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ANNEX 7

to the Commission Implementing Decision on the financing of the multi-country annual action plan in favour of the Western Balkans and Türkiye for 2024

Action Document for 'EU4Digital - An accelerated digital transition for the Western Balkans – Phase 1'

ANNUAL ACTION PLAN
This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and annual and multiannual action plans and measures in the sense of Article 9 of IPA III Regulation and Article 23(2) of NDICI - Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

Title	**EU4Digital - An accelerated digital transition for the Western Balkans – Phase 1** Multi-country annual action plan in favour of the Western Balkans and Türkiye for 2024
OPSYS	ACT-61935; IPA III/2024/NEAR>HADEA.07
ABAC	ABAC Commitment level 1 number: JAD.1161483
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)
Economic and Investment Plan (EIP)	Yes 4) Digital (linked to IPA III "Digital Agenda"), 6) Human Development (incl. human capital and youth) (linked to IPA III "Human Capital" and "Innovation")
EIP Flagship	Yes Priorities: "Digital future", "Human Capital Development (incl. human capital and youth)". Flagships: "VIII Digital Infrastructure", 'IX Competitiveness of the private sector', "X Youth Guarantee"
Team Europe	Not a Team Europe Initiative. The Action contributes to Team Europe approach in the Western Balkans Region being linked to the Western Balkans Investment Framework whereas EU Member States, Norway, the EU through IPA and financial institutions contribute together and in partnership to the implementation of the Economic and Investment Plan for the Western Balkans).

Beneficiaries of the action	The action shall be carried out in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo[*], Montenegro, North Macedonia, and Serbia)
Programming document	IPA III Programming Framework

PRIORITY AREAS AND SECTOR INFORMATION	
Window and thematic priority	Window 3 Green agenda and sustainable connectivity Thematic Priority: Thematic Priority 2: Transport, digital economy and society (50%) Window 4 Competitiveness and Inclusive Growth Thematic Priority 1: Education, employment, social protection and inclusion policies, (25%) and health and Thematic Priority 2: Private sector development, trade, research and innovation (25%).
Sustainable Development Goals (SDGs)	Main SDG: SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Other significant SDGs: SDG 3 Ensure healthy lives and promote well-being for all at all ages SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. SDG 5 Achieve gender equality and empower all women and girls. SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. SDG 10 Reduce inequality within and among countries. SDG 11 Sustainable Cities and Communities. SDG 12 Responsible Consumption and production. SDG 13 Take urgent action to combat climate change and its impacts.
DAC code(s)	16020 (25%) Employment creation 22020 (25%) Telecommunications 25030 (25%) Business Development Services 22040 (25%) Information and communication technology (ICT)
Main Delivery Channel	Donor Government 11000
Targets	☒ Climate ☒ Gender ☐ Biodiversity

Markers (from DAC form)	**General policy objective**	**Not targeted**	**Significant objective**	**Principal objective**
	Participation development/good governance	☐	☒	☐

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[*] This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

		Not targeted	Significant objective	Principal objective
	Aid to environment	☐	☒	☐
	Gender equality and women's and girl's empowerment	☐	☒	☐
	Reproductive, maternal, new-born and child health	☒	☐	☐
	Disaster Risk Reduction	☒	☐	☐
	Inclusion of persons with Disabilities	☐	☒	☐
	Nutrition	☒	☐	☐
	RIO Convention markers	**Not targeted**	**Significant objective**	**Principal objective**
	Biological diversity	☒	☐	☐
	Combat desertification	☒	☐	☐
	Climate change mitigation	☒	☐	☐
	Climate change adaptation	☐	☒	☐
Internal markers and Tags	**Policy objectives**	**Not targeted**	**Significant objective**	**Principal objective**
	EIP	☐	☐	☒

	YES	NO
EIP Flagship	☒	☐

Tags:	YES	NO
Transport	☒	☐
Energy	☒	☐
Environment and climate resilience	☒	☐
Digital	☒	☐
Economic development (incl. private sector, trade and macroeconomic support)	☒	☐
Human Development (incl. human capital and youth)	☒	☐
Health resilience	☐	☒
Migration and mobility	☐	☒
Agriculture, food security and rural development	☒	☐
Rule of law, governance and Public Administration reform	☒	☐
Other	☒	☐

Digitalisation	☐	☐	☒

Tags	YES	NO
digital connectivity	☒	☐
digital governance	☒	☐
digital entrepreneurship	☒	☐
digital skills/literacy	☒	☐
digital services	☒	☐

Connectivity	☐	☐	☒

Tags	YES	NO
digital connectivity	☒	☐
energy connectivity	☒	☐
health	☐	☒
education and research	☒	☐
transport connectivity	☒	☐

Migration	☒	☐	☐
Reduction of Inequalities	☐	☒	☐
COVID-19	☒	☐	☐

BUDGET INFORMATION

Amounts concerned	Budget line: 15 02 02 01
	Total estimated cost: 15 000 000
	Total amount of EU budget contribution EUR 15 000 000 of which EUR 7 500 000 will be co-delegated to the European Health and Digital Executive Agency (HADEA)

MANAGEMENT AND IMPLEMENTATION

Implementation modalities (management mode and delivery methods)	**Direct management** through: grants
	Part of the action will be co-delegated to HADEA
	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.1
Final date for concluding contribution / delegation agreements, procurement and grant contracts	At the latest by 31 December 2025
Indicative operational implementation period	72 months following the adoption of the Financing Decision

1.2. Summary of the action

This action document contributes to the implementation of the Economic and Investment Plan (EIP) for the Western Balkans[1] underpinning the digital transition of the region through the 'EU4Digital - An accelerated digital transition for the Western Balkans'.

The EU4 Digital initiative aims to foster the region digital transition through both political and policy dialogues, identify where possible, areas for investments, launch few pilots that have the potential to be scaled-up in due course. The objective of the initiative is to boost secure and sustainable digital and telecommunication infrastructures across the region; to foster the digitalisation of public sector services, including through interoperability of data and interoperable services standards; to boost the digitalisation of the business sector; to work on needed digital skills. Pilots ideally in each area are envisaged.

The action represents the first phase of the EU4Digital initiative and activities and outputs will focus on the deployment of digital infrastructures, notably providing finance to extend the WiFi4EU initiative to Western Balkans through the EU4Western Balkans initiative. It will also focus on the digitalisation of public services and support the digitalisation of the business sector.

The second phase of the EU4Digital initiative is planned for 2025 and will advance on the digitalisation of public services and support the digitalisation of the business sector, support the development of digital skills of citizens, businesses, and governments in the region.

Both phases of the EU4Digital have to address socially and economically vulnerable segments of the population, including Roma and plan for dedicated actions, including within the proposed pilots. Special attention to make the most vulnerable more resilient to shocks and crisis is needed in each of the areas covered by the action.

1.3 Beneficiaries of the action

The action shall be carried out in the Western Balkans: Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.

2. RATIONALE

2.1. Context

In February 2018[2], the European Commission together with Ministers from the Western Balkan partners - Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia endorsed the Digital Agenda for the Western Balkans[3]. This agenda aimed at supporting the transition of the region into a digital economy and bringing the benefits of the digital transformation, such as a faster economic growth, more jobs, and better services.

The Commission and the Western Balkans partners committed to:

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[1] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, An Economic and Investment Plan for the Western Balkans, COM (2020) 641 final, 6.10.2020.
[2] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A credible enlargement perspective for and enhanced EU engagement with the Western Balkans, Strasbourg, 6.2.2018 COM (2018) 65 final.
[3] COM(2018) 65 "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans". The document encompasses the six flagship initiatives, including a Digital Agenda (i.e. facilitate lowering roaming costs, support deployment of broadband, development of eGovernment, eHealth, digital skills).

- Invest in broadband connectivity – EUR 30 million in EU grants were made available, under the Western Balkan Investment Framework (WBIF), to deploy broadband infrastructure in the region to mobilise strategic investments and foster socio-economic growth;
- Increase cybersecurity;
- Improve trust and digitalisation of industry – by supporting "capacity building in trust and security" and the digitalisation of industry in the Western Balkans to improve interoperability and ensure that all sectors benefit from digital innovation;
- Strengthen the digital economy and society by supporting the deployment of eGovernment, eProcurement, and eHealth tools, digital skills among citizens, etc.; and
- Boost research and innovation by setting up state-of-art e-infrastructures in the Western Balkans.

In 2020, the European Commission adopted a comprehensive EIP for the Western Balkans, which aims to spur the long-term economic recovery of the region, support a green and digital transition, foster regional integration and convergence with the European Union. The EIP sets out a substantial investment package mobilising up to EUR 9 billion of EU funding for the region.

The drastic increase of the online trade in goods and services, and post-pandemic changes to the world of work, business, healthcare and education, continue to accelerate the digital transformation of societies and economies. The EIP foresees that 20% more people in the region will benefit from digital services by 2024; and that a similar increase in numbers of persons skilled in Information and Communications Technologies (ICTs) will take place. However, the Digital Economy and Society Index (DESI), measuring connectivity, human capital, use of internet by individuals, integration of digital technologies by the business sector and digital public services, shows that Western Balkans economies are still lagging behind the EU average on the same areas and that the partners are advancing at different path in the different areas.

Over the past few years, the Western Balkans have made some investments in digital infrastructure, however substantial efforts are needed to advance on the regional digital market integration and attain the objectives outlined in the Economic and Investment Plan. The DESI report for 2022 shows that the region scores below the EU average with a 29.7 average in comparison with the 52.3 EU average on digital performance. Overall, the region lags behind in all the areas identified by the EU Digital compass. Key areas that still require special attention to create the needed climate for the region's digital transition are connectivity with broadband and 5G coverage and penetration, notably, in rural areas, with high-speed penetration and fast broadband coverage, interoperability of data and security of data; integration of digital technologies by the businesses; digital public services. Broadband penetration and interoperability of public and private sector services are essential for the creation of a cohesive and vibrant regional market which spurs economic growth, creates more jobs, fosters innovation, and prepares the Balkan region for their alignment with the EU Digital Single Market and their accession to the EU.

Noteworthy, that in 2023, the Western Balkans committed to jointly develop an initiative supported by the European Union to empower local communities in the Western Balkans region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market. The initiative is referred to as WiFi4WB, Wi-Fi for Western Balkans and will be supported through this action.

The action will be implemented by taking into account the activities carried out in this field by the Regional Cooperation Council (RCC), in their convening role as a key partner for the digital transition in the Western Balkans, in synergy with the European Commission services responsible for the implementation of the Digital Compass and Western Balkans (DG CONNECT, DG DIGIT, DG NEAR, DG RTD) and with the EU

Delegations/EU Office and the WBIF to create synergies on investments and programmes[4] at national and regional levels.

This action underpins the efforts to integrate the Western Balkans into the pan-European digital market and identifies areas that would allow to advance on the region digital transition and set the basis for advancing on the single digital market, notably referring to the digital single market act and digital services act. The following political and policy commitments will be considered:

- The recommendations of the Enlargement Package.
- The EIP for the Western Balkans.
- The Digital Agenda for the Western Balkans.
- The Green Agenda for the Western Balkans.
- The Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sport.
- The Common Regional Market, action plan, coordinated by the RCC and CEFTA, which build on the objectives and the vision of the Digital Agenda for the Western Balkans.
- The Communication on the 2030 Digital Compass: European way for the Digital Decade, of 9 March 2021 and the Digital Decade Policy Programme (DDPP).
- The Economic Reform Programmes recommendations will also be taken into consideration at the time of designing the action and its activities.
- The Western Balkans partners and EU joint declarations part of the Digital Summits 2018-2023.

EU4Digital initiative will contribute to the achievement of objectives under Window 3 of IPA III: Green agenda and sustainable connectivity; Thematic Priority 2: Transport, digital economy and society, and energy and Window 4 of IPA III: Competitiveness and Inclusive Growth; Thematic Priority 1: Education, employment, social protection and inclusion policies, and health and Thematic Priority 2: Private sector development, trade, research and innovation.

The EIP for the Western Balkans sets out a substantial investment package for a long-term recovery, twin green and digital transitions, leading to a sustained economic growth and implementation of reforms required to bring the entire region into the EU Single Market. It is built on the foundations of a performance-based and reform-oriented proposal for IPA III. In this context, the action is structured into four activities (Pillars) along the priorities of the EU 2030 Digital Compass.[5] The proposed activities below provide a framework for the

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[4] Some of the bilateral IPA (national and regional) programmes, as well as some WBIF ones are listed below (the list is not exhaustive):

1.**EU for Better Business Environment:** to help strengthen mechanisms that enhance stakeholder coordination, streamline business regulations, and more flexibly target technical assistance. One of the goals of the Project is to support the development of electronic services to businesses. Budget: 8 million EUR with WB as implementing agency. Implementation period: July 2021 – June 2025

2.**Rural Broadband Rollout:** this project will enable Serbia to connect existing fibre backbone to up to 1,200 additional settlements, 400 schools/public institutions and pass at least 145,000 households in rural areas without access to a broadband network. The investments will create new economic opportunities and skills for local populations in less developed regions through increased access to connectivity and training, as well as advance a competitiveness-focused policy engagement in the telecommunications sector. Budget: WBIF EU grant EUR 34.4 million; EBRD loan EUR 70 million; Beneficiary contribution EUR 1.5 million. Estimated investment EUR 107.9 million. Implementation period: July 2021 – June 2025

3.**Bridging digital divide for the most vulnerable:** the intervention is designed to address the urgent COVID-19's related need of adapting the education system to the needs for distance learning with assuring access to education for every pupil, especially focusing on underprivileged and more vulnerable ones (e.i Roma) that are affected most in the emergency situations. Budget: EUR 1.95 million. Implementation period: November 2020 - April 2023.

4.**Establishment of Smart Labs – Network of ICT Laboratories for the Pre-university Education System: t**his project will implement 684 smart ICT labs in 627 schools across the country, aiming to increase the availability of computer labs for students in their pre-university cycles and provide the necessary tools to enhance computer programming skills. Budget: EUR 10.6 million EU grant. (Estimated investment EUR 34.1 million). Implementation should start in 2024.

[5] https://commission.europa.eu/system/files/2023-01/cellar_12e835e2-81af-11eb-9ac9-01aa75ed71a1.0001.02_DOC_1.pdf

development of regional and/or bilateral pilots, which can later be scaled up. Several projects will be piloted within each pillar to potentially be scaled up at regional level.

The main pillars covered by this action are:

(i) Develop secure and sustainable digital and telecom infrastructure in across the region. With a focus on empower local communities in the Western Balkans region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market.

(ii) Enhance cross-interoperability of public services on the national and/or regional levels, and between the Western Balkans and the EU.

(iii) Support the digitalisation of businesses in the Western Balkans.

Pilot projects are envisaged in the implementation of the areas of the EU4Digital. Activities and pilot projects will respond to the needs, interests, and the state of play/progress of the Western Balkans partners in the region, building on already existing EU/Western Balkans best practices and activities carried out by the economies, partner organisations, financial institutions, and other stakeholders including CSOs. Pilots will serve to both the partners economies and the European Commission to better understand the most effective and strategic areas of intervention, to be eventually scaled-up. The budget of this action allows for the identification of between two and three pilot projects of about two and half EUR million.

This action contributes to identify possible needed reforms and priorities, establish a structured dialogue with main stakeholders, including governments and regional association, international organisations, and identify potential investments at regional and economy level. Regular progress reports on each of the four pillars are essential to outreach the main stakeholders in the region, build capacity in the partner economies and disseminate information and results.

Regular interchanges with the EU Delegations/EU Office in the region are a requirement.

2.2. Problem Analysis

Short problem analysis
Below a brief analysis per pillar of the main priorities and challenges to the deployment of the EU Digital marker in the Western Balkans.

1. *Pillar I - Secure and sustainable digital and telecom infrastructure in across the region:*

The EIP for the Western Balkans and IPA III Programming Framework[6] support enhanced roll-out of next-generation broadband networks, in line with the evolving EU approach to secure network connectivity. This will increase competitiveness, improve access to services, boost economic growth and achieve regional integration, ensuring a safer digital environment also for vulnerable groups with particular attention to children and teenagers.

Investing in the broadband connectivity is one of four pillars of the Digital Agenda for the Western Balkans. Activities encompassing leverage of the advanced digital technologies such as Internet of Things (IoT) and Big Data will contribute to achieving objectives and complement policy establishment and capacity building activities of the Green Agenda for Western Balkans related to the environment protection, fighting pollution of air, water and soil and promoting sustainable methods of food production and supply. Ensure the reduction of the digital gap between rural and urban areas.

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[6] Commission Implementing Decision adopting the Instrument for Pre-Accession Assistance (IPA III) Programming Framework for the period 2021-2027, COM(2021) 8914 final, 10.12.2021

The Memorandum of Understanding on 5G Roadmap for Digital Transformation in Western Balkan was signed in October 2020. In three Western Balkans economies all three 5G pioneer bands are free (Montenegro, North Macedonia and Serbia) and in two economies only 700 MHz band is not yet freed up (Albania and Kosovo). Three economies prepared for 5G auction in 2022. The EU and the Western Balkans partners confirmed their commitment to ensure the secure deployment of 5G networks through the comprehensive implementation of the EU 5G Cybersecurity Toolbox[7] in December 2023 at the EU-Western Balkans Summit.[8]

The Regional Roaming Agreement (RRA) on the price reduction of the roaming services in public mobile communication networks in the Western Balkans region was signed in April 2019. The Roam Like at Home (RLAH) regime entered into force in July 2021, eliminating all roaming costs among the six Western Balkan economies. Building on this, eighteen telecommunications operators from the European Union (EU) and the Western Balkans signed a Roaming Declaration in December 2022, committing to work on the lowering of roaming costs between the EU and Western Balkans and introducing the first significant reductions as of 1 October 2023. The Western Balkans committed to work on improved business and regulatory environment. By signing the Regional Roaming Agreement (RRA), a harmonised roaming space in Western Balkans has been established and thus the key prerequisite to pursue EU-Western Balkans roaming tariff reductions. The Roaming Data report prepared by the RCC shows exorbitantly high prices for roaming services between the EU and Western Balkans. A declaration to lower roaming charges between the EU and the Western Balkans was signed in December 2022 by several telecom operators from both sides. The decrease in roaming charges needs to be accompanied by reforms which will create a business-friendly environment.

COVID-19 showed that it is of crucial importance to have robust, fast and reliable broadband networks to provide seamless digital services and inclusive digital society, both in metropolitan and rural regions. Further development of broadband penetration rates helps develop a digital ecosystem and provide access to e-commerce, e-government, e-health applications, digital education etc. According to the Western Balkans DESI Report 2022, in 2021 almost 82% of people in the Western Balkan region used a mobile device to access the Internet. Mobile broadband penetration is the highest in Serbia and Montenegro with figures above the EU average (96% and 91%, respectively versus 87% in the EU). Looking at the broadband services, there has been a sharp increase (42%) in at least 100 Mbps fixed broadband penetration in the Western Balkan region in 2021 compared to 2020. In 2021, almost 21% of the region households subscribed to broadband services of at least 100 Mbps. Still, number of households subscribed to such services in the region is notably below the EU average of 41%. When it comes to the Next Generation Access (NGA) technologies like VDSL, FTTP and Data Over Cable Service Interface Specification (DOCSIS), capable of delivering download speeds of at least 30 Mbps, the region reached almost 73% of households in 2021, which is below the EU average of 90%. In 2021, half of the regional households were connected to any of Very High-Capacity Networks (VHCN include FTTP and DOCSIS), compared to the EU average of 70%.

Networking and regional dialogue on broadband development and high-speed connectivity have been improved with participation of the Western Balkans Broadband Competence Offices (BCOs) in the EU BCOs network, which was enabled for the first time in 2019 with the aim to increase their capacities and ensure peer-to-peer experience sharing. BCOs are established in Kosovo, Montenegro, North Macedonia and Serbia. In Albania, BCO is planned to be established according to National Broadband Plan 2020-2025, while establishment of BCO in Bosnia and Herzegovina is conditioned with the adoption of Policy of the European Commission Sector in Bosnia and Herzegovina for 2022-2026 which is expected to be approved in 2023.

At the Western Balkans Digital Summit held in Skopje in 2018 and Pristina in 2022, the Western Balkans expressed preparedness for prospective rollout of Wi-Fi projects similar to WiFi4EU in the EU Member States. Additionally, as stated in Common Regional Market (CRM) Action Plan 2021-2024 it is planned to agree on

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[7] Commission Recommendation of 26 March 2019 on Cybersecurity of 5G networks C(2019) 2335 final
[8] EU-Western Balkans Summit Brussels Declaration, 13 December 2023

principles and standards used for smart cities, based on EU standards, with a view to ensure data and services interoperability.

The pillar supports the WiFi4WB, wifi for Western Balkans, to empower local communities in the Western Balkans region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market.

Pillar I focuses on the WiFi4WB deployment in 500 municipalities and on identifying investment priorities in infrastructures. Investments to advance on the infrastructure deployment priorities and reforms may be considered as part of the WBIF, the Growth Plan, and other sources of public and private funding.

2. *Pillar II - Digitalisation of public services on the national and/or regional levels, and their interoperability among the Western Balkans and the EU*

The EIP for the Western Balkans highlights the importance of the digital transition. Digitalisation represents an opportunity as well as a challenge for many sectors of the economy and societies in the region. IPA III Programming Framework emphasises that strengthening digital connectivity and the digital transformation of businesses and public services have a great impact on growth, productivity, sustainable use of resources, green transformation, innovation, services, fight against fraud and corruption and ultimately on people's lives. Digital connectivity needs to be secure and resilient and preserve citizens' privacy and integrity. Digitalisation of public services represents a priority for the Western Balkans, as spelled out in the Digital Agenda, where support to the deployment of cross-border eGovernment, eProcurement, and eHealth tools is at focus.

With growing connectivity of public electronic services, and their everyday life use, the importance of cybersecurity and cyber resilience will continue to grow in the future. Operators of essential services in key sectors such as healthcare, transport, energy, banking, e-government, digital infrastructure, and water supply should have the necessary capacities to take appropriate security measures based on EU values and principles. Projects in cybersecurity are already being implemented in the region and the implementation of the activities of the EU4 Digital initiative should ensure synergies.

The Memorandum of Understanding (MoU) on Regional Interoperability and Trust Services in the Western Balkans, signed in November 2020, and the subsequent Joint Statement on Interoperable Western Balkans signed in October 2021, aim at improving regional interoperability, including recognition of eIDs and trust services has advanced. The actions, such as the vision, the objectives and the key sections including the timeline for implementation have been agreed and the ambition is to enable recognition of eIDs and trust services between Western Balkans in a mid- to long-term timeframe. As such, the Western Balkan region is working on identifying intra-regional use-cases to ensure launching of regional pilot project(s) to improve interoperability of intra-regional services and free flow of data across the region by removing any existing barriers. To this end, the assessment of compliance with General Data Protection Regulation (GDPR) is prepared and where proceed reflected in the National Reform Programmes. Complementarity with the activities carried out by the Regional Cooperation Council, including pilot activities must be ensured.

During the Second Regulatory Dialogue between the EU and the Western Balkans, which took place on 30 June 2023 in Brussels, the Governments of the Western Balkans underlined the importance to advance on the interoperability of data, ensuring their safety and privacy, and stressed the importance to have the support of the European Union to smoothen the harmonization in the region on the different level (technical, legal, financial, operational).

The Western Balkans have to advance on the alignment with the European Interoperability Framework (EIF) and digital identity/trust services. The Western Balkans have made moderate progress in the alignment of

domestic legislation to the EU eIDAS Regulation[9]. More in detail, the region must complete its integration into the EU trust services once national legislation is compliant with the electronic identification, authentication and trust services (eIDAS). An intermediate step would be the development of a regional Digital Identity Wallet ("Balkan Digital Identity Wallet"), aligning with that of the EU and following the exact same technical specifications.

The Interoperable Europe Act, which was adopted in November 2022 and focuses on strengthening cross-border interoperability and cooperation in the public sector across the EU, introduces a framework of cooperation between EU Member States and EU Institutions to secure cross-border exchange of data and agree on shared digital solutions, such as open-source software, guidelines and frameworks. Among other initiatives, it also introduces mandatory assessments to evaluate the impact of changes in IT systems on cross-border interoperability in the EU. The Western Balkans should seek alignment to the afore-mentioned Act.

A key challenge for the region in digital transformation is for governments to enhance delivery of services through a citizen-centric and digital-by-default approach. To achieve this goal, the governments in the region need to strengthen the underlying conditions for digitalisation, such as digital data availability in key registers built on EU standards, align their interoperability with the most recent European Interoperability Framework. They have also to establish or further strengthen their digital governance and organisational structures. For example, recognition of digital signatures instils trust, which in turn facilitates digital interaction between citizens and with public institutions, amplifies business-to-business connections, and accelerates trade flows. On the other hand, businesses and governments collect and store large amounts of data that could be used, in line with EU standards, to create new e-services, empower research and innovation by creating new digital products and applications utilizing IoT, big data and open data platforms.

On open data[10], according to the Western Balkans DESI Report 2022[11], the region performed considerably below the EU in 2021[12], in the Digital public services dimension. In 2021, the number of internet users interacting with the public administration in the region reached almost 35%, which is significantly below the EU average of 65%. In the Western Balkan region two thirds of online forms requiring personal information are pre-filled with data already known by the public administration, which is slightly below the EU average. In 2021, the region scored 43 points for digital public services for citizens indicator[13], which is 32 points below the EU average, whereas in the digital public services for businesses[14], the region scored 59 points for this indicator, which is 23 points below the EU average. In summary, the region is performing significantly below the EU average in the maturity of the open data (42% compared to the 81%).

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[9] eIDAS Regulation | Shaping Europe's digital future (europa.eu)

[10] Open data is data that can be freely used, re-used and redistributed by anyone - subject only, at most, to the requirement to attribute and share alike. The importance of open data is linked with interoperability of data. Interoperability is important because it allows for different components to work together. This ability to componentize and to 'plug together' components is essential to building large, complex systems. Without interoperability this becomes near impossible. The core of a "commons" of data (or code) is that one piece of "open" material contained therein can be freely intermixed with other "open" material. This interoperability is absolutely key to realizing the main practical benefits of "openness": the dramatically enhanced ability to combine different datasets together and thereby to develop more and better products and services (these benefits are discussed in more detail in the section on 'why' open data). Providing a clear definition of openness ensures that when you get two open datasets from two different sources, you will be able to combine them together.

[11] The Digital Economy and Society Index (DESI) | Shaping Europe's digital future (europa.eu)

[12] Open Data in Europe 2021: https://data.europa.eu/en/dashboard/2021

[13] Digital public services for citizens indicator measures to which extent services or information on services in the citizen-related life events such as career, studying, family, health, moving, starting a small claims procedure and transport, can be fully completed online with sufficient information and can be reached via main public administration portals.

[14] Digital public services for businesses measures to which extent services or information on services in the business-related life events such as starting a business and conducting regular business operations, can be fully completed online with sufficient information and can be reached via main public administration portals.

On regional interoperability[15], the Central European Free Trade Agreement (CEFTA) aims at promoting the integration of the Western Balkans' trade of goods and services. CEFTA presented one key step towards the regional economic and interoperability and integration of services across border. In the same context, following the commitments of the MoU on Regional Interoperability and Trust Services in the region, signed in November 2020, the work towards improving it, including recognition of eIDs and trust services has advanced. Vision, objectives and key components including the timeline for implementation have been agreed and the aim is to enable recognition of eIDs and trust services between the regional economies. The region is working on identifying intra-regional use-cases to ensure launching of regional pilot project(s) aiming to improve interoperability of intra-regional services. As part of the framework for an enhanced interoperability, the region has already initiated work towards the establishment of the framework for free flow of data. A regional report – "The regional framework for the free flow of data in Western Balkans region" - is at the final stage of review and based on the recommendations of the report, concrete milestones regarding the required legal changes across the region have been identified.

The WHO/Europe Western Balkans Digital Health Network[16] supports the implementation of digital health priorities identified by the WHO Western Balkans Roadmap for Health 2021–2025 to accelerate the digitalisation of national health systems and establish guidelines for the development of equitable digital health services in the Western Balkans (focusing on the delivery of primary health care).

The Western Balkans have made progress in harmonising their cyber security legislation and strategies in line with the EU framework. However, considerable deficits remain in respect to the implementation and operationalisation of practical responses. The most significant challenges are posed by (i) the lack of proper resourcing of Computer Security Incident Response Teams (CSIRTs); (ii) low levels of incident reporting; (iii) limited resourcing of bodies, such as CSIRTs, police, and prosecutors in respect of staffing, technology, and training, which is negatively impacting investigations and procedure; (iv) the lack of significant public-private partnerships, despite recognition of their value; (v) the lack of educational policies and programmes on ICT and related areas within the Western Balkans. Mitigation actions to these recurrent challenges should be discussed and where possible interchanges of good practices should be promoted.

3. Pillar III: Support the digitalisation of businesses

In line with the outcome of the SME Policy Index for the Western Balkans (2022 latest edition), digital transformation is instrumental when used in a policy mix aimed at the reindustrialisation of Western Balkan economies and support to SMEs. The Western Balkans' digital transformation has the potential to boost productivity and employment in the Western Balkans, especially when more focus is given to digital economy, data management, manufacturing, and rural areas, with a potential to close the development gap.

The Western Balkans aim to build a CRM, based on EU rules and values, as it was reaffirmed in the Zagreb Declaration (6 May 2020). The CRM targeted its actions in four key areas, including compliance with EU standards and international best practices; regional digital area to integrate the Western Balkans into the pan-European digital market; regional trade area; and regional investment and innovation area. The CRM has built on the achievements of the Regional Economic Area (REA). Establishing the CRM will contribute to putting the region on the map for global investors seeking to reduce the distance to the EU markets and diversify their suppliers, thereby creating jobs, offering greater choices at lower prices for its consumers, and enabling people

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[15] Interoperability denotes the ability of diverse systems and organizations to work together (inter-operate). In this case, it is the ability to interoperate - or intermix - different datasets.

[16] The WHO/Europe Western Balkans Digital Health Network will support the work and commitments of the forthcoming Western Balkans Roadmap for Health 2021–2025 (to be released in December 2021). This will ensure that actions for digital health are anchored in public health priorities, and further the implementation of WHO's European Programme of Work 2020–2025 – "United Action for Better Health in Europe. Roadmap for Health and Well-being in the Western Balkans (2021–2025). Building on the individual health goals and priorities of the WBs through the lens of the European Programme of Work (2020–2025) – "United Action for Better Health" (EPW),

to work throughout the region. This larger regional market will open opportunities for the Western Balkan' companies to better integrate into the European value chains and strengthen their competitiveness in the European and global marketplace. Some estimates show that regional economic integration can generate 2.5% of GDP should the level of integration reach European Free Trade Association (EFTA).

To facilitate the trade and transportation within the region the World Bank leads the Trade and Transport Facilitation Project. One key component of the project involves the adoption and implementation of a National Single Window (NSW) solution.

Noteworthy that the WBIF is supporting the competitiveness of the private sector in the region through a number of projects implemented in partnership with financial institutions and partner financial institutions based in each economy. These projects underpin the creation of a more adequate business climate and tap into the needs for finance of micro, small and medium enterprises. Activities in this area are carried out through blending and guarantee instruments and support the green and digital transition of the micro, small and medium enterprises in the region. While projects supporting the green transition of the business sector are ongoing, more work has to be done in relation to the deployment of the digital transition and of all the reforms needed to develop an adequate business climate in order to foster e-business and e-commerce activities regionally.

Access to finance schemes for incubation of start-ups, and for businesses contributing to integrate the regional start-ups into EU value chains should be prioritised. When at regional level, they have to be part of WBIF and complementary to the current guarantees and blending operation channelled through this financial vehicle.

As part of digital transformation businesses must continuously comply with international standards that will help them to provide products and services that meet customer and regulatory requirements, manage risks to the security of information they are generating or using, and their safeguard from potential threats and disruptions, mitigate the risk to discontinue the value chain.

Synergies with existing pilots carried out by the RCC[17] and national initiative should be envisaged, and best practises shared within the region. Analysis of main gaps and needs should be highlighted and monitored during the deployment of the initiative and discussed with main stakeholders.

Synergies with projects funded through the WBIF and the bilateral programming need to be taken in consideration together with existing investments gaps and regulatory challenges. Noteworthy that programmes and projects are being implemented in the region, for example, in Bosnia and Herzegovina Go Digital and EU4DigitalSMEs. The action activities include mapping of existing programmes in order to build on them and interchange experiences.

The action will ensure coherence and complementarity with relevant bilateral Operational Programmes being developed or under implementation and activities of the European Institute of Innovation and Technology (EIT), the RCC and other international organisations and stakeholders.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action

The broad spectrum of activities covered by the action addresses a large number of stakeholders.

Primarily governments and ministries responsible to underpin the digital transition of the economy, and to design programmes that mitigate the effect of the digital transition on the society, businesses and governments and that at the same time set the basis for more resilient citizens.

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[17] See previous note on RCC ongoing projects and pilots.

Municipalities, the business sector as whole, chamber of commerce and associations of enterprises, civil society organisation and entities involved in the education and skill sector, universities and research organisations.

Last but not least, to sustain the digital transition through the four main pillars as identified in this action, entails the mobilisation of substantial investments and public, private partnerships. Financial institutions will have an important role at bilateral and regional level. The WBIF and the future facilities set up in support of the region socio-economic convergence and reforms will also play an essential role.

The importance of a safe and comprehensive digitalisation is essential to ensure the resilience of most vulnerable segments of the population. In this context, specific attention will be paid to include in all the envisaged actions the most vulnerable and more isolated communities to ensure their preparedness and resilience in case of future crisis and shocks.

Synergies with activities carried out by entities and organisation in the region to facilitate the digital transition have to be ensured. Among others with EIT, ETF, RCC and other international organisations present in the region.

The inception phase will map the major stakeholders in the region and analyse potential synergies, cross-fertilisation, and contribution.

2.3. Lessons Learned

The review of extensive documentation on the past and ongoing activities in the region has provided important lessons learned that have informed the design of this action, notably:
a. Although some serious restrictions were imposed, especially during and after the pandemic period, progress in the implementation of the Digital Agenda for the Western Balkans has been made towards achieving some key deliverables towards the implementation of a fully-fledged regional agendas. As an example, most regional actions planned for 2022-2023 have either been concluded or progressed significantly, with some challenges identified as important to consider for the next years.
b. Need for intense and well-coordinated policy dialogues on common objectives in order to mitigate the risk of limited advances in the implementation of the Digital Agenda objectives.
c. Very intense pace of implementation of Digital Agenda, Digital Compass, EIP and CRM require a closer interaction and coordination among the different stakeholders.
d. The development of the regional Single Digital Market depends on the close coordination and cooperation with the European Commission line Directorate-Generals, the EU Delegations/EU Office, the WBIF financial vehicles and the RCC in all the phases of the implementation. Of particular importance is to ensure alignment of the regional processes with the EU policies, practices, plans and trends. Given that many regional organisations are involved in the implementation of those policy documents, there is a need for coordination mechanisms and dialogue at all levels.
e. A continued progress in reforms in the Western Balkans in order to create a business-friendly environment could have a profoundly positive impact on investment and growth in the Western Balkans.
f. The action has to build on the analysis at economies and regional level related to the digitalisation of the region, taking into consideration the outcomes of DESI.
g. Projects should be part of projects pipeline and respond to national and/or subnational strategies pipelines and in-line with the Economic and Investment Plan priorities and investments flagships. Funding should be ensured through existing financial vehicles, notably the WBIF. Team Europe approach and contribution to the Global Gateway objectives have to be taken into account.
h. Build on the upcoming RCC reporting on the outcome of the CEFTA working groups.
i. Pilot projects and actions outputs have to ensure technology neutrality, build on lessons learnt in the EU 27 and fulfil with the Digital Toolbox requirements.
j. Vulnerable segments of the population have to be actively involved in the digitalisation of the region, notably in terms of digital skills, education, access to services and digital infrastructures, including in

remote areas. Notably, sparsely populated areas, rural areas, discriminated minorities, women, young and elder have to be able to benefit from the action.

k. Concrete action to empower local communities in the Western Balkans region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market.

3. DESCRIPTION OF THE ACTION

3.1. Intervention Logic

The Overall Objective of this action is to enhance the regional digital connectivity and digital transition of the region, and to accelerate integration of the Western Balkans into the EU Digital Single Market.

Pilot projects and actions outputs have to ensure technology neutrality, build on lessons learnt in the EU 27 and fulfil with the Digital Toolbox requirements.

Outputs have to build on existing policy dialogues, programmes and projects and to help advancing on the region digital transition and integration into the EU Digital Single Market. Activities have to be aligned with the strategic priorities of the Economic and Investment Plan for Western Balkans, the EU's Digital Single Market, as set forth in the Communication on the 2030 Digital Compass.

The action outputs have to take into account the Team Europe approach and Global Gateway objectives, help advancing on the implementation of the EIP for the Western Balkans.

The Specific Objectives/Outcomes are:

1. Support development of secure and sustainable digital and telecom infrastructure across the region. With a focus on empower local communities in the Western Balkans region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market.
2. Enhancing interoperability of public services on the central and/or regional levels, and between the Western Balkans and the EU
3. Support the digitalisation of businesses in the Western Balkans

The action objectives and outputs, as identified below, should be further elaborated in an *Inception Report* due to the European Commission within 4 months from the starting date of the action, subject to the European Commission approval within the following month and conditional to the continuation of the contract. The action proposed timeline has to take in consideration these requirements. The Inception report will be consulted with main stakeholders, agreed with the European Commission based on a sound proposal. The consultation should be part of the preparation phase.

The *Inception Report* structure and contents will have to be agreed in advance with the European Commission based on a proposal. It should include, among other, the following:

- Mapping of current activities on which the action should be built.
- Analysis of good practices, existing pilots and other, to propose few pilots in relevant areas.
- Implementation structure. Needed expertise and propose experts.
- Governance, including coordination structure and mechanisms to interface among the possible partners, the European Commission, the governments in the region and relevant stakeholders.
- Involvement of beneficiary economies representatives.
- Presence in the region.
- Detailed budget per objective, well justified and based on existing initiatives, needs and priorities.

The **Outputs** to the corresponding Specific Objectives/Outcomes are detailed below:

Specific Objective 1/Outcome 1: Support development of secure and sustainable digital and telecom infrastructure across the region:

1.1 Increase deployment of Internet access in household, public buildings and urban public spaces and rural areas (grey zones) in the regionFocus on empower local communities in the Western Balkans

region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market.

1.2 Identify priority investments, and when possible, project pipelines, to enhance broadband connectivity, reforms needed to underpin the uptake of digital infrastructures in the region.

Specific Objective 2/Outcome 2: Enhancing digitalisation of public services on the central and/or regional levels, and their interoperability among the Western Balkans and the EU:

2.1 Regional agreements and framework for cross-border mutual recognition of eSignatures and other trust services developed, building on the CRM framework.

2.2 Interoperable - services piloted via digital interoperability platforms.

2.3 Cross border e-services free flow of data increased.

2.4 Public services made available through digital interoperability platforms.

Specific Objective 3/ Outcome 3: Support the digitalisation of businesses in the Western Balkans:

3.1 Diagnostic to advance on e-Commerce and e-Business for micro, small and medium enterprises with the objective to increase intra and cross-border activities by 20%.

3.2 Reinforce start-up ecosystems.

3.3 Introduce standards and certifications.

3.4 Sectoral digital diagnostic.

3.5 Underpin the adequate climate for the deployment of businesses digitalisation, ensuring energy efficiency and sustainability.

The action, when possible, will be aligned with the Team Europe approach. For example, in those case when investments will be channelled through the WBIF whereas EU Member States, Norway, the EU through IPA and financial institutions contribute together and in partnership to the implementation of the EIP for the Western Balkans. The Growth Plan priorities have to be taken into account at the time of developing the action.

The action will be implemented in an inclusive way to avoid any form of discrimination towards vulnerable segments of the population (e.g. minority).

3.2. Indicative Activities

The following indicative activities have to be developed.

1. Secure and sustainable digital and telecom infrastructure across the region

Activities related to Output 1.1 – Increase deployment of Internet access in household, public buildings and urban public spaces and rural areas (grey zones) in the region

- Focus on empower local communities in the Western Balkans region to bring connectivity closer to citizens, allowing them to benefit from the endless opportunities of digitalisation, as a concrete step towards the realisation of the Common Digital Market. Pilot WiFi4WB in public buildings or open–to-public and rural areas of each economy with high-speed Internet infrastructure in place and provide connectivity to 500 municipalities in the region.
- Map or update existing maps on internet penetration in the region (white, grey and black zones). Identify what investments in infrastructures are needed to increase the high speed penetration in the economies, particularly including rural areas. Explore, in cooperation with financial institutions and governments, the possibility to set up a Public Private Partnership to underpin the deployment of the infrastructure penetration.

- Provide technical assistance to build capacity for 5G deployment, 5G auctions and implementation of the EU 5G Cybersecurity toolbox[18] where feasible and in the economies that are more advanced on 5G deployment.
- In partnership with main regional and EU stakeholders, map the obstacles and opportunities related to the support of last-mile innovative initiatives with high-impact. Explore, in cooperation with financial institutions and governments, the possibility to set up adequate mechanism, including Private Public Partnerships, to underpin the deployment of the infrastructure penetration.
- Report regularly on the state of play of the implementation, possibly using already deployed reporting tools (DESI). Share draft reports with the relevant stakeholders, including the European Commission, EU Delegations/EU Office and relevant Ministries, and RCC to create ownership.

Activities related to Output 1.2 Identify priority investments to enhance broadband connectivity
- In partnership with main regional and EU stakeholders, map and study the feasibility of establishing broadband infrastructure in the cross-border rural area in the region; map the current and potential of digital connectivity between the EU and the Region economies. Explore the options of projects and collaboration mechanisms to make to increase the connectivity.
- Explore the possibility to establish adequate mechanisms, including Public Private Partnership, to underpin the deployment of broadband access in rural areas.

The action activities will build on the outcome of other initiatives, programmes and projects being implemented by regional and bilateral stakeholders, international organisations. In particular, the activities entrusted by the European Commission to the RCC and CEFTA.

2. Digitalisation of public services on the central and/or regional (e-Governance) levels and interoperability among the Western Balkans and the EU

Activities related to Output 2.1- Regional agreements and framework for cross-border mutual recognition of eSignatures and other trust services developed:
- In partnership with the region and EU main stakeholders, map the current state of play on mutual recognition of e-signature, including the adoption by the region of the EU *acquis*, taking into consideration the work already done by RCC in the framework of CEFTA.
- Identify and implement mechanisms to promote the adoption of a framework for mutual recognition of electronic signatures as well as other forms of eIDs and trust services based on the relevant EU *acquis*, including the experiences of the pilots run by the RCC. An intermediate step would be to analyse the feasibility and to build the capacities for the development of a regional Digital Identity Wallet ("Balkan Digital Identity Wallet") in line with the EU technical specifications.

Activities related to Output 2.2 – Interoperable - services piloted via digital interoperability platforms:
- In partnership with the region and EU main stakeholders, map, analyse and set up mechanism to facilitate the harmonisation of e-services data exchange guidelines and establishment of a cross-border e-service platform in the region. It is important to identify the most adequate e-services to be harmonised and to prioritise them.
- Some possible sector could be: e-health, e-commerce, e-administration, e-education.

Activities related to Output 2.3 – Cross border e-services free flow of data increased:
- Pilot cross-border e-Commerce and or e-Business enablers among the Western Balkans and with the EU and promote networking between e-Trade stakeholders in the Western Balkans and underpin the creation and or reinforcement of value chains of micro, small and medium enterprises in the region.

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[18] Commission Recommendation of 26 March 2019 on Cybersecurity of 5G networks C(2019) 2335 final

- Coordinate harmonisation of data exchange standards across the Western Balkans.
- Report regularly on the state of play of the implementation, possibly using already deployed reporting tools (DESI). Share draft reports with the relevant stakeholders, including the European Commission, EU Delegations/EU Office, relevant Ministries, and the RCC to create ownership.

Activities related to Output 2.4: Public services made available through digital interoperability platforms.
- Recommend and coordinate support provision to the region in support of e-Governance development.
- Establish a network and/or platform to interchange practices within the region, the EU.

The action activities will build on the outcome of other initiatives, programmes and projects being implemented by regional and national stakeholders, international organisations. In particular, the activities entrusted by the European Commission to the RCC and CEFTA.

3. Digitalisation of businesses in the Western Balkans

Activities related to Output 3.1 Advance on e-Commerce and e-Business for micro, small and medium enterprises with the objective to increase intra and cross-border activities by 20%:
- In partnership with the region and EU main stakeholders, map the current state of play and identify partner-specific recommendations to cluster specialisation in strategic sectors – including authorization, invoicing, e-Commerce, e-Business, interoperability, metadata. The map should also identify e-Commerce platforms already operating within the region or with the region.
- Promote the European value chain integration for micro, small, medium enterprises in the Western Balkans' region.
- Pilot e-Commerce in three of the Western Balkans.
- Raise awareness, share experiences, identify needs etc. on e-business and e-commerce needs and good practices with the associations of micro small and medium enterprises, including sectoral ones.
- Report regularly on the state of play of the implementation, possibly using already deployed reporting tools (DESI). Share draft reports with the relevant stakeholders, including the European Commission, EU Delegations/EU Office and relevant Ministries, and RCC to create ownership.

Activities related to Output 3.2: Reinforce start-up ecosystems
- Ensure the Western Balkans start-ups preparedness with initial seed money and where possible as part of existing platforms / initiatives.
- Design partner-specific recommendations to cluster specialisation in strategic sectors – including authorization, invoicing, eCommerce, interoperability, metadata.
- Organise networking events on EU regulations and technologies, dedicated or in the framework of existing events, networks, etc., including at EU level.
- Organise capacity building and networking activities between potential entrepreneurs, venture capital and business angels.
- Report regularly on the state of play of the implementation, possibly using already deployed reporting tools (DESI). Share draft reports with the relevant stakeholders, including the European Commission, EU Delegations/EU/Office, relevant Ministries, and the RCC to create ownership.

Activities related to Output 3.3: Introduce standards and certifications.
- In partnership with the region and EU main stakeholders, map the current state of play in the area, including main stakeholders and possible pilots. Identify priorities.
- Support the preparation of national plans for the introduction and deployment of standards and certifications, including business specific manuals that address good practise on how to ensure the digital and green transition through the EU standards and taxonomy.
- Report regularly on the state of play of the implementation, advances, needs and potential further areas of activity, possibly using already deployed reporting tools (DESI). Share draft reports with the relevant stakeholders, including the European Commission, EU Delegations/EU Office, relevant Ministries, and the RCC to create ownership.

Activities related to Output 3.4: Sectoral digital diagnostic
- Digital diagnostic to ensure the participation to the value chain of certain sectors of activity. Access to finance needs are also required together with capacity building. Outcome from the Smart Specialisation Strategies adopted by the economies in the region should be taken as reference for the identification of sectors.
- Identify programmes, projects, financial schemes in collaboration with the financial institutions through the WBIF or other national sources of funding, including the currently operating Innovation Funds in Serbia, Montenegro and North Macedonia.
- Report regularly on the state of play of the implementation, advances, needs and potential further areas of activity, possibly using already deployed reporting tools (DESI).

Activities related to Output 3.5: Underpin the adequate climate for the deployment of businesses digitalisation, ensuring energy efficiency and sustainability
- Enhance and obtain the support of the Western Balkans governments / chambers of commerce / banking and payment systems / software houses to increase and support environmentally-sound and sustainable digitalisation of businesses (legal, financial, logistic, operational).
- Obtain government incentives for businesses that digitalise and ensure energy efficiency.
- Enhance the creation of a globally supportive climate for businesses to digitalise and ensure energy efficiency.

The action activities will build on the outcome of other initiatives, programmes and projects being implemented by regional and national stakeholders, international organisations. In particular, the activities entrusted by the European Commission to the RCC and CEFTA.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Not applicable, with the exception of digital infrastructure pilot projects.

The CRA screening concluded that the action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1 is labelled as G1. This implies that the action is designed with a gender lens and that addressing gender equality within the digital transformation of the Western Balkans is a significant objective. The action will aim at harnessing the opportunities offered by the digital transformation for gender equality and empowerment of women and girls, in line with the EU Gender Equality Strategy 2020-2025[19] and the EU Gender Action Plan (GAP) III[20].

The action will continue to address the structural barriers that underpin the digital gender divide and place special emphasis on gender equality and inclusiveness which will be mainstreamed across all project activities. The latter shall be analysed with specific reference to the experience and needs of women and men, boys and girls in the relevant fields of the digital transformation of the Western Balkans. In the field of Digital Skills, the digital empowerment of citizens in the Western Balkans will have a dedicated focus on supporting women innovators and entrepreneurs through participation and skills training. Promoting women's equal access to digital technologies can accelerate progress on gender equality and women's empowerment in areas such as education, employment and entrepreneurship.

In line with the principle that sustainable solutions should be affordable and accessible to all, the action contributes to social inclusion. The Commission has consistently highlighted the importance of inclusion in the Western Balkans. For example, the 2018 Western Balkans strategy emphasised the need to combat

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[19] COM/2020/152 final
[20] JOIN (2020) 17 final

discrimination, and to promote inclusion of vulnerable persons and communities, including Roma. The 2021 Enlargement Package noted the impact of COVID-19 on the socio-economic fabric, and the importance of preserving social inclusion.

Digitalisation in education specifically focuses on social inclusion, for example by addressing spatial segregation in communities. Moreover, connecting and providing adequate digital skills for citizens, including young people, will dramatically contribute to a sustainable and fair development and growth in the Western Balkans and convergence towards the EU digital economy and society indicator.

In addition to the possible specific interventions on gender-related issues that will keep addressing issues of discrimination and fostering the adoption of legislation in line with European standards (with activities related to anti-discrimination policies, legislation and institutions), the implementation of the activities of this action will take into special consideration the vulnerable minorities (including Roma) and will foster an inclusive approach also in the pilot projects.

Human Rights

The activities under this action will be implemented following a right-based approach, with a view to respect for all human rights and fundamental freedoms. This carries particular relevance for people in vulnerable and disadvantaged situations (including Roma), those living in rural areas, and those whose rights may be under threat from being infringed upon through digital technologies or the non-respect of digital fundamental rights and data protections. The five working principles below will be applied at all stages of implementation: legality, universality and indivisibility of human rights; participation and access to decision-making processes; non-discrimination and equal access; accountability and access to the rule of law; transparency and access to information. The Steering Committees co-chaired by the European Commission and the implementing partners will ensure that this approach is ensured across all activities implemented throughout the different activities. Efforts will be made to promote accessibility, equality, environmental sustainability and climate change adaptation as well as to identify opportunities where digital transformation can support change in these areas.

Disability

As per OECD Disability DAC codes identified in section 1.1, the action is labelled as D0. This implies that it does not exclusively target the inclusion of persons with disabilities however it takes into consideration the current requirements related to the overcome the barriers of people with disability. Last but not least digitalisation represents an essential tool to include people with disabilities into the education and labour markets. Standards related to the inclusion of people with disabilities will be taken into account.

Democracy

The action complements existing Public Administration Reform efforts by the Beneficiaries aiming at increasing efficiency, transparency and accountability. Co-creation processes involving civil society and academia through consultation and close cooperation are a core element of Outputs 1, 2, and 4, and critical in ensuring inclusive and responsive processes and sustainable results on the ground.

Conflict sensitivity, peace and resilience

In its regional scope, the current action will be undertaken with a conflict-sensitive approach including a strict neutrality towards the bilateral relations between the Western Balkans. As is common practice the selection of participant Beneficiaries to pilots will be conducted in a balanced and equitable way where possible. Political sensitivities will be accommodated for in close coordination with EU Delegations/EU Office and Headquarter services including DG NEAR and the EEAS. As a regional project, an orientation towards the commonality of interests and challenges across the Western Balkan region will guide the decisions and activities under the action.

Disaster Risk Reduction

Established pilots on business continuity measures, based on Information security standards (ISO 27001 and ISO 22301) in targeted Western Balkans will improve data protection and online services availability on the selected systems.

New computing capabilities are needed to do climate change calculations to identify risk areas for example for smart cities and urban rural connectivity, just transition. Horizon Europe Smart Cities and Ocean Missions contain digital twin efforts that will help modelling pollution, energy efficiency, etc. making the green and digital twin transition a reality.

Other considerations if relevant

Needs of economically vulnerable communities, including Roma, will have to be considered and activities will be designed to develop these communities resilience and inclusion into the digital market. Risks related to the digital exclusion of vulnerable communities have to be addressed and where possible addressed when conceiving the pilots, in particular in relation to the development of digital skills and deployment of digital infrastructures in remote areas.

3.4. Risks and Assumptions

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1 - external environment	Changes in beneficiaries' commitment or priorities in the area of digital transformation.	L	H	The project team will work closely with stakeholders in the Western Balkans on a daily basis and identify any changes in commitment early on. Necessary adjustments to the activities will be made should a Beneficiary indicate to be unable to partake in an activity.
2 - planning, processes and systems	Political instability in the Western Balkans might impact stakeholders' decision-making process and results validation, potentially causing delays and impact overall results.	H	H	The action will continue cooperation with all Western Balkans on a technical level, or use existing data sets and information when political guidance prevents further direct engagement with stakeholders. Activities can also be sequenced, or undertaken with a subgroup of Western Balkans
3 - people and the organisation	A repetition of the COVID-19 pandemic situation induced restrictions such as quarantines, travel bans and other will impact the implementation of the action.	L	L	Though a risk, the action will continue to be fully operational, as it has been under the "home-based work" guidelines. Any new circumstances or arrangements, including on hybrid ways of working and remote meetings via telecommunication channels will be implemented in a forthcoming and flexible way.
3 - people and the organisation	Limited access to digital infrastructures in remote areas, limited digital skills and access to skills development programmes and or on-line education	H	H	Where possible include economically vulnerable people when conceiving the pilot projects, in particular in relation to the development of digital skills and deployment of digital infrastructures in remote areas. Derive recommendations for the government on how to ensure the inclusion of vulnerable people in programmes and projects. Create incentives for the private sector to include vulnerable communities in the labour market (e.g. socially responsible public procurement and other).
4 -legality and regularity aspects	Unstable legal framework may impact the long-term activities on harmonisation of shared data and common functional workflows, especially during the process of interoperability and integration	M	H	The project team will work proactively and will review the pending changes per Beneficiary constantly, assess the impact, design and propose an approach, based on parameters to achieve flexibility and scalability to implement potential changes without changing of general design logic, harmonised common data and to achieve smooth interoperability

	Insufficient technical, administrative or financial absorption capacity may impede on a Beneficiary's capacity to implement project activities	L	M	For every activity, the action will seek national counterparts and build coalitions of stakeholders, which may act as "owners" of solutions or as lead organisers. The action will identify gaps and provide roadmaps towards attainment of the results per activity. Where it appears that insufficient capacity is available, and that the provision of training within the action is likely to be insufficient to build up the required capacity in a given Western Balkan, alternative ways of acquiring that capacity, including through other, separate, EU instruments including TAIEX and Twinning will be sought.
5 - communication and information				

External Assumptions

a. Demonstration of the Western Balkans stakeholders' engagement, including with resources (experts, time, premises, data, harmonised legislation) to participate and to achieve sustainability of the planned results, including piloted solutions.

b. Willingness of the Western Balkans to join in thematic networks, based on common goals.

c. The Western Balkans' willingness to participate in harmonisation of national legislation with (new) EU Regulations in the Digital Single Market. The project team will support the Beneficiaries with planning and prioritisation of the activities related to digital transformation and their policy dialogue with the European Union.

d. The Western Balkans' willingness to work together with the project team. The action will provide technical assistance to the national authorities, including through information sharing and networking events.

e. The responsibility of the Western Balkans to integrate piloted solutions into their national strategies, where possible with support from EU Delegations/EU Office.

f. A solid foundation in studies, with an increased focus on integration and interoperability of pilot scenarios as well as continuous knowledge-sharing, to support the working methods of the action will be developed across every activity.

g. Willingness of the Western Balkans actors to support and/or participate in the actions.

h. Adequate climate to enable digital innovation ecosystems.

3.5. Indicative Logical Framework Matrix

Results	Results chain: Main expected results	Indicators	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Enhance digital connectivity and digital transition of the region, and an accelerated integration of the Western Balkans into the EU Digital Single Market	Number of municipalities connected, advance on the DESI indicators towards the convergence with the EU.	Baseline (2018): Western Balkans (21,2%)	Target (2027): advance on DESI indicators.	Aggregated data, publicly available, DESI	*Not applicable*
Inception Report	Demonstrate technical soundness and political drive in carrying out the action	Demonstrate capability to achieve the objectives and deliver the outputs, including the pilot projects.	N.A.	N.A.	Data publicly available, reports, expertise.	The contractor has extended expertise on digitalisation in all the fields object of this action.
Outcome 1	Development of secure and sustainable digital and telecom infrastructure across the region rolled out	Number of municipalities connected Percentage of population having affordable internet connection	500 municipalities connected in 24 months <78% (2023) 2023 baseline provided by - Ministries - Pilot Business - DESI	Success of call for proposals on municipal connectivity Two Regulatory Dialogues a year till final agreement reached >85% (2027)	Results of the call for proposals.	Stable political and macro-economic environment Political will and availability to put in place suggested measures Political commitment from beneficiaries
Outcome 2	Interoperability and e-Governance of public services on the central and/or regional levels, and between the Western Balkans and the EU enhanced	Increased percentage of public services available through interoperable platforms	<60% (2023) 2023 baseline provided by - Ministries - Pilot Business - DESI	>90% (2027) Improvement to the digitalisation of	Project Report (ROM and Audit if need be) Commission Reports Central and International Statistics	Stable political and macro-economic environment Political will and availability to put

	Increased number of public services			public services		in place suggested measures Political commitment from beneficiaries
Outcome 3	Digitalisation of businesses in the Western Balkans supported	Increased digitalisation in business by 15% compared to the year of beginning of the project Increase in IT start-ups	2023 baseline provided by - Ministries - Pilot Business	Target (2027) 15% Increase 1 200 new IT start-ups	Desk research DESI Commission Reports Central and International Statistics	Stable political and macro-economic environment Political will and availability to put in place suggested measures. Demonstrated interest of the business community
Output 1 related to Outcome 1	Availability of internet access in households, public buildings and urban public spaces and rural areas in the Western Balkans region increased.	Number of Wi-Fi links to the local communities.	2023 Baselines: provided by - Ministries - DESI	Target (2027) - 60 (10X6) Portals/Landing pages - 60 (10X6) number of pilot public Wi-Fi implemented in WB6	Reports on the outcome of the call for proposals EU reports, i.e. DESI	Political commitment of the Western Balkans Demonstrated interest of the business community
Output 2 related to Outcome 1	Investments in last-mile broadband connectivity (priority investments, and when possible, project pipelines).	Number of projects selected	2023 Baseline: Broadband situation in the Western Balkans provided by - Ministries - DESI	Target (2027): 30 (5 X 6) projects are selected for funding	Donors' data DESI	Political stability, no tension between the Western Balkans Demonstrated interest of the business community

Output 1 related to Outcome 2	Regional agreements and framework for cross-border mutual recognition of eSignatures and other trust services developed.	Number of recognised eSignatures and certificates authority at regional level.	2023 Baseline: e-Signatures and certificates provided by: - Ministries - DESI	Target (2027): 1 eID scheme and 1 certificate authority in the WB6	National Statistical Offices data sources Commission reports DESI	Political stability without political tension between the Western Balkans Demonstrated interest of local business community
Output 2 related to Outcome 2	Interoperable e-Health services piloted via digital interoperability platforms.	Number of piloted cross-border -eHealth services.	2023 Baseline: provided by: - Ministries - DESI	Target (2027): 10 developed guidelines of cross-border eHealth services piloted	WHO Western Balkans Roadmap Health reports Ministerial data National Statistical Offices data sources Commission reports DESI	eHealth solutions are accessible and used Political commitment of the Western Balkans Demonstrated interest of the business community
Output 3 related to Outcome 2	Cross border e-Commerce facilitating free flow of data increased	Number of technical guides to harmonise e-Commerce data between the Western Balkans and the EU in three areas: ecosystem, legal framework and standards.	2023 Baseline: - Enlargement report - DESI	Target (2027): 6 developed technical guidelines	Project and Enlargement Reports National Statistical Offices data sources Commission reports DESI	Political stability, no tension between the Western Balkans Political commitment from the Western Balkans Demonstrated interest of the business community
Output 4 related to Outcome 2	Public services through digital interoperability platforms available	Numbers of platforms	2023 Baseline	Target (2027) 10 new interoperability platforms	Project and Enlargement Reports National Statistical Offices data sources Commission reports DESI	Political commitment from the Western Balkans Demonstrated interest of the business community

Output 1 related to Outcome 3	Advanced digital technologies in e-Commerce and e-Business promoted for cross-border activities to increase by 20%	Increased number of companies using digital interoperability tools and services	2023 Baseline: Provided by: - DESI - Oher studies - National statistics	Target (2027) 48 e-commerce companies newly use interoperable tools and services	National Statistics Project reports	Platforms are accessible and citizens are capable and willing to use them Metadata registries are harmonised Sufficient administrative capacity of the beneficiaries
Output 2 related to Outcome 3	Improved start-up and investment culture and ecosystem in each of the Western Balkans reinforced	Number of start-up ecosystem facilitation programmes implemented Number of new IT and e-commerce start-ups	2023 Baseline: - By ministries - DESI - National statistics	Target (2027) 36 (2X6X3 years) total number of organised semi-annual events in the Western Balkans 200 new IT and e-commerce start-ups	National Statistics RCC annual studies Project reports Venture Capital (VC) annual reports Desk research	Financial market and business preparedness under the legal, financial, political and operative angle
Output 3 related to Outcome 3	More internationally certified competitive companies on the common market through standard and certification	Increased number of certified companies	2023 Baseline: - By ministries - DESI - National statistics	Target (2027) 36 number of Western Balkans local IT companies newly certified on ISO 9000, ISO 27001 or ISO 22301	RCC annual studies Project reports Registries of certificates	Stable SME willing to invest in their certification Political commitment from beneficiaries Demonstrated interest of the business community

Output 4 related to Outcome 3	Enhanced sectoral diagnostic through network capacities	Increased participation to the value chain of certain sectors of activity Identified programmes, projects, financial schemes	2023 Baseline in the Western Balkans provided by: - Ministries - DESI	Target (2027): increase by 10%	National Statistical Offices data sources EU reports	Political stability without political tension between the Western Balkans Political commitment of the Western Balkans
Output 5 related to Outcome 3	Underpinned adequate climate for the deployment of businesses digitalisation, ensuring energy efficiency and sustainability.	Increased number of digitalised companies, that ensure energy efficiency and sustainability.	2023 Baseline: - By ministries - DESI - National statistics	Target (2027): increase by 10%	National Statistical Offices data sources EU reports	Demonstrated interest of the business community

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude financing agreements with the relevant IPA III beneficiaries.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

The action will be implemented in indirect management with a Member State agency.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures[21].

4.3.1. Direct Management (Grants)

a) Purpose of the grant(s)

The WiFi4WB initiative aims to provide high-quality Internet access across the Western Balkans citizens and visitors via free of charge Wi-Fi hotspots in public spaces such as parks, squares, administrations, libraries, and health centres. Vouchers funded by the European Commission via the initiative will be awarded to support municipalities for the installation of the Wi-Fi hot spots in these centres of public life, using the services of Wi-Fi installation companies. The grants will contribute to the achievement of specific objective 1 (outcome 1) and the related output 1.1. HADEA will manage the call, award and implement the grants through a co-delegation agreement with DG NEAR.

b) Type of applicants targeted

Municipalities (or equivalent local administrations) or associations of municipalities from the Western Balkans.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the criteria defined in section 4.3.2 below.

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[21] EU Sanctions Map. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.3.2. Indirect Management with a pillar-assessed entity

This action will be implemented in indirect management with a pillar assessed entity, which will be selected by the Commission's services using the following criteria:

1) Long standing and proved expertise in the development of bilateral and sector strategies related to the digital sector development in the region, notably focusing on the four areas this action focuses on;

2) Experience in design, implementation and monitoring of projects on-the-field in partnership, when relevant with governments and or local authorities;

3) Knowledge of the IPA programming requirements. Experience in implementing projects at regional and bilateral level in Western Balkans is very relevant; and,

4) Proven capacity to coordinate implementation of actions in partnership with relevant organisations expert in specific field needed for the implementation of this action.

The selected entity will be responsible for the implementation of the full action, and to achieve of all its outcomes, outputs, and activities as detailed in Section 3.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5. Indicative Budget

Indicative Budget	EU contribution (amount in EUR)	Indicative third-party contribution (amount in EUR)
Methods of implementation - cf. section 4.3		
All outcomes/outputs		
Output 1.1 - Grants (direct management) – cf. section 4.3.1	N.A	
All other outputs - Indirect management with a pillar assessed entity to be selected– cf. section 4.3.2	7 500 000	N.A
Grants – total envelope under section 4.3.1	7 500 000	N.A
Evaluation – cf. section 5.2 **Audit –** cf. section 5.3	may be covered by another Decision	N.A
Strategic Communication and Public Diplomacy – cf. section 6	may be covered by another Decision	N.A
Totals	**15 000 000**	**N.A**

4.6. Organisational Set-up and Responsibilities

The action will be governed by a Steering Committee, which shall meet annually, and bring together the European Commission, the implementing partner, and key stakeholders from the Western Balkans, including technical level experts from national Ministries and National Regulatory Authorities.

The implementing partner report on progress twice per year to the European Commission. In line with Section 6.1 below, the implementing partner shall submit Bi-Annual Reports, for approval by the European Commission, giving a full account of the projects progress as measured against its results framework. Regular monitoring will take place as part of the project implementation.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its Outputs and contribution to the achievement of its Outcomes, and if possible at the time of reporting, contribution to the achievement of its Impacts, as measured by corresponding indicators, using as reference the log-frame matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Arrangements for monitoring and reporting, including roles and responsibilities for data collection, analysis and monitoring:

a. The implementing partner will be responsible for continuous technical and financial monitoring of the implementation of this action. To this aim, the implementing partner shall establish a permanent internal, technical, and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports where progress is reported against baselines which shall be the result of detailed sectorial studies undertaken by the implementing partner within the first year of the action. These studies will form part of the activities under this contract. Baselines and indicators shall be calculated per Beneficiary based upon which an aggregate for the region shall be presented.

b. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the progress towards achievement of its results (outputs and direct outcomes) as contained in the logical framework matrix.

c. Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

d. Before approval, reports shall be shared with key stakeholders, including the EU Delegations/EU Office in the Western Balkans. Reports shall further be published on the website's online library providing for public accountability.

5.2. Evaluation

Having regard to the importance of the action, a mid-term and a final evaluation will be carried out for this action or its component via an implementing partner.

They will be carried out for learning purposes, notably, with respect to ensuring alignment of the project activities with the political and policy priorities of the Western Balkans and the policy framework of the European Union. Further attention will be placed on the contribution of the project activities to the attainment of the overall and specific objectives.

Evaluations will also inform the European Commission in its programming process and other planned interventions to support the digital transformation of the Western Balkans.

The two evaluations reports shall be shared with the Western Balkans and other key stakeholders following the best practice of evaluation dissemination.

The implementing partner and the Commission shall analyse the conclusions and recommendations of the two evaluations and, where appropriate and applicable, in agreement with the partners, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the action.

Evaluations shall be covered within the budget financing the action.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end, they must comply with the instructions given in the 2022 guidance document *Communicating and raising EU visibility: Guidance for external actions* (or any successor document).

This obligation will apply equally, regardless of whether the actions concerned are implemented by the Commission, the Beneficiaries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States. In each case, a reference to the relevant contractual obligations must be included in the respective financing agreement, procurement and grant contracts, and contribution agreements.

Communication and visibility is a contractual obligation for all entities implementing EU-funded external actions to advertise the European Union's support for their work to the relevant audiences.

Communication and visibility measures may be funded from the amounts allocated to the action.

To enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency

and accountability on the use of funds. Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and the EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before the implementation. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

Communication and visibility should highlight that the action contributes to a Team Europe approach and the Global Gateway. Outputs related to projects design and implementation must be linked to the Western Balkans Investment Framework whereas EU Member States, Norway, the EU through IPA and financial institutions contribute together and in partnership to the implementation of the EIP for the Western Balkans.

7. SUSTAINABILITY

Digital transformation projects require continuous maintenance and improvement to remain a sustainable solution. The project team will provide full information and budget estimates based on the Total Cost of Ownership model for each project with EU financing and delivery, so that participating Western Balkans can make an informed decision.

In addition, an implementation and maintenance agreement will be expected to be signed, with the project team, responsible for the delivery of the solution and the beneficiary providing the follow-up support and maintenance in order to make the solution sustainable within the next 5 years.

Appendix 1: IDENTIFICATION OF THE PRIMARY INTERVENTION LEVEL FOR REPORTING IN OPSYS

A Primary intervention (project/programme) is a coherent set of results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

- ✓ Differentiating these actions or contracts from those that do not produce direct reportable development results, defined as support entities (i.e. audits, evaluations);
- ✓ Articulating actions and/or contracts according to an expected common chain of results and therefore allowing them to ensure a more efficient and aggregated monitoring and reporting of performance;
- ✓ Having a complete and exhaustive mapping of all results-bearing actions and contracts.

The present action identifies as

Contract level (i.e. Grants, Contribution Agreements, any case in which foreseen individual legal commitments identified in the budget will have different log frames, even if part of the same Action Document)		
☐	Single Contract 1	"EU4Digital - An accelerated digital transition for the Western Balkans"