation to EU accession and ensured ability to manage EU funds upon accession. Technical assistance for gender mainstreaming.	2025/2026
<b>TA for support to structural reforms, incl. the Reform Agenda, through the EU Reform Facility</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Technical assistance under EURF to support monitoring, dialogue and reporting of the Reform Agenda. Building on ongoing EURF cooperation with World Bank, EBRD and UN agencies in Montenegro.	2025/2026
n/a	Window 3: Green agenda and sustainable connectivity		
n/a	Window 4: Competitiveness and inclusive growth		

**Table 8: Overview of WBIF Projects in Montenegro by Sector**

Status	Investment	Completion (est)
<b>Digital infrastructure</b>		
Preparation	Broadband Infrastructure Development in Montenegro	30.6.26
<b>Energy</b>		
Completed	Gas Development Masterplan	5.6.17
	Kolasin Biomass District Heating System	31.12.17
Implementation	Trans-Balkan Electricity Corridor: Grid Section in Montenegro	31.12.24
Preparation	Electricity Network Expansion for the Development of New Renewable Energy Sources	n/a
	New 110 kV OHL Virpazar – Briska Gora – Ulcinj with Extension of 110/35 kV Virpazar and 110/35 kV Ulcinj Substation	30.1.32
	400 kV Interconnection OHL Brezna – Crkvičko Polje – Sarajevo	30.12.31
<b>Environment</b>		
Implementation	Rehabilitation and Construction of Municipal Water and Sanitation Infrastructure	29.9.28
	Podgorica Wastewater Treatment Plant	29.12.26
	Montenegro Regional Sanitary Landfills	n/a
	Ulcinj Wastewater Treatment Plant and Related Infrastructure	31.7.28
Preparation	Nikšić and Pljevlja Wastewater Collection Systems	29.10.27
	Improvement of Water Supply System in Cetinje	28.4.28
Tendering	Boka Bay Water Supply and Wastewater Collection Infrastructure	30.10.26
	Wastewater and Water Supply Systems Improvement for Kolasin, Rozaje and Mojkovac	30.3.29
	Water Supply and Sanitation on the Montenegrin Coast Phase V, Component 2 - Tivat Municipality	30.12.26
<b>Social</b>		
Completed	Pljevlja Centre for Elderly	3.4.18
Implementation	Education Infrastructure Improvement	31.12.26
Preparation	Construction of Mojkovac Prison Facility	n/a
<b>Transport</b>		

Completed	Bar - Boljare Highway: Road Safety Audits for Podgorica Bypass and Mateševo - Andrijevića Section	16.5.23
Implementation	Orient/East-Med Corridor: Montenegro – Serbia R4 Rail Interconnection, Bar – Vrbnica Section	30.9.29
	Orient/East-Med Corridor (Road R4): Construction of Bar - Boljare Highway	31.10.25
Preparation	Comprehensive Network (Road R2b): Reconstruction of Scepán Polje (BiH Border) - Pluzine Main Road	n/a
	Mediterranean Corridor: Montenegro - Croatia - Albania R1 Road Interconnection, Budva Bypass	30.12.26
	Construction of Bar - Boljare Highway Phase 2: Mateševo - Andrijevića Section	31.5.24
	Construction of Bar - Boljare Highway Phase 2: Podgorica Bypass (Smokovac - Tolosi - Farmaci)	14.9.26
	Mediterranean Corridor: Montenegro – Albania R2 Rail Interconnection, Podgorica – Border Between the Two States Section	31.8.28

**Table 9: Overview of Regional WBIF Projects in which Montenegro Participates**

Status	Investment	Beneficiary	Completion (est)
<b>Digital infrastructure</b>			
Preparation	Balkans Digital Highway	Albania Kosovo* North Macedonia Montenegro	28.12.28
<b>Energy</b>			
Completed	Regional Strategy for Sustainable Hydropower in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.18
	Regional Study – Consortium approach to developing the Gas to Power Initiative and the Energy Community (EnC) Gas Ring in Southeast Europe	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.18
	Regional Study on Renewable Energy Potential and Energy Efficiency in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	28.2.20
	Regional Study on Voltage Regulation in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.1.21
	Sector Study on Biomass-based Heating in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.7.18
	TA for SEE Regional Security Coordination Initiative	Bosnia and Herzegovina, Montenegro, Serbia	30.9.20
Implementation	Establishment of a Regional Energy Efficiency Programme (REEP) for the Western Balkans	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	30.9.22
	Regional Energy Efficiency Programme for the Western Balkans - REEP Plus	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.25
	Regional Energy Efficiency Programme for the Western Balkans - REEP Plus Replenishment	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.28
Preparation	Ionian Adriatic Pipeline	Albania, Montenegro	n/a
	Regional Energy Efficiency Programme for the Western Balkans - REEP Extension	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.32
<b>Environment</b>			
Completed	Gap Analysis/Needs Assessment in the Context of Implementing the EU Floods Directive in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	24.9.15
	Drina River Basin Water Resources Management	Bosnia and Herzegovina, Montenegro, Serbia	30.12.20
	Improvement of Joint Actions in Flood Management in the Sava River Basin	Bosnia and Herzegovina, Montenegro, Serbia	29.6.19
Completed	PPP Institutional Strengthening in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.10.14
	Strengthening the Capacity of the Public Sector to Undertake PPPs in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.19
Implementation	Establishment of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	n/a
<b>Social</b>			

Completed	Regional Housing Programme on Durable Solutions for Refugees and Displaced Persons (RHP)	Bosnia and Herzegovina, Montenegro, Serbia, Croatia	30.6.12
<b>Transport</b>			
Completed	Mediterranean Corridor (Road R1, R2): Construction of Adriatic-Ionian Highway in Albania and Montenegro	Albania, Montenegro	19.11.21
	Regional Connectivity Networks Gap Analysis	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.19
	Update of the Regional Transport Study (REBIS)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.15
Implementation	Safe and Sustainable Transport Programme (SSTP)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.12.28

## Country-Specific Analysis: North Macedonia

### Bilateral Annual Country Programmes (2021-2024)

The table 1 outlines the financial allocations for **North Macedonia** under the IPA III for the period 2021-2024. The total budget for this period is EUR 361.09 million, distributed across various thematic priorities and actions to support the country's EU integration efforts.

The financial allocations for North Macedonia are spread across different years, each focusing on specific windows and thematic priorities:

- **2021:** The total budget was EUR 110.18 million, distributed mainly across four windows. Window 1 received EUR 23.6 million, focusing on judiciary, anti-corruption, and organized crime. Window 3 received the largest allocation of EUR 47.73 million, aimed at environmental and climate change initiatives. Window 4 was allocated EUR 33.35 million, focusing on private sector development and innovation.
- **2022:** The total allocation was EUR 109.12 million. The largest allocation was made to Window 3 (EUR 63 million) for environmental and climate change projects. Window 1 was allocated EUR 10 million, focusing on migration, border management, and governance, while Window 2 received EUR 25 million for governance and administrative capacity.
- **2023:** The budget allocated was EUR 80 million, with funds directed towards Window 3 and Window 4, focusing on state and resilience-building contract (budget support for energy crisis).
- **2024:** The budget for this year was EUR 61.8 million, distributed across multiple thematic areas, with significant allocations to administrative capacity, economic cohesion, health, and private sector development under Window 2, Window 3, and Window 4.

Thematic priorities in North Macedonia reflect the country's needs in governance, environmental sustainability, and socio-economic development:

- **Judiciary, Anti-Corruption, and Organized Crime:** These areas were a major focus in 2021, with EUR 8.5 million allocated under Window 1 for rule of law and anti-corruption, and EUR 14 million for organized crime. This reflects the EU's emphasis on strengthening legal and institutional frameworks in North Macedonia.
- **Environment and Climate Change:** Environmental initiatives received substantial funding, particularly in 2021 and 2022. In 2021, EUR 47.73 million was allocated under Window 3 for environmental standards and green economy projects, while in 2022, EUR 63 million was allocated for wastewater systems and climate change mitigation.
- **Private Sector Development and Innovation:** This thematic priority was significantly funded, especially in 2021, where EUR 33.35 million was allocated under Window 4 for green economy initiatives. This focus continued in 2024 with EUR 29.6 million allocated to support economic cohesion and private sector development.

The tables 1 and 2 details specific actions associated with each thematic priority and their respective budgets:

- **EU for Environmental Standards and Clean Air:** This action was one of the largest allocations in 2021, receiving EUR 26 million, with substantial EU co-financing of EUR 22 million. This indicates a strong focus on environmental sustainability in North Macedonia.
- **EU for Green Economy:** Another significant action in 2021 received EUR 33.35 million, reflecting the EU's commitment to supporting sustainable economic growth in the country.
- **EU for Modern Wastewater Systems:** In 2022, this action received EUR 63 million, with a significant national co-financing contribution of EUR 36.5 million, highlighting North Macedonia's commitment to improving environmental infrastructure.

**Table 1: IPA 2021-2024 Financial Allocations by Window, Thematic Priority and Action**

Year	Total Budget per Annual Programme	IPA III PFW Window	Window Budget	IPA III PFW Thematic Priority	Thematic Priority Budget	Action title	Action Budget
2021	110.176.000,00	Window 1	23.600.000,00	Thematic priority 1 - Judiciary	8.500.000,00	Action 01 - EU for Rule of Law and Anti-corruption	8.500.000,00
				Thematic Priority 2 - Fight against corruption	1.100.000,00		1.100.000,00
				Thematic priority 3 - Fight against organised crime	14.000.000,00	Action 02 - EU against organised	14.000.000,00

						crime, in support of trade	
		Window 2	5.500.000,00	Thematic priority 2 - Administrative capacity and acquis alignment; Thematic priority 4 - Strategic communication, monitoring,	5.500.000,00	EU Integration Facility	5.500.000,00
		Window 3	47.726.000,00	Thematic Priority 1 - Environment and climate change	47.726.000,00	Action 04 - EU for Environmental Standards and Clean Air	26.000.000,00
						Action 05 - EU for Prespa	21.726.000,00
		Window 4	33.350.000,00	Thematic Priority 2 - Private sector development, trade, research and innovation	33.350.000,00	Action 06 - EU for Green Economy	33.350.000,00
2022	109.120.000,00	Window 1	10.000.000,00	Thematic Priority 4: Migration and Border Management	10.000.000,00	EU for Improved Border and Migration Management	10.000.000,00
		Window 2	25.000.000,00	Thematic Priority 1 - Good governance	18.000.000,00	EU for Modern Public Administration	18.000.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	7.000.000,00	EU Integration Facility	7.000.000,00
		Window 3	63.000.000,00	Thematic Priority 1 - Environment and climate change	63.000.000,00	EU for Modern Wastewater Systems	63.000.000,00
		Window 4	11.120.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	11.120.000,00	EU for Improved Health, Social Protection and Gender Equality	11.120.000,00
2023	80.000.000,00	Window 3; Window 4	80.000.000,00	Various		State and Resilience Building Contract	80.000.000,00
2024	61.795.000,00	Window 1	12.000.000,00	Thematic priority 3 - Fight against organised crime	5.217.600,00	EU for Rights and Security	5.217.600,00
				Thematic priority 5 – Fundamental rights	6.782.400,00		6.782.400,00
		Window 2	15.000.000,00	Thematic priority 2 - Administrative capacity and acquis alignment	10.500.000,00	EU Integration Facility	10.500.000,00
				Thematic priority 4 - Strategic communication, monitoring, evaluation and communication activities	4.500.000,00		4.500.000,00
		Window 3	5.200.020,00	Thematic Priority 2 - Transport, digital economy and society, and energy	5.200.020,00	EU for Economic Cohesion	5.200.020,00
		Window 4	29.594.980,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	14.160.000,00	EU for Health	14.160.000,00
				Thematic Priority 2 - Private sector development, trade, research and innovation	8.047.650,00	EU for Economic Cohesion	8.047.650,00
				Thematic Priority 3 - Agriculture and rural development	7.387.330,00		7.387.330,00
			361.091.000,00				

Table 2: IPA 2021-2024 Co-financing

Year	Action Title	Total Financing per Action	National Co-financing per Action	EU Co-financing per Action
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2021	Action 01 - EU for Rule of Law and Anti-corruption	9.600.000,00	1.100.000,00	8.500.000,00
	Action 02 - EU against organised crime, in support of trade	14.000.000,00	3.400.000,00	10.600.000,00
	Action 04 - EU for Environmental Standards and Clean Air	26.000.000,00	4.000.000,00	22.000.000,00
	Action 05 - EU for Prespa	21.726.000,00	3.726.000,00	18.000.000,00
	Action 06 - EU for Green Economy	33.350.000,00	7.500.000,00	25.850.000,00
	EU Integration Facility	5.500.000,00	0,00	5.500.000,00
<b>Total 2021</b>		<b>110.176.000,00</b>	<b>19.726.000,00</b>	<b>90.450.000,00</b>
2022	EU for Improved Border and Migration Management	10.000.000,00	0,00	10.000.000,00
	EU for Improved Health, Social Protection and Gender Equality	11.120.000,00	120.000,00	11.000.000,00
	EU for Modern Public Administration	18.000.000,00	0,00	18.000.000,00
	EU for Modern Wastewater Systems	63.000.000,00	36.500.000,00	26.500.000,00
	EU Integration Facility	7.000.000,00	0,00	7.000.000,00
	<b>Total 2022</b>		<b>109.120.000,00</b>	<b>36.620.000,00</b>
2023	State and Resilience Building Contract	80.000.000,00	0,00	80.000.000,00
<b>Total 2023</b>		<b>80.000.000,00</b>	<b>0,00</b>	<b>80.000.000,00</b>
2024	EU for Economic Cohesion	20.635.000,00	535.000,00	20.100.000,00
	EU for Health	14.160.000,00	2.160.000,00	12.000.000,00
	EU for Rights and Security	12.000.000,00	500.000,00	11.500.000,00
	EU Integration Facility	15.000.000,00	0,00	15.000.000,00
<b>Total 2024</b>		<b>61.795.000,00</b>	<b>3.195.000,00</b>	<b>58.600.000,00</b>
		<b>361.091.000,00</b>	<b>59.541.000,00</b>	<b>301.550.000,00</b>

The two tables below (3 and 4) provide a detailed breakdown of the budget allocations for North Macedonia, focusing on both implementation arrangements and management. In the first table, which addresses Implementation Arrangements and Modality, most of the budget (47,74%) is allocated to procurement. Other significant allocations include SBS (26,03%) and grants (17,28%), while IMEE receive a much smaller portion of the budget at just 8,94%. The total budget for implementation modalities stands at EUR 361.091.000,00.

The second table, which focuses on Implementation Management, shows that direct management consumes 73,61% of the budget, compared to 26,39% allocated to indirect management.

**Table 3: Implementation Arrangements and Modality**

	Total Budget Amount	% of Total
Grants	62.406.000,00	17,28%
IMEE	32.290.000,00	8,94%
Procurement	172.395.000,00	47,74%
SBS	94.000.000,00	26,03%
<b>Grand Total</b>	<b>361.091.000,00</b>	<b>100,00%</b>

**Table 4: Implementation Management**

	Total Budget Amount	% of Total
Direct management	265.801.000,00	73,61%
Indirect management	95.290.000,00	26,39%
<b>Grand Total</b>	<b>361.091.000,00</b>	<b>100,00%</b>

### **Bilateral Multiannual Operational Programmes (2024-2027)**

The **Multiannual Operational Programme on environment** (see table 5 below) aims to enhance the implementation of the Green Agenda in North Macedonia. It focuses on three main areas of support:

- **Water:** With a total budget of EUR 45,000,000 (50.4% of total OP budget), including EUR 33,773,500 EU contribution, this area aims to reduce the amount of untreated wastewater discharged into recipients and improve wastewater management in compliance with EU requirements, including the reduction of GHG emissions. Key activities include constructing wastewater collection and treatment infrastructure and equipping Public Communal Enterprises for management of new constructed WWTPs.
- **Waste:** This is the largest area of support with a total budget of EUR 35,800,000 (40.1% of total OP budget), including EUR 29,014,500 EU contribution. It aims to reduce environmental deterioration and increase recycling by improving the regional waste management system and ensuring compliance with EU requirements, including the

reduction of GHG emissions. The main output is improving the Integrated Waste Management System in East and Northeast regions – Phase II.

- Other Support: With a budget of EUR 8,500,000 (9.5% of total OP budget), including EUR 7,212,000 EU contribution, this area focuses on increasing North Macedonia's readiness for EU accession negotiations under Chapter 22. It aims to improve management, implementation and control of EU financial assistance, including through human capital development.

The total budget for the OP is EUR 89,300,000, with an EU contribution of EUR 70,000,000 (78.4% of total OP budget) and national co-financing of EUR 19,300,000 (21.6% of total OP budget).

The programme is designed to align North Macedonia's environmental policies and initiatives with EU standards, contributing to the country's economic, social, and environmental development. It emphasizes environmental protection, climate resilience, and sustainable development throughout its activities. The OP also aims to enhance regional connectivity, facilitate economic growth, and improve North Macedonia's readiness for EU accession in the environmental sector.

The **Multiannual Operational Programme on human capital** aims to enhance employment, social inclusion, and human capital development in North Macedonia. It focuses on three main areas of support:

- Employment and Labour Mobility: With a total budget of EUR 33,769,999 (68.0% of total OP budget), including EUR 26,486,667 EU contribution, this area aims to increase employment, especially for vulnerable groups, improve the quality of jobs, and enhance labour market institutions and services. Key activities include implementing active labour market measures, improving employment services, and supporting youth employment.
- Social Inclusion and reduction of poverty: This area has a total budget of EUR 13,050,000 (26.3% of total OP budget), including EUR 11,092,500 EU contribution. It focuses on improving social protection systems, promoting social inclusion of vulnerable groups, and reducing poverty. Main activities include enhancing social services, supporting deinstitutionalization, and improving access to social protection.
- Other Support: With a budget of EUR 2,848,042 (5.7% of total OP budget), including EUR 2,420,833 EU contribution, this area focuses on increasing North Macedonia's readiness for EU accession negotiations under Chapter 22. It aims to improve management, implementation and control of EU financial assistance, including through human capital development.

The total budget for the OP is EUR 49,668,041, with an EU contribution of EUR 40,000,000 (80.5% of total OP budget) and national co-financing of EUR 9,668,041 (19.5% of total OP budget).

The programme is designed to align North Macedonia's employment, social, and human capital development policies with EU standards, contributing to the country's economic and social development. It emphasizes inclusive growth, poverty reduction, and human capital enhancement throughout its activities. The OP also aims to improve labour market functioning, social inclusion, and North Macedonia's readiness for EU accession in the employment and social policy sector.

The **Multiannual Operational Programme (OP) on transport** for North Macedonia 2024-2027 is a comprehensive strategy aimed at enhancing the country's transport sector while addressing key objectives related to environment, disaster risk reduction, climate mitigation and adaptation. The programme falls under Window 3 (Green Agenda and Sustainable Connectivity) and Thematic Priority 2 (Transport, digital economy and society, and energy) of the IPA III framework.

The OP has three main areas of support:

- Rail Transport: With a total budget of EUR 30,050,000 (32.2% of total OP budget), including EUR 15,915,000 EU contribution, this area focuses on strengthening railway infrastructure capacity, safety, efficiency, sustainability and climate resilience to meet EU technical standards. Key activities include reconstructing/rehabilitating railway bridges on Corridor X and enhancing the capacities of national railway authorities in implementing rail policies and aligning with EU regulations.
- Road Transport: This is the largest area of support with a total budget of EUR 58,800,000 (63.0% of total OP budget), including EUR 30,050,000 EU contribution. It aims to improve safety, efficiency, climate resilience, and sustainable connectivity of road transport infrastructure on sections of TEN-T Corridors X, Xd, and VIII. Major projects include rehabilitating motorways A1, A2, and A4 in the "Skopje Triangle" area, and potentially constructing a new expressway section from Bitola to the Greek border. It also includes preparing technical documentation for future projects and strengthening national capacities in road management and safety.
- Other Support: With a budget of EUR 4,451,000 (4.8% of total OP budget), including EUR 4,035,000 EU contribution, this area focuses on increasing North Macedonia's readiness for EU accession negotiations under Chapter 22. It aims to improve management, implementation and control of EU financial assistance, including through human capital development.

The total budget for the OP is EUR 93,301,000, with an EU contribution of EUR 50,000,000 (53.6% of total OP budget) and national co-financing of EUR 43,301,000 (46.4% of total OP budget).

The programme is designed to align North Macedonia's transport policies and initiatives with EU standards, contributing to the country's economic, social, and environmental development. It emphasizes environmental protection, climate resilience,

and sustainable development throughout its activities. The OP also aims to enhance regional connectivity, facilitate economic growth, and improve North Macedonia's readiness for EU accession in the transport sector.

**Table 5: Financial Allocations by Operational Programme**

Operational Programme	IPA III Window	Thematic Priority	Area of Support	EU Contribution (EUR)	IPA III Beneficiary Co-financing (EUR)	Total Expenditure (EUR)
<b>OP ON ENVIRONMENT IN FAVOUR OF THE REPUBLIC OF NORTH MACEDONIA FOR 2024–2027</b>	Window 3	Thematic Priority 1	Area of support 1 – Water	33.773.500,00	11.226.500,00	45.000.000,00
			Area of support 2 – Waste	29.014.500,00	6.785.500,00	35.800.000,00
			Area of support 3: Other Support	7.212.000,00	1.288.000,00	8.500.000,00
<b>OP on environment in favour of the Republic of North Macedonia for 2024–2027 Total</b>				<b>70.000.000,00</b>	<b>19.300.000,00</b>	<b>89.300.000,00</b>
<b>OP ON HUMAN CAPITAL IN FAVOUR OF THE REPUBLIC OF NORTH MACEDONIA FOR 2024-2027</b>	Window 4	Thematic priority 1	Area of support 1: Employment and Labour Mobility	26.486.667,00	7.283.332,00	33.769.999,00
			Area of support 2: Social Inclusion and reduction of poverty	11.092.500,00	1.957.500,00	13.050.000,00
			Area of support 3: Other Support	2.420.833,00	427.209,00	2.848.042,00
<b>OP on human capital in favour of the Republic of North Macedonia for 2024-2027 Total</b>				<b>40.000.000,00</b>	<b>9.668.041,00</b>	<b>49.668.041,00</b>
<b>OP ON TRANSPORT IN FAVOUR OF THE REPUBLIC OF NORTH MACEDONIA FOR 2024-2027</b>	Window 3	Thematic Priority 2	Area of support 1: Rail Transport	15.915.000,00	14.135.000,00	30.050.000,00
			Area of support 2: Road Transport	30.050.000,00	28.750.000,00	58.800.000,00
			Area of support 3: Other Support	4.035.000,00	416.000,00	4.451.000,00
<b>OP on transport in favour of the Republic of North Macedonia for 2024-2027 Total</b>				<b>50.000.000,00</b>	<b>43.301.000,00</b>	<b>93.301.000,00</b>
<b>Grand Total</b>				<b>160.000.000,00</b>	<b>72.269.041,00</b>	<b>232.269.041,00</b>

### State Building and Resilience Contract - Annual IPA 2023 Programme

State and Resilience Building Contract to North Macedonia with the overall objective of mitigating the socio-economic impact of the rising energy prices and strengthening the country's capacity to deliver services to vulnerable households while supporting long-term energy security and transition.

The specific objectives are to accelerate the energy transition to a sustainable climate neutral economy and energy security, and to protect energy users from price increases. Key outputs include refining the strategic and legislative frameworks for energy policy, strengthening institutional capacity, improving access to finance for energy efficiency investments, ensuring continuity of public services, and enhancing protection systems for vulnerable groups. The action has a budget of EUR 80 million to be provided as direct budget support through two fixed tranches.

### Overview of WBIF Projects in North Macedonia by Sector

#### Energy Sector

The energy portfolio encompasses 13 projects with a total investment value of over EUR 1 billion. It includes completed projects like the Bogdanci Wind Park Phase 1 (EUR 58 million) and ongoing initiatives in renewable energy. The sector focuses heavily on renewable energy transition, with notable projects including solar power plants (Oslomej 1 & 2), wind parks, and hydropower facilities. The Cebren Hydropower Plant represents the largest single investment at EUR 553 million. Several gas interconnection projects with neighbouring countries (Greece, Kosovo, and Serbia) are also in development, aiming to diversify energy sources and improve regional connectivity.

#### Environment Sector

Four major environmental projects are underway, totalling approximately EUR 291 million in investments. The flagship project is the Skopje Wastewater Treatment Plant (EUR 139.1 million), which will serve 650,000 people. Two significant regional waste management systems are in preparation, collectively worth EUR 133.5 million, aimed at implementing EU-compliant waste services for over 1 million residents across multiple municipalities.

### **Social Sector**

The social infrastructure portfolio consists of two major implementation projects with a combined value of EUR 114.6 million. These include the reconstruction of penitentiary institutions (EUR 55.5 million) and the rehabilitation of healthcare provider institutions (EUR 59.1 million). The healthcare project alone will benefit approximately 90% of the population through improvements to 26 healthcare facilities<sup>1</sup>

### **Transport Sector**

The transport sector represents the largest investment area, with six major projects totalling over EUR 1.4 billion. The focus is primarily on railway modernization and corridor development, including the significant Bulgaria CVIII Rail Interconnection project (EUR 573.2 million). The projects aim to improve regional connectivity through the modernization of both rail and road infrastructure, with particular emphasis on the Orient/East-Med Corridor and Rail Corridor VII.

## ***Overview of Regional WBIF Projects in which North Macedonia Participates***

### **Digital Infrastructure**

In the digital sector, North Macedonia participates in the Balkans Digital Highway project, currently in preparation phase, with total financing of EUR 16.64 million, aiming to increase household access to ultrafast internet from 40% to 75% by utilizing existing Transmission System Operator infrastructure.

### **Energy**

The energy sector encompasses multiple completed studies including sustainable hydropower development (EUR 1.42 million grant), gas infrastructure development (EUR 1 million grant), renewable energy potential assessment (EUR 337,750 grant), voltage regulation improvements (EUR 1 million grant), and biomass heating optimization (EUR 875,000 grant), alongside four major Regional Energy Efficiency Programme (REEP) initiatives - three in implementation phase with combined financing of EUR 195.09 million, EUR 216.82 million, and EUR 190.9 million respectively, and one in preparation phase with proposed financing of EUR 535.4 million.

### **Environment**

In the environmental sector, North Macedonia has participated in one completed project - the Gap Analysis/Needs Assessment for implementing the EU Floods Directive in the Western Balkans, which was funded by a EUR 330,000 WBIF grant and focused on aligning regional flood management practices with EU standards.

### **Private Sector Development**

The private sector development portfolio includes two completed PPP strengthening projects (EUR 1 million and EUR 2 million grants respectively) and one ongoing Enterprise Development and Innovation Facility (WB EDIF) with total project value of EUR 294.1 million, including EUR 5.5 million in WBIF grants, supporting SMEs through equity financing and guarantee facilities.

### **Transport**

The transport sector features three significant projects: two completed studies - the Regional Connectivity Networks Gap Analysis (EUR 565,250 grant) and the Regional Transport Study update (EUR 600,000 grant), plus one implementing project - the Safe and Sustainable Transport Programme with total financing of EUR 494.8 million, comprising EUR 80 million in grants and EUR 413 million in loans, focused on improving transport safety and sustainability across the Western Balkans.

## ***IPA 2025-2027 Priorities***

For North Macedonia, the European Commission, in collaboration with country, has identified several priority areas across the four IPA III windows.

**Window 1: Rule of law, fundamental rights and democracy:** Plans to strengthen fight against organized crime and corruption through improved financial investigations, enhanced capacities of law enforcement agencies, and the development of a new national anti-corruption strategy are proposed. The aim is also to align its legislation on drugs and psychotropic

substances with EU and UN standards. Additionally, there are plans to enhance asset recovery processes and support judicial reform, focusing on judicial independence and fundamental rights protection.

**Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication:** In this window, proposed actions are to improve public financial management, particularly in public procurement. Aims are to enhance institutional coordination for corruption prevention and improve accountability in public administration. There's also a focus on supporting the EU accession process through improved implementation of the legal framework and increased public communication about EU membership benefits and obligations. Support for civil society and media is also planned under a separate Civil Society Facility and Media Programme.

**Window 3: Green agenda and sustainable connectivity:** The focus in this window is on digital transformation. Plans are put forward to support local and regional development through digitalization, streamline local economic development, and enhance digital skills. This action aims to complement ongoing regional projects and the digital Reform Agenda, with a particular emphasis on implementing the long-term information and communication technologies strategy (2021-2026).

**Window 4: Competitiveness and inclusive growth:** In this window, a comprehensive education reform action titled "EU for Modern Education and Skills" is proposed. This measure aims to address the skills mismatch in the country by developing a new education strategy with action plans, monitoring, and reporting systems. The action focuses on supporting inclusive and quality education, including teacher training, development of new curricula, and the inclusion of children with disabilities. It also targets capacity building in educational institutions to ensure effective implementation.

### ***Alignment of IPA Annual Actions 2021-2024 and Multiannual OPs 2024-2027 with EUSAIR Pillars***

#### **Pillar 1: Blue Growth**

The "EU for Economic Cohesion" action in 2024 demonstrates direct alignment with EUSAIR Pillar 1 by focusing on private sector development and building innovation ecosystems, corresponding to Action 1.1.1. The action emphasizes improving the legal, administrative, and operational framework for private sector growth, which aligns with EUSAIR's objectives of fostering sustainable economic development and innovation. However, other actions primarily focus on environmental protection and social cohesion, showing limited or no alignment with Pillar 1's specific goals related to blue growth and maritime activities.

#### **Pillar 2: Connecting the Region**

There is direct alignment with EUSAIR Pillar 2 through multiple actions. The 2024–2027 "Multiannual Operational Programme on Transport" aligns with Actions 2.2.2 and 2.2.3 by aiming to strengthen railway infrastructure and improve road networks to TEN-T standards, enhancing regional connectivity. The 2023 "State and Resilience Building Contract" aligns with Topics 2.4 and 2.5, specifically Actions 2.4.1, 2.5.1, and 2.5.2, by focusing on energy transition, renewable energy deployment, and energy efficiency. These actions directly correspond to EUSAIR's objectives of enhancing transport infrastructure and promoting sustainable energy networks, although some elements like digital transformation in transport show only complementary alignment.

#### **Pillar 3: Environmental Quality**

Several actions show direct alignment with EUSAIR Pillar 3. The 2021 "EU for Environmental Standards and Clean Air" action aligns with Actions 3.1.2 and 3.2.1–3.2.3 by targeting pollution reduction and improving air quality. The 2022 "EU for Modern Wastewater Systems" aligns with Action 3.1.2 by aiming to decrease water pollution through improved wastewater infrastructure. The 2021 "EU for Prespa" action aligns with Actions 3.1.2 and 3.2.3 by focusing on preserving the ecological system of the Prespa lake area and reducing pollution. The 2024–2027 "Multiannual Operational Programme on Environment" aligns with Actions 3.1.2 and 3.2.3 through initiatives on wastewater treatment, waste management, and GHG emissions reduction. These actions collectively demonstrate strong alignment with EUSAIR's objectives for improving environmental quality and reducing pollution.

#### **Pillar 4: Sustainable Tourism**

Direct alignment with EUSAIR Pillar 4 is evident in the 2021 "EU for Prespa" action, which aligns with Actions 4.3.1 and 4.3.2 by promoting sustainable tourism products and environmentally friendly economic activities in the Prespa lake area. The action supports sustainable tourism development and diversification, aligning with EUSAIR's goals of integrating tourism with environmental preservation. Other actions, such as "EU for Green Economy," show partial alignment by enhancing farmers' cooperation in supply chains, but overall, there is limited alignment with Pillar 4 in other actions.

#### **Pillar 5: Social Dimension (Improved Social Cohesion)**

Strong alignment with EUSAIR Pillar 5 is found in multiple actions. The 2022 "EU for Improved Health, Social Protection and Gender Equality" aligns with Actions 5.3.1 and 5.4.1 by focusing on gender equality, improving occupational safety and health, and enhancing social services. The 2024–2027 "Multiannual Operational Programme on Human Capital" aligns with Actions

5.1.2, 5.2.2, and 5.4.1 by aiming to boost youth employment through the Youth Guarantee, promote employment among vulnerable groups, and develop social and micro-enterprises. The 2023 "State and Resilience Building Contract" includes social protection measures for vulnerable energy users, showing complementary alignment with Pillar 5's objectives of social inclusion and protection. These actions collectively demonstrate strong alignment with EUSAIR's goals for improving social cohesion in the region.

**Table 6: Assessment of IPA Actions (Bilateral Annual for period 2021-2027 and Multi-annual OPS for Period 2024-2027) Against EUSAIR Pillars**

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR	
<b>2021</b>					
<b>ACTION 04 - EU FOR ENVIRONMENTAL STANDARDS AND CLEAN AIR</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change	Impact	To decrease the pollution-related risks to environment and human health	There is direct alignment with EUSAIR Actions under Pillar 3 (Environmental Quality), particularly Action 3.1.2 (reduction of pollution) and Actions 3.2.1-3.2.3 (terrestrial habitats and biodiversity). The IPA III action's focus on reducing pollution-related risks, improving air quality, and enhancing environmental legislation directly corresponds to these EUSAIR priorities. Specific outputs like "Green belts created" "Pollution reduction from heating systems and public transport," and "Industrial site clean-up" align with EUSAIR's goals for pollution reduction and environmental quality improvement. The IPA III action's emphasis on legislative alignment with EU acquis and institutional framework enforcement also shows direct alignment with EUSAIR's objectives for improved environmental governance. However, while the IPA III action includes comprehensive environmental management elements, it shows more limited alignment with EUSAIR's broader marine and coastal environment objectives. The focus is primarily on urban air quality and terrestrial environmental issues rather than marine protection. Therefore, while there is clear direct alignment in core environmental protection aspects, particularly regarding air quality and pollution reduction, the marine environmental components show only complementary alignment.	
		Outcome(s)	Improved air quality in large cities in North Macedonia Improved application of environmental legislation and standards in North Macedonia		
		Output(s)	Green belts created Institutional framework enforced Legislative framework better aligned with the EU acquis Planning and technical documentation for building the integrated waste management system for Skopje region prepared Pollution generated by the heating systems reduced Pollution generated by the public transport reduced Preconditions for expansion of the central district heating in Skopje established Small pond of OHIS industrial site cleaned-up		
		Impact	To promote the Green Agenda for the Western Balkans in the transboundary Prespa lake area in line with the "no persons and regions left behind" principle.		
		Outcome(s)	Enhanced cross-border cooperation Sustainable economic activities in Prespa area boosted The ecological system in Prespa lake area preserved and improved		
		Output(s)	Decreased pollution from human activities Established border crossing point with Greece Increased share of environmentally friendly agriculture Natural resources preserved and protected Strengthened strategic vision on the development of Prespa Transboundary Area Sustainable tourism products promoted and diversified		
		Impact	To improve the competitiveness of North Macedonia's economy		
		Outcome(s)	Greened, recovered and modernised economy		
		Output(s)	Enhanced cooperation and position of farmers in supply chain Established Greening Business Facility		
		Output(s)	Enhanced cooperation and position of farmers in supply chain Established Greening Business Facility		
<b>ACTION 05 - EU FOR PRESPA</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change	Impact	To promote the Green Agenda for the Western Balkans in the transboundary Prespa lake area in line with the "no persons and regions left behind" principle.	There is direct alignment with multiple EUSAIR Actions across different pillars. Under Pillar 3 (Environmental Quality), the IPA III action's focus on preserving the ecological system and natural resources, and decreasing pollution aligns directly with Actions 3.1.2 (reduction of pollution) and 3.2.3 (improving interaction between anthropic and natural ecosystems). Under Pillar 4 (Sustainable Tourism), there is direct alignment with Actions 4.3.1 and 4.3.2 through the IPA III outputs on sustainable tourism products and environmentally friendly agriculture. The cross-border cooperation element aligns with EUSAIR's transnational approach to environmental protection and sustainable development. The IPA III action's comprehensive approach to environmental protection, sustainable economic activities, and cross-border cooperation demonstrates strong operational and strategic alignment with EUSAIR's objectives for both environmental quality and sustainable tourism development. However, while the IPA III action includes elements of tourism development, it shows more limited alignment with EUSAIR's broader tourism digitalization goals. Therefore, while there is clear direct alignment in environmental protection and sustainable development aspects, the digital tourism components show only complementary alignment.	
Outcome(s)	Enhanced cross-border cooperation Sustainable economic activities in Prespa area boosted The ecological system in Prespa lake area preserved and improved				
Output(s)	Decreased pollution from human activities Established border crossing point with Greece Increased share of environmentally friendly agriculture Natural resources preserved and protected Strengthened strategic vision on the development of Prespa Transboundary Area Sustainable tourism products promoted and diversified				
Impact	To improve the competitiveness of North Macedonia's economy				
Outcome(s)	Greened, recovered and modernised economy				
Output(s)	Enhanced cooperation and position of farmers in supply chain Established Greening Business Facility				
Output(s)	Enhanced cooperation and position of farmers in supply chain Established Greening Business Facility				
<b>ACTION 06 - EU FOR GREEN ECONOMY</b>	Window 4 - Competitiveness and inclusive growth Thematic Priority 2 - Private sector development,	Impact	To improve the competitiveness of North Macedonia's economy		There is partial alignment with EUSAIR Actions under multiple pillars. The IPA III action's focus on greening the economy and enhancing farmers' cooperation in supply chains shows direct alignment with EUSAIR Actions 4.3.1 (Promoting Agritourism) and 4.3.3 (Promotion of Mediterranean Diet and local production). The establishment of a Greening Business Facility demonstrates partial alignment with Actions 2.5.1 and 2.5.2 related to renewable energy deployment and energy efficiency. However, while the IPA III action includes elements of green economy transition, it shows more limited alignment with EUSAIR's broader objectives for comprehensive environmental protection and sustainable
Outcome(s)	Greened, recovered and modernised economy				
Output(s)	Enhanced cooperation and position of farmers in supply chain Established Greening Business Facility				
Output(s)	Enhanced cooperation and position of farmers in supply chain Established Greening Business Facility				

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	trade, research and innovation			tourism development. The focus is primarily on economic competitiveness and modernization rather than integrated environmental and tourism development. Therefore, while there is partial alignment in areas of green business development and agricultural supply chains, the broader environmental and tourism components of EUSAIR show only complementary alignment with this IPA III action's more economically focused objectives.
<b>2022</b>				
<b>EU FOR MODERN WASTEWATER SYSTEMS</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change	Impact	To decrease water pollution	There is direct alignment with EUSAIR Action 3.1.2 (Reduction of pollution of the sea and inland/transition waters) under Pillar 3 (Environmental Quality). The IPA III action's focus on decreasing water pollution through improved wastewater collection and treatment infrastructure directly corresponds to EUSAIR's objectives for reducing pollution in inland waters. Specific outputs like rehabilitated sewerage systems and construction of wastewater treatment plants align with EUSAIR's goals for pollution reduction and water quality improvement. The IPA III action's emphasis on compliance with EU Directive 91/271/EEC also demonstrates alignment with EUSAIR's objectives for harmonizing environmental standards. However, while the IPA III action includes elements of GHG emissions management and water reclamation, it shows more limited alignment with EUSAIR's broader marine environment protection goals. The focus is primarily on municipal wastewater treatment rather than comprehensive marine ecosystem protection. Therefore, while there is clear direct alignment in water pollution reduction aspects, the marine environmental components show only complementary alignment.
		Outcome(s)	Improved wastewater collection and treatment infrastructure in the Municipalities of Shtip, Veles and Vinica in compliance with the Directive 91/271/EEC	
		Output(s)	Increase of GHG emissions due to the operation of the WWTPs partly offset	
			Sewerage systems in the municipalities of Shtip, Veles and Vinica rehabilitated/extended Stewardship of reclaimed streams of wastewater treatment for productive uses provided Wastewater treatment plants in Shtip and Veles built and operational	
<b>EU FOR IMPROVED HEALTH, SOCIAL PROTECTION AND GENDER EQUALITY</b>	Window 4 - Competitiveness and inclusive growth Thematic Priority 1. Education, employment, social protection and inclusion policies, and health	Impact	To improve the health and well-being and promote equal opportunities and access to quality employment and social protection for all	There is direct alignment with EUSAIR Actions under Pillar 5 (Improved Social Cohesion), particularly Action 5.3.1 (Enhance Strategy cooperation and exchange of best practices on Gender Equality and Quality of Employment) and Action 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). The IPA III action's focus on occupational safety and health (OSH), gender-based violence prevention, and improved social services directly corresponds to EUSAIR's objectives for gender equality, quality employment, and social innovation. Specific outputs like "Increased capacities for OSH legislation implementation" and "Increased availability of services for gender-based violence" align with EUSAIR's goals for improving employment quality and social protection. However, while the IPA III action includes comprehensive health system improvements, it shows more limited alignment with EUSAIR's broader regional cooperation goals. The focus is primarily on national-level health and social protection systems rather than macro-regional integration. Therefore, while there is clear direct alignment in social protection and gender equality aspects, the health system components show only complementary alignment with EUSAIR objectives.
		Outcome(s)	Improved OSH system and practices	
			Enhanced effectiveness of the system for prevention and protection of gender-based and domestic violence	
			Improved quality of social services	
		Output(s)	Improved state response to the major health threats in the country	
			Increased capacities for implementation, compliance and enforcement of the OSH legislation	
			Improved and upgraded OSH information system	
			Promoted positive OSH culture, practices and awareness	
			Increased availability and access to specialised and other essential social services for whoever experience gender-based violence	
			Strengthened monitoring and quality assurance of social services at all levels	
Improved maternal and neonatal health				
Improved prevention and control of oncological diseases				
Improved quality of data management				
<b>2023</b>				
<b>STATE AND RESILIENCE BUILDING CONTRACT</b>	Window 3 – Green Agenda and sustainable connectivity; Window 4 - Competitiveness	Impact	To mitigate the economic and social impact of the energy crisis in North Macedonia.	There is direct alignment with EUSAIR Actions under Topic 2.4 ("Future-proof" Energy networks) and Topic 2.5 (Green energy), particularly Actions 2.4.1 (Integrated power networks and market), 2.5.1 (Cooperation in deployment of renewable energy sources), and 2.5.2 (Improving energy efficiency). The IPA III action's focus on energy transition, climate neutrality, energy security, and protecting vulnerable energy users directly corresponds to these EUSAIR priorities. Specific outputs like "Legislative framework
			To set the basis for a sustainable economy based on climate resilient low-carbon principles	
		Outcome(s)	Accelerated energy transition to a sustainable climate neutral economy and energy security	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	and inclusive growth	<ul style="list-style-type: none"> <li>Induced Outputs <ul style="list-style-type: none"> <li>Institutional framework strengthened</li> <li>Legislative framework updated</li> <li>Strategic framework for the energy policy refined</li> <li>Enhanced system protecting the most vulnerable women, men and children and other energy users</li> <li>Ensured continuity in the delivery of public services to the population</li> <li>Improved access to finance for investments in energy efficiency and prosumers</li> </ul> </li> <li>Direct Outputs <ul style="list-style-type: none"> <li>Communication policy on energy sobriety put in place</li> <li>Enhanced policy dialogue on energy policy through the SWG on Energy, encompassing all stakeholders</li> <li>Fiscal space for reallocation of funds to vulnerable stakeholders created</li> <li>Implemented National Energy Action Plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The energy users are protected from the increase in energy prices</li> </ul>	updated" and "Strategic framework for energy policy refined" align with EUSAIR's goals for energy market integration and transition. The emphasis on energy efficiency investments and prosumer development shows direct alignment with EUSAIR's objectives for renewable energy deployment and energy efficiency improvement. However, while the IPA III action includes social protection elements for vulnerable energy users, these components show only complementary alignment with EUSAIR's broader energy market integration goals. The focus is primarily on crisis mitigation and social protection rather than comprehensive energy market development. Therefore, while there is clear direct alignment in core energy transition aspects, the social protection components show only complementary alignment with EUSAIR objectives.
<b>2024</b>				
<b>EU FOR ECONOMIC COHESION</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 2 - Transport, digital economy and society, and energy Window 4 - Competitiveness and inclusive growth Thematic Priority 2 - Private sector development, trade, research and innovation Thematic Priority 3 - Agriculture and rural development	<ul style="list-style-type: none"> <li>Impact</li> <li>Outcome(s)</li> <li>Output(s)</li> </ul>	<ul style="list-style-type: none"> <li>To contribute to unleashing sustainable economic potential of North Macedonia</li> <li>Accelerated business environment transformation and climate change-related structural reforms in the energy and agri-food sectors</li> <li>Strengthened strategic, institutional, and operational capacity for effective energy policy in response to climate change</li> <li>Improved legal, administrative, and operational framework for private sector development</li> <li>Enabled national policies for sustainable food system towards EU objectives for green agriculture</li> </ul>	There is direct alignment with multiple EUSAIR Actions across different pillars. Under Topic 2.4 ("Future-proof" Energy networks), the IPA III action's focus on strengthening energy policy capacity aligns with Actions 2.4.1 and 2.4.2 regarding energy transition and policy frameworks. The private sector development component shows direct alignment with Action 1.1.1 (Building innovation ecosystems) under Pillar 1. Furthermore, the sustainable food system output demonstrates strong alignment with Actions 4.3.1 and 4.3.3 regarding agritourism and sustainable local production. However, while the IPA III action includes elements of green transition and climate change response, it shows more limited alignment with EUSAIR's broader environmental protection goals. The focus is primarily on economic transformation and sector-specific reforms rather than comprehensive environmental initiatives. Therefore, while there is clear direct alignment in energy policy, private sector development, and agricultural aspects, the environmental components show only complementary alignment with EUSAIR objectives.
<b>2024-2027</b>				
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON TRANSPORT IN FAVOUR OF THE REPUBLIC OF NORTH</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 2: Transport, digital economy	<ul style="list-style-type: none"> <li>Impact</li> <li>Outcome(s)</li> </ul>	<ul style="list-style-type: none"> <li>To enhance regional economic development and social cohesion through a modern, sustainable and well-integrated transport infrastructure in North Macedonia</li> <li>Strengthened railway transport infrastructure capacity, safety, efficiency, sustainability and climate resilience by EU technical standards</li> <li>Improved safety, efficiency, climate resilience, and sustainable connectivity of road transport infrastructure on sections of TEN-T corridors X, Xd, and VIII</li> </ul>	There is strong direct alignment with EUSAIR Actions under Topic 2.2 (Multimodal connectivity), particularly Actions 2.2.2 (upgrade of rail network) and 2.2.3 (increase rail and road transport capacity and upgrade to TEN-T standards). The IPA III action's focus on strengthening railway infrastructure, improving road networks on TEN-T corridors, and enhancing transport safety and efficiency directly corresponds to these EUSAIR priorities. Specific outputs like "Railway network improved on Corridor X" and "Road network improved in 'triangle' area connecting TEN-T corridors" align perfectly with EUSAIR's

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>MACEDONIA FOR 2024-2027</b>	and society, and energy		Increased readiness of North Macedonia for EU accession negotiations under Chapter 22	goals for upgrading transport infrastructure to TEN-T standards. There is also partial alignment with Action 2.2.1 through the IPA III focus on capacity building and policy alignment with EU regulations. However, while the IPA III action includes comprehensive transport infrastructure development elements, it shows more limited alignment with EUSAIR's broader digital transformation goals in transport. The focus is primarily on physical infrastructure improvements rather than ICT integration. Therefore, while there is clear direct alignment in core transport infrastructure aspects, the digital connectivity components show only complementary alignment.
		Output(s)	Railway network improved on specific sections of Corridor X, incorporating climate resilience measures	
			Strengthened capacities within national railway authorities in effective implementation of rail policies and alignment with EU regulations	
			Road network improved in "triangle" area connecting TEN T corridor X and VIII	
			Selected roads transport infrastructure projects of national strategic importance mature and ready for investment by the EU standards	
			Improved road safety, maintenance, and road asset management policies in line with the EU regulations	
			Improved management, implementation and control of the EU financial assistance, including through development of human capital, in accordance with EU requirements and best practices	
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON ENVIRONMENT IN FAVOUR OF THE REPUBLIC OF NORTH MACEDONIA FOR 2024-2027</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 1: Environment and climate change	Impact	To enhance the implementation of the Green Agenda in North Macedonia	There is direct alignment with EUSAIR Actions under Pillar 3 (Environmental Quality), particularly Action 3.1.2 (reduction of pollution of the sea and inland/transition waters) and Action 3.2.3 (improving interaction between anthropic and natural ecosystems). The IPA III action's focus on wastewater treatment, waste management systems, and GHG emissions reduction directly corresponds to these EUSAIR priorities. Specific outputs like "Constructed wastewater collection and treatment infrastructure" and "Improved Integrated Waste Management System" align perfectly with EUSAIR's goals for reducing pollution and improving environmental quality. The emphasis on EU compliance and capacity building also shows partial alignment with Action 3.1.1 regarding environmental governance. However, while the IPA III action includes comprehensive environmental management elements, it shows more limited alignment with EUSAIR's broader marine environment protection goals. The focus is primarily on municipal wastewater and waste management rather than marine ecosystem protection. Therefore, while there is clear direct alignment in pollution reduction and waste management aspects, the marine environmental components show only complementary alignment.
		Outcome(s)	Reduced amount of untreated wastewater discharged into recipients and improved water management in compliance with EU requirements	
			Reduced environmental deterioration and increased recycling by improving the regional waste management system and ensuring compliance with EU requirements, including the reduction of GHG emissions	
			Increased readiness of North Macedonia for EU accession negotiations under Chapter 22	
		Output(s)	Constructed wastewater collection and treatment infrastructure meeting the requirements of the UWWT Directive, and GHG emission reduced	
			Public Communal Enterprises for management of newly constructed WWTP equipped	
			Improved Integrated Waste Management System in the East and Northeast Regions – phase II including reduction of GHG emissions	
	Improved management, implementation, and control of the EU financial assistance, including through development of human capital, in accordance with EU requirements and best practices			
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON HUMAN CAPITAL IN FAVOUR OF THE REPUBLIC OF NORTH MACEDONIA FOR 2024-2027</b>	Window 4: Competitiveness and Inclusive Growth Thematic priority 1: Education, employment, social protection and inclusion policies, and health	Impact	To promote equal opportunities, access to employment, and quality social protection for all	There is strong direct alignment with multiple EUSAIR Actions under Pillar 5 (Improved Social Cohesion). The IPA III action's focus on youth employment through Youth Guarantee implementation aligns perfectly with Action 5.1.2 (Boosting youth employment). The emphasis on vulnerable groups' employment and social inclusion shows direct alignment with Action 5.2.2 (Promoting employment opportunities through upskilling/reskilling for disadvantaged groups). The output on social dialogue and local employment partnerships corresponds to Action 5.3.1 (Gender Equality and Quality of Employment), while the focus on social enterprises aligns with Action 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). However, while the IPA III action includes comprehensive social inclusion elements, it shows more limited alignment with EUSAIR's broader regional cooperation goals. The focus is primarily on national-level implementation rather than macro-regional integration. Therefore, while there is clear
		Outcome(s)	Enhanced employment and employability of the labour force focusing on youth, women, and vulnerable groups	
			Improved social inclusion and the quality of social services, focusing on vulnerable groups	
			Increased readiness of North Macedonia for EU accession negotiations under Chapter 22	
		Output(s)	Improved employment outcomes of young people (15 -29) through the implementation of reinforced YG and improved capacities of ESA	
			Improved employment of vulnerable groups in the labour market through ALMPMSs and employment services	

Action title	Window	Action Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
			Boosted development of social and micro-enterprises for (self)employment among vulnerable groups, including focus on green and circular economy Promoted social dialogue and local employment partnerships Supported development of high-quality, affordable, and accessible social (care) services Improved social inclusion of Roma and impoverished people Improved management of EU financial assistance in the human capital sector in accordance with EU requirements and best practices	direct alignment in core employment and social inclusion aspects, the regional cooperation components show only complementary alignment.

**Table 7: Bilateral IPA 2025-2027 Proposed Actions**

Action/Measure title	Window	Action/Measure Brief explanation	Indicative timing
<b>EU Against organised crime and corruption</b>	Window 1: Rule of law, fundamental rights and democracy.	This action aims to ensure parallel financial investigations for cases of serious and organised crimes are conducted, improve the capacities of the National Coordination Centre for the Fight against Organised Crime, and strengthen the human and financial capacities of law enforcement agencies investigating organised and serious crimes, financial crimes and money laundering. It also aspires to contribute to the development of a new national anti-corruption strategy.	2026 TBC
<b>EU against drugs</b>	Window 1: Rule of law, fundamental rights and democracy.	This action aims to ensure the regular update of the list of narcotic drugs and psychotropic substances in compliance with EU and UN standards and to strengthen the capacities of the National Drugs Observatory. The overall aim is the advanced alignment with the acquis on national legislation on drugs, psychotropic substances and precursors where it does not comply with EU or international standards.	2026 TBC
<b>EU for Asset Recovery</b>	Window 1: Rule of law, fundamental rights and democracy.	This action aims to enhance the capacities of the State Commission for Prevention of Corruption (SCPC) for more effective verification of asset declarations and to contribute to the administrative capacities of the country to implement and maintain the result of the reforms under the Reform Agenda in this area.	2026 TBC
<b>EU for Judicial Reform</b>	Window 1: Rule of law, fundamental rights and democracy.	This action aims to support the efficient implementation of the (new) judicial reform strategy while also strengthening judicial independence, improving the legal framework for fundamental rights protection, and enabling the legislator to respect gender perspectives when developing legislation.	2026 TBC
<b>EU for stronger PFM</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	his action aims to increase competition in public procurement, reinforce the capacity of key institutions, and improve coordination among stakeholders to implement principles of transparency, free competition, equal treatment, and non-discrimination.	2026 TBC
<b>EU for Prevention of Corruption</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	This action aims to improve institutional coordination with the State Commission for Prevention of Corruption and law enforcement institutions to follow up on the findings of red flag reports.	2026 TBC
<b>EU for accountability in Public Administration</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	This action aims to improve the capacities of the Agency for Protection of the Right to Free Access to Public Information, strengthen the efficiency of financial inspections, ensure consistent application of the manual on managerial accountability, and improve the quality of regulatory impact assessments.	2026 TBC
<b>EU for more EU</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	This action aims to improve the implementation of the legal framework in practice, increase public support for the EU accession process, and ensure pro-active, clear, and consistent public communication regarding Union values, benefits, and obligations of potential Union membership.	2025-2027 if possible multiannual
<b>EU Civil Society Facility and Media Programme</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Separate action under the CSF and media component of the HQ financing decision	2026 TBC
<b>EU 4 Digital Transformation</b>	Window 3: Green agenda and sustainable connectivity	The measure focuses on supporting digital transformation in North Macedonia by complementing ongoing regional projects and the digital Reform Agenda. It aims to enhance local and regional development through digitalization, streamline local economic	2027

Action/Measure title	Window	Action/Measure Brief explanation	Indicative timing
		development, and support digital skills development. The long-term information and communication technologies strategy (2021–2026) needs to be supported with specific measures.	
<b>AD EU for Modern Education and Skills</b> <b>Revise and update the education system to address the skills mismatch in the country</b>	Window 4: Competitiveness and inclusive growth	This measure is complementary to the Reform Agenda, focusing on developing a new education strategy with action plans, monitoring, and reporting systems. It aims to address the skills mismatch by supporting inclusive and quality education, including teacher training, development of new curricula, and the inclusion of children with disabilities. It also targets capacity building in educational institutions to ensure effective implementation.	2025

**Table 8: Overview of WBIF Projects in North Macedonia by Sector**

Status	Investment	Completion (est)
<b>Energy</b>		
Completed	Bogdanci Wind Park Phase 1 Pilot Project	30.4.14
Implementation	North Macedonia - Serbia 400 kV Power Interconnection: Construction of Section Stip Substation - Serbia Border	21.1.16
	Albania – North Macedonia Power Interconnection: Grid Section in North Macedonia	11.6.23
	Oslomej 1 Solar Photovoltaic Power Plant	31.3.22
	Public Sector Energy Efficiency Project: Energy Efficiency Investments in Healthcare Buildings	30.9.25
Preparation	Zletovica Project: Electricity Production and Irrigation Components	n/a
	Cebren Hydropower Plant	n/a
	North Macedonia – Kosovo Gas Interconnection Pipeline	n/a
	Strengthening the Transmission Network in the Southeast Region of North Macedonia	1.12.27
	North Macedonia - Serbia Gas Interconnection	31.1.30
	Oslomej 2 and Bitola Solar Photovoltaic Power Plants	30.9.25
	Project of Mutual Interest: North Macedonia – Greece Gas Interconnector	31.3.26
Tendering	Bogdanci Wind Park Phase 2	31.7.26
	Rehabilitation of Six Hydropower Plants Phase 3	31.12.26
<b>Environment</b>		
Implementation	Water and Sewerage Programme	31.12.21
	Skopje Wastewater Treatment Plant	31.12.27
Preparation	Regional Waste Management System for Vardar and Southeast Region	30.8.26
	Regional Waste Management System for Polog, Pelagonija, Vardar, Southwest and Southeast Regions	31.1.25
<b>Social</b>		
Implementation	Reconstruction of Penitentiary Institutions	30.6.23
	Rehabilitation of Healthcare Provider Institutions Phase 2	31.12.23
	Construction of Physical Education Facilities in Primary Schools and Rehabilitation of Primary and Secondary Schools Phases 1 & 2	30.5.25
	Rehabilitation of Healthcare Provider Institutions Phase 1	30.6.21
<b>Transport</b>		
Completed	Orient/East-Med Corridor: North Macedonia – Bulgaria CVIII Road Interconnection, Kriva Palanka – Deve Bair Section	31.12.23
Implementation	Orient/East-Med Corridor: Construction of Rail Corridor VIII in North Macedonia, Kumanovo - Kriva Palanka Sections	31.12.26
	Orient/East-Med Corridor: North Macedonia – Kosovo Road Interconnection, Blace – Skopje (Stenkovec Interchange) Motorway Section	29.12.28
	Corridor VIII: Cut-Slopes Stabilisation on Express Road A2, Kriva Palanka – Stracin Section in North Macedonia	30.9.25
	Orient/East-Med Corridor: North Macedonia – Serbia Rail Interconnection, Tabanovce Joint Border Station	29.1.27
Preparation	Orient/East-Med Corridor (Rail CX): Modernisation of Tabanovce - Gevgelija Railway Line	n/a
	Modernisation of Skopje - Kicevo Railway Line on Corridor VIII	n/a

Status	Investment	Completion (est)
Tendering	Rail Corridor VIII: Struga (North Macedonia) – Lin (Albania) Section	n/a
	Rail Corridor X Track Renewal and Reconstruction	28.6.30
	Orient/East-Med Corridor: North Macedonia – Albania CVIII Road Interconnection, Bukojcani – Kicevo Subsection	31.12.27
	Orient/East-Med Corridor: North Macedonia – Bulgaria CVIII Rail Interconnection, Kriva Palanka – Border with Bulgaria Section	30.11.29

**Table 9: Overview of Regional WBIF Projects in which North Macedonia Participates**

Status	Investment	Beneficiary	Completion (est)
<b>Digital infrastructure</b>			
<b>Preparation</b>	Balkans Digital Highway	Albania Kosovo* North Macedonia Montenegro	28.12.28
<b>Energy</b>			
<b>Completed</b>	Regional Strategy for Sustainable Hydropower in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.18
	Regional Study – Consortium approach to developing the Gas to Power Initiative and the Energy Community (EnC) Gas Ring in SEE	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.18
	Regional Study on Renewable Energy Potential and Energy Efficiency	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	28.2.20
	Regional Study on Voltage Regulation in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.1.21
	Sector Study on Biomass-based Heating in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.7.18
<b>Implementation</b>	Establishment of a Regional Energy Efficiency Programme (REEP)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	30.9.22
	Regional Energy Efficiency Programme - REEP Plus	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.25
	Regional Energy Efficiency Programme - REEP Plus Replenishment	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.28
<b>Preparation</b>	Regional Energy Efficiency Programme - REEP Extension	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.32
<b>Environment</b>			
<b>Completed</b>	Gap Analysis/Needs Assessment in the Context of Implementing the EU Floods Directive in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	24.9.15
<b>Private sector development</b>			
<b>Completed</b>	PPP Institutional Strengthening in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.10.14
	Strengthening the Capacity of the Public Sector to Undertake PPPs	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.19
<b>Implementation</b>	Establishment of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	n/a
<b>Transport</b>			
<b>Completed</b>	Regional Connectivity Networks Gap Analysis	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.19
	Update of the Regional Transport Study (REBIS)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.15
<b>Implementation</b>	Safe and Sustainable Transport Programme (SSTP)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.12.28

## Country-Specific Analysis: Serbia

### Bilateral Annual Country Programmes (2021-2024)

The table 1 provides a detailed overview of the financial allocations for **Serbia** under the Instrument for Pre-accession Assistance (IPA) III for the period 2021-2024.

The total budget for this period is EUR 616.79 million, which is allocated across various thematic priorities and actions to support Serbia's progression towards EU integration.

The financial allocations for Serbia are distributed over multiple years, focusing on different windows and thematic priorities:

- **2021:** The total budget was EUR 159.84 million, with substantial allocations across three key windows. Window 2 received EUR 31.5 million, focusing on governance and administrative capacity. The largest allocation was made to Window 3 (EUR 100.7 million), which targeted transportation, digital economy, and environmental sustainability. Window 4 received EUR 27.64 million, primarily for private sector development and rural innovation.
- **2022:** The total allocation increased to EUR 198.05 million. The largest portion went to Window 3 (EUR 107.5 million) for environmental and climate change initiatives. Window 1 received EUR 35.15 million, with significant focus on judiciary reforms and fundamental rights, while Window 2 was allocated EUR 46.9 million for governance and administrative capacity improvements.
- **2023:** The budget allocated was EUR 165 million, with the entire amount directed towards Window 3 and Window 4, focusing on state and resilience-building contract (budget support for energy crisis).
- **2024:** The budget for this year was EUR 93.9 million, spread across multiple thematic areas, with significant allocations to administrative capacity, economic development, and education reform under Window 2 and Window 4.

Thematic priorities in Serbia reflect the country's needs in governance, environmental sustainability, and socio-economic development:

- **Governance and Administrative Capacity:** This area was a major focus, particularly in 2021 and 2022. In 2021, EUR 15.2 million was allocated under Window 2 for governance reforms. In 2022, EUR 39 million was directed towards good governance and public administration reform, reflecting the EU's emphasis on strengthening Serbia's institutional frameworks.
- **Environment and Climate Change:** Environmental initiatives received substantial funding, particularly in 2021 and 2022. In 2021, EUR 79.5 million was allocated under Window 3 for environmental and connectivity projects, while in 2022, EUR 107.5 million was dedicated to speeding up the implementation of the Green Agenda.
- **Judiciary and Fundamental Rights:** These thematic priorities were strongly supported in 2022, with EUR 30 million allocated under Window 1 for judiciary reforms and EUR 5.15 million for fundamental rights, indicating a strong focus on improving the rule of law in Serbia.

The tables 1 and 2 details specific actions associated with each thematic priority and their respective budgets:

- **EU for Connectivity and Green Agenda:** This action was the largest allocation in 2021, receiving EUR 100.7 million, with EUR 63.2 million co-financed by the EU. This highlights the EU's commitment to enhancing Serbia's infrastructure and environmental sustainability.
- **EU Support to Speed Up the Implementation of the Green Agenda in Serbia:** In 2022, this action received EUR 107.5 million, with substantial national co-financing of EUR 34.7 million, reflecting Serbia's proactive role in advancing its Green Agenda.
- **Sector Reform Performance Contract for Justice Reform:** In 2022, EUR 30 million was allocated for this action, underscoring the EU's focus on strengthening judicial reforms in Serbia.
- **State and Resilience Building Contract:** In 2023, EUR 99 million was dedicated to building state resilience, crucial for Serbia's long-term stability and development.

**Table 1: IPA 2021-2024 Financial Allocations by Window, Thematic Priority and Action**

Year	Total Budget per Annual Programme	IPA III PFW Window	Window Budget	IPA III PFW Thematic Priority	Thematic Priority Budget	Action title	Action Budget
2021	159.840.000,00	Window 2	31.500.000,00	Thematic Priority 1 - Good governance	15.200.000,00	EU Integration Facility	15.200.000,00

				Thematic priority 2 - Administrative capacity and acquis alignment	16.300.000,00		16.300.000,00
		Window 3	100.700.000,00	Thematic Priority 1 - Environment and climate change	79.500.000,00	EU for Connectivity and Green Agenda	79.500.000,00
				Thematic Priority 2 - Transport, digital economy and society, and energy	21.200.000,00		21.200.000,00
		Window 4	27.640.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	12.000.000,00	EU for Enabling a More Responsive Healthcare System	12.000.000,00
				Thematic Priority 2 - Private sector development, trade, research and innovation	8.000.000,00	EU for Sustainable Economy, Agriculture and Rural Development	8.000.000,00
				Thematic Priority 3 - Agriculture and rural development	7.390.000,00		7.390.000,00
				Thematic Priority 4 - Fisheries	250.000,00		250.000,00
2022	198.050.000,00	Window 1	35.150.000,00	Thematic priority 1 - Judiciary	30.000.000,00	Sector Reform Performance Contract for Justice Reform	30.000.000,00
				Thematic priority 5 - Fundamental rights	5.150.000,00	EU support to Fundamental Rights	5.150.000,00
		Window 2	46.900.000,00	Thematic Priority 1 - Good governance	39.041.500,00	EU Integration Facility Sector Budget Support for PAR	9.041.500,00 30.000.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	7.858.500,00	EU Integration Facility	7.858.500,00
		Window 3	107.500.000,00	Thematic Priority 1 - Environment and climate change	107.500.000,00	EU Support to Speed up the Implementation of the Green Agenda	107.500.000,00
		Window 4	8.500.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	8.500.000,00	EU for Inclusive Growth through Improved Social Service Provision and Quality Systems for Labour and Education	8.500.000,00
2023	165.000.000,00	Window 3; Window 4	165.000.000,00	Various		State and Resilience Building Contract	99.000.000,00
2024	93.895.000,00	Window 1	4.895.000,00	Thematic priority 1 - Judiciary	2.447.500,00	EU for Rule of Law	2.447.500,00
				Thematic priority 5 - Fundamental rights	2.447.500,00		2.447.500,00
		Window 2	36.500.000,00	Thematic Priority 1 - Good governance	18.060.000,00	EU for Good Governance	18.060.000,00
				Thematic priority 2 - Administrative capacity and acquis alignment	18.440.000,00		EU Integration Facility
		Window 4	52.500.000,00	Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	30.000.000,00	Sector Reform Contract for Education Reform in Serbia	30.000.000,00
				Thematic Priority 2 - Private sector development, trade, research and innovation	16.875.000,00	EU for Green Economic Development	16.875.000,00

			Thematic Priority 3 - Agriculture and rural development	5.625.000,00		5.625.000,00
616.785.000,00						

**Table 2: IPA 2021-2024 Co-financing**

Year	Action Title	Total Financing per Action	National Co-financing per Action	EU Co-financing per Action
2021	EU for Connectivity and Green Agenda	100.700.000,00	37.500.000,00	63.200.000,00
	EU for Enabling a More Responsive Healthcare System	12.000.000,00	0,00	12.000.000,00
	EU for Sustainable Economy, Agriculture and Rural Development	15.640.000,00	0,00	15.640.000,00
	EU Integration Facility	31.500.000,00	200.000,00	31.300.000,00
	<b>Total 2021</b>	<b>159.840.000,00</b>	<b>37.700.000,00</b>	<b>122.140.000,00</b>
2022	EU for Inclusive Growth through Improved Social Service Provision and Quality Systems for Labour and Education	8.500.000,00	0,00	8.500.000,00
	EU Integration Facility	16.900.000,00	1.000.000,00	15.900.000,00
	EU support to Fundamental Rights	5.150.000,00	150.000,00	5.000.000,00
	EU Support to Speed up the Implementation of the Green Agenda in Serbia	107.500.000,00	34.700.000,00	72.800.000,00
	Sector Budget Support for Public Administration Reform	30.000.000,00	0,00	30.000.000,00
	Sector Reform Performance Contract for Justice Reform	30.000.000,00	0,00	30.000.000,00
	<b>Total 2022</b>	<b>198.050.000,00</b>	<b>35.850.000,00</b>	<b>162.200.000,00</b>
2023	State and Resilience Building Contract	165.000.000,00	0,00	165.000.000,00
	<b>Total 2023</b>	<b>165.000.000,00</b>	<b>0,00</b>	<b>165.000.000,00</b>
2024	EU for Good Governance	21.000.000,00	130.000,00	20.870.000,00
	EU for Green Economic Development	22.500.000,00	10.000.000,00	12.500.000,00
	EU for Rule of Law	4.895.000,00	395.000,00	4.500.000,00
	EU Integration Facility	15.500.000,00	0,00	15.500.000,00
	Sector Reform Contract for Education Reform in Serbia: Towards Quality Education and Lifelong Learning for Improved Employability	30.000.000,00	0,00	30.000.000,00
	<b>Total 2024</b>	<b>93.895.000,00</b>	<b>10.525.000,00</b>	<b>83.370.000,00</b>
		<b>616.785.000,00</b>	<b>84.075.000,00</b>	<b>532.710.000,00</b>

The two tables below (3 and 4) provide a detailed breakdown of the budget allocations for Serbia, focusing on both implementation arrangements and management. In the first table, which addresses Implementation Arrangements and Modality, most of the budget (44,25%) is allocated to procurement and (40,10%) to SBS.

Other allocations include grants (7,05%) and IMEE (8,60%), The total budget for implementation modalities stands at EUR 614.785.000,00.

The second table, which focuses on Implementation Management, shows that direct management consumes 69,32% of the budget, compared to 30,68% allocated to indirect management.

**Table 3: Implementation Arrangements and Modality**

	Total Budget Amount	% of Total
Grants	43.350.000,00	7,05%
IMEE	52.895.000,00	8,60%
Procurement	272.040.000,00	44,25%
SBS	246.500.000,00	40,10%
<b>Grand Total</b>	<b>614.785.000,00</b>	<b>100,00%</b>

**Table 4: Implementation Management**

	Total Budget Amount	% of Total
Direct management	426.150.000,00	69,32%
Indirect management	188.635.000,00	30,68%
<b>Grand Total</b>	<b>614.785.000,00</b>	<b>100,00%</b>

### **Bilateral Multiannual Operational Programmes (2024-2027)**

The **Operational Programme (OP) on Employment, Skills, and Social Inclusion** aims to improve the livelihoods of young and vulnerable people by supporting their employment, development of skills, and social inclusion. It falls under Window 4 of IPA III and focuses on Thematic Priority 1: Education, employment, social protection and inclusion policies, and health.

The total budget for the OP is EUR 126.93 million, with EUR 100 million (78.8%) coming from EU funds and EUR 26.93 million (21.2%) from national co-financing.

The OP has three main areas of support:

- **Employment and Skills** (EUR 71.23 million, 56.1% of total budget): This area aims to enhance employment prospects of youth and other vulnerable groups and improve the flexibility and relevance of the education system for employability. Key activities include implementing the Youth Guarantee, strengthening capacities for youth policy, supporting social entrepreneurship, and improving the National Qualifications Framework.
- **Social Inclusion** (EUR 44.2 million, 34.8% of total budget): This area focuses on providing housing solutions for sustainable communities and improving access to quality social services for vulnerable groups. Activities include developing social housing units, transforming institutions for children without parental care into family-oriented centres, and strengthening capacities for integrated community-based services.
- **Other Support** (EUR 11.5 million, 9.1% of total budget): This area aims to establish conditions for successful realization of the OP. It includes strengthening administrative capacities of relevant institutions, supporting partners' participation, and ensuring effective implementation, communication, visibility, and evaluation of the programme.

The OP aligns with Serbia's commitments under the European Pillar of Social Rights and supports the country's EU accession process, particularly regarding Chapters 19 (Social Policy and Employment) and 26 (Education and Culture).

The **Operational Programme on Environment and Energy** sectors for Serbia 2024-2027: aims to promote the green agenda in Serbia by reinforcing environmental protection, contributing to climate change mitigation and adaptation, and accelerating the shift towards a low-carbon, circular economy. It falls under Window 3 of IPA III and focuses on two thematic priorities: Environment and Climate Change, and Transport, Digital Economy and Energy.

The total budget for the OP is EUR 325.2 million, with EUR 240 million (73.8%) coming from EU funds and EUR 85.2 million (26.2%) from national co-financing.

The OP has three main areas of support:

- **Waste and Water Management** (EUR 141.9 million, 43.6% of total budget): This area aims to improve integrated and sustainable waste management systems and advance water management in line with EU standards. Key activities include developing waste management infrastructure in selected regions, strengthening institutional capacities, and improving water infrastructure in local self-governments.
- **Air Quality and Energy Efficiency** (EUR 140 million, 43.1% of total budget): This area focuses on reducing air pollution and greenhouse gas emissions through energy efficiency renovations of buildings and improvements in heating/cooling systems. Activities include renovating public and residential buildings to higher energy performance standards and replacing inefficient systems with more efficient, less polluting alternatives.
- **Other Support** (EUR 43.3 million, 13.3% of total budget): This area aims to strengthen administrative capabilities for implementing the OP and enforcing relevant EU acquis. It includes support for project preparation, capacity building for OP management, and improving institutional capacities for implementing environmental and energy policies.

The OP aligns with Serbia's commitments under the Green Agenda for the Western Balkans and supports the country's EU accession process, particularly regarding Chapters 15 (Energy) and 27 (Environment).

**Table 5: Financial Allocations by Operational Programme**

Operational Programme	IPA III Window	Thematic Priority	Area of Support	Sum of EU Contribution (EUR)	Sum of IPA III Beneficiary Co-financing (EUR)	Sum of Total Expenditure (EUR)
<b>OP on Employment, Skills, and Social Inclusion in favour of the Republic of Serbia for 2024-2027</b>	Window 4	Thematic priority 1	Area of Support 1: Employment and Skills	55.450.000,00	15.780.000,00	71.230.000,00
			Area of Support 2: Social Inclusion	34.850.000,00	9.350.000,00	44.200.000,00
			Area of support 3: Other Support	9.700.000,00	1.800.000,00	11.500.000,00
<b>OP on Employment, Skills, and Social Inclusion in favour of the Republic of Serbia for 2024-2027 Total</b>				<b>100.000.000,00</b>	<b>26.930.000,00</b>	<b>126.930.000,00</b>
<b>OP on environment and energy sectors in favour of the Republic of Serbia 2024-2027</b>	Window 3	Thematic Priority 1	AREA OF SUPPORT 1: WASTE AND WATER MANAGEMENT	109.000.000,00	32.900.000,00	141.900.000,00
			AREA OF SUPPORT 2: AIR QUALITY AND ENERGY EFFICIENCY	94.200.000,00	45.800.000,00	140.000.000,00
			Area of support 3: Other Support	36.800.000,00	6.500.000,00	43.300.000,00

<b>OP on environment and energy sectors in favour of the Republic of Serbia 2024-2027 Total</b>	<b>240.000.000,00</b>	<b>85.200.000,00</b>	<b>325.200.000,00</b>
<b>Grand Total</b>	<b>340.000.000,00</b>	<b>112.130.000,00</b>	<b>452.130.000,00</b>

### **State Building and Resilience Contract - Annual IPA 2023 Programme**

State Building and Resilience Contract from IPA 2023 aims to mitigate the immediate socio-economic impact of the energy crisis and improve energy resilience in Serbia through a State and Resilience Building Contract. The specific objectives are to counteract the short-term negative impacts of the crisis on vulnerable customers (households and SMEs) and support Serbia's green energy transition to increase energy security. Key outputs include implementing support measures for vulnerable groups, conducting activities to ensure energy supply security, and taking steps to adopt a strategic framework for energy sector reforms. The action has a budget of EUR 165 million to be provided as direct budget support through two fixed tranches.

### **Overview of WBIF Projects in Serbia by Sector**

#### **Digital Infrastructure**

Only one major project is currently in implementation: the Next Generation Broadband Connectivity for Rural Schools. With a total investment of EUR 155.21 million, this project aims to improve broadband infrastructure and school connectivity in rural areas, providing high-speed fiber connectivity to schools in underserved "white zones" and ensuring nearby settlements gain access to modern networks.

#### **Energy Sector**

The energy sector comprises 13 projects with a combined investment value of approximately EUR 929 million. Three projects are completed, including the Serbia-Bulgaria Gas Interconnector (EUR 91.1M) and the Trans-Balkan Electricity Corridor's Kragujevac-Kraljevo section (EUR 29.75M). Two projects are in implementation, including the Kostolac Wind Farm (EUR 145.06M) and Energy Efficiency Programme in Public Buildings. Seven projects are in preparation, focusing on renewable energy, transmission infrastructure, and energy efficiency. Notable preparation projects include solar power plants at Kolubara and Morava, and district heating improvements in Novi Sad. One project is in tender phase - the rehabilitation of Bistrica Hydropower Plant (EUR 40.89M).

#### **Environment Sector**

The environment sector includes seven projects totalling approximately EUR 451 million. One project is completed (Wastewater Collection and Treatment for Vranje and Krusevac), five are in preparation, and one is in tendering. The largest project is the Flood Risk Management Programme (EUR 250.01M). Projects focus on flood protection, wastewater treatment, and waste management. The sector includes significant initiatives such as the Struganik Dam construction and municipal waste management improvements in Novi Sad.

#### **Social Sector**

Nine social sector projects amount to approximately EUR 964 million. Two projects are completed, including prison modernization in Kragujevac and Pancevo. Six projects are in implementation, including the significant Public Sector Research and Development project (EUR 427.58M) and the University Children's Hospital Tirsova 2 (EUR 164.12M). One project is in preparation - the VMA Hospital rehabilitation. Projects cover diverse areas including education, healthcare, judicial infrastructure, and municipal development.

#### **Transport Sector**

The transport sector represents the largest investment area with 11 major projects totalling approximately EUR 4.77 billion. Three projects are in implementation, including the significant Orient/East-Med Corridor railway projects. Six projects are in preparation, including major railway modernization efforts and port development. Two projects are in tendering phase. The sector focuses heavily on railway infrastructure modernization, particularly along the Orient/East-Med Corridor, and includes projects such as the Belgrade-Niš railway line and the Rhine-Danube Corridor improvements.

### **Overview of Regional WBIF Projects in which Serbia Participates**

#### **Energy Sector**

Serbia participates in 9 regional energy projects, with a combined known financing of over EUR 1.12 billion. These include completed studies on hydropower, gas infrastructure, renewable energy, voltage regulation, and biomass heating. The most significant ongoing initiatives are the Regional Energy Efficiency Programmes (REEP), with multiple phases extending until 2032. The REEP projects alone account for over EUR 1 billion in combined grants and loans, targeting energy efficiency in public and private buildings. Notable achievements include energy savings of 964,000 MWh/year and 121 MW of renewable energy capacity installed through REEP initiatives.

### Environment Sector

Three completed regional environmental projects involve Serbia, with a total investment of approximately EUR 23.5 million. These focus on flood management and water resources, including the Drina River Basin project (EUR 21.2 million) and initiatives for the Sava River Basin (EUR 2 million). The projects primarily address flood risk management, drought mitigation, and water resource management across shared river basins.

### Private Sector Development

Serbia is involved in three private sector development initiatives, including two completed PPP strengthening projects (totalling EUR 3 million in grants) and the ongoing Western Balkan Enterprise Development and Innovation Facility (WB EDIF) with a substantial total project value of EUR 294.1 million. These projects aim to enhance public-private partnerships and support SMEs in the region.

### Social Sector

One completed regional housing project involves Serbia - the Regional Housing Programme (RHP) - with a EUR 225,000 WBIF grant. This initiative provides housing solutions for refugees and displaced persons across multiple countries, with the EU contributing about 90% of the funding.

### Transport Sector

Serbia participates in three regional transport projects, with a total known financing of approximately EUR 495.9 million. Two completed studies focused on connectivity networks and transport analysis. The major ongoing initiative is the Safe and Sustainable Transport Programme (SSTP) with EUR 494.8 million in total financing (EUR 80 million in grants and EUR 413 million in loans), focusing on transport safety improvements and sustainable infrastructure development.

## IPA 2025-2027 Priorities

For Serbia, the European Commission, in collaboration with country, has identified several priority areas across the four IPA III windows.

**Window 1: Rule of law, fundamental rights and democracy:** Proposed actions include reforming the justice system, improving the fight against corruption, combating organized and serious crime, addressing security and migration challenges, enhancing fundamental rights protection, supporting civil society and media, and strengthening democratic institutions. Key measures involve supporting independent judicial bodies, developing anti-corruption strategies, strengthening law enforcement capacities, and enhancing border management.

**Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication:** Proposed actions focus on improving governance at both central and local levels. This includes developing competency-based civil service policies, supporting local development and integrated territorial investments, implementing communication strategies related to EU accession, and aligning national legislation with EU acquis, particularly in areas such as food safety and environmental protection.

**Window 3: Green agenda and sustainable connectivity:** The proposed actions are aimed at supporting the implementation of the Green Agenda, including nature protection, climate strategy implementation, and alignment with environmental acquis. In the transport and energy sectors, plans are put forward to develop a Transport Master Plan, support sustainable transport initiatives, enhance electricity and gas market reforms, and potentially support the sustainable supply and use of critical raw materials.

**Window 4: Competitiveness and inclusive growth:** No specific actions were detailed for this window in the provided information for Serbia.

## Alignment of IPA Annual Actions 2021-2024 and Multiannual OPs 2024-2027 with EUSAIR Pillars

### Pillar 1: Blue Growth

The actions "EU for Sustainable Economy, Agriculture and Rural Development" and "EU for Green Economic Development" partially align with EUSAIR Pillar 1. The former focuses on sustainable, resilient, and competitive fisheries, corresponding to Action 1.2.1, by enhancing market development and sector competitiveness in fisheries. The latter aligns with Action 1.1.1 through its emphasis on green solutions and technological improvements for MSMEs, supporting the building of innovation ecosystems. These actions contribute to Pillar 1's objectives of promoting sustainable fisheries and fostering innovation. However, other actions listed primarily address environmental protection and social cohesion, showing limited alignment with the maritime and blue growth activities specific to Pillar 1.

### **Pillar 2: Connecting the Region**

Several actions demonstrate direct alignment with EUSAIR Pillar 2. The "EU for Connectivity and Green Agenda" action aligns with Actions 2.2.2 and 2.2.3 by improving transport sector maintenance and rail passenger services, enhancing multimodal connectivity and upgrading transport capacity. The "State and Resilience Building Contract" aligns with Actions 2.4.1, 2.5.1, and 2.5.2 by focusing on energy security, renewable energy implementation, and energy efficiency, supporting integrated power networks and promoting green energy. Additionally, the "Multiannual Operational Programme on Environment and Energy Sectors" aligns with Pillar 2 through its focus on energy efficiency improvements and infrastructure development in heating and cooling systems. These actions align closely with Pillar 2's objectives of enhancing transport infrastructure, improving energy networks, and promoting sustainable connectivity within the region.

### **Pillar 3: Environmental Quality**

Multiple actions show direct alignment with EUSAIR Pillar 3. The "EU for Connectivity and Green Agenda" action aligns with Actions 3.1.2 and 3.2.3 by focusing on environmental protection infrastructure and compliance with Chapter 27 obligations, aiming to reduce pollution and enhance environmental standards. The "EU Support to Speed Up the Implementation of the Green Agenda in Serbia" action aligns with Actions 3.1.2 and 3.2.3 by enhancing institutional capacities for climate change adaptation and environmental protection infrastructure. The "Multiannual Operational Programme on Environment and Energy Sectors" aligns with Pillar 3 through its focus on reducing air pollution, improving waste management systems, and advancing water management infrastructure. These actions support Pillar 3's objectives of reducing pollution and improving environmental quality, although they primarily address terrestrial environmental issues rather than marine environmental protection.

### **Pillar 4: Sustainable Tourism**

The actions "EU for Sustainable Economy, Agriculture and Rural Development" and "EU for Green Economic Development" align with EUSAIR Pillar 4 by focusing on agricultural development, market integration, and sustainable agricultural practices, corresponding to Actions 4.3.1 (Promoting Agritourism) and 4.3.3 (Promotion of Mediterranean Diet and local production). These actions support the promotion of agritourism and sustainable local production, aligning with Pillar 4's objectives of integrating agriculture with sustainable tourism development. However, other actions listed have limited alignment with Pillar 4, as they primarily concentrate on environmental compliance, economic competitiveness, and do not directly address sustainable tourism or cultural heritage integration.

### **Pillar 5: Social Dimension (Improved Social Cohesion)**

Several actions demonstrate strong alignment with EUSAIR Pillar 5. The "EU for Inclusive Growth through Improved Social Service Provision and Quality Systems for Labour and Education" action aligns with Actions 5.2.1 and 5.2.2 by improving labour market functioning, enhancing educational outcomes, and promoting inclusive labour systems. The "Sector Reform Contract for Education Reform in Serbia" aligns with Actions 5.2.1 and 5.2.2 by focusing on improving the relevance of education to labour market needs, developing curricula for green economy skills, and enhancing lifelong learning opportunities. The "Multiannual Operational Programme on Employment, Skills, and Social Inclusion" aligns with Actions 5.1.2, 5.2.1, and 5.2.2 by concentrating on youth employment through the Youth Guarantee, improving skills development, and supporting vulnerable groups through social entrepreneurship. These actions contribute significantly to Pillar 5's objectives of promoting employment opportunities, developing harmonized skills policies, and enhancing social inclusion, even though they primarily focus on national-level implementation rather than macro-regional cooperation.

**Table 6: Assessment of IPA Actions (Bilateral Annual for period 2021-2027 and Multi-annual OPS for Period 2024-2027) Against EUSAIR Pillars**

Action title	Window	Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>2021</b>				
<b>EU FOR CONNECTIVITY AND GREEN AGENDA</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment and climate change Thematic Priority 2 - Transport, digital economy and society, and energy	Impact	To promote the green agenda by reinforcing environmental protection, contributing to energy efficiency, accelerating the shift towards a low-carbon and circular economy and improving transport sector	There is direct alignment with multiple EUSAIR Actions across different pillars. Under Topic 2.2 (Multimodal connectivity), the IPA III action's focus on improving transport sector maintenance and rail passenger services aligns directly with Actions 2.2.2 and 2.2.3 regarding rail network upgrades and transport capacity improvement. Under Topic 2.5 (Green energy), there is direct alignment with Action 2.5.2 through the IPA III focus on energy efficiency and the National Energy Efficiency Fund. The environmental protection components show direct alignment with Actions 3.1.2 and 3.2.3 under Pillar 3 (Environmental Quality) through infrastructure development for environmental protection and Chapter 27 compliance. However, while the IPA III action includes elements of infrastructure project development and capacity building, it shows more limited alignment with EUSAIR's broader digital transformation and maritime transport goals. The focus is primarily on basic infrastructure improvements and environmental compliance rather than comprehensive digital and maritime connectivity solutions. Therefore, while there is clear direct alignment in transport, energy efficiency, and environmental aspects, the digital and maritime components show only complementary alignment.
		Outcome(s)	Serbia achieves Chapter 27 requirements through infrastructure development and increased enforcement capacities	
		Output(s)	Serbian administration successfully managed investments in infrastructure from EU pre-accession assistance	
			Improved energy sector by enhancing capacities for energy efficiency	
			Infrastructure for environmental protection improved and capacities of the ministry in charge of environmental protection to meet the Chapter 27 obligations increased	
			Financially viable projects for financing by EU pre-accession assistance (and possibly by IFIs and/or other donors) are developed in line with EU requirements for infrastructure projects and ready for implementation	
			Improved maintenance efficiency and service delivery of transport sector	
Level of services in rail passenger transport and roads maintenance improved in accordance with EU best practice				
Operational and financial capacities of the National Energy Efficiency Fund enhanced				
<b>EU FOR SUSTAINABLE ECONOMY, AGRICULTURE AND RURAL DEVELOPMENT</b>	Window 4 - Competitiveness and inclusive growth Thematic Priority 2 - Private sector development, trade, research and innovation; Thematic Priority 3 - Agriculture and rural development; Thematic Priority 4 - Fisheries	Impact	To strengthen competitiveness and inclusive growth	There is partial alignment with multiple EUSAIR Actions across different pillars. Under Pillar 1, there is direct alignment with Action 1.2.1 (Sustainable, resilient and competitive fisheries) through the IPA III focus on market development and sector competitiveness. Under Pillar 4, there is strong alignment with Actions 4.3.1 (Promoting Agritourism) and 4.3.3 (Promotion of Mediterranean Diet and local production) through the focus on agricultural development and market integration. The IPA III action's emphasis on strengthening legislative and institutional capacities for agriculture and rural development shows partial alignment with these EUSAIR priorities. However, while the IPA III action includes comprehensive agricultural development elements, it shows more limited alignment with EUSAIR's broader tourism integration and cultural heritage goals. The focus is primarily on market development and EU compliance rather than tourism integration. Therefore, while there is clear direct alignment in agricultural development and market aspects, the tourism and cultural components show only complementary alignment with this IPA III action's more technically focused objectives.
		Outcome(s)	Strengthened private sector development, trade, research and innovation	
		Output(s)	Strengthened legislative and institutional capacities and developed systems and structures needed to fulfil the requirements of EU membership in agriculture and rural development	
			Improved market integrity and environment conducive to market operators created	
			Improved animal health status in Serbia and surrounding countries	
Structures and systems established and increased capacities of the ministry in charge of agriculture and rural development and its Paying Agency to implement the CAP				
<b>2022</b>				
<b>EU SUPPORT TO SPEED UP THE IMPLEMENTATION OF THE GREEN AGENDA IN SERBIA</b>	Window 3 – Green Agenda and sustainable connectivity Thematic Priority 1 - Environment	Impact	To support the implementation of the Green Agenda in the Republic of Serbia.	There is direct alignment with EUSAIR Actions under Pillar 3 (Environmental Quality), particularly Actions 3.1.2 (reduction of pollution) and 3.2.3 (improving interaction between anthropic and natural ecosystems). The IPA III action's focus on enhancing institutional capacities for climate change and environmental protection, along with improving related infrastructure, directly corresponds to these EUSAIR priorities. The emphasis on achieving Chapter 27 requirements demonstrates alignment with EUSAIR's environmental protection
		Outcome(s)	Serbia achieved Chapter 27 requirements	
		Output(s)	Capacities of the institutions involved in climate change and environmental protection enhanced	
			Infrastructure for climate change and environmental protection improved	

Action title	Window	Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
	and climate change			and climate action objectives. However, while the IPA III action includes comprehensive environmental management elements, it shows more limited alignment with EUSAIR's broader marine environment protection goals. The focus is primarily on general environmental protection and climate change rather than specific marine ecosystem protection. Therefore, while there is clear direct alignment in core environmental protection and climate action aspects, the marine environmental components show only complementary alignment. The IPA III action's broad scope suggests potential for integration with multiple EUSAIR environmental initiatives, though its national focus may limit direct macro-regional impact.
<b>EU FOR INCLUSIVE GROWTH THROUGH IMPROVED SOCIAL SERVICE PROVISION AND QUALITY SYSTEMS FOR LABOUR AND EDUCATION</b>	Window 4 - Competitiveness and inclusive growth Thematic priority 1 - Education, employment, social protection and inclusion policies, and health	Impact	To support Serbia in achieving social development and inclusive growth	There is direct alignment with multiple EUSAIR Actions under Pillar 5 (Improved Social Cohesion). The IPA III action's focus on improving labour market functioning and educational outcomes aligns directly with Actions 5.2.1 (Development and harmonization of skills policies) and 5.2.2 (Promoting employment opportunities through upskilling/reskilling). The emphasis on social care services and inclusive labour systems shows direct alignment with Action 5.3.1 (Gender Equality and Quality of Employment) and Action 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). The IPA III outputs regarding improved policy frameworks and institutional capacities correspond with EUSAIR's goals for enhancing social services and labour market integration. However, while the IPA III action includes comprehensive social development elements, it shows more limited alignment with EUSAIR's broader regional cooperation goals. The focus is primarily on national-level implementation rather than macro-regional integration. Therefore, while there is clear direct alignment in core social policy and employment aspects, the regional cooperation components show only complementary alignment.
		Outcome(s)	Created conditions for improved social care services, functioning of the labour market, quality of the working environment and educational outcomes	
		Outputs	Improved policy framework, financing mechanisms and capacities for social care services provision	
			Improved legislative framework and institutional capacities for a more efficient and inclusive labour system	
		Strengthened institutional and human capacities in education sector to manage and coordinate a timely, efficient and effective implementation of sector policies (Education reform)		
<b>2023</b>				
<b>STATE AND RESILIENCE BUILDING CONTRACT</b>	Window 3 – Green Agenda and sustainable connectivity; Window 4 - Competitiveness and inclusive growth	Impact	To mitigate the immediate socio-economic impact of the energy crisis and improve energy resilience in Serbia.	There is direct alignment with EUSAIR Actions under Topic 2.4 ("Future-proof" Energy networks) and Topic 2.5 (Green energy), particularly Actions 2.4.1 (Integrated power networks and market), 2.5.1 (Cooperation in deployment of renewable energy sources), and 2.5.2 (Improving energy efficiency). The IPA III action's focus on energy security, renewable energy implementation, and support for energy transition directly corresponds to these EUSAIR priorities. Specific outputs like "Effective implementation of the Law on Renewable Energy" and "Strategic framework for energy sector reforms" align with EUSAIR's goals for energy market integration and transition. The emphasis on energy security and efficiency measures shows direct alignment with EUSAIR's objectives for improving energy networks and promoting renewable energy deployment. However, while the IPA III action includes social protection elements for vulnerable energy users, these components show only complementary alignment with EUSAIR's broader energy market integration goals. The focus is primarily on crisis mitigation and social protection rather than comprehensive energy market development. Therefore, while there is clear direct alignment in core energy transition aspects, the social protection components show only complementary alignment with EUSAIR objectives.
		Outcome(s)	Continue to support Serbia's objective of green energy transition with steps towards increasing security of supply and energy efficiency.	
		Induced Outputs	Regulatory steps to support Serbia's energy security and energy transition are taken.	
			Targeted measures to support vulnerable customers (households and SMEs) are put in place.	
		Direct Outputs	Counteract the immediate and short-term negative impact of the energy crisis on Serbia, with a special focus on vulnerable customers (households and SMEs).	
Activities to ensure security of supply conducted.				
Effective implementation of the Law on Renewable Energy				
		Steps for adoption of strategic framework conducive to reforms in the energy sector is initiated.		
		Support measures for SMEs and vulnerable households implemented.		
<b>2024</b>				
<b>EU FOR GREEN ECONOMIC DEVELOPMENT</b>	Window 4 - Competitiveness	Impact	To strengthen Serbia's green growth	There is direct alignment with multiple EUSAIR Actions across different pillars. Under Pillar 1, there is alignment with Action 1.1.1 (Building innovation ecosystems) through the IPA III focus on green solutions and technological improvement for MSMEs. Under Pillar 4, there is
		Outcome(s)	Strengthened greening of Serbian MSMEs for more competitiveness and sustainability	

Action title	Window	Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR	
	and inclusive growth Thematic Priority 2 - Private sector development, trade, research and innovation; Thematic Priority 3 - Agriculture and rural development	Outputs	<p>Strategic focus of the Serbian agriculture and rural development policy aligned with CAP objectives and specific EU targets set in the Farm to Fork and Biodiversity Strategies</p> <p>Scaled up and technologically improved production capacities among Serbian MSMEs with focus on green solutions</p> <p>Strengthened capacities of the key national institutions and MSMEs for green transformation</p> <p>Reinforced implementation of the legislation in the field of plant protection products and integrated pest management</p> <p>Technical and working conditions of the border veterinary and phytosanitary control is upgraded according</p>	<p>strong alignment with Actions 4.3.1 and 4.3.3 regarding sustainable agricultural practices and alignment with Farm to Fork strategy. The IPA III action's emphasis on green transformation and integrated pest management shows direct alignment with EUSAIR's objectives for sustainable economic development and environmental protection. However, while the IPA III action includes elements of agricultural development and phytosanitary control, it shows more limited alignment with EUSAIR's broader tourism integration goals. The focus is primarily on green economic transformation and agricultural policy alignment rather than comprehensive tourism development. Therefore, while there is clear direct alignment in green economy and agricultural aspects, the tourism development components show only complementary alignment with this IPA III action's more technically focused objectives.</p>	
<b>SECTOR REFORM CONTRACT FOR EDUCATION REFORM IN SERBIA: TOWARDS QUALITY EDUCATION AND LIFELONG LEARNING FOR IMPROVED EMPLOYABILITY</b>	Window: Window 4 - Competitiveness and Inclusive Growth Thematic Priority 1: Education, employment, social protection and inclusion policies, and health	Impact	To raise the employability of the Serbian labour force by improving relevance, equity, inclusiveness and quality of the education and training system, in view to better match the needs of the labour market and alignment to Union standards, policy and practice	<p>There is direct alignment with multiple EUSAIR Actions under Pillar 5 (Improved Social Cohesion), particularly Actions 5.2.1 (Development and harmonization of skills policies) and 5.2.2 (Promoting employment opportunities through upskilling/reskilling). The IPA III action's focus on improving education relevance to labour market needs, developing curricula for green economy skills, and enhancing lifelong learning directly corresponds to these EUSAIR priorities. Specific outputs like "Developed innovated curriculums" and "Enhanced students' achievements" align perfectly with EUSAIR's goals for skills development and education quality improvement. There is also partial alignment with Actions 5.1.1 and 5.1.2 through the IPA III focus on improving education access for vulnerable groups and youth employability. However, while the IPA III action includes comprehensive education reform elements, it shows more limited alignment with EUSAIR's broader regional cooperation goals. The focus is primarily on national-level implementation rather than macro-regional integration. Therefore, while there is clear direct alignment in core education and skills development aspects, the regional cooperation components show only complementary alignment.</p>	
		Outcome(s)	<p>Improved relevance of educational outcomes to meet labour market needs, with particular emphasis on creating a lifelong learning perspective.</p> <p>Improved equity in the education system to promote and implement fairness, equal opportunities and access to education for all.</p> <p>Improved quality of teaching and learning processes and outcomes to ensure student employability, adaptability, personal development and active citizenship</p>		
		Induced Outputs	<p>Developed innovated curriculums that align learning outcomes with changing needs of the economy and provide for skills and competencies necessary to perform in the green economy, including key competencies for lifelong learning.</p> <p>Improved participation in the education of national minorities, Roma students and students with disabilities by providing access and tailor-made support.</p> <p>Enhanced students' achievements by improving the quality of teaching and learning and support to students and implementing the national Matura exam.</p>		
		Direct Outputs	<p>Strengthened institutional capacities to develop and implement results-driven education policy in line with the Law on Planning System</p> <p>Inter-ministerial consultation and coordination mechanisms are embedded into the implementation, and monitoring of Education strategy and action plans</p> <p>Continued dialogue with donors to coordinate and further align development cooperation to avoid duplication and/or overlapping of activities and relieve the Government of Serbia from multiple reporting duties</p>		
<b>2024-2027</b>					
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON EMPLOYMENT,</b>	Window: Window 4 - Competitiveness	Impact	To improve the livelihoods of young and vulnerable people by supporting their employment, development of skills, and social inclusion	<p>There is direct alignment with multiple EUSAIR Actions under Pillar 5 (Improved Social Cohesion). The IPA III action's focus on youth employment through Youth Guarantee implementation aligns perfectly with Action 5.1.2 (Boosting youth employment). The emphasis on skills development and qualification frameworks shows direct alignment with</p>	
		Outcome(s)	<p>Enhanced employment prospects of youth and other vulnerable groups</p> <p>Improved flexibility and relevance of the education system for employability</p>		

Action title	Window	Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
<b>SKILLS, AND SOCIAL INCLUSION</b>	and Inclusive Growth Thematic Priority 1: Education, employment, social protection and inclusion policies, and health		Support provided to provision of housing solutions for sustainable communities	Action 5.2.1 (Development and harmonization of skills policies), while the support for vulnerable groups' employment through social entrepreneurship corresponds directly to Action 5.2.2 (Promoting employment opportunities through upskilling/reskilling for disadvantaged groups). The outputs related to deinstitutionalization and integrated community services align with Action 5.4.1 (Adriatic Ionian Ecosystem for Social Innovation). However, while the IPA III action includes comprehensive social inclusion elements, it shows more limited alignment with EUSAIR's broader regional cooperation goals. The focus is primarily on national-level implementation rather than macro-regional integration. Therefore, while there is clear direct alignment in core employment, skills development, and social inclusion aspects, the regional cooperation components show only complementary alignment.
			Developed system for provision of integrated community-based services to support the deinstitutionalisation process at the local level	
			Established conditions for successful realisation of policies supported by the Operational Programme	
		Outputs	Employment opportunities of young people (15-29) enhanced through implementation of Youth Guarantee and improved capacities of the NES	
			Capacities of national, provincial and local youth policy stakeholders to implement, monitor and report on youth employment policy and other policies relevant to youth strengthened	
			Employment of vulnerable groups supported through social entrepreneurship	
			National Qualification Framework system improved by creating multiple entry opportunities for reskilling and upskilling	
			Equipped chemistry, biology and physics cabinets in primary and secondary general schools	
			Developed capacities at the national and local level and social housing units built, rehabilitated or completed	
			Institutions for children and youth without parental care transformed into Centres for Children, Youth, and Family	
			Realised training programmes and grants relevant for deinstitutionalisation and development of integrated services for national and local level stakeholders	
			Administrative capacities of MA, IBPMs, IBFM and other relevant institutions increased	
			Capacities of Partners to participate actively in Operational Programme implementation strengthened	
Effective implementation, communication, visibility, and evaluation of the Operational Programme supported				
<b>MULTIANNUAL OPERATIONAL PROGRAMME ON ENVIRONMENT AND ENERGY SECTORS IN FAVOUR OF THE REPUBLIC OF SERBIA 2024-2027</b>	Window 3: Sustainable Connectivity and Green Agenda Thematic Priority 1: Environment and climate change; Thematic Priority 1: Environment and climate change	Impact	To promote the green agenda by reinforcing environmental protection, contributing to mitigation to climate change, increasing resilience and adaptation to climate change, and accelerating the shift towards a socially responsible and inclusive, low-carbon, blue, and circular economy.	There is direct alignment with multiple EUSAIR Actions across different pillars. Under Pillar 3 (Environmental Quality), there is direct alignment with Action 3.1.2 (reduction of pollution) through the IPA III focus on reducing air pollution and improving water management. Under Topic 2.5 (Green energy), there is strong alignment with Action 2.5.2 (improving energy efficiency) through the IPA III outputs on building renovation and heating/cooling system improvements. The IPA III action's emphasis on waste management and water infrastructure also shows direct alignment with Action 3.2.3 (improving interaction between anthropic and natural ecosystems). The programme's comprehensive approach to environmental protection, including institutional capacity building and infrastructure development, corresponds well with EUSAIR's environmental objectives. However, while the IPA III action includes elements of climate change adaptation, it shows more limited alignment with EUSAIR's broader marine environment protection goals. The focus is primarily on terrestrial environmental issues and energy efficiency rather than marine ecosystem protection. Therefore, while there is clear direct alignment in environmental protection, pollution
		Outcome(s)	To improve integrated and sustainable waste management system in line with national requirements and EU environmental acquis	
			To advance Serbia's water management by integrating mitigation and adaptation measures in accordance with national standards and the EU environmental acquis.	
			To reduce air pollution (and GHG emissions) through energy efficiency-enhancing renovation of old buildings as well as improvement of energy efficiency in heating and cooling systems and other energy-related products.	
			To provide administrative capacity required to achieve the objectives of the Operational Programme through support to Operational Programme bodies and Partners, as well as to increase the IPA III funds' absorption capacity.	

Action title	Window	Result Chain	Action Intervention Logic	Alignment of the Action with the EUSAIR
		Outputs	Waste management infrastructure improved in selected regions. Institutional capacities for waste management strengthened at all levels Infrastructure for water management improved in selected LSGs. Effective planning and management of the financial and human resources available for water management enhanced Renovation of the worst performing buildings to a highest possible energy class at the cost-optimal level. Heating/cooling systems and other energy-related products in buildings replaced with more efficient and less polluting ones. Improved capacities for implementation of public policies and investments in energy efficiency, air quality, and eco-design. Preparation of financially viable projects for financing supported Administrative capacities for the implementation and enforcement of the acquis improved	reduction, and energy efficiency aspects, the marine environmental components show only complementary alignment.

**Table 7: Bilateral IPA 2025-2027 Proposed Actions**

Action/Measure title		Action/Measure Brief explanation	Indicative timing
<b>Reform of the justice system</b>	Window 1 Rule of law, fundamental rights and democracy	Support for independent judicial bodies (judicial and prosecutorial councils); improvement of court management and monitoring and evaluation of court and prosecution offices; independent trial monitoring of war crimes case processing; strengthening of the system for victims' support; improvement of legal culture and education in Serbia.	2025-2026
<b>Improved fight against and Prevention of Corruption</b>	Window 1 Rule of law, fundamental rights and democracy	Support for the Agency for Prevention of Corruption in awareness raising, incl. whistleblowing, conflicts of interest and asset declaration checks, political party and electoral campaign monitoring; development of prosecutorial strategies for fighting corruption; and implementation of the anti-corruption strategy and action plans	2025
<b>Fight against organised and serious crime</b>	Window 1 Rule of law, fundamental rights and democracy	Strengthening of capacities of the Ministry of the Interior, the police, Prosecutor's Office, courts and other institutions involved in the fight against organised and other forms of serious crime, including cybercrime and human trafficking. Support for combating crime against the environment (eco-crime).	2025
<b>Tackling of the security and migration challenges</b>	Window 1 Rule of law, fundamental rights and democracy	Development of ICT infrastructure for IBM; support for border protection (including if additionally needed through supplies); implementation of the Frontex masterplan for Eurodac compliant system for registration of mixed migration flow; support for reception and protection services; voluntary and non-voluntary return and readmission; adoption and implementation of asylum policies through EUAA.	2025-2026
<b>Fundamental rights</b>	Window 1 Rule of law, fundamental rights and democracy	Enhance fundamental rights protection of vulnerable individuals and national minorities. Enhance freedom of expression, by supporting enforcement of the media legislation (and further legislative amendments if need be). Further support to media outlets as part of the CSF. Support to REM's (Regulatory Authority for Electronic Media) internal reforms. Strengthening of independent institutions (Ombudsman, Commissioner for data protection and Equality Commissioner); further support to LGBTQI community; combating antigypsyism;	2025-2026
<b>EU for Civil Society and Media</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	This Action is foreseen to be a separate Action which will be part of the CSF and media component under the HQ financing decision. Support to civil society and media. The role of civil society for the democratic fabric and for monitoring and supporting reform work is critical. It is still important that EU is offering support to ensure fair and equal access to funding for the sector. Working with and supporting media to ensure free and independent media reporting and monitoring of policy reforms is equally critical.	2026-2027
<b>Democracy</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Support to the Parliament in enhancing parliamentary accountability, oversight of the executive and democratic scrutiny. Address recommendations of OSCE/ODIHR and Council of Europe bodies on the electoral framework.	2025
<b>Good governance - central level</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Further development of competency-based civil service policy; follow up support for retention policies related to management of EU funds; mid-term review of implementation of PAR AP 2026-2031; support to establishment of national registry of public authorities; implementation of the Tax Administration Transformation Programme; development and implementation of e-government policy for information security.	2026-2027

Action/Measure title		Action/Measure Brief explanation	Indicative timing
		Implementation of legislation on land consolidation; capacity building and development of the cadastre and spatial planning reform. Alignment with macroeconomic statistics with ESA 2010 (European System of Accounts). Further improvement of the PFM cycle on all levels of Government; further support to the Customs Administration.	
<b>Good governance - Local development and integrated territorial investments</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Support to local level municipal development, by strengthening local governance structures and capacities to effectively plan, implement, and manage development initiatives. This includes enhancing administrative capabilities, promoting transparency, and improving public service delivery. Foster entrepreneurship and micro and small business development through capacity building for access to finance, business training, and mentorship programmes. Promote diversification of the local economy by supporting emerging industries and enhancing competitiveness in traditional sectors. Strengthen local value chains and supply networks to increase the value-added of local products and services. Encourage innovation and the adoption of technology among local businesses to improve competitiveness. Rehabilitation and promotion of local tourism attractions, events, and cultural heritage sites to attract visitors and boost tourism revenues. Enhance local tourism-related infrastructure. Build the capacity of local tourism providers through training, to improve service quality and hospitality standards. Promote sustainable tourism practices that minimize environmental impact.	2026-2027
<b>Strategic communication, monitoring, and evaluation activities</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Implementation of communication strategies related to EU accession and EU financial assistance. Monitoring and evaluation of measures implemented through EU funded instruments.	2025-2026-2027
<b>Administrative capacity and EU acquis alignment</b>	Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	Un-allocated envelope - European integration, administrative capacity and acquis alignment; high level of compatibility of national legislation with EU legislation and its effective implementation - PLAC (Policy and Legal Advice Centre). Already defined activities: Capacity building for implementation of the aligned framework laws for Chapter 12 (Food safety, veterinary, and phytosanitary policy) and implementation of the plan for alignment of the milk quality with the EU acquis.	2025-2026-2027
<b>Environment and climate change</b>	Window 3	Continuation of the support for the Green Agenda. Support for nature protection, support for further implementation of the climate strategy; support for alignment with the acquis related to the Chapter 27; support for development of noise maps; improving chemicals management; industrial emissions directive implementation; strengthening environmental inspection. Support for the capacities of the Ministry in charge of environmental protection and other institutions in the sector with improving the strategic and legislative framework, co-financing implementation of innovative pilot projects and mobilizing additional financing for scale-up investments.	2026-2027
<b>Transport, digital economy and society and energy</b>	Window 3: Green agenda and sustainable connectivity	Elaboration of the Transport master plan (2026-2040); capacity building for smart and sustainable road transport; support for use of residual materials, recycled construction constituents and construction waste in road and railway infrastructure projects; support for railway infrastructure maintenance system in line with EU standards; assistance to implementation of Rail Corridor X modernization; support for safety management in the transport sector; support for security of 5g networks; technical assistance to enhance electricity and gas market reforms, ensuring readiness for integration into the EU market; potentially support to authorities for ensuring the sustainable supply, efficient use, and recycling of critical raw materials.	2026-2027
n/a	Window 4: Competitiveness and inclusive growth		

Table 8: Overview of WBIF Projects in Serbia by Sector

Status	Investment	Completion (est)
<b>Digital infrastructure</b>		
Implementation	Next Generation Broadband Connectivity for Rural Schools in White Zones	31.12.25
<b>Energy</b>		
Completed	Project of Energy Community Interest: Serbia (Nis) - Bulgaria Gas Interconnector	12.12.23
	Rehabilitation of District Heating Systems in Serbia Phase IV	30.6.19
	Trans-Balkan Electricity Corridor: Kragujevac – Kraljevo Grid Section	30.6.22
Implementation	Energy Efficiency Programme in Public Buildings in Serbia (EEP)	31.12.24
	Kostolac Wind Farm	31.1.25
Preparation	Trans-Balkan Electricity Corridor: Serbia – Montenegro – Bosnia and Herzegovina 400 kV Interconnection	1.8.28

Status	Investment	Completion (est)
	Central Balkan Corridor: Bajina Basta - Kraljevo Grid Section	31.12.30
	North Continental South East Corridor	28.2.28
	Energy Efficiency Renovation Programme of Central Government Buildings - EERPCGB	31.12.25
	Kolubara A Photovoltaic Power Plant	31.12.27
	Morava Photovoltaic Power Plant	31.12.27
	Solar Thermal and Heat Pump Generated Renewable Energy Integration in Novi Sad District Heating System	31.12.27
	Central-Balkan Corridor	29.12.34
Tender Preparation	Rehabilitation of Bistrica Hydropower Plant	21.2.30
Tendering	Trans-Balkan Electricity Corridor: Obrenovac – Bajina Bašta Grid Section in Serbia	31.3.27
	Advanced System for Remote Meter Reading Phase 1A	1.3.27
	Reconstruction of Vlasina Hydropower Plant	31.12.29
<b>Environment</b>		
Completed	Wastewater Collection and Treatment for the Municipalities of Vranje and Krusevac	31.12.21
	Medium-sized Towns Water Supply and Sewerage Systems in Serbia	31.10.18
	Water Supply, Wastewater Collection and Sludge Management for Subotica	21.12.20
Implementation	Upgrade of Makis Water and Wastewater Treatment Facilities	31.12.26
Preparation	Batajnica Wastewater Facilities	n/a
	Water Supply and Wastewater Treatment in Medium-Sized Municipalities in Serbia VI	30.9.25
	West Morava and Tamis Sub-River Basins Infrastructure Programme for Integrated Water Management	n/a
	Construction of Struganik Dam on Ribnica River in Mionica Municipality	n/a
	Flood Risk Management Programme for Central Serbia	n/a
	Green Solution for Integrated Flood and Erosion Protection in Krupanj Pilot Area in Jadar River Basin	n/a
	Closure and Rehabilitation of Municipal Unsanitary Landfills and Construction of Recycling Yards in Novi Sad Waste Management Region	31.12.30
Tendering	Sewerage System for Palilula, Belgrade	31.7.29
<b>Social</b>		
Completed	Development of a Concept for Monitoring and Evaluation of Inclusive Practices in Education System	30.6.15
	Modernisation of Kragujevac and Pancevo Prison Facilities	30.12.22
Implementation	Municipal and Regional Infrastructure	n/a
	Public Sector Research and Development Project in Serbia	n/a
	Upgrading and Reconstruction of Judiciary Facilities in Serbia	n/a
	School Modernisation Programme in Serbia	n/a
	Post-earthquake Housing Reconstruction in Kraljevo	31.12.23
	University Children's Hospital Tirsova 2 in Belgrade	1.6.27
Preparation	Greening the Public Sector - Rehabilitation of the VMA Hospital	31.12.27
	Improvement of Energy Efficiency and Integrated Energy Management at the Campus of Technical Faculties in Belgrade	30.12.27
<b>Transport</b>		
Completed	Belgrade City Integrated Transport	n/a
	Corridor X Motorway (E-75 & E-80) in Serbia	11.11.19
	TA for Railways Infrastructure	30.11.14
	TA for Railways Rehabilitation II - Corridor X	n/a
	Belgrade Public Transport and Traffic Infrastructure Phase 2	1.11.19
Implementation	Orient/East-Med Corridor: Serbia – Kosovo R7 Road Interconnection, Niš – Merdare Highway	30.11.28
	Orient/East-Med Corridor: Serbia - Bulgaria CXc Rail Interconnection, Nis - Dimitrovgrad - Border with Bulgaria Section	30.9.27
	Rhine-Danube Corridor: Removal of Sunken WWII German Vessels from the Danube, Prahovo Sector	1.8.29
Preparation	Orient/East-Med Corridor: Serbia - North Macedonia CX Rail Interconnection, Nis - Presevo - Border Between the Two States Section	31.12.27

Status	Investment	Completion (est)
	Orient/East-Med Corridor: Reconstruction and Modernisation of Stalac - Krajlevo - Rudnica Railway Line	31.12.28
	Corridor X: Belgrade – Niš Railway Line, Paraćin – Međurovo Section	30.11.27
	Corridor X: Belgrade – Niš Railway Line, Velika Plana – Paraćin Section	30.4.29
	Rhine-Danube Corridor: Belgrade Port	n/a
	Mediterranean Corridor: Serbia – Croatia CX Rail Interconnection, Stara Pazova – Sid and Indjija – Golubinci Sections	30.6.28
	Orient/East-Med Corridor: Belgrade Marshalling Yard – Ostruznica – Batajnica Railway Line	n/a
	Corridor X: Belgrade Centre – Mladenovac – Velika Plana Railway Section	28.9.29
Tendering	Orient/East Med Corridor: Belgrade – Mladenovac – Niš Corridor X Railway Line, Stalać – Đunis Section	29.12.28

Table 9: Overview of Regional WBIF Projects in which Serbia Participates

Status	Investment	Beneficiary	Completion (est)
<b>Energy</b>			
<b>Completed</b>	Regional Strategy for Sustainable Hydropower in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.18
	Regional Study – Consortium approach to developing the Gas to Power Initiative and the Energy Community (EnC) Gas Ring in SEEe	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.18
	Regional Study on Renewable Energy Potential and Energy Efficiency	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	28.2.20
	Regional Study on Voltage Regulation in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.1.21
	Sector Study on Biomass-based Heating in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.7.18
	TA for SEE Regional Security Coordination Initiative	Bosnia and Herzegovina, Montenegro, Serbia	30.9.20
<b>Implementation</b>	Establishment of a Regional Energy Efficiency Programme (REEP)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	30.9.22
	Regional Energy Efficiency Programme - REEP Plus	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.25
	Regional Energy Efficiency Programme - REEP Plus Replenishment	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.28
<b>Preparation</b>	Regional Energy Efficiency Programme - REEP Extension	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.32
<b>Environment</b>			
<b>Completed</b>	Gap Analysis/Needs Assessment in the Context of Implementing the EU Floods Directive in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	24.9.15
	Drina River Basin Water Resources Management	Bosnia and Herzegovina, Montenegro, Serbia	30.12.20
	Improvement of Joint Actions in Flood Management in the Sava River Basin	Bosnia and Herzegovina, Montenegro, Serbia	29.6.19
<b>Private sector development</b>			
<b>Completed</b>	PPP Institutional Strengthening in the Western Balkans	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.10.14
	Strengthening the Capacity of the Public Sector to Undertake PPPs	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.19
<b>Implementation</b>	Establishment of the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)	Albania, Bosnia and Herzegovina, Croatia, Kosovo*, North Macedonia, Montenegro, Serbia	n/a
<b>Social</b>			
<b>Completed</b>	Regional Housing Programme on Durable Solutions for Refugees and Displaced Persons (RHP)	Bosnia and Herzegovina, Montenegro, Serbia, Croatia	30.6.12
<b>Transport</b>			
<b>Completed</b>	Regional Connectivity Networks Gap Analysis	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	31.12.19
	Update of the Regional Transport Study (REBIS)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.6.15
<b>Implementation</b>	Safe and Sustainable Transport Programme (SSTP)	Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia	30.12.28

## Alignment of Multi-Country IPA (2021-2024) with EUSAIR

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
<b>IPA 2021-2027</b>				
<b>EU CONTRIBUTION TO SUSTAINABLE TRANSPORT CONNECTIVITY IN THE WESTERN BALKANS 2021-2027<sup>2</sup></b>	Window 3- Green agenda and sustainable connectivity Thematic Priority 2: Transport, digital economy and society, and energy	Impact	To contribute to the long-term recovery of the Western Balkans - backed by a green and digital transition - leading to sustained and sustainable economic growth.	<b>Pillar 2: Connecting the Region</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> This action is directly aligned with EUSAIR Pillar 2: Connecting the Region. The action's focus on sustainable transport connectivity, directly corresponds to the main topics of Pillar 2. It's worth noting that while this action primarily aligns with Pillar 2, it may have <b>indirect or complementary effects on Pillar 3 (Environmental Quality)</b> through its focus on environmentally friendly transport. <b>There is no significant alignment with other EUSAIR Pillars</b>
		Outcome(s)	Promoted smart, sustainable, inclusive, safe and environmentally friendly transport and removed bottlenecks in key transport infrastructures and support the implementation of the relevant elements of the GAWB	
		Outputs	EIP Flagship transport projects started and completed Flagship 1: Connecting East to West Flagship 2: Connecting North to South Flagship 3: Connecting the coastal region	
<b>IPA 2021-2023</b>				
<b>EU CONTRIBUTION TO THE WESTERN BALKANS INVESTMENT FRAMEWORK (WBIF) 2021-2023<sup>3</sup></b>	Window 3 - Green agenda and sustainable connectivity Thematic Priority 1: Environment and climate change; Thematic Priority 2: Transport, digital economy and society, and energy;	Impact	To contribute to the long-term recovery of the Western Balkans - backed by a green and digital transition - leading to sustained and sustainable economic growth.	<b>Pillar 1: Blue Growth</b> <b>Alignment:</b> Partial Alignment: <b>Rationale:</b> There is partial alignment if support extends to SMEs and innovations in blue economy sectors. <b>Pillar 2: Connecting the Region</b> <b>Alignment:</b> Direct Alignment <b>Rationale:</b> The action directly aligns through investments in energy networks and digital infrastructure, supporting connectivity and energy objectives. <b>Pillar 3: Environmental Quality</b> <b>Alignment:</b> Direct Alignment
		Outcome(s)	<ul style="list-style-type: none"> <li>Promoted smart, sustainable, inclusive, safe and green transport and removed bottlenecks in key transport infrastructures and support the implementation of the relevant elements of the GAWB.</li> <li>Accelerated shift towards a low-carbon economy, promotion of clean energy transition and a European integrated energy market, thus supporting the implementation of the GAWB.</li> <li>Accelerated digital transformation in the Western Balkans</li> </ul>	

<sup>2</sup> COMMISSION IMPLEMENTING DECISION of 14.6.2023 amending Implementing Decision C(2021)9749 final as regards the action 'EU contribution to Sustainable Transport Connectivity in the Western Balkans 2021-2027'

<sup>3</sup> C(2022) 8942 - COMMISSION IMPLEMENTING DECISION of 30.11.2022 amending Commission Implementing Decision C(2021) 9749 final as regards the action 'EU contribution to the Western Balkans Investment Framework (WBIF) 2021-2023'

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
	Window 4- Competitiveness and inclusive growth Thematic Priority 2: Private sector development, trade, research and innovation		<ul style="list-style-type: none"> <li>• Reduced financial, technical, and institutional barriers to energy efficiency investments. Raised awareness and capacity of beneficiaries. Increased support to energy efficiency supply chains (such as building materials, heating and cooling appliances, lighting), acting as 'market-makers' in this sector.</li> <li>• An effective energy efficiency and renewable energy policy in the residential and non-residential building sector and in the SME sector implemented in the Western Balkans, following the requirements of the EU legislation.</li> <li>• Increased investments for micro, small and medium-size, innovative enterprises and through PLIs, financial intermediaries, accelerators, venture and equity vehicles and other financing platforms/vehicles</li> <li>• Increased competitiveness of SMEs in the Western Balkans (business skills, standards and business sophistication) to unlock their growth potential and contribution to the economy</li> <li>• Increased access to and the availability of adequate, sustainable, affordable, and diversified financing across the WBIF action and areas of support, leveraging private and public investments.</li> </ul>	<p><b>Rationale:</b> The action directly contributes to environmental protection, biodiversity conservation, and sustainable management of natural resources.</p> <p><b>Pillar 4: Sustainable Tourism</b> <b>Alignment:</b> Partial Alignment</p> <p><b>Rationale:</b> Indirect support through improved competitiveness and innovation in SMEs could benefit sustainable tourism initiatives.</p> <p><b>Pillar 5: Improved Social Cohesion</b> <b>Alignment:</b> Direct Alignment</p> <p><b>Rationale:</b> Activities promoting social entrepreneurship, financial inclusion, and addressing energy poverty directly support social cohesion objectives.</p>
		Outputs	<p>The WBIF, as main vehicle for the implementation of the EIP for Western Balkans, aims at investing through the 4 areas of support and in the frame of the following flagship investments:</p> <ul style="list-style-type: none"> <li>- Flagship 1: Connecting East to West</li> <li>- Flagship 2: Connecting North to South</li> <li>- Flagship 3: Connecting the coastal region</li> <li>- Flagship 4: Renewable energy</li> <li>- Flagship 5: Transition from coal</li> <li>- Flagship 6: Renovation wave</li> <li>- Flagship 7: Waste and wastewater management</li> <li>- Flagship 8: Digital infrastructure</li> </ul>	

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
			- Flagship 9: Investing in the competitiveness of the private sector	
<b>IPA 2021-2022</b>				
<b>EU4YOUTH: EU SCHEME FOR YOUNG PROFESSIONALS IN THE WESTERN BALKANS</b>	Window 2 - Good governance, acquis alignment, good neighbourly relations and strategic communication Thematic Priority 1 - Good governance Thematic Priority 3 - Good neighbourly relations and reconciliations	Impact	To contribute to reconciliation and good neighbourly relations; as well as advancement of the EU integration process of the Western Balkans through improved regional cooperation of young people.	<p><b>Pillar 2: Connecting the Region</b> <b>Alignment: Partial alignment</b> <b>Rationale:</b> The action partially aligns by:</p> <ul style="list-style-type: none"> <li>Encouraging regional cooperation and integration among public administrations.</li> <li>Building networks that support broader regional connectivity goals.</li> </ul> <p><b>Pillar 4: Sustainable Tourism</b> <b>Alignment: Complementary objectives</b> <b>Rationale:</b> The action complements objectives by:</p> <ul style="list-style-type: none"> <li>Promoting cultural exchange and mutual understanding, which can enhance regional identity and indirectly support sustainable tourism.</li> </ul> <p><b>Pillar 5: Improved Social Cohesion</b> <b>Alignment: Direct alignment</b> <b>Rationale:</b> The action directly aligns with Pillar 5 by:</p> <ul style="list-style-type: none"> <li>Addressing youth unemployment and brain drain.</li> <li>Promoting social inclusion and youth empowerment.</li> <li>Enhancing governance through public administration reform.</li> <li>Fostering regional cooperation and networks among young professionals.</li> <li>Partial Alignment</li> </ul> <p><b>No direct alignment with Pillar 1: Blue Growth and Pillar 3: Environmental Quality</b></p>
		Outcome(s)	<ul style="list-style-type: none"> <li>Enhanced stronger professional network between young civil servants and between administrations</li> <li>Improved knowledge and experience of the EU accession process acquired by the next generation of public administrators and policy makers in the Western Balkans, who will be in charge of the process and drive and lead future change in their societies.</li> </ul>	
		Outputs	<ul style="list-style-type: none"> <li>Joint regional activities with active involvement of public administrations successfully completed for each cohort</li> <li>Participants and alumni successfully mentored, supported, and networked</li> <li>Targeted executive trainings successfully completed by each cohort of young civil servants</li> <li>Study visits in the EU successfully completed for each cohort with active involvement of public administrations</li> </ul>	
<b>IPA 2021-2022</b>				
<b>STRENGTHENING EMPLOYMENT, LABOUR AND SOCIAL PROTECTION SYSTEMS AND POLICIES IN THE WESTERN BALKANS WITH SOCIEUX+</b>	Window 4- Competitiveness and inclusive growth Thematic Priority 1 - Education, employment,	Impact	To achieve expanded and improved access to better employment opportunities and inclusive social protection systems in the Western Balkans	<p><b>Pillar 4: Sustainable Tourism</b> <b>Alignment:</b> Partial Alignment: <b>Rationale:</b> Tourism Workforce Development: Partial alignment if the action supports employment policies and skills development in the tourism sector.</p> <p><b>Pillar 5: Improved Social Cohesion</b></p>
		Outcome(s)	More inclusive, effective and sustainable employment and social protection policies, strategies and systems are achieved	

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
	social protection and inclusion policies, health	Outputs	<ul style="list-style-type: none"> <li>Institutional capacities of employment, labour and social protection institutions are strengthened and reinforced</li> <li>Public capacities for improving access to employment and social protection are enhanced and expanded to poor and vulnerable groups</li> <li>Awareness and knowledge on social protection and decent work is increased</li> </ul>	<p><b>Alignment:</b> Direct Alignment <b>Rationale:</b> The action directly aligns with Pillar 5 by:</p> <ul style="list-style-type: none"> <li>Addressing Youth Unemployment and Economic Disparities: Tackling high youth unemployment and supporting vulnerable groups contributes to social cohesion.</li> <li>Enhancing Social Protection Systems: Improving social protection coverage and institutional capacities aligns with the pillar's objectives.</li> <li>Fostering Regional Cooperation: Promoting peer-to-peer technical assistance and knowledge sharing enhances cooperation on labor market and social issues.</li> </ul> <p><b>No Direct Alignment with Pillar 1: Blue Growth; Pillar 2: Connecting the Region and Pillar 3: Environmental Quality</b></p>
<b>IPA 2021-2022</b>				
<b>EU SUPPORT TO COMPETITIVENESS AND SUSTAINABILITY IN THE WESTERN BALKANS AND TURKEY</b>	Window 3 - Green agenda and sustainable connectivity Thematic Priority 1: Environment and climate change; Window 4- Competitiveness and inclusive growth Thematic Priority 2: Private sector development, trade, research and innovation	Impact	To assist the Western Balkans and Turkey in reinforcing economic convergence and economic integration, while supporting economic recovery from the COVID-19 pandemic. To support the EU enlargement strategy by assisting the Western Balkans and Turkey on their European path, to converge towards EU policy standards, to fulfill the economic criteria, and to improve economic governance. To provide manifold evidence-based input to the annual Commission Enlargement Package and the Economic and Financial Dialogue between the EU and the Western Balkans. To reinforce the regional economic integration within the Western Balkans and support the Common Regional Market initiative.	<p><b>Pillar 1 - Blue Growth</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While the action does not directly target the specific topics under Pillar 1 (blue technologies, fisheries and aquaculture, maritime and marine governance), its focus on SME development, competitiveness, sustainability and the green/circular economy in the Western Balkans region can indirectly support the broader goals of Pillar 1 <b>Pillar 2 - Connecting the Region</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> The action's emphasis on regional economic integration and supporting the Common Regional Market initiative aligns with Pillar 2's objective of improving connectivity within the region, particularly in terms of trade and economic ties. While the action does not directly address the specific topics of maritime transport, intermodal connections, and energy networks, its work on competitiveness and private sector development can facilitate improved regional connectivity as a secondary effect. <b>Pillar 3 - Environmental Quality</b> <b>Alignment: Partial Alignment</b></p>
		Outcome(s)	<ul style="list-style-type: none"> <li>Increased economic policy convergence towards competitiveness-enhancing policies. Stronger ability of beneficiaries to design and implement competitiveness-enhancing reforms, especially in the context of the ERP exercise.</li> <li>Improved policies in favor of competitiveness, green and circular economy, sustainability, resilience, and SME sector development in the region. Improved public sector</li> </ul>	

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
			<p>capacity to design and implement reforms based on evidence.</p> <ul style="list-style-type: none"> <li>Greater awareness of the concept and benefits of the circular economy translated into concrete policy actions in line with the Economic and Investment Plan for the Western Balkans and the European Green Deal (and the Green Agenda for the Western Balkans).</li> </ul>	<p><b>Rationale:</b> The action has a strong focus on sustainability, the green economy, and the circular economy, which directly contributes to the environmental quality goals of Pillar 3. In particular, the development of circular economy roadmaps and alignment with the European Green Deal supports the protection and sustainable use of terrestrial and marine environments. However, the specific topics and flagship projects of Pillar 3 (e.g. oil spill contingency, habitat protection) are not the primary targets of the action.</p> <p><b>Pillar 4 - Sustainable Tourism</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While tourism is not an explicit focus of the action, its work on SME development, competitiveness and sustainability can indirectly benefit the tourism sector in the Western Balkans. Improving the overall business environment and promoting sustainable economic practices can help create the conditions for a more sustainable and competitive tourism industry. However, the specific flagship projects under Pillar 4 are not directly addressed.</p> <p><b>Pillar 5 - Improved Social Cohesion (new pillar)</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> The action's focus on inclusive growth and its engagement with a wide range of stakeholders, including civil society, aligns with the social cohesion goals of the new Pillar 5. By promoting sustainable economic development and stakeholder dialogue, the action can indirectly contribute to improved social cohesion in the region. However, the specific objectives of Pillar 5 related to labor markets, social rights, and youth are not the primary targets of the action.</p>
		Outputs	<ul style="list-style-type: none"> <li>Published a Competitiveness Outlook publication as independent and rigorous fact base and with guidance on how to design and implement competitiveness-enhancing reforms complemented by economy-specific profiles (1 for each economy). Enhanced participation in OECD instruments.</li> <li>Organized policy events, including high-level conferences as well as expert-level thematic workshops.</li> <li>Published a high-visibility publication (regional SME Policy Index and 7 economy profiles) with comprehensive, in-depth, and evidence-based assessments, used by the public sector for policymaking, private sector for investment decision, academia for research activities, and donor community for technical assistance planning.</li> <li>Organized policy events, including high-level conferences as well as expert-level thematic workshops.</li> <li>Delivered circular economy roadmaps, supporting the design, implementation, and monitoring of the transition towards the circular economy.</li> <li>Organized a number of technical meetings on mapping the situation and developing the Circular Economy roadmaps.</li> </ul>	
<b>IPA 2021-2022</b>				
<b>EU SUPPORT TO THE DEVELOPMENT OF A COMMON REGIONAL MARKET (CRM)</b>	Window 3 - Green agenda and sustainable connectivity	Impact	To increase socio-economic growth in the region thanks to increased trade and investment, to foster the implementation of the EU acquis pertaining to the EU Single Market in order to accelerate accession to the EU, and to enhance good neighbourly relations.	<p><b>Pillar 1 - Blue Growth</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While the action does not directly target blue growth sectors, increased regional integration, trade facilitation, and</p>

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
	Thematic Priority 1: Environment and climate change; Thematic Priority 2: Transport, digital economy and society, and energy; Window 4- Competitiveness and inclusive growth Thematic Priority 2: Private sector development, trade, research and innovation	Outcome(s)  Outputs	<ul style="list-style-type: none"> <li>• Trade in goods within the region is facilitated</li> <li>• Trade in services within the region is facilitated</li> <li>• Free movement of capital within the region and with the EU is facilitated</li> <li>• Free movement of people within the region is facilitated</li> <li>• Increased investments in the region</li> <li>• Digital transformation of the Western Balkans is fostered</li> <li>• A regional innovation ecosystem is strengthened</li> <li>• The development of a regional industrial area is fostered</li> </ul> <p>Multiple outputs supporting each outcome area.</p>	<p>improved investment climate aimed by the CRM can create spillover benefits and an enabling environment for growth in blue economy sectors like fisheries, aquaculture, and coastal tourism in the region.</p> <p><b>Pillar 2 - Connecting the Region</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> The action's focus on digital transformation and fostering digital economy and society aligns with Pillar 2's objective of improving connectivity in the region, particularly in the digital dimension. Improved trade facilitation and free movement of goods, services, capital and people can also enhance connectivity.</p> <p><b>Pillar 3 - Environmental Quality</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> The action includes support for implementing the Green Agenda for the Western Balkans, which shares the overarching goal of improving environmental quality with Pillar 3. Activities like developing green industrial skills can complement Pillar 3 efforts.</p> <p><b>Pillar 4 - Sustainable Tourism</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> The action aims to support sustainable tourism under the regional industrial area, including establishing a sustainable regional tourism development framework, accelerating digitalization of the tourism industry, and expanding the tourist season. This directly contributes to Pillar 4 goals.</p> <p><b>Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While not explicitly designed for social cohesion, the CRM's goals of facilitating free movement of people, fostering regional integration and economic growth can improve employment opportunities and living standards, indirectly supporting social cohesion objectives. Digital skills development also aligns with cohesion goals.</p>
<b>IPA 2024-2027</b>				
<b>EU CONTRIBUTION TO THE WESTERN BALKANS</b>	Window 3 - Green agenda and sustainable connectivity;	Impact	To contribute to the long-term recovery of the Western Balkans backed by a green and digital transition—leading to sustained and sustainable economic growth.	<b>Pillar 1 - Blue Growth</b> <b>Alignment: Partial Alignment</b>

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
INVESTMENT FRAMEWORK (WBIF) 2024-2027	Thematic Priority 1: Environment and climate change; Thematic Priority 2: Transport, digital economy and society, and energy; Window 4- Competitiveness and inclusive growth Thematic Priority 2: Private sector development, trade, research and innovation	Outcome(s)	Contribute to the fulfilment of the objectives of the EIP investment Flagships.	<p><b>Rationale:</b> While the action does not explicitly target the Blue Growth pillar, some of its activities related to green transition, environmental quality, and sustainable tourism may have spillover effects that contribute to the objectives of this pillar, such as promoting sustainable aquaculture and fisheries, and supporting the blue economy.</p> <p><b>Pillar 2 - Connecting the Region</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> The action strongly aligns with Pillar 2 objectives, particularly in the areas of transport and energy networks. It aims to promote smart, sustainable, inclusive and green transport, remove bottlenecks in key transport infrastructures, and accelerate the digital transition and regional connectivity. These directly contribute to the Pillar 2 goals of improving transport and energy connectivity in the region.</p> <p><b>Pillar 3 - Environmental Quality</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> The action has a strong focus on supporting the green transition and implementing the Green Agenda for the Western Balkans. Activities related to renewable energy, energy efficiency, sustainable transport, and digital transition directly align with Pillar 3 objectives of improving environmental quality and promoting sustainable development in the region.</p> <p><b>Pillar 4 - Sustainable Tourism</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While sustainable tourism is not an explicit focus, the action's support for SME competitiveness, digital transition, transport connectivity and environmental quality creates enabling conditions and provides complementary benefits for the development of sustainable tourism in the region, in line with Pillar 4 goals.</p> <p><b>Pillar 5 - Improved Social Cohesion (new pillar)</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> The action includes support for inclusive growth and increasing the competitiveness of the private sector, with a focus on SMEs. This may contribute to job creation, economic opportunities and social cohesion as a secondary effect, partially</p>
		Outputs	Multiple outputs supporting each outcome area.	

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
				aligning with the objectives of the new Pillar 5 on improving social cohesion in the region.
<b>IPA 2024</b>				
<b>EU SUPPORT TO FACILITATE JUST TRANSITION FOR WESTERN BALKANS REGIONS, INDUSTRIES AND WORKERS</b>	Window 3 - Green agenda and sustainable connectivity; Thematic Priority 1: Environment and climate change; Thematic Priority 2: Transport, digital economy and society, and energy; Window 4- Competitiveness and inclusive growth Thematic Priority 1: Education, employment, social protection and inclusion policies, and health; Thematic Priority 2: Private sector development, trade, research and innovation"	Impact	To support the Western Balkans in managing the transition to a sustainable and climate-neutral economy, with a focus on just and fair transition away from coal and carbon-intensive industries.	<p><b>EUSAIR Pillar: Pillar 1 - Blue Growth</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While the action does not directly focus on blue growth sectors, the just transition measures in coal and carbon-intensive regions could have spillover effects that support diversification into sustainable blue economy activities as alternative livelihoods. Reskilling workers and supporting SMEs to adapt could enable them to engage in blue growth sectors.</p> <p><b>EUSAIR Pillar: Pillar 2 - Connecting the Region</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> The action supports digital transition as part of the just transition process, which aligns with the digital connectivity aspects under this pillar. Improving digital skills and supporting digital entrepreneurship in the affected regions contributes to the Digital Infrastructure flagship.</p> <p><b>EUSAIR Pillar: Pillar 3 - Environmental Quality</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> The action directly supports the transition to sustainable, climate-neutral economies in the Western Balkans, with a strong focus on environmental protection. It aligns with the objectives to depollute and improve environmental quality in the region. The measures to phase out coal and transform carbon-intensive industries directly contribute to the goals of this pillar.</p> <p><b>EUSAIR Pillar: Pillar 4 - Sustainable Tourism</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While not directly focused on tourism, the action to support just transition in coal and industrial regions could help enable conditions for developing sustainable tourism as an alternative economic activity. Reskilling workers, supporting SME transformation and environmental remediation could make these regions more attractive for sustainable tourism development in the longer-term.</p> <p><b>EUSAIR Pillar: Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Direct Alignment</b></p>
		Outcome(s)	<ul style="list-style-type: none"> <li>• Improve the understanding of the challenges and opportunities linked to the just transition through coherent strategy and policy development.</li> <li>• Strengthen engagement with the private sector and international financing institutions to support implementation of projects that enable just transition, including the introduction of new technologies.</li> <li>• Foster dialogue and actively engage government authorities, municipalities, citizens, and other relevant stakeholders in decision-making for just transition pathways.</li> </ul>	
		Outputs	<ul style="list-style-type: none"> <li>• A complete mapping of coal regions and on carbon-intensive industries is developed, building on available information.</li> <li>• Create a new mapping on carbon-intensive industries to identify the most affected geographic areas, sectors, industries, and actors within the Western Balkans.</li> <li>• Measures and recommendations are proposed to strengthen the attractiveness and competitiveness of affected regions (focusing on CBAM) to mitigate commercial, economic, social, and local impacts of the transition and to support human development and social assistance by making the best use of digital transition.</li> <li>• Measures and recommendations are proposed to strengthen the attractiveness and competitiveness of affected regions (focusing on CBAM) to mitigate impacts.</li> <li>• Develop guidelines on a regional joint approach for relevant EU partners to finance just transition. Prepare a toolkit for the Western Balkans to accelerate mobilisation</li> </ul>	

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
			<p>of public and private sector finance supporting just transition.</p> <ul style="list-style-type: none"> <li>• Pilot projects are identified in all Western Balkans partners, and the implementation of the most advanced/mature pilot projects is launched and facilitated to accelerate the just transition towards sustainable and inclusive market economies.</li> <li>• Western Balkans and EU regions exchange best practices as well as lessons learnt and discuss action plans on just transition and implementation of projects.</li> <li>• Strengthened engagement of the main stakeholders; including citizens, governments, municipalities, businesses, labour unions, non-governmental organisations and international institutions. Enhanced understanding of just transition benefits and awareness of the regions' efforts and the EU contribution in the implementation of a just transition.</li> </ul>	<p><b>Rationale:</b> The action has a very strong social dimension, aiming to ensure the green transition is fair and inclusive. It directly supports objectives to improve social cohesion by focusing on mitigating negative socioeconomic impacts on affected workers and communities. Measures for reskilling, social protection, job creation and stakeholder dialogue closely align with the goals of this new pillar on social cohesion.</p>
<b>IPA 2024</b>				
<b>EU4YOUTH: SUPPORTING REGIONAL YOUTH COOPERATION</b>	Window 4: Competitiveness and inclusive growth; Thematic Priority 1: Education, employment, social protection and inclusion policies, and health; Window 2 - Good governance, EU acquis alignment, good neighbourly relations and strategic communication Thematic Priority 1: Good governance; Thematic Priority 3: Good neighbourly relations and reconciliation	Impact	To foster regional cooperation, trust, and reconciliation among young women and men in the Western Balkans and with the EU.	<p><b>EUSAIR Pillar: Pillar 5: Improved Social Cohesion</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> The action's focus on youth cooperation, engagement in policy-making, and skills development partially aligns with the objectives of the new Pillar 5 on Improved Social Cohesion. While not explicitly designed to address this pillar, the action's activities around youth empowerment, exchange programs, and strengthening ties between the Western Balkans and the EU contribute to several key goals outlined for this pillar, such as aligning the region more closely with EU strategies for social cohesion, allowing countries to work more closely on social issues, and providing opportunities for candidate countries to engage with the European social model. The action thus creates enabling conditions and provides spillover benefits for improved social cohesion in the Adriatic-Ionian region, even if this is a secondary effect rather than the primary aim. <b>There is no significant alignment with other EUSAIR Pillars</b></p>
		Outcome(s)	<ul style="list-style-type: none"> <li>• Youth policies and initiatives in the Western Balkans are better aligned and coherent with the needs of young women and men.</li> <li>• The spirit of reconciliation and cooperation between young women and men in the Western Balkans is increased.</li> <li>• Strengthened esprit de corps and knowledge in EU affairs among young women and men from the EU and the Western Balkans.</li> </ul>	
		Outputs	<ul style="list-style-type: none"> <li>• Strengthened capacities and increased involvement of young women and men in policy-making.</li> <li>• Improved institutional/operational capacity of RYCO to manage regional cooperation projects and become the leading organisation for youth engagement in the Western Balkans.</li> </ul>	

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
			<ul style="list-style-type: none"> <li>Enhanced cooperation to support healthy lifestyles and active citizenship of young women and men in the Western Balkans.</li> <li>A Master's programme in European studies offered to select students of excellence from EU Member States and the Western Balkans.</li> <li>A training programme on the EU common foreign and security policy is offered to entry-level diplomats from candidate countries and potential candidates.</li> </ul>	
<b>IPA 2024</b>				
<b>EU4 EMPLOYMENT</b>	Window 4: Competitiveness and inclusive growth Thematic Priority 1: Education, employment, social protection and inclusion policies, and health	Impact	Fair and well-functioning labour markets in the Western Balkans in line with the European Pillar of Social Rights promoted	<p><b>EUSAIR Pillar: Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> While the EU4 Employment action is not explicitly designed to contribute to EUSAIR Pillar 5, it has significant overlap with the pillar's objectives of improving social cohesion, aligning the Western Balkans with EU social strategies and policies, and addressing common social challenges like youth unemployment. The action's focus on integrating young people into the labor market, tackling undeclared work, improving social dialogue, and enhancing occupational safety and health frameworks will have spillover effects that meaningfully contribute to the social cohesion goals of Pillar 5, even if not as the primary focus. The action will help harmonize the region's development with the EU's social acquis and European Pillar of Social Rights, providing opportunities for candidate countries to strengthen their connection to these frameworks, as envisioned by Pillar 5. <b>There is no significant alignment with other EUSAIR Pillars</b></p>
Outcome(s)		<ul style="list-style-type: none"> <li>Facilitated integration into the labour market of unemployed and disengaged young women and men.</li> <li>Advanced alignment with the EU acquis and the implementation of the EPSR in the areas of undeclared work, health and safety at work and social dialogue.</li> </ul>		
Outputs		<ul style="list-style-type: none"> <li>Tailor-made technical guidance and support to review and adjust key features of policy and legal frameworks underpinning the YG provided to stakeholders</li> <li>Critical elements of the YG service delivery mechanism supported with technical advisory missions, specific tools and tailored learning packages</li> <li>Adapted knowledge resources (methodologies, approaches, practices) that facilitate alignment with YG policy principles across phases and enablers provided to stakeholders</li> <li>Peer learning and a dynamic regional network of YG Coordinators in the Western Balkans supported</li> </ul>		

Action Title	Window/ Thematic Priority	Result	Objective	Alignment with EUSAIR Pillars
			<ul style="list-style-type: none"> <li>• Enhanced performance of the Western Balkans in tackling undeclared work and prepared for integration in the European Labour Authority.</li> <li>• More effective and upskilled tripartite actors (governments, employers and trade unions) participate in social dialogue and promote collective bargaining</li> <li>• Improved Occupational Safety and Health frameworks adopted and implemented.</li> </ul>	

## Alignment of Proposed Multi-Country IPA Actions (2025-2027) with EUSAIR

Action/Measure title	Action/Measure Brief explanation	Indicative timing	Alignment with EUSAIR Pillar
<b>Window 1: Rule of law, fundamental rights and democracy</b>			
<b>Action on EU support to rule of law, fundamental rights and democracy</b>	Support to the Horizontal Facility with the Council of Europe. Expanding judicial training through judicial academies. Continued support to trial monitoring on organised crime and corruption cases. Support electoral reforms based on the electoral recommendations and democratisation. Support to fight against corruption, as well as business integrity linked to good governance and Rule of Law. Reinforcing human rights and equality institutions in line with EU acquis.	Multi-annual 2025-2026-2027	<b>EUSAIR Pillar: No direct alignment</b> <b>Alignment: Complementary Objectives</b> <b>Rational:</b> While this action does not directly align with any specific EUSAIR pillar, topic or action, it works towards the broader goal of strengthening rule of law, democracy and fundamental rights in the region, which can complement the objectives of the EUSAIR by creating an enabling environment for the implementation of its actions.
<b>EU support to security, including cybersecurity</b> <b>Action/Measure</b>	Continued support to Western Balkans and Türkiye on building cybercrime capacities in line with the Budapest Convention. Advanced support on building cyber security resilience capabilities. Support to the Western Balkans Cyber Capacity Centre in delivering trainings on cybercrime, cybersecurity and cyber diplomacy. Support to further integration into ENISA. Continued support to the use of judicial cooperation tools and networks of Eurojust. Continued support to drugs monitoring and information systems. Security coordination platform with Integrative Internal Security Governance (IISG). Integration into EU work on prevention of radicalisation (EU Knowledge Hub - successor of the RAN). Protection of critical infrastructures and public spaces (CIPS) from terrorist threats. Support to the fight against Small Arms and Light Weapons (SALW) under the Roadmap. Support to Advance Passenger Information (API) and Passenger Name Record (PNR) systems.	Multi-annual 2025-2026-2027	<b>EUSAIR Pillar: No direct alignment</b> <b>Alignment: Complementary Objectives</b> <b>Rational:</b> This action focuses on strengthening security and cybersecurity in the Western Balkans and Türkiye. While not directly aligned with any specific EUSAIR pillar, topic or action, it can complement the EUSAIR's objectives by creating a more secure environment that enables the implementation of EUSAIR actions across different pillars.
<b>EU regional support to protection-sensitive migration management systems and to border security capacities</b>	Providing support to the Western Balkans in all areas of migration (asylum and reception, returns, identification and registration, alternatives to detention (ATD), etc.) as well as regional support to strengthen border security capacities in the Western Balkans.	2026	<b>EUSAIR Pillar: No direct alignment</b> <b>Alignment: Complementary Objectives</b> <b>Rational:</b> This action supports migration management and border security in the Western Balkans. While not directly aligned with any specific EUSAIR pillar, topic or action, it can complement the EUSAIR's objectives by contributing to a more stable and secure region, which is conducive to the implementation of EUSAIR actions.

Action/Measure title	Action/Measure Brief explanation	Indicative timing	Alignment with EUSAIR Pillar
<b>EU Civil Society Facility and Media Programme - Multi-country Action/Measure</b>	Support to capacity building and activities of CSO and media, engaging in EU accession related policy areas (e.g., monitoring the Growth Plan/Reform Agendas, monitoring the EIP/green agenda/digital agenda, etc.) and other thematic priorities (e.g., fundamental rights, gender, LGTBQI, people with disabilities, Roma, good governance, etc). Support to small scale regional cooperation projects in various thematic fields and people-to-people contracts.	Multi-annual 2026-2027	<b>EUSAIR Pillar: Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> This action has partial alignment with Pillar 5 on Improved Social Cohesion. Its focus on supporting civil society and media to engage on fundamental rights, gender equality, minority rights aligns with Pillar 5's objective of promoting social progress and solving social challenges. The people-to-people projects also contribute to the social cohesion goals. However, the action has a broader scope beyond just social cohesion.
<b>Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication</b>			
<b>EU support to public administration reform and economic governance Action/Measure</b>	Support to advance on the PAR, PFM, and chapters 5 and 32, as well as for the Commission ability to measure and report on the progress (SIGMA). Capacity building to the Western Balkans administrations through the Regional School of Public Administration. TA on implementation of reforms under the Reform Agendas. Support to advance the fiscal governance as well as on revenue administration and tax policy reforms.	2026	<b>EUSAIR Pillar: No direct alignment</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> While not directly aligned with a specific EUSAIR pillar, strengthening public administration and economic governance creates an enabling environment for the effective implementation of policies and initiatives across all pillars. Improved governance and administrative capacity is foundational for delivering on the sustainable economic development, environmental protection, and regional connectivity goals of the EUSAIR.
<b>EU support to statistics</b>	Horizontal support to the Western Balkans and Türkiye for EU acquis requirements on chapter 18, to build capacity for administrative data and high-quality statistics production and use in all sectors. IPA Window: Window 2: Good governance, acquis alignment, good neighbourly relations and strategic communication	2027	<b>EUSAIR Pillar: No direct alignment with any EUSAIR pillar</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> Enhancing statistical capacity, while not explicitly mentioned in the EUSAIR pillars, is crucial for evidence-based policymaking, monitoring progress, and evaluating the impact of initiatives across all pillars. Reliable and harmonized statistics are an essential tool for effective implementation and coordination of the EUSAIR objectives.
<b>EU Integration Facility, including EU support for the participation of IPA III beneficiaries in EU Agencies and Technical Assistance and Information Exchange (TAIEX)</b>	Flexible support for interventions such as provision of technical assistance, preparatory, pilot or start up/bridging or follow up actions that could facilitate the participation of the relevant IPA beneficiaries in relevant EU networks, regional initiatives, or similar. It may also cover relevant studies, networking, visibility, evaluation activities, as well as training or capacity-building activities. Support to ensure knowledge transfer to and capacity building of IPA III beneficiaries in the area of expertise of selected EU agencies, including the approximation to and adoption of the EU acquis in key areas. Support to provide peer-to-peer capacity building with regard to the alignment, application and enforcement of EU	Multi-annual 2025-2026-2027	<b>EUSAIR Pillar: Potential alignment with multiple pillars, but no direct alignment with any specific pillar</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> This action provides flexible support for various interventions and capacity building activities across multiple sectors. While it doesn't directly align with any specific EUSAIR pillar, it has the potential to complement objectives across all pillars by facilitating knowledge transfer, networking, and alignment with EU standards and practices. The broad nature of this support means it could indirectly contribute to the goals of multiple EUSAIR pillars, depending on the specific areas where it is applied.

Action/Measure title	Action/Measure Brief explanation	Indicative timing	Alignment with EUSAIR Pillar
	legislation and sustainable policy reform as well as advice on EU best practices in EU policy related fields.		
<b>Support for the participation of the Western Balkans in Union programmes - entry tickets 2024 to 2027</b>	Regular financing which supports the participation of the Western Balkans in Union programmes contributing to the payment of the cost of participation in those programmes - i.e. a financial contribution.	Multi-annual 2025-2026-2027	<b>EUSAIR Pillar: Potential alignment with multiple pillars, but no direct alignment with any specific pillar</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> This action provides financial support for Western Balkans participation in Union programmes. While it doesn't directly align with any specific EUSAIR pillar, it has the potential to complement objectives across all pillars by enabling participation in various EU programmes. Depending on the specific programmes accessed, this could indirectly contribute to the goals of multiple EUSAIR pillars, such as fostering innovation in Blue Growth (Pillar 1), improving connectivity (Pillar 2), or enhancing environmental quality (Pillar 3).
<b>EU support to reconciliation and confidence building</b>	Support to concluding outstanding war crimes cases and supporting the acceptance of a shared history. Capacity building of the judiciary on war-crimes related aspects, regional and bilateral cooperation and continuous support to outreach and reconciliation activities. Support to efforts on missing persons may be also envisaged.	2027	<b>EUSAIR Pillar: Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> This action partially aligns with Pillar 5 - Improved Social Cohesion. While the pillar doesn't explicitly mention reconciliation efforts, the action's focus on addressing historical conflicts, promoting regional cooperation, and supporting reconciliation activities contributes to the pillar's broader goal of improving social cohesion in the region. By addressing past conflicts and promoting a shared understanding of history, this action can help create a more stable social environment, which is crucial for achieving the social cohesion objectives of Pillar 5.
<b>EU4Youth - Support to regional youth cooperation</b>	Support for the EU diplomatic training programme for the enlargement region to build further knowledge of entry-level diplomats in the field of the EU's external action, including the Common Foreign and Security Policy (CFSP). Support to the Western Balkans Youth Lab and the Western Balkans School Exchange scheme for the co-creation of policies with young women and men and promote reconciliation and good neighbourly relations through regional youth engagement and exchanges.	Multi-annual 2026-2027	<b>Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> This action directly aligns with Pillar 5 - Improved Social Cohesion. The focus on youth cooperation, policy co-creation with young people, and promoting reconciliation through youth engagement directly addresses the pillar's objectives of incorporating youth perspectives into policy-making and fostering cooperation on social issues. The Western Balkans Youth Lab and School Exchange scheme are particularly relevant to the pillar's goal of addressing youth unemployment and improving social cohesion across borders. This action is designed to directly contribute to the social cohesion goals of Pillar 5.

**Window 3: Green agenda and sustainable connectivity**

Action/Measure title	Action/Measure Brief explanation	Indicative timing	Alignment with EUSAIR Pillar
<b>EU support to energy and green transition and alignment with the EU acquis</b>	EU4Green - Regional support to the implementation of EU Green Agenda and green transition commitments for climate action, environment and sustainable agriculture sectors, ensuring synergies with the Growth Plan actions on decarbonisation and access to the single market. It will also cover support on the Emissions Trading System (ETS) and Carbon Border Adjustment Mechanism (CBAM) compliance. EU4Energy - Support to Covenant of Mayors for Climate and Energy, including support to implementation of Horizon mission on climate neutral and smart cities, which links with Growth Plan references to the Horizon mission on climate neutral and smart cities.	2025	<b>EUSAIR Pillar: Pillar 2 - Connecting the Region, Pillar 3 - Environmental Quality</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> This action directly aligns with Pillar 2's objectives on strengthening sustainable energy networks and services in the region, particularly the focus on green (carbon neutral) solutions. It also has direct alignment with Pillar 3's goals of improving the environmental quality and supporting climate change resilience in the region through the implementation of the EU Green Agenda commitments. The support for the Covenant of Mayors for Climate and Energy and the Horizon mission on climate neutral and smart cities directly contribute to the EUSAIR objectives under these pillars..
<b>EU4Digital - An accelerated digital transition for the Western Balkans - Phase 2</b>	Regional initiative focusing on new measures to underpin the priorities of the Growth Plan pillars 1 and 2, pillar 3 and eventually identify areas for investments through WBIF. WiFi4WB coverage of further municipalities in the region. Support to interchange of good practices on the digital transition in terms of infrastructure and services interoperability in governments and businesses, cybersecurity and cyber-resilience, skills development. Pilots in e-governance and digital skills or expand e-freight pilot (to cover all the region), piloting TUMO, and others.	2026	<b>EUSAIR Pillar: Pillar 1 - Blue Sustainable Economy, Pillar 2 - Connecting the Region, Pillar 4 - Sustainable Tourism</b> <b>Alignment: Partial Alignment</b> <b>Rationale:</b> This action has partial alignment with several EUSAIR pillars. It supports Pillar 1's objectives of promoting innovation and business opportunities in the blue economy through activities on digital transition and skills development. It aligns with Pillar 2's goal of developing inter-linked transport networks through the e-freight pilot. The action also has relevance to Pillar 4 as digitalisation is a key focus for developing the full potential of sustainable tourism in the region. However, the action's primary focus is on the broader digital transition rather than being specifically designed for the EUSAIR pillars.
<b>Window 4: Competitiveness and inclusive growth</b>			
<b>EU4Inclusion</b>	Measure 1 - Roma socio-economic inclusion: Support the implementation of Poznan commitments and national Roma inclusion strategies (including Türkiye's strategy), with focus on Roma integration and inclusion through education and labour market integration, among others. Measure 2 - Socio-economic inclusion: Support to policies and actions aimed to ensure equality, inclusion and empowerment of disadvantaged and vulnerable groups (women, LGBT, people with disabilities, elderly, children, youth, minorities, etc), thus enabling their potential contribution to the economic growth (including labour market) and further social cohesion, as well as full access to the benefits of the socio-economic life in the Western Balkans.	Multi-annual 2026 - 2027	<b>EUSAIR Pillar: Pillar 5 - Improved Social Cohesion</b> <b>Alignment: Direct Alignment</b> <b>Rationale:</b> This action directly aligns with EUSAIR Pillar 5 - Improved Social Cohesion. The focus on socio-economic inclusion of Roma and other disadvantaged groups, as well as efforts to ensure equality, inclusion, and empowerment, directly contributes to the pillar's goal of improving social cohesion in the region. The action's emphasis on education, labor market integration, and enabling full access to socio-economic benefits for vulnerable groups strongly matches the pillar's objectives of addressing economic disparities and fostering social inclusion. Additionally, the focus on youth aligns with the pillar's aim to

Action/Measure title	Action/Measure Brief explanation	Indicative timing	Alignment with EUSAIR Pillar
			incorporate youth perspectives into policy-making and address youth unemployment.
<b>Support to the implementation of the Common Regional Market (CRM) / Pillars 1 and 2 of the Growth Plan</b>	Support the development of a CRM, overall coordination and transversal elements. Support to coordinate CEFTA trade negotiations and implementation of protocols, CEFTA structures and the CRM implementation (quality infrastructure, e-commerce, trade in goods and services). Support to SEED+ - Trade facilitation within CEFTA region and with the EU through the electronic transmission of pre-arrival customs and other agencies data. Support the Western Balkans with SEPA application, payment modernisation and investment area. Establishment of a structured cooperation network among the Western Balkans for a harmonised application of intellectual property rights.	Multi-annual 2025 - 2026	<b>EUSAIR Pillar: Potential alignment with multiple pillars, but no direct alignment with any specific pillar</b> <b>Alignment: Complementary Objectives</b> <b>Rationale:</b> This action focuses on developing a Common Regional Market and improving trade facilitation, which has the potential to complement objectives across multiple EUSAIR pillars, rather than aligning directly with any single pillar.