

IPA National Programme 2009 Part II – Bosnia and Herzegovina

Fiche 7 “National Planning Process and Presidency”

1. Basic information

1.1 CRIS Number: 2009 / 021-650

1.2 Title: Strengthening the National planning process and the capacities of the Presidency in Bosnia and Herzegovina

1.3 ELARG Statistical code: 01.10 Political criteria / Information society

1.4 Location: Bosnia and Herzegovina

Implementing arrangements:

1.5 Contracting Authority: European Commission

1.6 Implementing Agency: European Commission

1.7 Beneficiary:

For Component I:

Main beneficiary: Directorate for Economic Planning

Other beneficiaries: BiH Ministry of Finance and Treasury, Entity/Cantonal Ministries of Finances, BH Agency for Statistics and entity Statistics Institutes, Line ministries at all levels (state, entity, cantonal), Counterpart organizations to DEP at sub-national levels, Civil society organizations

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For Component II:

Beneficiary: The Presidency of Bosnia and Herzegovina

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Financing:

1.8 Overall cost (VAT excluded): EUR 2 000 000

1.9 EU contribution: EUR 2 000 000

1.10 Final date for contracting: Two years following the date of the conclusion of the Financing Agreement

1.11 Final date for execution of contracts: Two years following the end date of contracting

1.12 Final date for disbursements: One year following the end date for the execution of contracts

2. Overall Objective and Project Purpose

2.1 Overall Objective

Support the modernization of the public administration in Bosnia and Herzegovina (BiH)

2.2 Project purpose

To create a comprehensive policy planning process that fully reflects European integration requirements and support the implementation and monitoring and evaluation of the Country Development Strategy 2008-2013 (CDS) and Social Inclusion Strategy (SIS) in BiH

To introduce the adequate technologically enabled organizational changes to increase the efficiency of the BiH Presidency

2.3 Link with AP/NPAA / EP/ SAA

European Partnership 2007

Short-term priorities:

Political criteria: Ensure structured and institutionalised State/Entity coordination by establishing functioning mechanisms for political, legislative and technical coordination between the State and the Entities. Implement the 2006 strategy for public administration reform and ensure that State-level ministries and institutions are adequately financed, operational and properly equipped.

Economic criteria: Support the development of improved and coordinated, economic fiscal and trade policies.

European standards: Further develop social inclusion and social protection policies.

Medium-term priorities

Political criteria:

- Ensure continued progress with taking full national responsibility for policy formulation and decision-making.
- To implement national Public administration reform and to maintain its sustainability. Increase capacities for the gradual harmonization of laws and enforcement of Acquis.

Interim Agreement and SAA

Among the BiH commitments under the Interim Agreement and SAA (Public Administration Reform) is mentioned that “cooperation will aim to further the development of an efficient and accountable public administration in BiH and will focus on institutional buildingand strengthening of the policy making process”.

2008 Progress Report

The 2008 Progress Report on BIH remarks that “ overall, there has been some progress in the area of public administration “ but “ significant further efforts towards an efficient, professional, stable, accountable and transparent civil service are needed at all levels of government”. ”The DEP has been strengthened and its consolidation of its role of coordinating the country development strategy process”.

2.4 Link with MIPD

The project aims to contribute to the meeting of the following priorities of the MIPD 2009-2011:

Component I:

2.2.1 Strategic objectives for IPA assistance during the period 2009-2011

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

“The continuing challenge for Bosnia and Herzegovina is to increase the effectiveness of the executive and legislative bodies and to strengthen institutions and the coordination between the State and Entities”.

2.2.2 Strategic choices for IPA assistance during the period 2009 – 2011

Political criteria: IPA will support public administration reform

2.3.1.1 Political criteria:

Objectives and choices: *Public administration reform and governance*: Support capacity building in public administration;

Expected results and indicators: *Public administration reform* “A structured and institutionalised state/entity co-ordination with functioning mechanisms for political, legislative and technical coordination is in place”

Component II:

2.2.2 Strategic choices for IPA assistance during the period 2009 – 2011

Ability to assume the obligations of membership: IPA will support the implementation and enforcement of the sectoral policies

2.3.1.3 Ability to assume the obligations from the membership:

Objectives and choices: *Sectoral policies*: “Support the information society”

Expected results and indicators: *Information society*: “Strategy and Action Plan for the development of the information society will be implemented”.

2.5 Link with National Development Plan

BiH is in the final phase in drafting of the National Development Strategy (NDS) 2008. -2013 and Social Inclusion Strategy (SIS) that will serve as basis for the National development plan (NDP). It was anticipated that the NDS would be adopted in July of 2009 but this has not taken place yet. It's draft version is in the final phase and its adoption is expected in September. The drafting of the SIS would last longer till some time in 2010.

As a result of this project methodologies and principles of implementation in the areas of strategic planning and M&E would be established in accordance with EU approaches.

The development of the strategic coherence framework and subsequently the Operational Programmes will have to be completed in-line with the National Strategy and its action plan. This naturally will be connected to the strategic planning of national budgets at all government levels.

3. Description of project

3.1 Background and justification

Two components are included under this project fiche:

Component I: Strengthening the National Planning Process in BiH

EU membership is recognized as the most significant goal for future security and prosperity of BiH. Objective and all encompassing overview of the current processes in country thus points out the fact that all segments of life and work require a lot of effort to reach the goal of EU membership, but it also indicates that significant activities have been initiated in all segments as well as that the reform processes are not fast enough.

Based on SAA the Government has accepted the obligation to undertake concrete steps to create and build institutional infrastructure, develop human resources and by doing so prepare the public administration for the first phase of the complex process of subsequent implementation of the policy planning. Planning in B&H takes place through several processes and institutions on state, entity and District Brcko level. Even though BiH made important progress in the national planning process, the process still requires improved horizontal and vertical coordination together with increased efficiency and transparency for the whole process.

The central institution for coordination of the policy planning activities is Directorate for Economic Planning (DEP). The DEP began to work as Economic Policy Planning Unit (EPPU)¹ and transformed to permanent body of Council of Ministers (CoM) in September 2006 (Official Gazette 81/06). According to DEP's rule book (adopted by BiH CoM in 2006) planned total number of permanent employees was 29. At the moment there are 24 permanent employees (financed by governmental budgets) and 3 junior staff (financed by various projects) working in DEP. In 2008 DEP prepared own development plan and increase with 12 new permanent employees by the end of 2013 have been defined in this document.

BiH confronts a wide range of policy and administrative challenges as it pursues socio-economic development and European integration. The quality of BiH's national planning process and capacity of the lead planning institutions will significantly affect the achievement of both priorities. This proposal recommends a project that will continue support to national planning within the context of European integration. The proposal recommends an integrated approach whereby strategies implementation will be carefully integrated with BiH's core policy and financial planning processes. This directly supports also the national policy-making and public finance reform components of BiH's Public Administration Reform Strategy.

Component II: Strengthening capacities of the Presidency

The BiH Presidency is composed of three Cabinets of BiH Presidency members (Bosniak, Croatian and Serbian) and is responsible for foreign policy, proposing annual budgets and country representation in the international organizations. The Presidency includes a Secretariat, as an established joint service providing specific expert services, administrative and technical support to the BiH Presidency members.

The regular communication of the BiH Presidency is intensively directed towards the BiH Council of Ministers and the Ministry of Foreign Affairs, Ministry of Defence, Central Bank of

¹ See Annex III

BiH, as well as other ministries and institutions in order to implement activities entailed by the BiH Constitution. The BiH Presidency also communicates on a daily basis with the EC, Embassies and all international organizations which are present in BiH.

The BiH Presidency is in session when ever an relevant issues are to be decided or discussed that are part of its jurisdiction, such as ratifying international agreements, adopting the budget, passing decisions on external affaires, etc.

The Project will directly address the following needs of the BiH Presidency:

- In order to improve the effectiveness and efficiency of the Presidency of BiH, the business processes and administrative procedures need to be reengineered through utilization of modern ICT based solutions and tools;
- The ICT infrastructure is weak. There is no "single information space" within the Presidency of BiH – the local network is not interconnecting all organization units, security and identity management is weak and unsafe, the computer equipment is old and unreliable, there are no common communication and collaboration tools, etc.
- Document management needs to be improved - document workflows need to be electronically supported, document archive needs to be electronically searchable, etc.
- Document management system needs to provide support to the session of the Presidency, in a sense of providing access of all the relevant material in the electronic format that are to be discussed at the session or bear some importance for the items of the Presidency session agenda;
- Preparation and administering of the Presidency sessions needs to be improved - manual search for information by advisors and administrators is inefficient, session recording is old-fashioned taping, the session room itself needs technological improvements, including video conferencing capability.
- Common business functions such as finance and logistics are only partly computerized and not technologically integrated.
- The systematic organizational solution for sustainable information system development and technical maintenance needs to be improved. Also, the computer literacy of Presidency staff needs to be constantly improved through systematic capacity building program.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

Component I: Strengthening the National Planning Process in BiH

DEP is currently coordinating preparation of BiH CDS and SIS. Both strategies are expected to be finalized and approved in 2009, and their implementation to commence. These strategic documents and associated processes will create the basis for spurring economic development, creating a more inclusive society and meeting future EU national planning requirements, notably the preparation of the National Development Plan and the Joint Inclusion Memorandum.

It is proposed that IPA 2009 support these critical national planning requirements. The proposed project will support capacity building in the public administration and contribute to strengthening BiH capacity to generate well coordinated and efficient overall policy planning process related to sustainable socio-economic development including: national planning, social inclusion, MTEF/budget formulation, public investment planning, aid coordination and

centre of government. In addition to strengthening the country's policy and financial planning processes, the project will create a state/national level basis for preparation of all Strategic documents as required by the EU process.

More specifically the project will:

1. Support institutionalization of an implementation network for national planning at all government levels and creation of an integrated, coherent mechanism for efficient country policy planning process that fully reflects European integration requirements;
2. Work with other central institutions to ensure that related planning processes (e.g., sector strategies, MTEF, public investment planning, aid coordination, annual government work plan) appropriately reflect other national strategies/plans;
3. Support long-term strategic development of DEP as a key coordinator of the policy planning processes and institution providing economic and social policy analysis and research and advice in the area of socio-economic development;
4. Support the process of strengthening capacities of the BiH ministries and agencies for participation in a coordinated policy and financial planning processes;
5. Initiate activities related to preparation of new development strategy (2014-2020), NDP and JIM; improve M&E, information sharing and transparency of the strategic planning and the management of public finances at all levels of government.

A strong national planning system will enable effective use of EC financial assistance as BiH is gradually moving from potential candidate to candidate status and then to that of a full member state. The project will implement the necessary measures and create a national level basis for the establishment of relevant structures, initiate of processes and setting up procedures, as well as create the platform for utilization of IPA components 3, 4 and 5.

The proposed project will be implemented at all government levels and include extensive consultations and participation of the civil society and other stakeholders. The project will ensure that the government's core policy and financial planning processes fully support the delivery of the strategies and related EU candidate country planning requirements.

Component II: Strengthening capacities of the Presidency

In regard to the second component, the intervention will directly address the needs for the improvement of effectiveness and efficiency of the Presidency of BiH. The project will directly contribute to implementation of the 2006 Strategy for Public Administration reform by ensuring that the Presidency of BiH as a state-level institution becomes more operational. Improvement of the efficiency of the Presidency's every day activities, as well as improvement of its communication and increase in rapidity and quantity of the information exchanged with its partners, CoM, Ministry of defence, as well as other partners will contribute to the improved functioning and increase of efficiency of the entire public administration in BiH. In turn, this would have for the effect the decrease in time lags , savings in material resources, savings in man power, meaning that over the long run the whole public administration would be able to carry out increased number of tasks with same number of staff and at reduced cost. To sum up, by utilizing this project one would get closer to the "EU partnership set up result" of BIH having transparent, customers oriented ,and efficient public administration capable to lead BIH all the way through the process of EU integration .

3.3 Results and measurable indicators

Results and measurable indicators in relation with component I

1.1 Efficient country policy planning process with participation of governmental institutions on all levels is developed;

- At least one model for efficient country policy planning process on all levels is available by end Y1
- Number of the established Working Groups
- Range of established DEP regular cooperation mechanisms
- Number of the organized training sessions
- The number of entity recommendations on continuation of policy planning processes adopted by end Y2

1.2 Sectoral strategies/plans are appropriately reflected in all related country planning processes

- At least 5 sectoral planning documents reviewed
- By end Y2 at least 3 sectoral policy planning documents aligned with national strategies
- Monthly amount of specific information exchanged between institutions
- Number of specific trainings on harmonization & alignment of planning processes

1.3 DEP is a key national coordinator of the policy planning process and advice institution in the areas of socio-economic development

- Number of completed institutional GAP analysis
- Minimum of two specific research documents yearly produced by DEP
- Number of specific institutional links
- Number of established Working Groups for planning and M&E process
- The number of DEP organised training sessions for governmental institutions
- At least one draft of the DEP methodology for sectoral public investment planning is available by end Y1

1.4 Proper implementation and monitoring of the Country Development Strategy 2008-2013 and Social Inclusion Strategy in BiH ensured by DEP and preparation for the Country Development Strategy 2014-2020 is in place

- Number of the organized specific public debates on CDS and SIS
- Volume of the feedback received from the public debates
- At least one monitoring report is available by end Y1
- At least one NDP and JIM draft document for CDS 2014-2020 are available
- Minimum one implementation and monitoring report produced by DEP
- At least two meetings organized by DEP in the preparation for the CDS 2014-2020

Results and measurable indicators in relation with component II

2.1 Increased efficiency of the BiH Presidency through the technologically- enabled organizational changes and installation of the specific equipment

- At least 500/month processed documents under Document Management System;
- At least 60 active network connection points
- At least 40 computers active on network
- At least 40 active e-mail accounts
- Stability of services (downtime per month – 1 hour max)
- At least 200 electronic documents in e-Sessions system
- At least 1 briefing per session by video-conferencing
- At least 10 recordings used by press and public
- At least 2 staff employed in internal technical team
- At least 4 technical training sessions performed
- Max 4 requests for technical support per month
- At least 50 content items on web site,
- 100 % of session agenda electronically supported
- 30 % reduced time needed for presentations at session as a whole

3.4 Activities

Component I- Twinning Project for National Planning in BiH

For component I, the assistance will target the internal strategic development of DEP and will strengthen the regular cooperation mechanisms with relevant government institutions and agencies in the country in order to make sure that goals and priorities from the CDS and SIS are properly reflected in the sectoral strategic documents. As part of this intervention it is envisaged that the process of CDS implementation will be monitored pending the completion of its pilot phase, its specific working groups will be established, specialized workshops and tailored trainings for the country relevant institutions staff and civil society organizations will be organized. It is also planned to rise the DEP visibility in the media and among the public at large with the ultimate aim to ensure the country coordinated policy planning process.

Activities related to Result 1.1:

1.1.1 Definition of the model for efficient country policy planning process with participation of governmental institutions on all levels

1.1.2 Development of the defined country policy planning process through establishment of Working Groups;

1.1.3 Establishment of regular cooperation mechanisms with academic and research institutions, NGOs and think tanks,

1.1.4 Provide specific trainings;

Activities related to Result 1.2

1.2.1 Review of all sectoral planning documents

1.2.2 Formulation of the reform sectoral programs,

1.2.3 Organization of the training on harmonization & alignment of planning activities on state and sectoral level;

Activities related to Result 1.3:

1.3.1 Conduct high quality and complex analysis in the area of Macroeconomics; Microeconomics; Foreign Trade; FDI; Public Finance; Social Policy; Labour Market using economic and forecasting models in a creative and flexible manner;

1.3.2 Develop an integrated planning mechanism for preparation of development documents and documents required as a part of EU accession process;

1.3.3 Organise the Working Groups (WGs) for planning and M&E process;

1.3.4 Identification of priority sectors and organize activities on preparation/harmonization of sectoral strategies for these sectors (Y1);

1.3.5 Organise accountable & transparent cooperation with all government institutions, civil society

Activities related to Result 1. 4:

1.4.1 Develop M&S system (based on EU values and methodology) for CDS/SIS;

1.4.2 Set-up of specific institutional reporting mechanisms;

1.4.3 Co-ordinate the preparatory work for the CDS 2014-2020;

1.4.4 Organize related public debates and media promotion on CDS 2014-2020

Component II- Strengthening capacities of the Presidency

The second component intervention will aim at increasing the effectiveness, efficiency, and integration of business processes within the Presidency of BiH and at improving the communication of the Presidency with the public and other BiH institutions. The change will comprise in business processes reengineering combined with implementation of comprehensive set of ICT based tools and applications.

Activities related to Result 2.1:

2.1.1 Conduct a detailed analysis and prioritization of relevant business processes and identification of the needed structural changes at BiH Presidency;

2.1.2 Supply, installation, implementation and introduction into daily work of the specific equipment and software systems (Document Management System, Management Information System, e-Sessions electronic system for Presidency sessions management, Internet and Personal intranet portal, servers, cabling, computers, networking infrastructure and network software services, audio/video conferencing facility and other infrastructure in Presidency session room);

2.1.3 Organize specific formation and training of the technical support and maintenance team at BiH Presidency

2.1.4 Training for the BiH Presidency staff to use the introduced systems

3.5 Conditionality and sequencing

BiH has already commenced the process of harmonisation of legislative regulations and capacity building in the policy planning and M&E. The Government has also recognized that

in order to accomplish quality and timely performance of these duties it is necessary to improve capacity of human resources and technical equipment of the services. However, these processes are developing slower than acceptable mostly due to insufficient political support and lack of resources. An important role in the project activities targeting DEP will be the establishment of the Working Groups (WGs). So far, all the members of 6 working groups and their subgroups representing all the government levels have verified its membership and there have been several sessions of the WG sat which the fruitful discussions took place. Therefore, the final draft of the National development strategy is expected to be completed by the end of July, while the initial draft version is already prepared. The strategy should be followed by the 5 Operational programmes which need to be completed within the year (in the first quarter of 2010). These 5 Operational programmes will have to be connected with the process of strategic planning of budget. This represents a critical precondition since if there are no linkage between the priorities, measures and sub measures from the Operational plans and the corresponding budgets, National development strategy (NDS) would not be implemented. The other essential precondition is the monitoring and evaluation of the process of NDS implementation which would require not only adequate methodology to measure the progress made, but also adequate set of indicators, across several sectors of monitoring such as for example input and output indicators, indicators of results, etc. Finally, activities completed so far are speaking in favour that practice of working group developed in the previous phases of preparation of previous Strategy (PRSP/MTDS/ 2004 – 2007) have achieved a good results and it should be continue with, but the methodology and scope of its activities needs to be changed. This process of changing is already taking place.

The implementation of the e-Presidency component (as well as sustainability of project results) will rely upon following preconditions:

- The Presidency of the BiH will form internal IT team that will be responsible for coordination of implementation, maintenance and further development of systems and services introduced by the Project;
- The Presidency of BiH will provide the physical and other preconditions (including space and relevant permits) for Project implementation and long term usage;

The Presidency of BiH can guarantee the fulfilment of these conditions by the end of 2009.

3.6 Linked activities

A large number of institution building projects have been completed successfully in the different form with the assistance of Member States experts. The experience shows that this type of assistance has been particularly useful to meet the needs in accession process and the proper harmonisation of EU acquis. This IPA project is targeted to provide BiH with sufficient funds and support experts to be able to fulfil demanding tasks related to further strengthening of the administrative capacity for the full implementation of the acquis related to the field of strategic national planning and M&E.

The support to DEP in the past included two CARDS (2004 and 2006) funded projects. The DFID is also assisting DEP in the preparation of the strategic national planning documents (CDS and SIS), creating the basis for meeting future EU national planning requirements, implementing the CDS and SIS and institutionalizing an implementation network in existing government institutions at all government levels as well as comprehensive capacity building of DEP's staff.

The most intensive cooperation and communication of the Presidency of BiH is with the Council of Ministers of BiH (CoM). Therefore, recognizing also the importance of other e-Government programs, projects and initiatives, the Presidency of BiH identifies the CoM related e-Government initiatives as most relevant experience to be analyzed and used while implementing similar activities. The first phase and partly the second phase of the "e-Government at the Council of Ministers of BiH" programme financed by EC and UNDP were so far implemented. These two projects can provide important experiences and extremely useful resources for implementation of e-Presidency at the Presidency of BiH.

In terms of support for developing capacities for utilization of IPA components III and IV, the TA to state level structures under a number of IPA 2007 projects is planned. A twinning assistance project is planned to be delivered to support the Ministry of Transport and Communications to fulfil its mandate under the future IPA regulations. Similar type of training is also planned with MOFTER and its department for SMEs to prepare it for future competitiveness projects from regional funds. There will also be a project under IPA 2008 for the environment department in MOFTER. Lastly, the proposed project for IPA 2009 will build on the accomplishments of the framework contract for awareness raising and training for number of institutions so that the overall understanding of the whole programming, implementation, and monitoring process for IPA components III and IV is going alleviated to satisfactory level.

3.7 Lessons learned

For the first component, the activities will build on and utilize lessons learned that were generated during the preparation and initial implementation of the Country Development and Social Inclusion Strategies and from the current experiences of the governmental institutions implementing network at all levels.

In an effort to meet the requirements for a harmonized socio-economic development of the country and for EU accession, BiH strived to revise and develop strategies in a consolidated manner. A significant step in this direction was made in 2005 and 2006, when the MTDS was revised, and in the period of 2004-2007 the revised version of the MTDS strategy was in place.

The main lesson learned is that methodology for preparation of strategic documents on state level should be harmonized with other related processes and with the political and socio-economic situation in the country. In 2002, the BiH Poverty Reduction Strategy Paper (PRSP) was prepared as a first planning document at state level and since this date, two types of development documents defined the basic strategic development directions of BiH:

- Documents oriented towards the World Bank / IMF, as a frame for getting international loans and grants (PRSP, MTDS, etc)
- Documents oriented towards the EU, as part of the EU accession process (EU Accession Strategy, EU partnership, etc.).

Taking the above mentioned into the account, the following NDS for Bosnia and Herzegovina is going to reflect to the greatest extent possible the priorities of the EU such as the Lisbon agenda (creating an EU economies as the most competitive and most rapid growing in world) as well as the EU employment strategy that focuses on combating the long term unemployment and supporting the active labour market measures.

In that regard, an appropriate re-organization of priorities to contribute to improvement of the quality of the MTDS document is prepared. These improvements will include: additional

activities, a Medium term Expenditure Framework (SOR), and a better allocation of limited government resources for the implementation of prioritized measures. Duplications in similar sectors were eliminated and a shorter version of the document was produced, which referred to other existing development documents - but avoided unnecessary repetitions. The revised goals make references to economic growth, poverty reduction and EU accession.

In regard to the second component, lessons learned from the two phases of the CoM e-Governance programme will be considered.

The most important and most intensive cooperation and communication of the Presidency of BiH is with the Council of Ministers of BiH (CoM). Therefore, recognizing also the importance of other e-Government programs, projects and initiatives, the Presidency of BiH identifies the CoM related e-Government initiatives as most relevant experience to be analyzed and used.

The major lesson that was learnt from two CoM e-Government projects (Projects: "e-Government at the Council of Ministers of BiH, Phase I and Phase II") so far, is that, contrary to the introduction of technological solutions, the organizational change was the main issue to be taken most seriously. It is well known that changes in organizational behaviour tend to slow down due to many factors, including inevitable social inertia. Therefore, the major strategy of such projects must be gradual introduction of change.

That was the major obstacle that slowed down the implementation of mentioned projects in CoM. However, the Presidency of BiH is much smaller and much more coherent and monolithic structure than CoM of BiH, so the introduction of organizational change is envisioned to be much easier to manage,

So far, CoM BiH, through the implementation of these projects has implemented important solutions and tools that the e-Government in Presidency of BiH shall build on.

The first phase of mentioned Program (e-Government at the CoM BiH - Phase I) has ended in January 2009, and resulted in impressive infrastructure – broadband networking system that connects 2000 computers in CoM ministries, agencies, directorates and other institutions, communication and collaboration services, significantly improved Internet access, etc.

Building on the infrastructure and resources introduced in Phase I, the "e-Government at the CoM BiH - Phase II" will further develop the infrastructure and basic common information services within the CoM BiH and integrate horizontal document/information exchange functions. It will be implemented by the end of 2009. The established infrastructure and basic services will be strengthened and their usage will be more stable. That will be used as a foundation for implementation of comprehensive document management system (DMS) that will also integrate the CoM e-Sessions system implemented in the first phase.

These two projects provide extremely important experiences and resources for implementation of e-Government at the Presidency of BiH:

- Administrative and bureaucratic processes within the Presidency of BiH are very similar to ones supported by the "e-Government at the CoM BiH" projects. The solutions introduced in these projects can be directly applicable to the Presidency of BiH (for example, networking solutions, communication and collaboration tools, document management system, e-Sessions etc.);
- The communication between the Presidency of BiH and CoM of BiH is very intensive – by connecting two intranet structures, and by connecting directly services and tools (such as, document exchange, data stream, video conferencing through intranet IP,

Web content management and similar), processes in both structures will be much more effective and efficient.

- The implementation modality proved to be successful – projects succeeded to implement similar systems even in much more complicated and "politically hostile" environment
- Usage of the same or at least similar solutions introduced by mentioned projects will significantly reduce both costs and level of efforts needed for design and implementation of solutions.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activities related to Component I	X		1 500 000	1 500 000	100							
contract 1.1 (Twinning)	X		1 500 000	1 500 000	100							
Activities related to component II		X	500 000	500 000	100							
contract 2.1 (supply)	–	X	200 000	200 000	100							
Contract 2.2 (works)	–	X	100 000	100 000	100							
Contract 2.3 (service/FWC)	–	X	200 000	200 000	100							
TOTAL IB			1 500 000	1 500 000	100							
TOTAL INV			500 000	500 000	100							
TOTAL PROJECT			2 000 000	2 000 000	100							

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start Tendering	of Signature contract	of Project Completion
Contract 1.1 (Twinning)	Q1/2010	Q3/2010	Q3/2012
Contract 2.1 (supply)	Q1/2010	Q3/2010	Q1/2011
Contract 2.2 (works)	Q1/2010	Q3/2010	Q1/2011
Contract 2.3 (service/FWC)	Q1/2010	Q2/2010	Q2/2011

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA. It is reasonable to assume that the contract number 2.3 is going to be tendered as a framework contract, which might speed up its implementation procedure, while the rest of the contracts (supply and works and big TA) would go through the standard lengthy procedure.

6. Cross cutting issues

6.1 Equal Opportunity

BiH is determined to apply the principle of equal opportunities and gender equity. This approach is already recognizable in existing laws. Harmonisation of legislation with the *acquis*, modernisation and reform of national planning process should only underline this approach and ensure its full implementation

Considering the fact that a significant part of the activities on the project will be devoted to training and capacity building, women should be encouraged to be equally involved in the education process and to participate in the process that will be supported during the project implementation.

6.2 Environment

The project will not have negative environmental effects. The national planning by nature of their activities, among other issues, concludes on irregularities in the sectors and undertakes appropriate measures to eliminate them. The national planning process, may among other problems, cause problems that will affect working and living environment. On the other side well organised and responsible national planning process should have very positive impact and significant link to environmental protection.

6.3 Minorities

Participation in the project activities will be guaranteed on the basis of racial or ethnic origin, religion or belief, disability, sex or sexual orientation. BiH has legislation pertaining to protection of minority rights. The proposed project will ensure that internal policy, structures and operative procedures are in compliance with and are promoting minority rights

ANNEXES

1. -Log frame in Standard Format
2. -Amounts contracted and Disbursed per Quarter over the full duration of Programme
3. -Description of Institutional Framework
4. -Reference to laws, regulations and strategic documents:
5. -Details per EU funded contract

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche 7: Strengthening the National Planning Process and the capacities of the Presidency in Bosnia and Herzegovina		Programme name and number: Fiche 7: Strengthening the National Planning Process and the capacities of the Presidency in Bosnia and Herzegovina	CRIS number: 2009/021-650
		Contracting period expires: two years following the end date of contracting	Disbursement period expires One year following the end date for the execution of contracts
		Total budget: EUR 2 000 000	IPA budget: EUR 2 000 000
Overall objective	Objectively verifiable indicators	Sources of Verification	
Support the modernization of the public administration in Bosnia and Herzegovina (BiH)	Country economic growth statistics Public Administration statistics Decrease of Social Exclusion Index	EC Country Progress report BiH Presidency and Governmental reports Independent reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Component I: To create a comprehensive policy planning process that fully reflects European integration requirements and support the implementation and monitoring and evaluation of the Country Development Strategy 2008-2013 (CDS) and Social Inclusion Strategy (SIS) in BiH Component II: To introduce the adequate technologically enabled organizational changes to increase the efficiency of the BiH Presidency	Number of the country laws aligned to the EU acquis communautaire Level of the achieved CDS/SIS indicators Change of efficiency indicators of BiH Presidency business processes (reduced costs, faster response, etc)	EC Country Progress report BiH Presidency and Governmental reports Independent reports	Stable political and economic climate No social tensions All involved institutions willing to cooperate Available human and financial resources
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1.1 Efficient country policy planning process with participation of governmental institutions on all levels is developed;	<ul style="list-style-type: none"> - At least one model for efficient country policy planning process on all levels is available by end Y1 - Number of the established Working Groups - Range of established DEP regular cooperation mechanisms 	EC Country Progress report Governmental decisions and reports Project reports	Stable political and economic climate No social tensions All involved institutions willing to cooperate Available human and financial resources

<p>1.2 Sectoral strategies/plans are appropriately reflected in all related country planning processes</p>	<ul style="list-style-type: none"> - Number of the organized training sessions - The number of entity recommendations on continuation of policy planning processes adopted by end Y2 - At least 5 sectoral planning documents reviewed - By end Y2 at least 3 sectoral policy planning documents aligned with national strategies - Monthly amount of specific information exchanged between institutions - Number of specific trainings on harmonization & alignment of planning processes 	<p>Training reports</p> <p>Donor reports</p> <p>Reports from the Working group meetings.</p> <p>Stakeholders documents</p> <p>Reports on participation of social partners</p> <p>DEP internal reports</p> <p>Various Meeting minutes</p> <p>Media reports</p>	<p>All levels of public administration provide relevant personal to carry out tasks within the national planning process</p>
<p>1.3 DEP is a key national coordinator of the policy planning process and advice institution in the areas of socio-economic development</p>	<ul style="list-style-type: none"> - Number of completed institutional GAP analysis - Minimum of two specific research documents yearly produced by DEP - Number of specific institutional links - Number of established Working Groups for planning and M&E process - The number of DEP organised training sessions for governmental institutions - At least one draft of the DEP methodology for sectoral public investment planning is available by end Y1 	<p>BiH Presidency reports</p>	<p>Stable political climate</p> <p>All involved Presidency Departments committed to co-operate</p>
<p>1.4 Proper implementation and monitoring of the Country Development Strategy 2008-2013 and</p>	<ul style="list-style-type: none"> - Number of the organized specific public debates on CDS and SIS - Volume of the feedback received from the 	<p>BiH Presidency reports</p>	<p>Available human and financial resources</p>

<p>Social Inclusion Strategy in BiH ensured by DEP and preparation for the Country Development Strategy 2014-2020 in place</p>	<p>public debates</p> <ul style="list-style-type: none"> - At least one monitoring report is available by end Y1 - At least one NDP and JIM draft document for CDS 2014-2020 are available - Minimum one implementation and monitoring report produced by DEP - At least two meetings organized by DEP in the preparation for the CDS 2014-2020 	<p>Technical documentation</p> <p>Server logs</p> <p>The Presidency sessions minutes</p> <p>Database logs</p>	<p>BiH Presidency personnel willing to use the new equipment</p>
<p>2.1 Increased efficiency of the BiH Presidency through the technologically-enabled organizational changes and installation of the specific equipment</p>	<ul style="list-style-type: none"> - At least 500/month processed documents under Document Management System; - At least 60 active network connection points - At least 40 computers active on network - At least 40 active e-mail accounts - Stability of services (downtime per month – 1 hour max) - At least 200 electronic documents in e-Sessions system - At least 1 briefing per session by video-conferencing - At least 10 recordings used by press and public - At least 2 staff employed in internal technical team - At least 4 technical training sessions performed - Max 4 requests for technical support per month <p>.At least 50 content items on web site, 100 % of session agenda</p>	<p>Media reports</p> <p>BiH administration reports</p> <p>Training and study tours feedbacks</p> <p>Acceptance letter from the ECD and beneficiary institution</p> <p>BiH administration reports</p> <p>EC reports</p>	

	electronically supported 30 % reduced time needed for presentations at session as a whole		
Activities	Means	Costs	Assumptions
<p>1.1.1 Definition of the model for efficient country policy planning process with participation of governmental institutions on all levels</p> <p>1.1.2 Development of the defined country policy planning process through establishment of Working Groups;</p> <p>1.1.3 Establishment of regular cooperation mechanisms with academic and research institutions, NGOs and think tanks,</p> <p>1.1.4 Provide specific trainings ;</p> <p>1.2.1 Review of all sectoral planning documents</p> <p>1.2.2 Formulation of the reform sectoral programs,</p> <p>1.2.3 Organization of the training on harmonization & alignment of planning activities on state and sectoral level;</p> <p>1.3.1 Conduct high quality and complex analysis in the area of Macroeconomics; Microeconomics; Foreign Trade; FDI; Public Finance; Social Policy; Labour Market using economic and forecasting models in a creative and flexible manner;</p> <p>1.3.2 Develop an integrated planning mechanism for preparation of development documents and documents required as a part of EU accession process;</p> <p>1.3.3 Organise the Working Groups (WGs) for planning and M&E process;</p> <p>1.3.4 Identification of priority sectors and organize activities on preparation/harmonization of sectoral strategies for these sectors (Y1);</p>	Twinning	EUR 1,500,000	

<p>1.3.5 Organise accountable & transparent cooperation with all government institutions, civil society</p> <p>1.4.1 Develop M&S system (based on EU values and methodology) for CDS/SIS;</p> <p>1.4.2 Set-up of specific institutional reporting mechanisms ;</p> <p>1.4.3 Co-ordinate the preparatory work for the CDS 2014-2020;</p> <p>1.4.4 Organize related public debates and media promotion on CDS 2014-2020</p> <p>2.1.1 Conduct a detailed analysis and prioritization of relevant business processes and identification of the needed structural changes at BiH Presidency;</p> <p>2.1.2 Supply, installation, implementation and introduction into daily work of the specific equipment and software systems (Document Management System, Management Information System, e-Sessions electronic system for Presidency sessions management, Internet and Personal intranet portal, servers, cabling computers, networking infrastructure and network software services, audio/video conferencing facility and other infrastructure in Presidency session room);</p> <p>2.1.3 Organize specific formation and training of the technical support and maintenance team at BiH Presidency</p> <p>2.1.4 Training for the BiH Presidency staff to use the introduced systems</p>	<p>2.1.2 Supply contract</p> <p>2.1.2 works contract</p> <p>2..1 .1, 2.1..3 and 2.1.4 TA/FWC contracts</p>	<p>EUR 500 000</p>	
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ANNEX II: Amounts (in EUR) contracted and disbursed by quarter for the project

Contracted	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011	Q4/2011	Q1/2012	Q2/2012	Q3/2012	Q4/2012
Contract 1.1		1 500 000									
Contract 2.1		200 000									
Contract 2.2		100 000									
Contract 2.3	200 000										
Cumulated	200, 000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Disbursed											
Contract 1.1			300,000		300,000		300,000		300,000		300,000
Contract 2.1		120,000	80,000								
Contract 2.2		10 000	50 000	40,000							
Contract 2.3	80 000		60 000		60,000						
Cumulated	80,000	210,000	700,000	740,000	1.100,000		1,400,000		1,700,000		2,000,000

ANNEX III: Description of Institutional Framework

Component I: Strengthening the National planning process

Institutional framework for all the phases of the national planning process, monitoring and evaluation of measures from BH development documents action plans, has to involve state structures on all levels of authorities. By now, in this process were involved only governments on state and entity levels, while Government of District Brcko was only partly involved. Comprehensive national planning process should transfer the old experiences and based on them, work on the necessary improvement.

DEP has started to work as EPPU. Since its establishment in 2004 the EPPU functioned as a project financed organization. The first was a project by World Bank Trust Fund, which launched the BiH Mid Term Development Strategy M&E Office in May 2004 and financed it. The second was a European Commission project aim supporting the EPPU- Economic Research Office, launched in 2005.

Over time, the EPPU and its two sub-units grew to become respectable partners to the international community and the donors, a source of support to governments in BiH, and hope for economic development and poverty reduction among the general population.

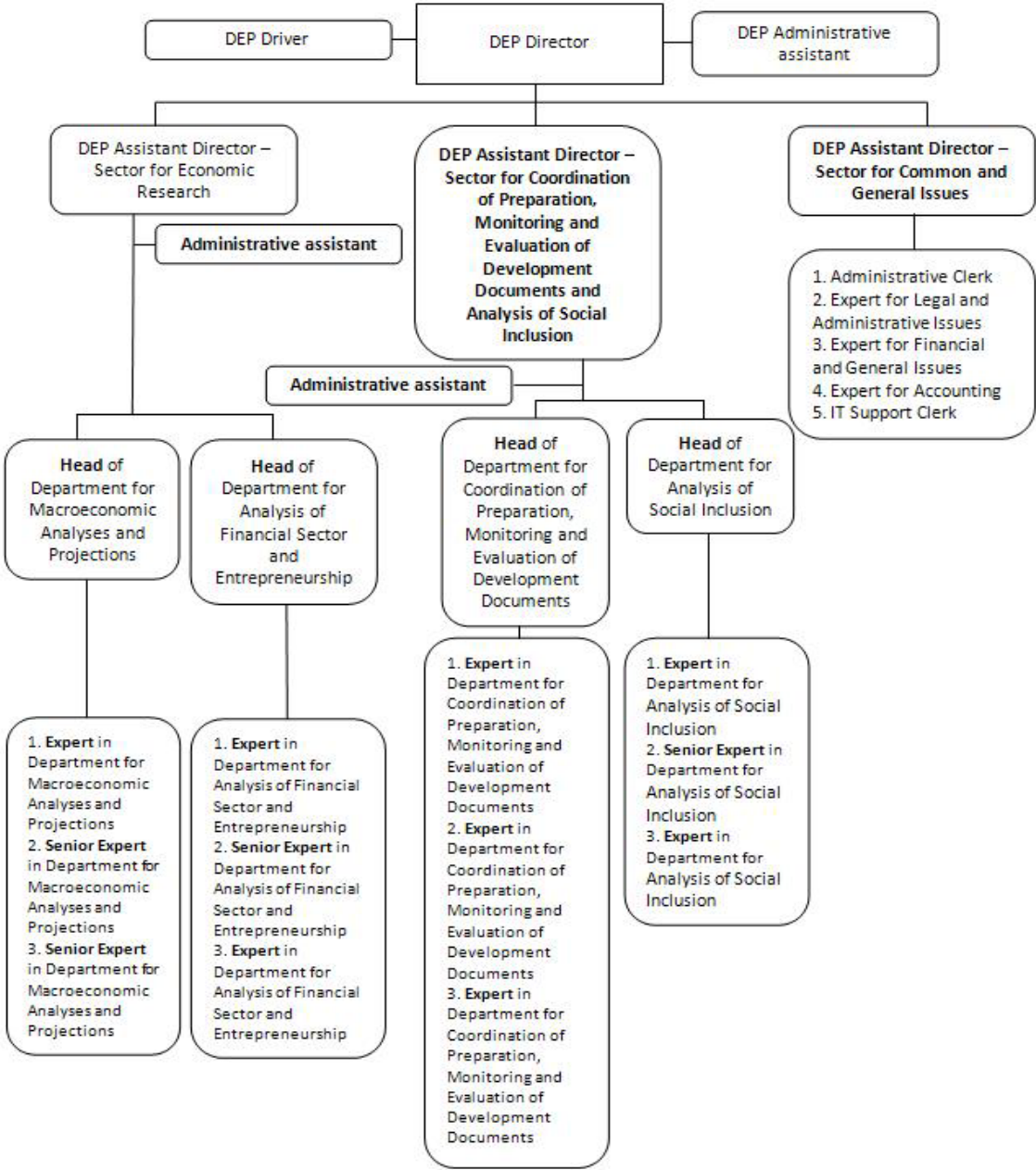
In light of the fact that such an institution has been needed long before that an accepting that condition for it were ripe, in September 2006 the BiH Council of Ministers (CoM) submitted to the Parliamentary Assembly the Law on Changes and Amendments of the Law on the CoM (Official Gazette 81/06), with the best of transforming the EPPU to permanent body of CoM- the Directorate for Economic Planning.

Finances for regularly functioning of DEP are allocated through budget of CoM; budget for 2008 contains certain financial resources allocated for the preparation of B&H CDS and SIS 2008-2013 documents as well. DEP proposed to CoM a new plan of activities for 2009, as well as budget needs for realization of all planned activities. The CoM supported the structure of the budget, with explanation that probably the level of planned financial resources, for all activities related to preparation of the development documents are not going to be as expected because of economic crisis.

The DEP is composed of two sectors:

- Sector for coordination of preparation, M&E implementation of development documents and Social Inclusion Analyses,
- Sector for Economical researches

ORGANIZATIONAL STRUCTURE of DEP-a



International community supported work of DEP from the beginning. The EC and DFID were the most supportive.

The EU- funded project” Support to the BiH Directorate for Economic Planning (DEP)” started in September 2007. The project is being implemented over two year- period, by a Consortium led by PKF (UK), an independent, autonomous firms of chartered accountants and business advisers.

The overarching objective of the project is to contribute to sustainable economic development by strengthening BiH’s capacity to generate sound economic policies within the context of the country’s European integration strategic objective. The project specifically seeks to ensure the long-term development of the DEP as a key economic policy national planning and advisory institution.

DEP's Working Groups

The important role in the project activities would have DEP's Working Groups (WGs). For the preparation of the previous national planning documents were established Working groups (WGs) as a basic coordination mechanism. For BH MTDS 2004-2007 the WGs were established for all the sectors that were done in the document. For CDS 2008-2013 and SIS the WGs are going to be intersectional and established for each goal.

During the preparation of the previous development documents working groups were active in writing the initial documents of the strategies. In the case of the CDS and SIS it will not be their responsibility. Their main responsibilities is to help in defining the key strategic development activities, measurements and programs for achievement of medium term development goals and long term expectancy results. They should be the network through which DEP will have direct and permanent contact with all ministries, BH CB, statistical and other agencies. Working groups should identify possible resources including public, private and were possible international resources that will integrate into realization of defined strategic activities and to give inputs for preparation of reports on monitoring and implementation of planned measures. They also need to give inputs to the experts who are preparing the initial material for national process and to be the first instance on which the prepared materials are being discussed and changed before sending it to further procedure.

The number of the working groups will be the same as number of goals in CDS and SIS, eleven in total. Working groups will have two or more sub/groups.

The main members of each working group will be representatives from the authorised ministries of BH Council of Ministers, FBH Governments, RS Government and DB Government. Beside them the members of the working groups would also be representatives from BH Central Bank, DEI, PARCO, Agencies for statistics, Labour agencies, other state agencies and civil society. Governments already nominated coordinators of working groups through which all the organizational activities and contacts with DEP will go through. DEPs experience by coordination with coordinators working groups is extremely good.

Beside the above mentioned participants important role in the policy national planning have the following institutions and structures:

Role of Governments – Coordination of the national planning process

Such complex and responsible process such as preparation of the development documents started with a strong commitment and governance of BH Council of Ministers which should govern the process with the support of entity governments. All the phases of national planning and M&E processes, before discussing it by the BH Council of Ministers, should be analysed and harmonised on Coordination board for economic development and EU integration that is in the charged of the process.

The Role of BH Parliamentary Assembly and Entity Parliaments

Up to date the BH Parliamentary Assembly, FBH Parliament and RS National Assembly did not have the role that they should have. Their role was mostly to have discussions about the document. From the aspects of responsibility for the realization of the goals, their discussions were very useful but not for being obliged to them and for that reason it does not provide ownership rights, general consensus and responsibility for realization of these measures and especially those that Parliaments are responsible for. BH Council of Ministers and Entity governments are being criticized as the only responsible state institutions for the realization of the measures on the parliament meetings because of this situation.

Because of the things that were mentioned before it is needed to step up activities of future national planning process for determining strategic policies and goals through parliamentary bodies and parliaments. The first step in that direction DEP realised by establishment of the cooperation with Parliamentary Commission for Development.

Positioning the Role of BH Presidency

BH Presidency by now did not have an active role in the national planning process. Practice from the neighbouring countries showed that the Role of BH Presidency could be very important from the aspects of insuring the great support for defining strategic vision of country, especially from the academic side, and those practices should be used in BH, too.

Cantonal governments and parliaments.

This organizational structure that exists only in FBH has important responsibilities related to implementation the processes in many socio-economic sectors should be included in this planning process. The way they should be included would be defined based on the DEPs proposal that is defined with FBH government and approved by Coordination Board for economic development and EU integration that would lead the process. On this way all the main stakeholders from different levels would be included in the process, parliaments and governments from one side and private sector, academic communities and civil service organizations from the other side not just for policy national planning process then during M&E of the implementation of planned activities.

Role of Local Community

Until now the local communities were not included in national planning and monitoring processes except in public discussions. According to EU practice, the active role of all structures and levels of government and all segments of society is imperative in defining and implementing socio-economic and development process. For that reason local communities must be included in this process. DEP is with the technical support by donors underwent the activities on setting up networking of representatives of local communities on whole BH territory, that in the first phase should be advisory support.

Component II: strengthening capacities of the Presidency

The Presidency of Bosnia and Herzegovina within its mandates, works in accordance to the Constitution of Bosnia and Herzegovina, General Framework Agreement for Peace in Bosnia and Herzegovina and its annexes, specific laws of Bosnia and Herzegovina and other regulations. The BiH Presidency represents and symbolizes the sovereignty of Bosnia and Herzegovina, and its role is to coordinate and harmonize the work of BiH institutions and protect the interests of its entities, which applies to all constituent peoples and all BiH citizens.

The BiH Presidency is composed of three members: Bosniak, Croatian and Serbian. The BiH Presidency has the following mandates:

- a) Foreign Affairs Policy of Bosnia and Herzegovina;
- b) Appointing Ambassadors and other international representatives of BiH;
- c) Representing Bosnia and Herzegovina in the international and European organizations and institutions, applying for memberships in organizations and institutions which Bosnia and Herzegovina is not a member of;
- d) Negotiating international agreements of Bosnia and Herzegovina, cancel them, and with the agreement of the BiH Parliamentary Assembly, ratify them;

- e) Implementing decisions of the BiH Parliamentary Assembly;
- f) Suggesting, at the recommendation by the BiH Council of Ministers, annual budget to the BiH Parliamentary Assembly;
- g) At least once a year, the BiH Presidency is obliged to give reports to the BiH Parliamentary Assembly about the expenses of the Presidency;
- h) Coordinate accordingly cooperation with international and non-governmental organizations in Bosnia and Herzegovina;
- i) Perform other functions, if necessary, to fulfil its mandate, as requested by the BiH Parliamentary Assembly or as agreed by entities;

The BiH Presidency is composed of the three Cabinets of BiH Presidency members and the Secretariat, as the expert service, which was established in order to provide expert, administrative and technical support to the BiH Presidency members during performance of their collective as well as individual duties.

Most frequent communication of the BiH Presidency is directed towards the BiH Council of Ministers and the Ministry of Foreign Affairs, Ministry of Defence, Central Bank of BiH, as well as other ministries and institutions in order to realize activities entailed by the BiH Constitution.

Also, the BiH Presidency cooperates and communicates on a daily basis with Embassies, other international diplomatic headquarters in BiH, etc.

ANNEX IV: Reference to laws, regulations and strategic documents

Component I:

Law on Changes and Amendments of the Law on the CoM (Official Gazette 81/06)

Country Development Strategy 2008-2013

Social Inclusion Strategy (SIS) in BiH

Component II:

Constitution of Bosnia and Herzegovina

The General Framework Agreement for Peace in Bosnia and Herzegovina and its annexes

Rules of Procedure of the Presidency of BiH

Strategy for Public Administration reform in BiH, adopted in 2006.

Policy, Strategy and Action Plan for Information Society Development in BiH, adopted in 2004

ANNEX V: -Details per EU funded contract

Component I: Twinning Project (EUR 1 500 000)

Project will be tendered in line with EC rules and regulations.

A Steering Committee should be established to supervise the programme, coordinate the stakeholders involved, and provide guidance in the implementation of the twinning project.

Component II: Supply, Works, TA/FWC contract (EUR 500 000)

Project will be tendered in line with EC rules and regulations for the supply, works and TA/FWC which includes installation, implementation and introduction into daily work of the specific equipment and software systems:

Document Management System , Management Information System , e-Sessions electronic system for Presidency sessions management , Internet and Personal intranet portal , servers, server room, cabling, computers, networking infrastructure and network software services , audio/video conferencing facility and other infrastructure in Presidency session room ;trainings for Presidency staff to use the introduced systems; trainings of the internal technical support and maintenance team at BiH Presidency to facilitate the installation and usage of the above-mentioned equipment and software.