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the
Netherlands



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**Strengthening Capacities for Strategic Planning
and Policy Development in BiH (SPPD)**

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LIST OF ABBREVIATIONS AND ACRONYMS

BiH	Bosnia and Herzegovina
CAP	Common Agricultural Policy
CDS	Country Development Strategy
CoM	Council of Ministers
DEI	Directorate for European Integration
DEP	Directorate for Economic Planning
DfID	Department for International Development, UK Government
EAFRD	European Agricultural Fund for Rural Development
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
GAP	Gender Action Plan
IPA	Instrument for pre-accession assistance
IPARD	Instrument for pre-accession assistance for rural development
MCA	Ministry of Civil Affairs of BiH
M&E	monitoring and evaluation
MoF	Ministry of Finance
MoFT	BiH Ministry of Finance and Treasury
MoFTER	Ministry of Foreign Trade and Economic Relations BiH
MoU	Memorandum of Understanding
OECD	Organisation for Economic Co-operation and Development
PAR	Public Administration Reform
PARCO	Public Administration Reform Coordinator's Office
PD	policy development
PFM	public finance management
PIP	Public Investment Programme
RS	Republika Srpska
SAA	Stabilisation and Association Agreement
SIGMA	Support for Improvement in Governance and Management
SIS	Social Inclusion Strategy
SME	small and medium enterprises
SP	strategic planning
SPeM	Strengthening Public Expenditure Management
SPPD	Strategic Planning and Policy Development
UNDP	United Nations Development Programme

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I. Purpose

The Strategic Planning and Policy Development (SPPD) Programme is a framework program designed to work with line ministries at the level of Bosnia and Herzegovina (BiH), Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) by supporting and institutionalizing organizational and human resource capacities in particular for strategic planning and policy development activities which will, in turn, contribute to the improved links between strategic priorities and resources available. The SPPD Programme has the overall objective to enhance State and entity government's human and technical resources and procedures for strategic planning, policy development and public finance management in order to ensure improved delivery of public services.

The SPPD Programme stems from the Public Administration Reform (PAR) Strategy and supports the adoption of European Union (EU) public administration standards in BiH by enabling the participating public institutions to fulfill their obligations outlined in the European Partnership that identifies EU accession key priorities.

II. The SPPD Programme Contribution to the Development of BiH

The SPPD Programme has been and remains relevant in the context of contributing to the development of BiH. Strategic planning and public policy development are key characteristics of a modern public administration capable of prioritising and implementing policies in all areas and the ones in line with the EU requirements and obligations. PAR Action Plan I has identified UNDP and the SPPD Programme as the implementing partners of that particular segment of the PAR Strategy.

The EU integration process will inevitably intensify in the coming years and a functional public administration capable to effectively and efficiently fulfill its tasks is imperative. Strategic planning, policy development and responsible public finance management are key tools in this process.

The overarching objective of PAR is the establishment of a public administration in BiH that is efficient, effective, professional, and accountable; and that it provides high quality services to the public. PAR and the SPPD project support BiH progress towards EU accession. To that end, the establishment and successful functioning of strategic planning and policy development system/s at State and entity levels is essential in order to promote efficiency, effectiveness, transparency, accountability, and support to the EU accession process.

The SPPD Programme has a "winning combination" to ensure the successful capacity development of public institutions, and that is a combination of sector workshops (which provide a forum for learning, information exchange and peer competition among line-ministries) and on-the-job mentoring whereby civil servants from all three participating government levels apply methodologies for SP, PD and PFM by working on concrete strategic plans, policy analyses and budget requests.

The budget planning process is legally regulated on all government levels and it requires ministries to submit three year budget requests that link the financial plan to strategic goals, activities and indicators which provides a building block for strategic planning in ministries. Planning at the ministry level is currently limited to annual work plans, usually

prepared in December of the preceding year. Through, the SP and PFM components of support, the SPPD Programme enabled the participating ministries to link their three-year strategic plans and budget requests in way that increased the quality of their budget requests and will provide for more responsible expenditure of public monies. Furthermore, the Programme assisted several ministries in the adoption of an internal act which will better regulate budget planning and ensure that all sectors inside a given institution participate qualitatively in the process which was not the case before.

BiH ministries neither have an obligation to conduct basic policy analyses nor the capacity to adequately conduct, support and validate policy analyses which is strongly recommended by the EU and OECD. Policy development can be supported and built upon at the State level utilizing the *"Unified Rules for Legislative Drafting in the Institutions of Bosnia and Herzegovina"* and in the RS with the *"RS Legislative Drafting Methodology Instructions."* The SPPD Programme, over the course of the two years, diligently worked with the participating civil servants and ministries introducing them to the EU and OECD recommended PD methodology with an emphasis on early consultations, impact assessment and monitoring and evaluation mechanisms. The civil servants, with the support of the capacity development of the Programme, applied the methodology to selected policies respecting the principles of transparency and effectiveness which will ensure that the laws they draft have greater chances of being implementable as opposed to the processes which led to legislative drafting before. The project also noted a significant awareness rising when it comes to the necessity and value of evidence-based policies and the inclusion of the stakeholders in the development not just the implementation phase of the policy cycle. Additionally, the PD methodology will be vastly useful to the ministries during the impending obligation to harmonize domestic laws with the EU *acquis communautaire*.

Parallel to the capacity development activities, the Programme is working on institutionalising the SP and PD functions in each of the two entities and in the participating ministries on the State level. However, due to the evident lack of capacity across government levels proper implementation and training plans would inevitably have to accompany the institutionalisation process.

Strong and capable public administration is essential in order for BiH to carry out all of the EU accession requirements ahead. The SPPD Programme has provided the necessary support to the participating ministries which makes for one third of all ministries in the FBiH, RS and State government level.

III. Overview of Progress in the Reporting Period

Throughout 2010 all SPPD activities related to the three core components, Public Finance Management, Strategic Planning and Policy Development were carried out as planned. This year has shown a significant increase in beneficiaries of the SPPD Programme, following the request by partners to include more departments and affiliated institutions. Based on the capacity development activities all beneficiaries developed a set of documents that include a three-year strategic plan, a policy paper and two budget requests per ministry. Significant progress was also achieved in the area of sustainability; both entities opted to initiate procedures that aim at institutionalizing strategic planning and policy development methodology at the entire government level rather than only in the targeted ministries.

Public Finance Management

The support provided in the area of public finance management further strengthened the budget management processes of 13 partner ministries (3 at the state level, 5 in the RS and 5 in the FBiH), by creating linkages between strategic plans and budget submissions. Ministries of Finance budget sectors as well as the Ministry of Finance and Treasury Aid Coordination sector recorded a visible improvement in quality of budget requests as well as in requests for the Public Investment Programme submitted by ministries that received SPPD support. This component supported partner ministries also in establishing costs for their strategic programs/activities.

Strategic Planning

In the Strategic Planning component partner ministries continued with further development or revision of their three-year strategic plans. Currently 33 organizational units of 13 ministries are supported in developing their plans. 10 ministries requested all units to be included in order to create a mid-term strategic plan for the whole ministry. Good harmonization of strategic goals was achieved across sectors, such as the reference to the Public Administration Reform, the implementation of the SAA and the harmonization with the EU *acquis*. Ministry strategic plans have been linked to the Country Development Strategy, the Social Inclusion Strategy and the Gender Action Plan (GAP) and the use of sector workshops in the course of strategic planning training has contributed to better communication among technical experts of different ministries. The same strategic planning and policy development methodology has been promoted at the State and entity level, which is crucial to ensure a common understanding of these concepts across government levels.

Policy Development

In the Policy Development component activities continued in 12 ministries that chose particular policies. Within these ministries, the project is assisting civil servants in developing 20 different policies. Topics were selected based on ministry work plans. The sectors that joined the project in 2010 showed visibly more enthusiasm and commitment to learn the PD methodology, which documents a higher awareness of policy development and the fact that the project incorporated lessons learned from the last year. So far the participating ministries completed the following analytical steps: problem definition, setting of the objectives, stakeholder analysis, definition of options, initiated or completed consultations, and in some cases civil servants started and completed impact assessment of options (financial, social and environmental). Participating ministries conducted policy analyses in accordance with the OECD/EU methodology. This contributes not only to better policies but it is also a crucial skill for ministries in the process of harmonizing their respective legislation with the EU *acquis communautaire*.

Institutionalisation

The SPPD Programme focused efforts to institutionalise strategic planning and policy development methodologies on two areas: revision of Rule Books on Internal Organisation of Ministries and preparation and negotiations regarding the adoption of Internal Acts for introducing the SP and PD methodologies into the regular work of the ministries. Model internal acts for SP and PD were developed for BiH, FBiH and RS. Going beyond the target of the SPPD Sustainability Plan that foresees the adoption of internal acts in targeted ministries, both entity governments have started initiatives that would institutionalise the use of strategic planning and policy development methodology at the entire government level. Progress is greatest in the Federation of BiH where Instructions for SP and PD (based on the model internal acts) have entered the procedure for adoption by the government. In the RS working groups for the preparation of the internal acts have been nominated, awaiting official approval by the RS Government. The analysis for establishment of the SP and PD functions in partner ministries at the BiH and FBiH levels is nearly completed in all partner ministries, pending the approval of Ministers and actual changes in the Rule Books.

IV. Results per Component of Support

(Activity 1)	<u>a. Improved Public Finance Management</u>		
Donors	Government of the Netherlands, Government of Norway, European Commission, UNDP		
Description	The objective of this activity is to improve the link between the strategic priorities and the budgeting process and to enable the implementation of the strategic plans. As a result, resources will be linked to priority areas and funding will be structured around key programs. The Programme will ensure that staff from partner ministries has the capacity and skills to create a system to monitor the performance of at least one of the ministry's areas of work.		
Performance Indicators	Target	Achieved	Indicator
	3	3	Sector workshops on program based budgeting and performance indicators for the 2 nd round sectors
	3	3	Sector workshops on activity costing for the 2 nd round sectors
	80	105	Mentoring to produce 2011-2013 Budget User Priority Tables (BUPTs) and 2011-2013 Budget Requests for the 1 st and 2 nd round sectors/ministries
	20	13	Mentoring to cost out sector strategic/action plans for the 2 nd round sectors and revise action plans costed last year for the 1 st round sectors
Progress during the reporting period	<ul style="list-style-type: none"> Quality of budget submissions of the 13 ministries (3 at the state level, 5 in the RS and 5 in the FBiH) in line with Budget Instructions #1 and #2 has been greatly improved, and recognized by respective Ministries of Finance. Budget submissions reflect priorities and activities defined in Strategic Plans developed with the SPPD support. Advocating the adoption of internal acts on budget preparation process in all ministries continued, one ministry adopted the act and drafts are prepared in a number of other ministries. 		
Barriers and constraints	<ul style="list-style-type: none"> Great variations in the quality of the budget submissions among the partner ministries still remain. Financial crisis and general elections negatively affect the budget preparation process. Delay in adoption of Budget Framework Paper (BFP) at the FBiH level was delaying corresponding SPPD activities. 		
Partnerships and collaboration	<ul style="list-style-type: none"> Excellent cooperation with the DFID funded SPEM III Project (Strengthening Public Expenditure Management) further strengthened. Contacts established with the DFID funded Social and Economic Development Project focusing on integrating the Country Development Strategy (CDS) into strategic planning and budgeting processes. Communication with the Ministries of Finance is being intensified in order to ensure better linkages between budget submissions and strategic documents. 		

i. Overall Results

The overall quality of program budgets of the majority of partner ministries was very poor prior to the SPPD Programme's assistance. Financial and programmatic planning was basically separated in different processes. Line ministry finance units were usually the ones that completed budget requests with limited to none input from programmatic assistant ministers. Some partner ministries have not even had a basic program structure developed, whereas almost none of them had any performance indicators defined. Due to the lack of multi-annual programmatic plans (strategic plans), the three-year budget plans were based on annual work plans that provided no long-term outlook.

The Programme's support in the area of public finance management greatly improved the budget management processes of the partner ministries, in particular by creating linkages between the strategic and annual work plans, and budget submissions and funds allocation. Partner ministries now produce program budgets with clear programme statements and funding structure based on multi-annual work plans, and indicators that reflect programmes' outputs, outcomes and efficiencies. Ministries of Finance Budget Sectors as well as the BiH Ministry of Finance and Treasury Aid Coordination Sector recorded a visible improvement of budget requests as well as of requests for the Public Investment Plan by ministries that received the SPPD project support. As part of the general trend it is worth noting that through their budget instructions the ministries of finance also encourage the strategic planning as a precondition for sound budget planning.

Before the SPPD Programme's assistance the ministries based their cost estimates on the previous year's expenditures (with a certain % increase), without consideration of specific activities and outputs that had to be delivered. SPPD supported the partner ministries to estimate the actual costs of their strategic programs by applying a form of activity-based costing. Multi annual work plans costed in this way will facilitate fundraising, from both the budgetary and extra-budgetary sources (such as donors or IPA funding).

Finally, before the Programme's assistance, internal budget planning processes in the ministries were largely concentrated within the Finance sections, with only minor or no involvement of sector staff whatsoever. With the SPPD Programme assistance, ministries started to institutionalize their internal budget preparation process through the adoption of internal acts that prescribe the obligations of different organizational units in the ministry during the budget preparation process, in line with the budget calendar. One State-level partner ministry was the first budget user that adopted the Internal Procedures for Budget Preparation. Such document is now obligatory for all State level budget users, according to the MoFT instruction.

ii. Workshops

Two rounds of workshops were conducted for the ministries that cover the sectors of Agriculture, SME and Social Protection. As a result of the first round workshops held in March initial steps were made toward ensuring that the quality of budget documents continued to improve. Finance staff of line ministries is usually not interacting across government levels since this is not a requirement of the budget preparation process. However, ministries that cover similar areas of competence have similar challenges. Therefore the workshops also provided a forum to jointly discuss these issues, like the definition of good performance indicators at the ministry level.

The second round of workshops held in November focused on the methodology for activity costing after which the partner ministries started costing their three-year action plans by strategic programs/activities. This element provides another strong link between the strategic and financial planning of each ministry.

iii. Mentoring

More than 110 mentoring sessions were held in all 13 partner ministries allowing the support to focus on the individual budget documents of each participating ministry resulting in visibly improved quality of their budget documents. Prior to the mentoring assistance provided by the Programme, the budget submissions were of poor quality. Additionally, some of these ministries have for the first time defined their budget programs and/or performance indicators.

The on-site support helped to bring about a quality change in the budget submissions, namely that the budgets are now more aligned with the strategic and annual work plans produced within the Strategic Planning component. Involvement of all organizational units in some ministries in the strategic planning process has enabled them to produce more comprehensive budget documents.

The strategic and annual work plans will be used as inputs for producing 2012-2014 budget submission and possibly for securing extra budgetary funds. Following the completion of strategic plans, to date, 7 organizational units of 13 ministries have participated in the mentoring sessions and have costed action plans which stemmed from their strategic plans. The remaining 26 organizational units of the ministries will be covered at the beginning of 2011.

iv. Study Visit

With the intention to support the regional exchange of good practices the SPPD Programme organized a study visit on financial impact assessment that took place in September (14.-17.09. and 19.-22.09.2010.) hosted by the Slovenian Center of Excellence in Finance. 40 participants were split into two groups (28 female, 12 male). The study visit aimed to provide participants with an understanding how financial impact assessment of policies is conducted in Slovenia, including concrete procedures, specific steps taken and stakeholders involved, with particular focus on the roles and responsibilities of the ministry of finance and finance sections of the agencies (line ministries). The program provided an introduction to the following topics:

- a. Financial impact assessment
- b. Cost-benefit analysis
- c. Consultative models/processes
- d. Budget submissions reflecting policy proposals
- e. Functioning of coordinative mechanisms between line ministries

The partner ministries nominated civil servants who participated in the study trip based upon a set of criteria such as their active participation in the previous budget planning cycles and in the SPPD Programme activities. The criteria were meant to ensure that those people who participate have the appropriate basic knowledge as well as the ability to apply the newly gained knowledge on financial impact assessment once they return to their ministries.

(Activity 2)	<u>b. Improved Strategic Planning</u>		
Donors	Government of the Netherlands, Government of Norway, European Commission, UNDP		
Description	The objective of this activity is to increase ministries' institutional strategic planning capacity. The training and mentoring assistance is used to create a three-year strategic plan draft for the participating departments in the ministries. Institutional strategic planning is essential in order to link priorities to financial resources, budgetary and extra budgetary. The three year strategic plan can be directly linked to the three year Budget Framework Paper (BFP).		
Performance Indicators	Target	Achieved	Indicator
	6	6	Workshops for the 1 st round sectors: Compare progress in strategic plans implementation and further develop M&E mechanisms. Expansion to entire ministry level.
	12	12	Workshops the 2 nd round sectors: introduction of strategic planning methodology
	13	13	Total number of Ministries involved in strategic planning
	-	33	Number of Ministries organizational units (sectors/departments) with draft three year strategic plans developed
	-	10	Number of Ministries with initiated/finalized integration of strategic plans on Ministry level
	0	4	Number of sector related Agencies included in strategic planning
	-	47	Mentoring sessions to support revision of the 1 st round sectors strategic plans
	-	106	Mentoring sessions to support development of strategic plans of the 2 nd round sectors
	-	120	Mentoring sessions to support expansion of strategic planning to entire ministry level of both 1 st and 2 nd round sectors
	1	1	Strategic Planning Handbook developed with consultation with stakeholders
	0	2	Presentation of strategic plans to the Ministers and senior management
	2	3	Preparatory Session / Support Meetings for the SP Mentors
Progress during reporting period	<ul style="list-style-type: none"> Continued with development of strategic plans and introduction of strategic planning methodology in 33 organizational units of 13 ministries. Good harmonization of strategic objective achieved across sectors, such as reference to PAR. Defined programmes under strategic goals also often refer to implementation of the SAA and harmonization with the EU <i>acquis</i>. 		
Barriers and constraints	<ul style="list-style-type: none"> The absorption capacity of ministries is limited and at times it is already taken up by regular activities which caused the delay of some activities. Pre and post election process has reduced participation of the ministries senior level management in strategic planning. The SP is still in the pilot phase (process is not obligatory) and it uses a bottom-up approach which requires time-intensive capacity development. Institutionalization of SP will help to overcome this challenge since the methodology and process will become obligatory. 		
Partnerships and collaboration	<ul style="list-style-type: none"> SPPD Project Board members invited to workshops. Representatives of DEI participated in the agriculture and energy workshops. Cooperation with gender mechanisms in BiH was maintained through sharing of information and participation in the workshops. Representatives of the Gender Center of FBiH participated in SME and Agriculture workshops. This enabled the gender mechanisms in BiH to plan their activities with the ministries and help them comply with the GAP obligations. Coordination with the DEP was intensified through exchange of strategic plans and stronger link to the BiH Country Development and Social Inclusion Strategy. Further joint activities are planned to elaborate links between ministry strategic plans, ministry budgets, CDS and its budget. 		

i. Overall Results

Significant results have been achieved in building capacities for strategic planning in partner ministries and institutions. Prior to the SPPD Programme, partner ministries prepared plans only on short term - annual basis and without adequate links to available resources and budgets. No multi annual work plans or strategic plans existed. With the introduction of strategic planning over three years and the use of strategic plans in preparation of the ministry budget requests, the SPPD Programme provided decision makers with the tools and information they need to decide where to allocate scarce resources with the biggest possible impact. 13 ministries at state and entity level received support in developing three-year strategic plans.

During 2010, this component strengthened the strategic planning processes in 13 partner ministries, by building capacities of civil servants to apply the strategic planning methodology to the development of institutional three year strategic plans including annual plans and budgets. Aside from Assistant Ministers and Secretaries, senior expert associates were the main target group in the partner ministries.

The SPPD Programme supported six sectors, starting with three in 2009 and followed by another three in 2010. Additionally, the majority of the ministries involved in the first round requested in 2010 the expansion of strategic planning support to the other sectors in their ministries in order to include the entire institution. In total 10 out of 13 SPPD partner ministries had all their organizational units involved in the SP training and mentoring.¹ This significantly increased the number of civil servants (in total about 215) and sectors which participated consequently resulting in 273 mentoring sessions in 2010, which was considerably higher than expected. Overall, about **one third of all ministries at State and entity level** benefited from strategic planning capacity development, three at the State level and five ministries in both entities.

The SPPD Programme focused on the development of **processes and tools for strategic planning that are consistent, comprehensive and of high quality across sectors, ministries and governments with clear links to various strategies and reform processes**. To name but a few these included the Country Development and Social Inclusion Strategy, obligations from the Public Administration Reform, SAA and European Partnership. Other donor projects such as DFID support to DEP and SPEM III took a part in some of the SPPD events in order to strengthen links between several planning efforts, i.e. strategic planning, budget planning and the Country Development Strategy.

Moreover, SPPD activities provided a forum of exchange of information and strategic plans among line ministries during and outside the sector workshops, which contributed to **improved communication across governments**. The entire process of strategic planning also **strengthened internal communication** and the team work within the partner ministries, especially at the point when organizational units' strategic plans were being integrated into ministry level plans. For many it was the first time to hear about more about concrete activities undertaken by other sectors in the ministry. In general, the introduction of performance indicators and monitoring and evaluation mechanisms in strategic planning lead to increased ownership over programmes and activities ultimately leading to more transparency and accountability.

In their feedback to the Programme participants emphasised that they started to apply the strategic planning tools and knowledge that they acquired through SPPD to other activities such as preparation of strategies (RS SME strategy) or monitoring reports on projects funded by the World Bank (RS Agriculture).

¹ See Annex 2.1 for details.

Furthermore, applying the same strategic planning methodology across sectors and government levels contributes to more efficient and effective planning of resources and achieving set goals, as well as better budgetary preparation. Good harmonization of strategic goals was achieved across sectors, such as references to the Public Administration Reform, implementation of the SAA and harmonization with the EU *acquis* or similar sector specific goals, like the 'Improvement of competitiveness of SMEs' as a strategic objective in the SME sector.

Based on the feedback the SPPD Programme received from other institutions, like the Ministry of Finance and Treasury, the improved capacity for strategic planning also impacted other areas positively, such as the submissions to the Public Investment Plan. According to the MoFT, the quality of the information improved concerning the projects in which ministries participate and which they implement. This is expected to facilitate the preparation of significantly improved Public Investment Programme (PIP) for this year.

In order to support the SPPD project partner ministries in the process of absorbing the strategic planning methodology and applying it on a concrete strategic plan, the following activities took place in 2010:

- 4 rounds of sector workshops for the 2nd Round Sectors (12 in total)
- 2 rounds of sector workshops for the 1st Round Sectors (6 in total)
- 273 mentoring sessions with approximately 215 participating civil servants (126 women and 89 men).
- 1.5 day preparatory session for SP mentors
- 2 SP mentors support meetings
- Continued work on the SP Handbook

ii. Workshops

Partners from **the 1st round** sectors (Energy, Transport and Labour and Employment) were focused on the revision and improvement of existing strategic plans, creation of better monitoring and evaluation indicators and integration of strategic plans at the ministry level. For instance, the Communication Sector was included in the ministries that cover transport. All strategic plans from 2009 were updated for the 2011-2013 period. Based on lessons learned from 2009, strategic goals and programmes were modified to support easier integration of ministry strategic plans and budget requests. In practice that meant that strategic goals were defined at the ministry level, followed by operational goals that are specific for each organizational unit supported by programmes and activities.

Good results were achieved with **the 2nd round** sectors (Agriculture, SME and Social Protection), both in terms of the activities with the target sector organizational units and expansion on the ministry level. To this end the support expanded to the following sectors: Industry and Mining participating in the SME workshops, and Veterinary, Forestry and Water Management participating in the Agriculture Sector workshops. The strategic planning methodology was introduced to the 2nd round sectors through four rounds of workshops with good participation of all ministries and a number of related agencies (agriculture and SME agencies from Republika Srpska).

iii. Mentoring

Following the workshops, the SPPD Programme mentors supported civil servants at their workplace in developing their strategic plans. Good communication between mentors and civil servants was maintained beyond workshops and mentoring sessions through the

exchange of emails and draft documents. As a result, the majority of strategic plans of the 2nd round sectors are in the final draft phase.²

Core group of civil servants for each ministry/organizational unit who attended workshops was maintained at the mentoring sessions and majority of them were senior advisors and associates. Significant presence of the assistant ministers and heads of departments was recorded as well, especially in the SME, Transport and Agriculture sectors. The number of civil servants per mentoring session varied from 1 to 11 depending on each ministry's capacity. Due to the low number of staff or heavy workload, the lowest attendance was recorded at the State level ministries/organizational units, mainly those responsible for Energy, Labour and Employment and Social Protection sectors.

Mentors maintained their role to facilitate the strategic plan development and not do the work instead of civil servants. Five new mentors hired in 2010 quickly adapted to the SPPD Programme, an indicator that BiH resources in terms of SP consultants are slowly growing.

The main challenge for civil servants was identification, collection and analysis of good indicators for monitoring and evaluation. Most civil servants have not been familiar with good M&E systems, especially in relation to the performance and results of their ministries' work. Mentors played an important role in facilitating identification of adequate indicators.

Mentoring sessions without additional off-site workshops were also used to expand strategic planning to other organizational units of the participating ministries, such as all units of the Ministry of Civil Affairs.

Mentors' Support Meeting

Following the recruitment of new mentors in the beginning of 2010, the SPPD and international SP consultant organized a one and half day preparatory session for new and 2009 mentors with the purpose of introducing the project and methodology, share experiences and lessons learned in 2009 and define activities in 2010.

Two mentor support meetings took place (June 29th and August 31st 2010) to ensure a harmonized approach when introducing the strategic planning methodology and more specifically, to agree the steps necessary to integrate strategic plans of individual organizational units into a ministry level plan. The sessions were also used to discuss successes and obstacles in the mentoring sessions as well as potential solutions for the latter. Mentors were also instructed to use the mentoring sessions to emphasize the link between strategic plans and budget request.

To support equal implementation of the mentoring support in different ministries the international consultant prepared a ten step plan as a guide for mentors until the end of 2010.

iv. Strategic Planning Handbook

The Strategic Planning Handbook is in its final phase and will be ready for printing by the end of 2010. Preparation of the Handbook included consultations with the stakeholders and the UNDP Regional Centre in Bratislava. The Handbook will be printed in local languages (both Latin and Cyrillic alphabet) and will be available as electronic version in English language. Visibility of the SPPD Programme donors as well as the three government partners is ensured on the cover page of the Handbook.

² Please see attached CD for original documents.

v. Study Visit

At the beginning of November 2010, the project organized three sector study visits to the Czech Republic. Forty five of the most active civil servants (28 female, 17 male) from all 2nd round partner ministries were able to learn about the Czech experience in pre and post EU accession period with the emphasis on strategic planning and policy development in SME, Industry, Mining, Agriculture and Social Protection sectors. The study visits fostered the establishment of new contacts between BiH and Czech institutions supporting further experience exchange. All ministries submitted a study visit report in which they identified main lessons learned and potential ideas for their application in their ministry. A summary of these impressions can be found in Annex 2.4.

Activity 3	<u>c. Improved Policy Development</u>		
Donors	Government of the Netherlands, Government of Norway, EU, UNDP		
Description	The objective of this activity is to assist the ministries/sectors to improve their current legislative drafting processes through the introduction of the standard EU policy development methodology (OECD/SIGMA). The Programme assists ministry staff to learn and institute a policy development process which will enhance the quality of the legislative drafting process. The Programme does this by using a concrete policy that the ministry/sector identifies. Special focus is on impact assessment, early public and inter-ministerial consultations, and monitoring and evaluation. At the end of the policy development support, the ministry/sector will have produced a policy paper, possibly a quality legislative proposal and its staff will have newly acquired skills to apply to other policy initiatives.		
Performance Indicators (annual)	Target	Achieved	Indicator
	1	1	Preparatory Session for PD mentors
	3	3	1 st Introductory Sector Workshop for the 2 nd Round Sectors
	3	3	2 nd Round of Sector Workshops for the 2 nd Round Sectors
	3	3	3 rd Round of Sector Workshops for the 2 nd Round Sectors
	3	3	4 th Round of Sector Workshops for the 2 nd Round Sectors
	3	3	1 st Sector Workshop for the 1 st Round Sectors
	3	3	2 nd Sector Workshop for the 1 st Round Sectors
	–	185	Mentoring sessions supporting the policy development process in each ministry
	2	2	PD mentors support meeting
1	0	Policy Development Handbook printed (expected by the end of January 2011)	
Progress during reporting period	Continued work on 20 policy analyses in 12 participating ministries (see Annex 3.1). The SPPD Programme noted a significant raise in the awareness regarding the importance of the methodology and so far ministries succeeded in completing the following analytical steps: problem definition, the definition of the policy objectives, stakeholder analysis, definition of policy options, consultations with the stakeholders, and impact assessment of options (in some cases).		
Barriers and constraints	<ul style="list-style-type: none">Attendance at the workshops for some ministries was not as high as it ought to have been in certain sectors.Vacation period slowed down the PD mentoring process somewhat.		
Partnerships and collaboration	<ul style="list-style-type: none">Continued cooperation with OECD/SIGMA team – periodic consultations.Entity Gender Centres and the BiH Gender Agency on ensuring gender equality.RS Government Legislative Office – presence at workshops and mentoring sessions.Initial contacts established with the Blueprint project.		

i. Overall Results

Noteworthy results have been achieved within the Policy Development component of support that the SPPD Programme extended to the participating ministries. SPPD's needs assessments undertaken prior to engaging with each of the partner ministries showed that public institutions in BiH do not conduct

- analyses prior to legislative drafting,
- early consultations with the stakeholders,
- basic impact assessments of policy options.

In other words, the decision-making was not supported by evidence-based policies. Laws that were drafted and eventually adopted, however, were subject to numerous amendments due to the lack of proper *ex ante* assessments of the policy instruments.

Through the engagement with the SPPD Programme the participating ministries and civil servants learned about the significance and the content of the PD methodology. They applied the methodology on concrete policies and **for the first time conducted early consultations with stakeholders, defined problems and options based on evidence and conducted impact assessments of policy options** (financial, social and environmental impacts). Through the engagement with the stakeholders early in the process the ministries included in the development stage those that will be affected by the policy and that will in some ways implement it. On the other hand, impact assessment and consultations gave way to ensuring that the proposed solutions are implementable.

The participating ministries are closer to complying with the EU standards for legislative drafting and providing the decision makers with evidence-based policy proposals/analyses which, furthermore, brings the public administration closer to working within the principles of good governance.

In order to support the SPPD Programme partner ministries in the process of absorbing the policy development methodology knowledge and applying it on a concrete, chosen policy, the following activities took place in 2010:

- 4 rounds of sector workshops for the 2nd Round Sectors (12 in total)
- 2 rounds of sector workshops for the 1st Round Sectors (6 in total)
- 185 mentoring sessions with approximately 135 participating civil servants
- 2.5 day preparatory session for PD mentors
- 2 PD mentors support meetings
- Continued work on the PD Handbook

During this reporting period the mentoring sessions continued in 12 ministries that chose a particular policy to develop. **In 2010, the project assisted the participating civil servants in developing 20 policies:** twelve of those policy analyses are preparatory documents for drafting specific laws whereas eight analyses focused on specific public problems.³ The project in particular encouraged the State level ministries to opt for analysing public problems within their area of competence in order to obtain the necessary analytical skills and suggest solutions to identified public problems. Despite all efforts of the SPPD project team, the Energy Sector of the Federal Ministry of Energy, Industry and Mining did not follow through with their originally chosen policy because of inadequate availability of human resources. A similar problem was encountered with the Labour and Employment Sector of the Federal Ministry of Labour and Social Policies. Lastly,

³ For a list of specific policies please see Annex 3.1

the Transport Sector of the State Ministry of Transport and Communication chose not to work on any policy.

This year, the **2nd round sectors** took to learning the PD methodology with significant interest and, with the assistance of the PD mentors, they made steady progress in applying the methodology and successfully completing the analytical steps. So far the participating ministries **completed problem definition, setting of the objectives, stakeholder analysis, and definition of options**, initiated or completed **consultations**, and in some cases civil servants **started and completed impact assessment of options**. For most ministries the following steps remain: impact assessment, ranking of options with the recommendation for the most optimal one based on the impact assessment results, presentation to the decision maker, drafting of the instrument(s) and implementation plans, and designing monitoring and evaluation mechanisms.

The PD progress in the 2nd round sectors is noteworthy; even in the ministries where the progress is relatively slow the quality of the work and the heightened interest are present, therefore, the SPPD Programme will utilize the first half of 2011 to support ministries in finalizing the analyses. The 1st round sectors have not made notable progress in PD compared to 2009 even though they had mentoring assistance available. Most of the 1st round ministries chose to include new organizational units/sectors within their ministry, e.g. instead of continuing with transport they requested support to postal services.

One of the greatest achievements within the policy development component of support is the notable raise in awareness when it comes to the value the PD methodology brings to the quality of the work civil servants conduct. This was most evident during the process of conducting early consultations with the stakeholders where partner ministries saw the quality of their analyses enhance when they included policy implementers in the early stages. This was, in particular, evident in the Ministry of Energy, Mining and Industry FBiH (the Industry Sector), Ministry of Energy, Industry and Mining RS (the SME and Industry sectors) and Ministry of Agriculture, Forestry and Water Management RS.

To this date 18 workshops were held bringing together all participating State and entity ministries and 175 mentoring sessions in partner ministries.

ii. Workshops

The two sets of PD workshops were tailored for two different target groups, the 1st round and the 2nd round sectors. Those sectors that receive assistance since 2009 had a less intensive program that focused on the deepening of their knowledge. Those ministries and sectors that joined the Programme in 2010 went through a demanding cycle of four rounds of workshops following step-by-step the relevant parts of the recommended OECD/SIGMA methodology.

Four Rounds of Sector Workshops for the 2nd Round Sectors (Agriculture, SME and Social Protection)

The sectors that were chosen for assistance for the 2nd round of support: Social Protection, Agriculture, and Small and Medium Enterprises received the full training on PD methodology. Responding to the ministries' demand to include more sectors, the SME workshops were open to and attended by the representatives of the RS and FBiH Industry and Mining sectors, the Agriculture Sector workshops by the Veterinary, Water Management and Forestry sectors, and the Social Protection Sector workshops by the RS Sector of War Veterans. The sectors participated in 4 rounds of workshops where PD methodology analytical steps were presented and which they applied subsequently in their work with their PD mentors. All of the workshops were held by the International Public Policy Consultant with the assistance of the PD mentors and the knowledge was transferred through a combination of theoretical presentations and practical exercises. On

the whole, all 4 rounds of workshops received a very positive evaluation from the participants (for details see Annex 3.2).

Two Rounds of Sector Workshops for the 1st Round Sectors (Transport, Energy and Labour & Employment)

In 2010, the project continued the PD support to the sectors that benefited from the full training cycle on PD methodology in 2009: Energy, Transport and Labour and Employment. To that end, the sectors participated in 2 rounds of workshops. Once again, all of the workshops were held by the International Public Policy Consultant with the assistance of the PD mentors and the knowledge was transferred through a combination of theoretical presentations and practical exercises. These workshops as well received a very positive evaluation from the participants (for details see Annex 3.2).

iii. Mentoring

The abovementioned workshops provided solid knowledge basis for the participating civil servants to apply the policy development methodology on a chosen policy and with the on-the-job mentoring assistance. However, the progress in applying and successfully completing PD analytical steps varied in each participating ministry. In general, progress was more visible in the work of ministries that joined in 2010.

Once again significant challenges arose during the summer **vacation period** where mentors, in particular, found it difficult to schedule meetings and secure commitment on behalf of civil servants toward the completion of the tasks. Mentoring did continue, but at a slower pace.

An additional repeated challenge was the **reluctance** of participating civil servants to complete a PD analytical step by **transferring their knowledge into a written document**, i.e. into a section of the policy paper. Many civil servants, especially those who had previous experience with international projects expected the mentors to provide first drafts.

The introduction of **evidence-based policy** vs. opinion-based policy presented another considerable challenge. It is a relatively new practice to introduce statistical evidence or other type of evidence in order to analyze public problems or suggest options toward a solution. The project encouraged the usage of basic research methods in order to collect the necessary evidence; however, this process requires a change of the mindset and the expected improvements remain incremental rather than radical.

This year as well **constitutional competencies** presented a problem when it comes to the State level when choosing policies that they can develop. In order to ameliorate this problem, the project encouraged the State level participants to choose public problems that are within their area of competence and to apply the methodology in suggesting the solutions.

At time lack of continuity when it came to equal participation in the PD workshops as well as mentoring sessions presented a challenge for the learning of the PD methodology. **Lack of continuity in participation** in 30% of the participating institutions created different perceptions about the process. In the future, it would be beneficial for the comprehensive effect of the learning process to ensure continuous attendance of the participating civil servants to all the workshops and most mentoring sessions⁴. The SPPD Programme emphasized at the start of the training cycle, and throughout, that continuous participating is essential to the learning process and successful application of the

⁴ For details see Annex 3.2 with attendance records per ministry and government level.

methodology, however, the commitment of the ministry's senior management remains the decisive factor.

In 6 out of 13 participating ministries **limited support by the senior management** presented an impediment when it comes to the absorption and the application of the knowledge. However, it was evident that where senior management was involved and where they endorsed the new methodology the mentoring process generated greater results in terms of the knowledge gained and written documents produced.

Mentors' Support Meeting

Prior to concrete capacity development activities, the SPPD Programme enabled the preparation and implementation of the two and a half day preparatory session for all PD mentors, the ones that participated in 2009 as well as the newly hired ones. During the session the PD mentors refreshed their knowledge about the policy cycle in general, and as propagated by the SIGMA 12 steps concept in particular and they had an opportunity to engage in multiple exercises regarding several of those steps.

One of the lessons learned in 2009 prompted the project to provide additional support to the PD mentors so that they would have an opportunity to periodically consult with the international consultant and with each other, exchange their experiences, discuss successes and obstacles and share advice. For that purpose, the first PD mentors support meeting was held on June 7th, 2010. During the meeting, the issues relevant to policy development were covered and the meeting was also used to discuss and prepare their engagement in the institutionalization efforts.

The second PD mentor support meeting was organized on September 17th and various identified challenges were discussed related to motivation of the civil servants and their general capacities to apply the PD methodology. Furthermore, the mentors highlighted good examples and practices. Additional support the project can offer was identified at the meeting.

iv. Policy Development Handbook

After having sent the PD Handbook to the partners for the first round of consultations, the SPPD Programme received very diverse feedback concerning the length and the overall content of the Handbook. In order to obtain more specific comments, the Programme undertook a second round of consultations where more specific comments emerged, including a set of recommendations by a Gender Mainstreaming Expert. The comments and suggestions were incorporated (where suitable) by the International Public Policy Consultant.

The project also consulted the Project Board members and partners within UNDP BiH and UNDP Regional Centre in Bratislava. Positive feedback was received from all of these sides. The Handbook is in the final phases of preparation for printing.

Activity 4	<u>d. Institutionalisation – Improved Policy Development and Strategic Planning</u>																	
Donors	Government of the Netherlands, Government of Norway, EU, UNDP																	
Description	The objective of the activities on institutionalisation (Task 2.4 for SP and Task 3.3 for PD) is to ensure sustainability of strategic planning and policy development methodologies in the ministries which have participated in training and mentorship activities of the programme. This includes drafting of internal acts and revision of systematisation of working places. Although the trained civil servants are one of the most important factors for application of SP and PD methodologies beyond the SPPD Programme implementation, the official endorsement by adoption of the internal acts is necessary for medium and long term sustainability.																	
Performance Indicators	<table><tr><th>Target</th><th>Achieved</th><th>Indicator</th></tr><tr><td>2</td><td>1</td><td>Internal Acts on PD drafted and accepted by the working group at the level of Federation of Bosnia and Herzegovina and Republika Srpska.</td></tr><tr><td>2</td><td>1</td><td>Internal Acts on SP drafted and accepted by the working group at the level of Federation of Bosnia and Herzegovina and Republika Srpska.</td></tr><tr><td>3</td><td>1</td><td>3 internal acts for SP for 3 State level participating ministries</td></tr><tr><td>3</td><td>1</td><td>3 internal acts for PD for 3 State level participating ministries</td></tr></table>	Target	Achieved	Indicator	2	1	Internal Acts on PD drafted and accepted by the working group at the level of Federation of Bosnia and Herzegovina and Republika Srpska.	2	1	Internal Acts on SP drafted and accepted by the working group at the level of Federation of Bosnia and Herzegovina and Republika Srpska.	3	1	3 internal acts for SP for 3 State level participating ministries	3	1	3 internal acts for PD for 3 State level participating ministries		
Target	Achieved	Indicator																
2	1	Internal Acts on PD drafted and accepted by the working group at the level of Federation of Bosnia and Herzegovina and Republika Srpska.																
2	1	Internal Acts on SP drafted and accepted by the working group at the level of Federation of Bosnia and Herzegovina and Republika Srpska.																
3	1	3 internal acts for SP for 3 State level participating ministries																
3	1	3 internal acts for PD for 3 State level participating ministries																
Progress during reporting period	<ul style="list-style-type: none">Model internal acts for SP and PD for BiH, FBiH and RS completed;Instructions for SP and PD in the FBiH in procedure of adoption;Working groups for the preparation of the internal acts in the RS nominated, awaiting official approval by the RS Government;Ministry of Civil Affairs completed the Internal act for SP and in process of finalising the Internal act for PD;The analysis for establishment of the SP and PD functions in partner ministries at the BiH and FBiH levels nearly completed in all partner ministries, pending the approval of Ministers and actual changes in the Rule Books.																	
Barriers and constraints	<ul style="list-style-type: none">Vacation period has, to some extent, slowed down the progress on preparation of the analysis for the establishment of the SP and PD functions as well as continuation of consultations regarding the finalisation of internal acts.Following the elections, delays in establishment of new governments is likely to delay the adoption of revised Rule Books and Internal Acts.																	
Partnerships and collaboration	<ul style="list-style-type: none">The project continued consultations with the PARCO – Public Administration Reform Coordination Office, Federal Institute for Development Programming of F BiH, RS Ministry for Economic Relations and Regional Cooperation and partner ministries at all three levels.Initial contacts established with the Blueprint project and Project for Improvement of Legislative Drafting in BiH.																	

i. Overall Results

Prior to the commencement of the SPPD programme, i.e. end of 2008, the three-year strategic planning was not applied in practice, neither was it legally required at any government level. At the time of reporting the three-year strategic planning is applied in 13 ministries (three at the state level, five in the RS and five in FBiH). The aim of institutionalization is to create a legal obligation for the ministries to prepare three-year strategic plans, which will contain the required amount of funds per planned activity and programme.

At the level of FBiH, the *Instruction on Strategic Planning* is designed for the level of Government of FBiH. With the adoption of the *Instruction* the FBiH Government all federal ministries and institutions will have the obligation to prepare three-year strategic plans, annual plans and annual reports. In RS the Government tasked a working group to develop *Guidelines on Strategic Planning* that are also to be adopted at the level of RS Government. At the state level, the internal acts on strategic planning are prepared separately for each participating ministry. Once these acts are adopted by ministers the preparation of three-year strategic plans will be obligatory in those ministries.

Before the start of the SPPD Programme policy development was only partially regulated. Namely, at the state level legislative drafting is regulated by the Unified Rules for Legislative Drafting in Institutions of BiH, and at the level of RS by Rules for normative-legal technique for drafting of laws and other regulations of the RS. In the FBiH the legislative drafting is not regulated. However despite this, the legislative drafting practice in BiH did not comply with good practices for policy development as established by the OECD/EU. The process was lacking analyses prior to legislative drafting, early consultations with the stakeholders and a basic impact assessment of policy options. With support of the SPPD Programme policy development in accordance to the SIGMA OECD methodology is applied in 12 ministries on 20 different policy documents. The aim of institutionalization of PD is to create a legal obligation for the ministries to use SIGMA OECD methodology when preparing the instruments of public policies.

At the level of FBiH the *Instruction on Policy Development* is prepared, and once it is adopted by the Federal Government it will be obligatory for all federal ministries and institutions to follow the prescribed SIGMA OECD steps in process of policy development. At the level of the RS the government appointed a working group that is tasked to develop *Guidelines on Policy Development* which would become obligatory for all the ministries and public institutions in the RS. At the state level the internal acts for PD will be prepared separately for each participating ministry.

Activities undertaken in reporting period

In order to ensure the sustainability and local ownership of strategic planning and policy development methodologies in the partner ministries, key activities started as of March 2010. As a first step in the institutionalisation process preparatory meetings with partner ministries and other relevant institutions, were held in the period from March to May 2010. In addition to separate meetings with representatives of partner ministries, offices for legislation and general secretariats, three major meetings were organised for each government level:

- Meeting at the level of Government of Republika Srpska – 25 March 2010;
- Meeting at the level of Government of Federation of BiH – 27 April 2010;
- Meeting at the level of Council of Minister of BiH – 27 May 2010.

In line with conclusions from the above-mentioned meetings and subsequent consultations with relevant partners, the activities have proceeded in two parallel directions: **revision of the internal organisational rulebooks** of the ministries and preparation and negotiations regarding the **adoption of internal acts** that would introduce the strategic planning and policy development methodology into everyday practice.

Since the progress per government level somewhat differs the major achievements are presented separately below. A more detailed analysis of the Rule Books and options proposed for the establishment of SP and PD functions is presented in Annex 4 to this report.

Council of Ministers of Bosnia and Herzegovina

At the State level the SPPD Programme implements its activities with the Ministry of Civil Affairs, Ministry of Foreign Trade and Economic Relations and Ministry of Transport and Communications.

Regarding the Analysis for the establishment of the **SP and PD functions**⁵ in the above mentioned three ministries the activities are completed in the Ministry of Transport and Communications, while in other two partner ministries the work is ongoing at the time of reporting.

At the State level the relevant partner institutions (PARCO, General Secretariat and Office for Legislation) considered that it would be better that, at this stage, the **internal acts** are drafted and adopted separately for each participating ministry. The Council of Ministers has recognised the importance of SP and PD and in support to the programme activities issued a Conclusion⁶ by which the participating ministries were tasked to adopt the internal acts which would regulate the use of SP and PD methodologies.

In compliance with the aforementioned CoM's Conclusion, the Ministry of Civil Affairs of BiH, supported by the SPPD Programme, has already commenced preparation of the internal acts for this ministry. At the time of reporting the Internal act for SP is in the procedure of adoption in the MCA and the Internal Act for PD is in the last phase of consultations prior to the adoption procedure. The Ministry of Foreign Trade and Economic Relations formed a working group under the leadership of the Ministry's Secretary and the Ministry of Transport and Communications has yet to undertake actions regarding the preparation of internal acts. Most likely the models from the Ministry of Civil Affairs will be used, which would ensure that the methodologies used are unified. The form of acts in each ministry might slightly differ; however, the substance should remain the same. The models of SP and PD internal acts were previously shared with the General Secretariat of the Council of Ministers and the Office for Legislation.

Federation of Bosnia and Herzegovina

At the level of the Federation of Bosnia and Herzegovina the SPPD Programme implements its activities with the Ministry of Labour and Social Protection, Ministry of Communications and Transport, Ministry of Energy, Mining and Industry, Ministry of Agriculture, Forestry and Water Management and Ministry of Development, Entrepreneurship and Crafts.

Regarding the Analysis for the establishment of the **SP and PD functions** only in the Ministry of Energy, Mining and Industry this activity was not undertaken. The Ministry plans to review its Rule Book, and prefers to consult the SPPD Programme once the review

⁵ See Annex 4.1 for detailed Rulebook analysis.

⁶ CoM Conclusion from its 133rd Session held on 14 September 2010.

starts in order to properly reflect SP and PD functions. The outcome of the analysis in the other four ministries is presented in detail in Annex 4.

With regard to the **internal acts** (with the working title Instruction / Uredba), the SPPD Programme team prepared the model acts and shared them with the Federal Institute for Development Programming in early July. Following intensive collaboration two draft Instructions were prepared, one regulating Strategic Planning, Annual Planning and Reporting, and the other regulating the process of Policy Development in the ministries and institutions of the FBiH. At the time of writing of this report the draft Instructions were submitted to the government and so far considered by the Ministry of Justice (approval given), Office for Legislation (opinion given containing recommendations for improvement) and Ministry of Finance. Once all three opinions are issued the Instructions will be introduced into the procedure for adoption by the Government of FBiH.

Republika Srpska

At the Republika Srpska level the SPPD Programme implements its activities with the Ministry of Transport and Communications, Ministry of Agriculture, Forestry and Water Management, Ministry of Labour and War Veterans, Ministry of Industry, Energy and Mining and Ministry of Health and Social protection.

The Analysis for the establishment of the **SP and PD Functions** was not carried out in the partner ministries in the RS because most adopted new Rule Books in the first quarter of 2010. However, the SPPD project team managed in advocating for the amendments of job descriptions to reflect, to a limited extent, the SP and PD functions to the Ministry of Agriculture, Forestry and Water Management and Ministry for Labour and War Veterans. The Ministry of Energy, Industry and Mining and the Ministry of Transport and Communication had also included to some extent functions on their own initiative in the revised Rulebooks on Internal Organisation. These new provisions will be analysed to assess if they can ensure the proper application of SP and PD in line with the methodologies promoted by the SPPD Programme.

Regarding the **internal acts**, the SPPD project team has prepared model acts for the SP and PD for the RS which were shared with the Ministry of Economic Relations and Regional co-operation. The Ministry's presented these draft Internal Acts for the SP and PD for the RS to the Secretariat for Legislation and General Secretariat of the RS Government. Following these meetings the Government of Republika Srpska⁷ concluded that the Ministry of Economic Relations and Regional Cooperation, the ministries involved in the SPPD Programme since 2009, the General Secretariat of the Government of RS and the RS Legislative Secretariat are obliged to form working groups that will create draft acts that prescribe the obligatory application of the strategic planning and policy development methodologies. At the time of writing of this report the members of working groups were nominated and appointed by the RS Government. Representatives of the RS Ministry of Finance also stated their interest to participate (as informal members) in these working groups. The SPPD Programme will provide support to the Working groups.

⁷ Conclusion of the RS Government from its 192 session, held on 7 October 2010.

V. Results in Project Management

Activity 4	<u>Project Management</u>		
Donors	Government of the Netherlands, Government of Norway, European Commission, UNDP		
Description	The objective of this activity is to ensure efficient implementation of the SPPD Programme. This includes planning and reporting on results, management of financial and human resources (team and consultants), implementation of project activities in line with work plan and in close coordination with partners and donors.		
Performance Indicators	Target	Achieved	Indicator
	13	13	Memoranda of Understanding signed with partner ministries
	3	2	Recruitment of sector experts
	13	12	Recruitment of SP and PD mentors (4 female, 8 male)
	200	623	Mentoring sessions, SP, PD and PFM
	3	0	Legislative Compliance workshop prepared and completed
	42	42	All Sector SP, PD, PFM Workshops prepared and completed
	1	1	Regional exchange on fiscal impact assessment completed
	3	3	Study Visits prepared and completed
	2	1	Lessons learned sessions
	3	3	Internal acts on strategic planning drafted
	3	3	Internal acts on policy development drafted
Progress during reporting period	<ul style="list-style-type: none"> • Memorandum of Understanding Signing Ceremony and the handover of certificates in cooperation with Civil Service Agencies • Newsletter production • Additional technical/sector support provided to the ministries • Midterm evaluation of SPPD project results • Hiring of additional mentors and sector experts 		
Barriers and constraints	<ul style="list-style-type: none"> • The absorption capacity of partner ministries was often exhausted by regular SP, PD and PFM activities. Therefore most of the activities that were planned in addition to the standard package had to be postponed to beginning 2011. 		
Partnerships and collaboration	<ul style="list-style-type: none"> • Gender mechanisms participated in workshops and by providing feedback to presentations and documents • Close cooperation with DEP on linking CDS/SIS and institutional strategic plans • Initial cooperation established with Blueprint and RIA projects to coordinate efforts in institutionalising policy development • Participation of DEI and DEP in SPPD workshops • Cooperation with FBiH Institute for Programming Development and RS Ministry of Economic Relations and Regional Coordination on institutionalising SP and PD methodologies at entity government level 		

All activities of the three core components have been implemented as planned. Workshops and mentoring for first and second round sectors are underway in addition to new efforts on institutionalisation. To keep up the quality of work, especially by ensuring on the job mentoring, the SPPD project needed to expand its pool of national trainers.

a. Organizational Support

During this reporting period, all the planned workshops in public finance management, strategic planning and policy development were completed. The details are as follows:

2 rounds of PFM sector workshops (new and old sectors)	6
6 round of SP sector workshops (new and old sectors)	18
6 rounds of PD workshops (old and new sectors)	18
TOTAL	42

The total number of mentoring sessions held throughout 2010 amounts to 623 (PFM 165; SP 273; PD 185).

To support the consistent levels of quality in the support provided to all partner ministries the SPPD project also organised two mentor meetings in the field of policy development and strategic planning. With the numbers of counterparts increasing, as well as the number of mentors, it is even more important to coordinate closely.

b. Financial Delivery

The financial delivery has significantly increased. By the cut-off date 31 December 2010 the total delivery amounted to **USD 1,080,286.48**.

Activity	Amount (USD)
Activity 1 Public Finance	107,388.14
Activity2 Strategic Planning	380,904.18
Activity 3 Public Policy	263,046.04
Activity 4 Project Management	328,948.12
TOTAL	1,080,286.48

c. Coordination and Cooperation with Other Partners, Organisations and Projects

Project Board

As agreed on previous Project Board meetings invitations to the SPPD project workshops were regularly extended to the Project Board members. Most frequently representatives of DEI, DEP and Federation Institute for Programming Development participated and contributed with their specific knowledge to the workshops. Representatives of the Directorate for European Integration (DEI) regularly participated in the agriculture, energy and transport workshops (which was useful and welcomed by participants for fostering better information exchange), while representatives of the FBIH Institute for Programming participated in selected workshops.

SPEM III, DEP and Ministries of Finance

Within the Strategic Planning and Public Finance Management components cooperation continued with PKF SPEM III project and the DEP support project focusing on the link of budget planning at the ministry level and the Country Development Strategy financial framework.

To that end, cooperation with other stakeholders intensified over the last quarter. Apart from continued cooperation with SPEM III project, the Programme is working with the DFID funded Social and Economic Development Project on developing a joint approach in costing out the Country Development Strategy (CDS), which should strengthen the link between the strategic plans and budgets of the partner ministries and the CDS. More

intensive communication with the Ministries of Finance is also initiated, since these are increasingly recognizing the importance of strategic planning for budget planning and resource allocation.

Furthermore, the SPPD Programme has intensified cooperation with the Directorate for Economic Planning (DEP) in relation to the **Country Development Strategy** (CDS) and **Social Inclusion Strategy** (SIS) and their reflection within institutional strategic plans. Further activities included the exchange of documents and the reciprocal participation at SPPD and DEP organized workshops. DEP's participation in SPPD workshops contributed to increasing the exposure of a larger group of civil servants to the CDS/SIS development process and more important its content. On the other hand, participation of SPPD in DEP workshops contributed to efforts to integrate financial and strategic planning at different levels, in particular of the CDS, institutional strategic plans, budget framework paper and public investment plans.

SPPD also cooperated with DEP and SPEM III on the harmonization of terminology that is used by the CDS/SIS, SPPD and Ministries of Finance. This resulted in a charted list of terms⁸ related to strategic goals, programmes, activities, and indicators, which in turn supports cross referencing and integration of these different plans (country, ministry, and budget).

Gender Mechanisms

Closer cooperation was established with gender mechanisms in BiH. Representatives of the Gender Center of FBiH participated at the workshops, while the Gender Center of Republika Srpska provided comments on the material used in strategic planning activities.

d. Demand Driven Sector Support to the Ministries

The Agriculture Sector M&E Support

Following the needs assessment and requests from the State and entity ministries responsible for agriculture and rural development, in November 2010 the SPPD project hired an expert for monitoring and evaluation in agriculture and rural development in line with EU standards, programs and funds. The role of the international expert, who has excellent regional experience, is to assist targeted ministries to strengthen and further develop their monitoring and evaluation frameworks closely linked to a selected strategic document and policy. The consultant's assignment started in December and is expected to last until March 2011.

The SME Sector Additional Support

The RS Ministry of Energy, Industry and Mining received support through provision of an expert for the revision of the SME Sector Strategy as agreed during the Needs Assessment. The role of the national expert was to review the documents created during the process of developing the Strategy and Action Plan and provide written suggestions and recommendations. Secondly, he was tasked to "coach" and guide employees of the SME Department of the Ministry and the Agency for SME of RS throughout the last part of the process until completion of the document. The Strategy has been submitted to the RS government for adoption and the Ministry was very satisfied with the expert's assistance.

Excel Training Course

Honoring the need the participating ministries expressed, the Programme initiated the provision of the Microsoft Office Excel training course in 2010 for the finance staff in each of the partner ministries. The training will increase the technical skills of the finance staff which will in turn enable them to prepare budget documents in a more efficient and

⁸ Please see Annex 2.3.

qualitative manner. Ultimately, increased technical skills of the civil servants will also contribute to the overall effectiveness and efficiency of the business processes in the ministries. Three training modules are being organized in three locations. The Banja Luka training is expected to be completed by the end of the reporting period, while Sarajevo and Mostar trainings will be held in January.

e. Visibility

Memorandum of Understanding Ceremony and the Handover of the Certificates

The Memorandum of Understanding Signing Ceremony was held on March 10, 2010 in Hotel Europe and this was the occasion where the SPPD Programme marked the expansion of its activities from three to six sectors, including Agriculture, SMEs and Social Protection into the project. Representatives of the thirteen partner ministries that participate in the SPPD Programme were present for the formal signing of the MoU and the Action Plans for 2010 as well as several representatives of the project's donors: Mr. Boris Iarochévitch, Head of Operations of the Delegation of the European Union to BiH, H.E. Ambassador Mr. Jan Braathu, The Royal Norwegian Embassy, and H.E. Ambassador Mr. Sweder van Voorst, Embassy of the Kingdom of Netherlands. After the signing ceremony, directors of the three Civil Service Agencies, BiH, RS and FBiH, handed over certificates to the participating civil servants who successfully completed the training cycle in 2009 from the Transport, Energy, and Labour and Employment sectors.

Newsletter and Other Visibility Tools

This year, SPPD Programme has published 3 newsletters, both in printed (first issue) and in electronic version (second and third issue). Generally, the Newsletter serves as a convenient and an illustrative way to inform all those who are interested in the work of the SPPD Programme. Their purpose is to inform the participating civil servants and other partners about Programme achievements. This year's Newsletters mostly focused on workshop activities and institutionalization progress. The latest Newsletter also emphasised the benefits of the study visit to Republic of Slovenia.

Visibility of SPPD Programme donors as well as the three government partners is ensured on the cover pages of the two handbooks for SP and PD which are in the final preparatory stages.

In addition, the Programme procured notebooks and folders for workshop participants featuring donors' and government partners' logos as well as short narrative notes on the donor support and the purpose of the SPPD Programme.

f. Midterm Project Evaluation and External Success Indicators

In line with the SPPD Programme work plan and project document, a midterm evaluation of the project results was carried out by a team of external evaluators. The team undertook the monitoring mission with 26 interviews in the period from 30 August to 3 September 2010. Among those interviewed were the majority of partner ministries, members of the Project Board, donors, and representatives of related projects.

Overall, the evaluation was very positive regarding the results that were achieved so far and the project management. Especially highlighted were the quality of consultants and mentors and the innovative way of delivering capacity development by using workshops and mentoring. The evaluators also assessed that these key skills of strategic and financial planning as well as policy development are very beneficial for civil servants in the wider context of preparing for EU accession, through improved skills for preparation of strategic documents linked to financial plans and enhanced skills in policy development that are beneficial when embarking on harmonisation of domestic legislation with the *acquis*.

Aside from these positive observations the evaluators also provided recommendations for further improvements:

- Improve visibility of the project
- Report more on overall project results rather than individual deliverables like workshops
- Start preparing the institutionalisation of the capacity development, i.e. training and its handover to domestic institutions
- Strengthen the coordination with other projects in the field

The report summarising findings and recommendations was shared with the Project Board members.

External Success Indicators

Further indicators for the success of the project's focus and approach are the requests by partners to include more institutions and sectors over the last 12 months. In addition to the originally foreseen six sectors in 13 ministries the project was requested to extend its support to the whole ministry (from 18 partners the project went to over 30 partners) by 9 ministries. Furthermore, ministries inquired if related agencies could be included (four agencies are included, three more agencies were proposed and are about to be included). Another success indicator is the fact that both entity governments have started initiatives that would institutionalise the use of strategic planning and policy development methodology not only in the targeted ministries but at the government level. Once these instructions are adopted (expected in spring 2011) a number of institutions within the government will be able to comply with these instructions since they underwent an intensive training period. The rest will have an increased demand for support that brings the level of skills and knowledge of their staff to a level that enables them to comply with the instructions. Including the whole government level confirms the ownership of domestic institutions of project results and it is a crucial step towards the sustainability of strategic planning and policy development systems and practices in BiH. However, it is likely that domestic institutions would need further support to go beyond this pilot phase in order to establish a complete system for planning and analysis including continued training provided by domestic institutions. Equal representation of both entities and the state level in the SPPD Programme activities was a significant factor in building this ownership.

External reviews like the Report on Revision of the PAR strategy Action Plan 1⁹ and the latest SIGMA assessment report¹⁰ assess visible progress in policy development and strategic planning capacities ("... UNDP SPPD Program directly contributes to the implementation of relevant measures and activities foreseen in Action Plan 1 of the PAR Strategy in the area of policy development and coordination, at the level of ministries in BiH" and further "It would be beneficial that a possibility is found to extend the activities of the UNDP SPPD program to other ministries in BiH, that way the highest possible number of ministries can be included over the next 2-3 years.")¹¹ Civil Service Agencies acknowledge SP and PD education and included it in their list of official trainings. Thus civil servants that receive certificates co-signed by one of the Civil Service Agencies and UNDP can use them in their annual performance appraisal and for further career development.

⁹ Kulic: Review of PAR strategy Action Plan 1.

¹⁰ 2010 SIGMA report, <http://www.sigmaweb.org/dataoecd/28/61/46401690.pdf>.

¹¹ Kulic, page 16: "Bilo bi poželjno da se u međuvremenu iznađu mogućnosti da se aktivnosti UNDP SPPD Programa prošire i na druga ministarstva u BiH, tako da se u naredne 2 do 3 godine obuhvati najveći mogući broj ministarstava."

VI. Jan-June 2011 Work Plan

TASK AND ACTIVITIES	OUTPUTS/OUTCOMES	INDICATOR	TIME
Component 1 Public Finance Management (PFM)			
Task 1.1 Establish closer link between strategic plans and resource allocation/budget plans			
Activity 1.1.1 Introduce full costing and budgeting of activities in three-year Action plans of the 2 nd round sectors, and revise cost projections for the 1 st round sectors	Sector three-year strategic and action plans costed down to activity level	Application of relevant budget data and information on resource requirements in activity costing	Jan 2011
Activity 1.1.2. Organise and deliver three joint roundtables with SPEM3 project on government level	Costed strategic and action plans presented to Ministries of finance	Level of application of costed strategic plans in budget submissions	Jan 2011
Activity 1.1.3. Assisting in preparation of BUPRT (Budget User Priority Review Tables) through mentoring in all sectors	Quality of program budget statements upgraded in line with the prescribed methodology Set of budget performance indicators improved and monitoring mechanisms developed	Level of knowledge and commitment of senior ministry staff in budget preparation Quality of program budget statements and their linkage with strategic and action plans Quality of performance indicators and monitoring system	Feb-Apr 2011
Activity 1.1.4. Organise and deliver a wrap-up PFM seminar	Programme results and lessons learnt summarized Proposals for further improvements identified	Next steps for improvements in program budgeting identified and accepted by partner sectors	May 2011
Component 2 Strategic Planning (SP)			
Task 2.1 Training in SP expanded to other ministry sectors in interested pilot ministries			
Activity 2.1. 1. Mentorship sessions on ministry level	Civil servants of all sectors in the ministry acquired knowledge how to develop strategic plans	Level of participation of ministry staff in development of strategic plan	Jan-May 2011
Activity 2.1.2.	Three-year strategic plan	Draft documents	Jan - May 2011

TASK AND ACTIVITIES	OUTPUTS/OUTCOMES	INDICATOR	TIME
Draft strategic plan completed at the ministry level	that includes all sectors of the ministry developed	completed and submitted to minister	
Task 2.2 Continued work with all ministries (revision and monitoring of 2011-2013 strategic plans)			
Activity 2.2.1. Revise and improve strategic plans in pilot ministries	Quality of draft strategic plans improved	Level of detail increased compared to original document	Jan-Feb 2011
Activity 2.2.2. One round of sector workshops to compare progress in SP implementation and to further develop M&E mechanisms	Sector communication strengthened Civil servants introduced to monitoring mechanisms	Recommendations for M&E procedures	Feb - May 2011
Activity 2.2.3. monitoring of implementation of strategic plan at ministry level (supported by mentor)	Actual implementation of strategic plans supported Civil servants able to monitor SP implementation Monitoring procedures developed	Activities take place in ministry in line with 2011 action plan Monitoring reports submitted to ministry management	Feb-May 2011
Activity 2.2.4. Introduce full costing and budgeting of SP activities (same as Activity 1.1.1.)	Sector three-year strategic and action plans costed down to the activity level	All ministries strategic and action plans costed down to the activity level using relevant budget data from finance staff and information on resources requirements from sector staff	Jan 2011
Activity 2.2.5. Support the development of 2012 SP action plans	Civil servants able to update original strategic plans with minimum assistance	Draft 2012 Action Plans	Feb-May 2011
Activity 2.2.6 Civil servants' presentation of finalized strategic plans at the ministry level to new Ministers and collegiums.	Increased awareness and ownership of strategic planning process among senior management of participating ministries.	Presentation events and lists of attendees.	March-June 2011
Activity 2.2.7 Support to M&E in agriculture and rural development sectors (continuation from 2010)	Increased capacities of civil servants of targeted ministries to monitor and evaluate implementation of a selected strategic documents, policies and programs in line with EU standards and requirements for agriculture and rural	Level of participation at the workshop and mentoring sessions. Created M&E frameworks. Reports and analysis prepared by civil servants. Number of mentoring	Jan-March 2011

TASK AND ACTIVITIES	OUTPUTS/OUTCOMES	INDICATOR	TIME
	development programs and funds.	sessions.	
Component 3 Policy Development (PD)			
Task 3.1. Policy Development learning process continued in the participating ministries geared toward the completion of the analyses			
Activity 3.1.1. PD mentoring sessions in the participating ministries in order to finalize policy analyses	<p>Civil servants continue attend mentoring sessions, learn and directly apply the PD methodology analytical steps.</p> <p>Civil servants with mentoring assistance produced policy analyses in accordance with the EU/OECD recommendations.</p> <p>Policy analyses serve as a foundation for policy instruments with greater implementation potential.</p> <p>Greater awareness of the participating civil servants/institutions about the importance of the PD methodology.</p>	<p>Number of civil servants who regularly attended mentoring sessions and fulfilled their assignments geared toward the completion of the analyses.</p> <p>Number of policy proposals completed in accordance with the EU/OECD recommended methodology.</p> <p>Number of policy instruments drafted and accompanied with implementation plans.</p> <p>Civil servants/ministries apply PD methodology while solving public problems in the future.</p>	Jan –May 2011
Activity 3.1.2. Support to the PD mentors and ministries on behalf of the lead PD expert	<p>PD mentors receive guidance in order to enhance their support to the ministries.</p> <p>The participating ministries have their policy proposals reviewed by the lead PD expert as the final quality control check.</p>	<p>The quality and the frequency of the assistance provided.</p> <p>The number of analyses reviewed and quality feedback offered.</p>	Jan-May 2011

TASK AND ACTIVITIES	OUTPUTS/OUTCOMES	INDICATOR	TIME
Task 3.2. Policy Development capacity development enhanced through the delivery of additional skills/knowledge			
Activity 3.2.1. Three workshops in SA, BL and MO on internal and external communication and presentation skills in the PD process	<p>Civil servants gained knowledge on various modalities of external and internal communication geared toward enhancing the quality and transparency of the policy development process.</p> <p>Civil servants improved their presentation skills.</p>	<p>Number of civil servants that attended the WS and gained new knowledge.</p> <p>Number of presentations prepared and held by civil servants that contributed to the improved PD process.</p>	Feb 2011
Activity 3.2.2. Two workshops in SA and BL on research methods geared toward strengthening the evidence based requirement of the PD process	Civil servants gained knowledge on various research methods that will enhance their ability to engage in evidence-based PD process.	Number of civil servants that attended the WS and gained new knowledge.	May 2011
Task 3.3. Developed models for institutionalization of SP process and function in ministries			
Activity 3.3.1. assist in development of legal basis for institutionalization of the SP function at each ministry (Proposals to amendments to Rulebook on Internal Organisation and Systematisation)	SP is anchored in civil servant job descriptions thus supporting sustainability of SP	<p>WG appointed</p> <p>Amendments to Rulebook on Internal Organisation and Systematisation proposed to minister (options finalized)</p>	Feb - March 2011
Activity 3.3.2. assist in development of legal basis for institutionalization of the SP process (internal act)	SP process institutionalized at ministry level	<p>WG appointed</p> <p>Internal act adopted by minister / government decision in FBiH and RS</p> <p>Promotion of Internal Act</p>	<p>March 2011</p> <p>May – June 2011</p>
Task 3. 4. Develop models for institutionalization of PD process and function in ministries			
Activity 3. 4.1. assist in	PD is anchored in civil	WG appointed	

TASK AND ACTIVITIES	OUTPUTS/OUTCOMES	INDICATOR	TIME
development of legal basis for institutionalization of the PD function at each ministry (Proposals to amendments to Rulebook on Internal Organisation and Systematisation)	servant job descriptions thus supporting sustainability of PD	Amendments to Rulebook on Internal Organisation and Systematization proposed to minister (Options finalized)	Feb - March 2011
Activity 3. 4.2. assist in development of legal basis for institutionalization of the PD process (internal act)	PD process institutionalized at ministry level	WG appointed Internal act adopted by minister / government decision in FBiH and RS Promotion of Internal Act	March 2011 May – June 2011
Component 4 Project Management			
Task 4.1. Create preconditions for capacity development			
Activity 4.1. 1. Recruitment of national Policy Development and Strategic Planning Trainers	Ensure quality trainer as precondition for capacity development	contract	Jan 2011
Activity 4.1.2. Recruitment of national/international lead consultants for PD and SP	Ensure quality consultants as precondition for capacity development	contract	Jan 2011
Activity 4.1.3. Recruitment of sector experts pending ministry requests	Demand driven support of ministries with experts	Interview minutes Final reports	Feb-May 2011
Activity 4.1.4. Support network of practitioners made up of key persons from each ministry	Expand the pool of resource persons for SP and PD across government levels to support sustainability of methodologies	Resource persons appointed by ministers Resource persons attend additional training	Jan – May 2011
Activity 4.1.5. Individual SPPD/ministry meetings to review progress	Support buy-in by senior management to SP and PD process and support continuous application	Meetings organized Ministry staff has support to attend project activities and to adopt new internal documents	Jan-June 2011
Task 4.2. Resource Management			

TASK AND ACTIVITIES	OUTPUTS/OUTCOMES	INDICATOR	TIME
Activity 4.2.1. Ensure regular financial and narrative reporting to Project Board and donors	Assessment of achievements against goals	Project Board and donor reports Project Board meetings	Feb-June 2011
Task 4.3. Visibility			
Activity 4.3.1. SPPD public event / ceremony to hand over certificates and promotion of handbooks	-Certificates delivered -Results of 2010 presented by partners -Media coverage of SPPD results -Handbooks presented and handed over	Articles in press Attendance list	Jan 2011
Activity 4.3.2.	Web site on SPPD under UNDP ba expanded (to contain: announcements for upcoming events, list of implemented activities per component and containing relevant materials, programme reports – adopted by Project Board, programme deliverables)		Jan 2011 and continuously updated by the end of programme
Activity 4.3.3	Links to SPPD on web sites of partner institutions created		May 2011
Activity 4.3.4. prepare and distribute quarterly Newsletter	Share project activities with wider group in easy-to-read format Increase visibility of SP, PD and modern budget planning methods Increase donor visibility	Newsletter published and distributed	March – June 2011

1.1 Workshops Statistics

1st Round of Sector Workshops for Agriculture, SME and Social Protection Sectors

Sector	No. of participants	Position Structure	Gender Structure
SME	15	1 Secretary, 2 Assistants Minister, 2 Heads of Departments, 10 Senior Advisors and Associates	F:11, M:4
Social Protection	7	3 Heads of Departments, 4 Senior Advisors and Associates	F:6, M:1
Agriculture	7	7 Senior Advisors and Associates	F:3, M:4

2nd Round of Sector Workshops for Agriculture, SME and Social Protection Sectors

Sector	No. of participants	Position Structure	Gender Structure
SME	15	1 Secretary, 1 Assistant Minister, 4 Heads of Departments, 9 Senior Advisors and Associates	F:10, M:5
Social Protection	11	2 Heads of Departments, 9 Senior Advisors and Associates	F:6, M:5
Agriculture	12	1 Head of Departments, 11 Senior Advisors and Associates	F:7, M:5

2.1 List of Ministries and Organizational Units Supported

2.1.1 BiH

Ministry of Communication and Transport	Status of 3-year strategic plan
Strategic plan for transport sector	Developed
Strategic plan for communication sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized by December 2010
Ministry of Civil Affairs	
Strategic plan for Labour and Employment sector	Developed
Strategic plan for social protection sector	In development
Strategic plan for Education sector	Developed
Strategic plan for Health sector	Developed
Strategic plan for Sport sector	Developed
Strategic plan for Citizenship and travel documents sector	In development
Strategic plan for Science and culture sector	In development
Strategic plan for Geodesy, geology and meteorology sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized early in 2011
Ministry of Foreign Trade and Economic Relations	
Strategic plan for Energy sector	Developed
Strategic plan for Agriculture sector	In development
Strategic plan for SME sector	In development
Strategic plan at the ministry level (unification of sector plans)	Not expected during the current SPPD project since other sectors of this ministry are not included

2.1.2. FEDERATION OF BIH

Ministry of Agriculture, Water Management and Forestry	Status
Strategic plan for Agriculture sector	In development
Strategic plan for Water management	In development
Strategic plan for Forestry	In development
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized early 2011
Ministry of Transport and Communication	
Strategic plan for transport sector	Developed
Strategic plan for communication sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized by November 2010
Ministry of Energy, Mining and Industry	
Strategic plan for Energy sector	Developed
Strategic plan for Industry sector	Developed
Strategic plan for Mining sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized by the end of 2010
Ministry of Labour and Social Welfare	
Strategic plan for Labour sector	Developed
Protection of persons with disabilities and civil victims of war	Developed
Strategic plan for Social protection and family and children protection	Development to begin in December 2010
Strategic plan for Pensions, invalids and international social insurance agreements	Development has begun in November 2010
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized in the first half of 2011
Ministry of Development, Entrepreneurship and Craft (only one sector – SME)	
Strategic plan at the ministry level	Expected to be finalized by the end of 2010

2.1.3. REPUBLIKA SRPSKA

Ministry of Agriculture, Water Management and Forestry	Status
Strategic plan for Agriculture sector	Developed
Strategic plan for Water management	Developed
Strategic plan for Forestry	Developed
Strategic plan for Agency for selection and breeding of cattle	Developed
Strategic plan for Agency for providing consultancy services in agriculture	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized by the end of 2010
Ministry of Transport and Communication	
Strategic plan for transport sector	Developed
Strategic plan for communication sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Finalized in November 2010
Ministry of Energy, Industry and Mining	
Strategic plan for Energy sector	Developed
Strategic plan for Industry sector	Developed
Strategic plan for Mining sector	Developed
Strategic plan for SME sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized by the end of 2010
Ministry of Labour and War Veterans	
Strategic plan for Labour sector	Developed
Strategic plan for War veterans sector	Developed
Strategic plan at the ministry level (unification of sector plans)	Expected to be finalized by the end of 2010
Ministry of Health and Social Welfare	
Strategic plan for Social protection sector	In development
Strategic plan at the ministry level (unification of sector plans)	N/A

2.2 Workshop Statistics

2.2.1 Four Rounds of Sector Workshops for Agriculture, SME and Social Protection Sectors

1st SP Workshop

The first round of workshops was entitled “**Introduction in Strategic Planning – Process, Mission, Vision and Introduction in Environment Analysis**”. The workshops were held as follows:

The purpose of the workshops was to increase the capacities of the ministry staff to have an overview of the strategic planning process and to be able to formulate a vision that their institution intends to contribute to.

Small and Medium Enterprises Sector: March 16 – 17
Social Protection Sector: March 18 – 19
Agriculture Sector: March 25 – 26

Sector	No. participants of	Position Structure	Gender Structure
SME	22	1 Secretary, 2 Assistants Minister, 3 Heads of Departments, 16 Senior Advisors and Associates	F:14, M:8
Social Protection	9	1 Assistant Minister, 2 Heads of Departments, 6 Senior Advisors and Associates	F:7, M:2
Agriculture	16	1 Secretary, 3 Heads of Departments, 12 Senior Advisors and Associates	F:8, M:8

Based on the evaluation sheets the workshops received a score of 4.64 out of 5.

2nd SP Workshop

The 2nd round of workshops focused on “**SWOT and PESTLE analysis**”. The workshops were held as follows:

The purpose of the workshops was to build capacities of Ministry staff to be able to undertake a SWOT and PESTLE analysis as well as other relevant methods.

Small and Medium Enterprises Sector: May 4 – 5
Social Protection Sector: May 11 – 12
Agriculture Sector: May 13 – 14

Sector	No. participants of	Position Structure	Gender Structure
SME	38	1 Secretary, 4 Assistants Minister, 4 Heads of Departments, 29 Senior Advisors and Associates	F:23, M:15
Social Protection	11	3 Heads of Departments, 8 Senior Advisors and Associates	F:10, M:1
Agriculture	17	1 assistant minister, 3 Heads of Departments, 13 Senior Advisors and Associates	F:11, M:6

Based on the evaluation sheets the workshops received a score of 4.58 out of 5.

3rd SP Workshop

The 3rd round of workshops was entitled “**Definition of strategic goals and programmes.**” The workshops were held as follows:

The main purpose was to train the Ministry staff to be able to define strategic programs based on previously developed strategic goals.

Social Protection Sector: July 16 – 17
Small and Medium Enterprises Sector: July 6 – 7
Agriculture Sector: July 13 – 14

Sector	No. participants of	Position Structure	Gender Structure
Social Protection	16	1 Head of Department, 15 Senior Advisors and Associates	F:11, M:5
SME	36	3 Assistants Minister, 6 Heads of Departments, 27 Senior Advisors and Associates	F:22, M:14
Agriculture	16	1 Assistant Minister, 1 Head of Department, 14 Senior Advisors and Associates	F:10, M:6

Based on the evaluation sheets the workshops received a score of 4.55 out of 5.

4th SP Workshop

The subject of the 4th and last round of workshops was “**Development of draft Action Plans with programs**”. The workshops were held as follows:

In this final workshop, the ministries worked on finalization of their strategic plans and development of a three year action plans and annual plan, as well as to definition performance indicators and prioritize activities

SME: September 27 – 29
Agriculture: September 29 – October 1
Social Protection: October 12-14

Sector	No. participants of	Position Structure	Gender Structure
SME	29	3 Assistants Minister, 3 Head of Department, 23 Senior Advisors and Associates	F:15, M:14
Agriculture	24	1 Secretary, 5 Heads of Departments, 18 Senior Advisors and Associates	F:14, M:10
Social Protection	27	1 Assistant Minister, 4 Heads of Department, 22 Senior Advisors and Associates	F:19, M:8

Based on the evaluation sheets the workshops received a score of 4.51 out of 5.

2.2.2 Two Rounds of Sector Workshops for Transport, Energy and Labour & Employment Sectors

1st SP Workshop

The first round of workshops was entitled **“Compare progress in strategic plans implementation and further develop M&E mechanisms”**. The workshops were held as follows:

The purpose of the workshops was to ensure better communication within the sector and introduce civil servants to monitoring and evaluation mechanisms.

Energy: March 13 – 14
Labour and Employment: March 15 – 16
Transport: March 20 – 21

Sector	No. participants of	Position Structure	Gender Structure
Energy	9	1 Head of Departments, 8 Senior Advisors and Associates	F:6, M:3
Labour and Employment	7	1 Assistant Minister, 2 Heads of Departments, 4 Senior Advisors and Associates	F:5, M:2
Transport	29	1 Secretary, 2 Assistant Minister, 3 Heads of Departments, 23 Senior Advisors and Associates	F:14, M:15

Based on the evaluation sheets the workshops received a score of 4.55 out of 5.

2nd SP Workshop

The 2nd round of workshops focused on **“Development of ministry level strategic plan and compare progress in strategic plans implementation and further develop M&E mechanisms”**. The workshops were held as follows:

The purpose of the workshops was to

Transport: September 20 – 22
Energy: October 25 – 27
Labour and Employment: October 27 – 29

prepare ministry level integration of strategic plans, to ensure better communication within the sector and introduce civil servants to monitoring and evaluation mechanisms.

Sector	No. of participants	Position Structure	Gender Structure
Energy	9	9 Senior Advisors and Associates	F:7, M:2
Labour and Employment	4	4 Senior Advisors and Associates	F:3, M:1
Transport	23	4 Assistant Minister, 3 Heads of Departments, 16 Senior Advisors and Associates	F:10, M:13

Based on the evaluation sheets the workshops received a score of 4.56 out of 5.

2.3 Harmonized List of Terms between the CDS/SIS, MoFs and the SPPD Programme

CDS/SIS	Institutional Strategic Plan (SPPD support)	Budget
Strategic Goals (six in total)	N/A	N/A
<i>Defined on global level and represent what the strategy should achieve</i>		
N/A	Strategic Goals (of institution)	Strategic Goals
	<i>General statements of what an organization is hoping to achieve in a three-year period. They are results-directed and qualitative. SPPD defines strategic goals that meet the SMART criteria. This means they are not general and qualitative, but specific and measurable.</i>	<i>Strategic Goals represent what a budget user is aiming to in line with overall mission and mandate. Strategic goals should reflect government's priorities stated in the Country Development Strategy and other strategic documents.</i>
Sub goal	Sectors/Institutions	Programmes
<i>Specific areas/sectors of the strategy</i>	<i>Mostly organizational units</i>	<i>Grouping of similar activities or services which a ministry or budget user is doing in order to achieve its strategic goal or goals. It refers to outcome produced by budget user. (In the current budget users' practice programme is usually including one or more organizational units, for example, agriculture programme under one ministry includes sector for agriculture policies, sector for food industry and sector for agriculture)</i>

CDS/SIS	Institutional Strategic Plan (SPPD support)	Budget
Priority	Operational Goals	Operational Goal
<i>Defines key areas and directions for action in achieving strategic goal in midterm period.</i>	<i>General statements of what an organizational unit is hoping to achieve in a three-year period. They are results-directed and qualitative.</i>	<i>Specific goals of programmes and activities, which are particular measurable statements of achievements or final results. Operational goals reflect what is possible to achieve with available resources. Operational goals have to be in line with strategic priorities of a government.</i>
Measure	Operational Programme	N/A
<i>Group of activities and instruments to be used for improvement of a situation of a specific area or within narrowed group of final users in a certain period.</i>	<i>A specific activity or a line of activities contributing to the implementation of a certain strategic goal. There could be several programmes within a single goal.</i>	
Activity	Activity	Activity
<i>Represents the way how a measure is implemented with necessary instruments</i>	<i>Organizational form of limited duration, used in order to assist in the realization of one or several mutually related strategic plan programmes directed towards a common goal: with indicators, budget, responsibility, time line</i>	<i>Budget user's activities under one programme. Activities reflect value added by budget user, it is not only list of inputs and wishes. When defining programmes, budget users should consider their usual activities.</i>

2.4 Summary of the Ministerial Reports from the Study Trip

The SME and the Industry Sector

The representatives of BiH ministries in charge of the SME Sector have had the opportunity to be introduced to the public administration system in the Czech Republic, as well as a selection of projects providing support to small and medium sized enterprises in this country. They also had the opportunity to acquire valuable knowledge on programmes' nomination and management (monitoring, evaluation, budgeting and the means of attracting foreign investments/capital).

Their experience shows that the well elaborated legal and institutional framework as well as the strategic documents and high quality human and material resources serve as a warrant for a successful use of the EU funds. The Czech Republic established the institutional infrastructure for the implementation of the EU funds, while in BiH there is still lot of 'wandering around' when it comes to the roles of specific institutions regarding the EU funds. The most important economic policy goal in the Czech Republic is support to the development of innovations and new technologies. Support is directed towards 1000 innovative enterprises, and the major areas of support to the SMEs were the following: innovations, research and development, ICT and business infrastructure, renewable sources of energy, new technologies, training centres, collaboration platforms, marketing

and consultancies. Major importance in that regard is given to education and universities and their involvement in the programming and planning system.

In addition, the projects are being classified by their size in terms of funding. Electronic delivery of applications – requests for subsidies is, most certainly and experience that should be applied in the context of BiH as well, not only since it would reduce the costs, but since it would simplify the application procedure as well.

Applicability within the BiH context:

Establishment of an institution that would provide support to small and medium sized enterprises and the use of EU funds (similar to Czechinvest in Czech Republic) would be ideal for BiH. Restoration of former military barracks and airports into the green-field zones to be used for entrepreneurial infrastructure for the development of small enterprises would also be acceptable.

Strengthening ministerial capacities for transposition of the EU *acquis* and for the more efficient absorption and use of EU funds, i.e. establishment of particular organizational units in charge of EU integrations issues, would be beneficial. Furthermore, Bosnia and Herzegovina does not have a Law on Support to Research and Development and Innovations which would also be beneficial. It is extremely important, in order to provide for further development to achieve excellence in use of IPA funds – this means to raise the awareness among the local employees to use the funds in a better way. Inclusion of all the relevant stakeholders, especially those representing a target group into development of strategic plans as well as external/independent consultants should be provided. Attracting and securing of funds from other sources of funding for projects falling within their jurisdiction, in addition to funds provided from the budget, becomes an important role and task that the ministries are required to fulfill.

It is extremely important to strengthen the SME Sector in Bosnia and Herzegovina, since it is one of the best ways for a country to succeed on its path of accession towards the EU. Furthermore, it is necessary to strengthen the awareness on the relevance of entrepreneurship of each individual.

The Agricultural Sector

Representatives of BiH ministries have been introduced to public administration system and major strategic documents in the Czech Republic related to the agricultural sector. They also learned about the rural development and agriculture programming and linking of the Operational Programme - Rural Development and Multifunctional Agriculture (2004-2006) and the current Czech Republic Rural Development Programme (2007-2013). They were also informed about the experiences of the Czech Republic related to CAP and recommendations related to CAP from the perspective of farmers, role of non-profit organizations in the process of strategic planning in rural development and agriculture. It is important to be aware of the basic transformation strategies (open economy, privatization, economy quicker than legislation, direct foreign investments and the 'shock therapy' for industry and agriculture) used during past 20 years with all the shortcomings and strengths experienced in their implementation. The EU member states now have EAFRD (European Agricultural Fund for Rural Development) at their disposal, while the EU membership candidate states and potential candidate countries have IPARD at their disposal.

Huge progress in the Czech Republic was achieved by establishment of the Czech Agricultural Chamber – gathering entrepreneurs working in agriculture, food processing and forestry. There is a tradition in Czech Republic concerning the associations of farmers, thus there is an Association of Cattle Breeders – this area should be regulated at all the levels and all of the associations should be actively included into agricultural policy development and implementation processes. The Czech Republic has numerous areas

characterized as 'less favourable areas' but some of the projects from these areas accounted for 50% of the funds.

Applicability within the BiH context:

There is a need to recruit an expert that would teach the legal officers and other staff within the institution with regard to the alignment process. The Czech Republic experience shows that there is a need to develop a National Rural Development Plan that would, further on, be divided into separate projects. A successful implementation of the alignment process and the accession of the country to the EU and for the implementation of the programmes and successful attraction of funds does not require a decentralized approach.

The activities started by MOFTER, the entities and Brčko District with regard to the development of the BiH Rural Development Strategy should be continued as soon as possible, and the activities should start immediately (!).

There are two such organizations: *National Association of Farmers* – that has 48 working groups (related to i.e. dairy production, wine making, work with women, etc. – with representatives in each of such groups) and *the Chamber Advisory Service* (an organization covering the entire country, having its own subjectivity and being closest to the farmer).

Relevant representatives from the Czech Republic recommended to the guests from BiH to use the promotion of small farms as an advantage in a pre-accession phase and not to underestimate anything and be well prepared in all areas. Evaluation should be provided in order to improve the development and implementation of strategies, including the independent *ex ante*, ongoing and *ex post* evaluation.

The Social Protection Sector

In addition to the general information of the Czech Republic public administration, the participants from BiH ministries were informed about the transfer of national social inclusion policy to a regional level. A good practice demonstrated was the Carlsbad Region Development Programme for 2007-2013. An extremely useful lesson learned was the method of communication and operations referring to pre-accession funds – a rather current issue in BiH as well as the importance of planning based on real needs clearly specified, feasible goals and objectives.

An interesting piece of information was the existence of the specific law regulating social services – such an example could be used in order to make a step forward in the area of social policy in Republika Srpska and in the Federation of BiH.

The line ministry directly handles the funds intended for social issues, while the priorities are being set forth by a steering body within the Ministry, i.e. the Board and the Ministry and not the Ministry of Finance.

The Czech Republic has its own separate laws regulating services, especially the social protection and welfare services. The Law on Social Services regulates their planning as well as the type of services that the state should finance and the modalities for such funding. There are two instances when it comes to the approval of projects (the first one are the experts and the second one are the representatives of institutions, i.e. the Selection Commission). An interesting thing is that there are two approaches to the evaluation of projects – the first one is that the projects are being evaluated by the implementer and the second one uses the experts in certain area of expertise for evaluating projects. A basic prerequisite for project development and drawing of the financial assistance from the EU funds was the adoption of a National Development Plan. The basic principle used for designing and implementation of projects is the transparency and availability towards the public in all of the implementation stages. Project development process is a very complex one requiring an *ex ante* evaluation during the request/application development stage and an *ex post* evaluation two years after the completion of project.

Applicability within the BiH context:

Decentralization with regard to the project implementation can also be used in Bosnia and Herzegovina, provided that the issue of project co-funding is resolved.

Participation of the largest possible number of relevant institutions (ministries, institutes and funds) as well as a certain number of policy beneficiaries contained in a strategic document should be provided - in order to provide for the successful strategic planning for the purpose of BiH Development Strategy development in a forthcoming planning period, and to provide for a wide range consultations with all the relevant stakeholders. The same principle should be used in the monitoring and impact assessment evaluation.

There are strict rules applying to use of EU funds. In BiH, it would be useful if the relevant stakeholders would acquire knowledge on basic financial reporting methods (as a pilot project perhaps).

The labour and employment sector within the Policy Development component is developing a text of a new Law on Mediation in Employment, trying to resolve the issue of health insurance of unemployed persons in the Federation of Bosnia and Herzegovina in a different way.

3.1 Policies the Participating Ministries are Developing

THE ENERGY SECTOR

Ministry	Legislation/public policy
Ministry of Foreign Trade and Economic Relations BiH	<i>Establishment of an efficient coordination in the Energy sector (coordination with MoFTER and entity ministries)</i>
Ministry of Energy, Mining and Industry FBiH	<i>Law on Oil (continued)</i>
Ministry of Energy, Industry and Mining RS	<i>Rule Book on Mechanical-Technological Equipment of Business Societies dealing with services from the area of geological research</i>

THE TRANSPORT SECTOR

Ministry	Legislation/public policy
Ministry of Transport and Communications BiH	<i>undecided</i>
Ministry of Transport and Communications FBiH	<i>Postal Policy in FBiH</i>
Ministry of Transport and Communications RS	<i>Policy on Development of RS Post Offices</i>

THE LABOUR AND EMPLOYMENT SECTOR

Ministry	Legislation/public policy
Ministry of Civil Affairs BiH	<i>Preparation of Draft Guidelines on Harmonization of Legislative with <i>acquis communautaire</i> – health and safety at work</i>
Ministry of Labour and Social Policy FBiH	<i>The Law on Mediation in Employment and Social Security of the Unemployed (continued)</i>
Ministry of Labour and War-Veterans RS	<i>Labor Law (continued)</i>

THE AGRICULTURE SECTOR

Ministry	Legislation/public policy
Ministry of Foreign Trade and Economic Relations BiH	<i>Rule Book on conditions that authorized institutions have to fulfill (basis – Law on Wine)</i>
Ministry of Agriculture, Water Management and Forestry FBiH	<i>The Law on Wine</i>
Ministry of Agriculture, Forestry and Water Management RS	<i>The Law on Fishing</i>

THE SOCIAL PROTECTION SECTOR

Ministry	Legislation/public policy
Ministry of Civil Affairs BiH	<i>Preparation of Draft Guidelines on Harmonization of Legislative with <i>acquis communautaire</i> – health and safety at work</i>
Ministry of Labour and Social Policy FBiH	<i>Law on Social Services</i>
Ministry of Health and Social Protection RS	<i>Public Policy on Improvement of Social Protection for Elderly</i>

THE SMALL AND MEDIUM ENTERPRISES SECTOR

Ministry	Legislation/public policy
Ministry of Foreign Trade and Economic Relations BiH	<i>Introduction of Entrepreneurship in Education System for the purpose of SME promotion in BiH</i>
Ministry of Development, Entrepreneurship and Crafts FBiH	<i>Law on Development of Small Businesses</i>
Ministry of Energy, Industry and Mining RS	<i>Law on Craft-Entrepreneurship Trade</i>

As a result of the project's work in 2009, some of the participating 1st round sectors expressed an interest to have additional sectors within their ministries participate in the project's capacity development activities. Therefore, the project included the following sectors and the policies in this component of support:

THE INDUSTRY SECTOR

Ministry	Legislation/public policy
Ministry of Energy, Mining and Industry FBiH	<i>Law on Chambers of Commerce in FBiH</i>
Ministry of Energy, Industry and Mining RS	<i>Rule Book on Marking of Materials of Main Parts of Footwear intended for consumer sale</i>

THE WAR VETERANS SECTOR

Ministry	Legislation/public policy
Ministry of Labor and War-Veterans RS	<i>Maintenance of Soldier Monuments, Memorials and Grave Sites</i>

3.2 Workshops Statistics

3.2.1 Four Rounds of Sector Workshops for Agriculture, SME and Social Protection Sectors

1st Policy Development Workshop

The first round of workshops was entitled “Introduction to Public Policy Development: the 12 Steps Recommended by SIGMA, OECD and the EU.” The workshops were organized per sector in the following manner:

The purpose of the workshops was to introduce the 2nd round sectors to the

Agriculture Sector: April 12 – 13

Social Protection Sector: April 14 – 15

Small and Medium Enterprises Sector: April 15 – 16

theoretical background of policy development and highlight the inevitable value of utilizing and institutionalizing those processes in the greater context of the EU accession.

During the workshop, policy cycle based on the OECD/SIGMA recommendations was presented in detail and this new and difficult-to-grasp concept was brought closer to the counterparts. Furthermore, greater emphasis was placed on the policy development analytical process and in particular on the importance of consultations and impact assessment prior to legislative drafting or drafting of alternate policy instruments.

Sector	No. of participants	Position Structure	Gender Structure
SME	27	1 Secretary, 4 Assistants Minister, 6 Heads of Departments, 16 Senior Advisors and Associates	F:19, M:8
Social Protection	14	1 Assistant Minister, 2 Heads of Departments, 11 Senior Advisors and Associates	F:10, M:4
Agriculture	12	1 Secretary, 1 Assistant Minister, 2 Heads of Departments, 8 Senior Advisors and Associates	F:9, M:3

Based on the evaluation sheets the workshops received a score of 4.67 out of 5.

2nd Policy Development Workshop

The 2nd round of workshops focused on “**Formulation of policy options and preparation of impact assessment linked to consultations with key stakeholders**”.

The workshops were held as follows:

During the workshop, the participants presented the policy development analytical

Agriculture: 08 – 09 June 2010
Social Protection: 10 – 11 June 2010
SME: 16 – 17 June 2010

steps that they completed and received recommendations on how to improve their work. Furthermore, the participants learned how to define public policy options with the particular emphasis on the importance of research and evidence-based solutions as well as the importance of thorough stakeholder analysis.

Sector	No. of participants	Position Structure	Gender Structure
SME	32	2 Assistants Minister, 5 Heads of Departments, 25 Senior Advisors and Associates	F:21, M:11
Social Protection	11	3 Heads of Departments, 8 Senior Advisors and Associates	F:10, M:1
Agriculture	11	1 Secretary, 1 Assistant Minister, 1 Head of Departments, 8 Senior Advisors and Associates	F:8, M:3

Based on the evaluation sheets the workshops received a score of 4.74 out of 5.

3rd Policy Development Workshop

The 3rd round of workshops was entitled “**Impact assessment of options – choosing and developing a policy proposal.**” The workshops were held as follows:

Similar to the prior workshop, the participants presented the policy development

Social Protection: 13 – 14 Sept 2010
SME: 15 – 16 Sept 2010
Agriculture: 20 – 21 Sept 2010

analytical steps that they completed. This was used as an opportunity to receive feedback from the international consultant and their colleagues in the participating line-ministries. Moreover, the workshop focused on the process of consultations with the stakeholders with the intent of collecting pertinent information to be used for impact assessment of policy options.

Sector	No. of participants	Position Structure	Gender Structure
SME	30	1 Secretary, 3 Assistants Minister, 3 Heads of Departments, 23 Senior Advisors and Associates	F:16, M:14
Social Protection	11	2 Heads of Departments, 9 Senior Advisors and Associates	F:9, M:2
Agriculture	16	1 Secretary, 2 Assistants Minister, 13 Senior Advisors and Associates	F:8, M:8

Based on the evaluation sheets the workshops received a score of 4.52 out of 5.

4th Policy Development Workshop

The subject of the 4th and last round of workshops was “**Monitoring and evaluation of policies.**” The workshops were held as follows:

In this final workshop, the ministries presented their analytical drafts and received useful advice on

Agriculture: 22 – 23 Nov 2010
SME: 02 – 03 Dec 2010
Social Protection: 07 – 08 Dec 2010

how to make necessary improvements and how to proceed with the completion of the analyses. Additionally, the participants learned about the monitoring and evaluation methodologies and how to incorporate those into their policy drafts and subsequent policy instruments they chose.

Sector	No. of participants	Position Structure	Gender Structure
SME	28	1 Secretary, 1 Assistant Minister, 2 Heads of Departments, 24 Senior Advisors and Associates	F:16, M:12
Social Protection	6	1 Head of Department, 5 Senior Advisors and Associates	F:3, M:3
Agriculture	8	1 Assistant Minister, 7 Senior Advisors and Associates	F:6, M:2

Based on the evaluation sheets the workshops received a score of 4.54 out of 5.

3.2.2 Two Rounds of Sector Workshops for Transport, Energy and Labour & Employment Sectors

1st Policy Development Workshops

The first workshop focused on the “**Factors determining successful formulation and implementation of public policies and an establishment of a monitoring and evaluation framework**”. Workshops were organized as follows:

The aim of these workshops was to improve the participants’ knowledge of policy development with the particular focus on impact assessment and monitoring and evaluations mechanisms and processes.

Transport: 31 May – 01 June 2010
Labour and Employment: 3-4 June 2010
Energy: 2 and 18 June 2010

In order to review the policy development knowledge they gained in 2009, the participants prepared a presentation on a sector-relevant policy utilizing the analytical steps and highlighting implementation challenges. Additionally, the participants strengthened their knowledge on defining policy options and instruments, the importance of impact assessment based on consultations with key stakeholders and monitoring and evaluation mechanisms. They gained knowledge regarding performance indicators that can be used to assess results and impact of public policy instruments.

Sector	No. participants of	Position Structure	Gender Structure
Energy	9	9 Senior Advisors and Associates	F:5, M:4
Labour and Employment	7	1 Assistant Minister, 1 Head of Department, 5 Senior Advisors and Associates	F:5, M:2
Transport	16	1 Secretary, 2 Assistants Minister, 1 Head of Department, 12 Senior Advisors and Associates	F:7, M:9

Based on the evaluation sheets the workshops received a score 4.74 out of 5.

2nd Policy Development Workshop

The 2nd and last workshop was entitled “**Monitoring and evaluation of policies reflected in ministries strategic plans.**” Workshops were organized as follows:

This workshop focused on the management of the implementation of public policies through the various means of monitoring and evaluation.

The participants learned how to set proper indicators, apply relevant analytical methodologies and organize and distribute the responsibilities inside their institutions. Lastly, the counterparts’ awareness was heightened on how to incorporate their obligation to harmonize domestic laws with the EU regulations within the context of developing policies.

Transport: 04 – 05 Oct 2010
Energy: 06 – 07 Oct 2010
Labor and Employment: 11 – 12 Oct 2010

Sector	No. participants of	Position Structure	Gender Structure
Energy	11	1 Assistant Minister, 2 Heads of Departments, 8 Senior Advisors and Associates	F:7, M:4
Labour and Employment	6	1 Head of Department, 5 Senior Advisors and Associates	F:5, M:1
Transport	18	2 Assistants Minister, 1 Head of Departments, 15 Senior Advisors and Associates	F:7, M:11

Based on the evaluation sheets the workshops received a score 4.74 out of 5.

4.1 Overview of the Progress Made in the Process of Amending Ministerial Rulebooks

Overview of the existing rulebooks and the options proposed

Introduction

SPPD Programme 2010 Activity Plan anticipated the institutionalization of strategic planning (SP) and policy development (PD) in participating ministries.

Strategic planning and policy development institutionalization is twofold and refers to the two following aspects:

1. Methodologies institutionalization – via ministries' legislative acts; and
2. Institutionalization of functions.

In accordance with such a distribution, programme activities were implemented parallel, in two directions.

Institutionalization of methodologies using ministries' legislative/regulatory acts

The SPPD Programme team held a line of meetings and consultations, starting from March 2010, with the representatives of the participating ministries as well as with other relevant institutions such as the BiH Public Administration Coordinator's Office (PARCO), Council of Ministers' General Secretariat, Legislation Office of the BiH Council of Ministers, FBiH Development Planning Institute, FBiH Government General Secretariat, FBiH Office for Legislation and Alignment with the EU Regulations, RS Legislation Secretariat, RS Government General Secretariat and the RS Ministry for Economic Relations and Regional Cooperation. Following the conclusions from the meetings where the institutionalization modalities were discussed, and primarily with regard to the type of documents/acts, the SPPD Programme team prepared model legal acts (their working title was the rulebook) that were distributed to institutions identified as the activity carriers at each of the government levels.

Model documents are currently in different adjustment and implementation stages, depending of the government level in BiH they are being developed for.

Institutionalization of functions

When it comes to the institutionalization of function, the plan is to conduct the SP and PD function establishment analyses in the participating ministries at the level of BiH and FBiH. This activity should include the analyses of the existing Rulebooks on Internal Organization and Systematization of ministries as well as the development of possible options – modalities of establishment of SP and PD functions. Analyses were conducted/are being conducted by the working groups of ministries, supported by the SPPD Programme team and consultants. The stage of their designing varies from one ministry to another; however, these activities started in all the ministries, with the exception of the FBiH Ministry of Energy, Mining and Industry.

When it comes to the establishment of SP and PD functions in the RS, the participating ministries have adopted the new Internal Organization Rulebooks in 2010. Therefore, the analyses with regard to the establishment of the aforementioned functions have not been conducted. It was not deemed necessary, in a relatively short period from the entry into force of the new rulebooks, to develop proposals for their amending. In addition, a certain number of ministries have already established the SP and PD functions in their new rulebooks.

Overview of the Establishment of the SP and PD functions

Bosnia and Herzegovina

Ministry of Communications and Transport	
Analysis status	Finalized in March 2010 November 2010: being reviewed by Mr. Bajrambasic, Assistant Minister.
Options developed	<ol style="list-style-type: none"> 1. To maintain the status quo; 2. To establish the SP and PD sector; 3. To establish positions within the Office of the Secretary of the Ministry, with two sub-options: <ol style="list-style-type: none"> 3.1 To establish 4 positions – Senior Advisors 3.2 To recruit 1 civil servant within the Office of the Secretary to be charged with the SP coordination tasks and to expand job description (ToRs) for the Senior Advisors positions already existing within the Transport Sector and the Information and Communication Sector whose job descriptions partly correspond to a 'policy development' job description.
Option proposed	Option 3.2 was proposed as the most adequate one at the moment.
Ministry of Foreign Trade and Economic Relations	
Analysis status	<p>Working Group in charge of the analysis consisting of: Ms. Vanja Biletic, Ms. Mira Mihajlovic, Ms. Selma Fadzan and Mr. Mirza Hujic, was appointed in August 2010.</p> <p>Analysis for the MoFTER was finalized in October 2010. The adoption procedure is pending.</p>
Options developed	<ol style="list-style-type: none"> 1. To maintain the status quo; 2. To establish the SP and PD sector; 3. To establish of the department for strategic planning coordination, policy development, monitoring, evaluation and reporting within the Office of the Secretary of the Ministry; 4. To establish following departments within the Office of the Secretary of the Ministry: department for strategic planning and policy development, legislation department, human resources management department, budgeting department, public relations department and the IT department.
Option proposed	Option 3 was proposed as the most adequate one at the moment. The civil servants for this department would be recruited internally, i.e. the existing civil servants would be transferred internally.
Ministry of Civil Affairs	
Analysis status	<p>Working Group in charge of the analysis consisting of: Ms. Branka Petkovic, Mr. Edin Salihagic and Mr. Edin Kucukovic, was appointed in August 2010.</p> <p>The same working group was also in charge of drafting of the internal acts related to SP and PD. WG decided to propose the establishment of the functions mentioned using the internal acts they would draft regulating the SP and PD methodology.</p>

	The SP Rulebook was finalized in October.
Options developed	
Option proposed	The SP Rulebook provided for the role of the SP process coordinator to be played, until it is further regulated by the Internal Organization Rulebook, by a senior associate – analyst within the Office of the Secretary of the Ministry.

Federation of Bosnia and Herzegovina

Ministry of Transport and Communications	
Analysis status	Finalized in March 2010
Options developed	<ol style="list-style-type: none"> 1. To maintain the status quo; 2. To regulate the strategic planning and management function within the Minister's Cabinet; 3. To regulate the strategic planning and management function within the Office of the Secretary of the Minister; 4. To establish the strategic planning function within the existing Development Funds Management and Coordination Sector; 5. To establish the new sector/department in charge of strategic planning and policy analysis within the Ministry.
Option proposed	Option 4 was proposed as the most adequate one.
Ministry of Labour and Social Protection	
Analysis status	<p>Working Group in charge of the analysis consisting of: Ms. Snjezana Kapić, Ms. Veselinka Marjanovic and Ms. Selma Softic, was appointed in July 2010.</p> <p>The analysis was finalized in September 2010 and was delivered to the Ministry Secretary, Mr. Bekan for a review and a decision regarding the further procedure for the purpose of its adoption.</p>
Options developed	<ol style="list-style-type: none"> 1. To maintain the status quo; 2. To regulate the strategic planning and policy development functions within the Minister's Cabinet; 3. To regulate the strategic planning and policy development functions by expanding job descriptions (ToRs) of civil servants already working at the Ministry (assistant minister, head of department, senior advisor). The Ministry Secretary, would be in charge of the overall coordination of the SP and PD processes at the Ministry level, in accordance with his managing role; 4. To establish an SP and PD sector/department.
Option proposed	Option 3 was proposed as the most adequate one.
Ministry of Development, Entrepreneurship and Crafts	
Analysis status	Working Group in charge of the analysis consisting of: Mr. Jozo Bejic, Ms. Dana Peric, Mr. Aleksandar Likic, Mr. Zdravko Cerovic, Ms. Vesna Basic-Jugo, Mr. Sead Talovic, Mr. Bozo Sliskovic, was established in June 2010.

	The analysis was finalized in November 2010.
Options developed	<ol style="list-style-type: none"> 1. To maintain the status quo; 2. To expand job descriptions for the existing positions by adding the terms of reference (job descriptions) for strategic planning and policy development. The Ministry Secretary, in cooperation with the Minister's Chief of Staff would be in charge of the overall coordination of the SP and PD processes; 3. To establish the SP and PD sector/department.
Option proposed	Option 2 was proposed as the most adequate one.
Ministry of Agriculture, Water Management and Forestry	
Analysis status	<p>Working Group in charge of the analysis consisting of: Ms. Emina Selman, Ms. Alma Kobaslija and Ms. Muzafera Kalabusic, was appointed in June 2010.</p> <p>The analysis was finalized in July 2010 was delivered to the Ministry Secretary for a review and a decision regarding the further procedure.</p>
Options developed	<ol style="list-style-type: none"> 1. To maintain the status quo; 2. To establish the SP and PD sector 3. To establish positions within the Office of the Secretary of the Ministry, with two sub-options: <ol style="list-style-type: none"> 3.1 To establish 4 positions – Senior Advisors 3.2 To recruit 1 civil servant within the Office of the Secretary to be charged with the tasks of SP coordination, monitoring and evaluation of the Ministry's strategic and annual plans implementation and to expand job descriptions (ToRs) for the already existing positions with regard to the policy development tasks.
Option proposed	Option 3.2 was proposed as the most adequate one.