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**The European Union's IPA Programme for Bosnia & Herzegovina**

**INTERIM / STRATEGIC EVALUATION OF EU IPA  
PRE-ACCESSION ASSISTANCE TO BOSNIA &  
HERZEGOVINA**

**Letter of Contract 2010/231827**

**FINAL REPORT**

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## List of Abbreviations

| <b>Acronym</b> | <b>Description</b>                                                        |
|----------------|---------------------------------------------------------------------------|
| BiH            | Bosnia and Herzegovina                                                    |
| CAO            | Competent Accrediting Officer                                             |
| CARDS          | Community Assistance for Reconstruction, Development and Stabilisation    |
| CBC            | Cross-Border Cooperation                                                  |
| CEFTA          | Central European Free Trade Agreement                                     |
| CFCU           | Central Finance and Contracts Unit                                        |
| CoE            | Council of Europe                                                         |
| CoM            | Council of Ministers                                                      |
| CSP            | Country Strategy Paper                                                    |
| DCF            | Donor Coordination Forum                                                  |
| DEI            | Directorate for European Integration                                      |
| DEP            | Directorate for Economic Planning                                         |
| DFID           | Department for International Development                                  |
| DIS            | Decentralised Implementation System                                       |
| DME            | Donor mapping Exercise                                                    |
| DPA            | Dayton Peace Agreement                                                    |
| DEU            | Delegation of the European Union                                          |
| EBRD           | European Bank for Reconstruction and development                          |
| EC             | European Commission                                                       |
| EIB            | European Investment Bank                                                  |
| EIU            | European Integration Unit                                                 |
| EU             | European Union                                                            |
| EUPM           | European Union Police Mission                                             |
| EUSR           | European Union Special Representative                                     |
| FBiH           | Federation of Bosnia and Herzegovina                                      |
| HJPC           | High Judicial and Prosecutorial Council                                   |
| ICMP           | International Commission for Missing Persons                              |
| IFI            | International Financing Institution                                       |
| IPA            | Instrument for Pre-Accession Assistance                                   |
| M EUR          | Million Euros                                                             |
| MIFF           | Multi-annual Indicative Financial Framework                               |
| MIPD           | Multi -annual Indicative Planning Document                                |
| MoCA           | Ministry of Civil Affairs                                                 |
| MoE            | Ministry of Education                                                     |
| MoFT           | Ministry of Finance and Treasury                                          |
| MoFTER         | Ministry of Foreign Trade and Economic Relations                          |
| MoJ            | Ministry of Justice                                                       |
| MTDS           | Mid-Term Development Strategy                                             |
| NAO            | National Authorizing Officer                                              |
| NDS            | National Development Strategy                                             |
| NGO            | Non-Governmental Organisation                                             |
| NP             | National Programme (IPA)                                                  |
| NIPAC          | National IPA Coordinator                                                  |
| OHR/EUSR       | Office of the High Representative / European Union Special Representative |
| PAR            | Public Administration Reform                                              |
| PARCO          | Public Administration Reform Coordination Office                          |

| <b>Acronym</b> | <b>Description</b>                                      |
|----------------|---------------------------------------------------------|
| PHARE          | Poland and Hungary Assistance for Economy restructuring |
| PPF            | Project Preparation Facility                            |
| PSRP           | Poverty Strategy Reduction Paper                        |
| ROM            | Result Oriented Monitoring                              |
| RS             | Republic Srpska                                         |
| SAA            | Stabilisation and Association Agreement                 |
| SAP            | Stabilisation and Association Process                   |
| SCIA           | Sector for Coordination of International Assistance     |
| SIDA           | Swedish International development Agency                |
| SME            | Small and Medium Sized Enterprise                       |
| SPO            | Senior programme Officer                                |
| TA             | Technical Assistance                                    |
| UK             | United Kingdom of Great Britain                         |
| UN             | United nations                                          |
| UNDP           | United Nations development Programme                    |
| UNICEF         | United Nations Children's Fund                          |
| USAID          | United States Assistance for International Development  |
| VET            | Vocational and Educational Training                     |
| WB             | World Bank                                              |

## EXECUTIVE SUMMARY

### SCOPE AND OBJECTIVES OF THE EVALUATION

The strategic/ interim evaluation of the IPA Component 1 for BiH takes place in a larger frame, which includes similar exercises conducted in potential candidate countries in the Western Balkans.

The specific objectives of the present evaluation are twofold:

a) Providing an assessment of the intervention logic of the IPA assistance, including the extent to which assistance is/should be programmed through a sector based approach. The programming documents are to be assessed to come to conclusions on the extent to which they are based on a balanced and comprehensive planning, demonstrating how all accession requirements under the Copenhagen criteria will be met. For this objective, the evaluation is to take into consideration the intervention logic followed in the 2007-2009, 2008-10 and 2009-11 MIPDs.

b) Providing a judgment on the performance of the provided assistance particularly as regards its relevance, efficiency, effectiveness, impact and sustainability; for this objective the evaluation is to cover the assistance deployed under 2007-2009 IPA National Programmes –component 1.

### KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 1) Programming and intervention logic

The IPA assistance programme, launched in 2007, following the Council Regulation (EC) n°1085/2006 of 17/ 07/ 2006, is in the continuity of the previous EU assistance to BiH but the new instrument priorities are now entirely focused on supporting the country in preparing itself for EU candidate status.

The **commitments taken by BiH in this perspective** - which are those to be supported by IPA - **have not yet been fully integrated into a single national framework**, and **there is no real nationally owned programme which could serve as a reference and benchmark for tailoring the IPA assistance** to a well shared set of priorities acknowledged by all national stakeholders as critical on the country itinerary towards EU membership. The **main reference framework** presently in use remains the **European partnership**, which specifies key, short term and medium priorities and is perceived as the main reference for progress assessment, while other documents and in particular progress reports are not sufficiently used for programming purposes.

The **main programming documents** (MIPDs, NPs) **do not include SMART indicators** and, for the MIPDs, the chapters devoted to expected results and indicators **often present a mix of these two elements with no clear distinction between them**. The **project proposals/fiches** are the **main programming documents** where a **real attention to indicators and to their “smartness” is present**. They have improved significantly throughout the IPA programming exercises and are of a **rather good quality** in spite of some weaknesses related to definition of time line for attainment of results, quantification of results, optimisation in the selection of indicators and sometimes remaining confusion between indicators and means of verification.

On the EU side, the **main strategic and programming frame is fast moving for a country where progress is rather slow**. Even if an increasingly strategic approach can be perceived between the first MIPD (2007-2009) and its two successors (2008-2010 and 2009-2011), which all attempt to define an appropriate balance between the support required under the three areas of intervention corresponding to the main categories of the Copenhagen criteria - the **successive strategic programming documents do not demonstrate a significant improvement** throughout the three cycles.

In the programming of the three National Programmes, the emphasis has been rightly put on tightly linking the interventions to be selected with the priorities mentioned in the policy and strategic documents. In almost all cases, **there is an undisputable relationship between selected projects and strategic priorities**, even if the prioritization of the most relevant projects remains weaker. This is due to several reasons:

- a) the lack of coherent country development strategy and gaps in needs assessment exercises, programming documents struggle with extensive needs assessments for priorities.
- b) the lack of overarching country development strategy, under which the various strategies could be subsumed and to which the sectoral strategies could be linked, especially as regards to their financial implications has had strong influence on the IPA assistance
- c) the national structures for IPA assistance programming have not yet reached a completely mature level, after a long period where the main institution of the country in charge of IPA, the Directorate for European Integration (DEI), was left without proper overall direction;
- d) the national programming exercise cannot not yet rely, at its primary level, on officially appointed persons, having sufficient authority and support to stimulate needs identification from the various layers of the governments and institutions and for ensuring that both at state and entity level the specificity of the IPA assistance and its role towards EU accession preparation is well understood and properly reflected in project proposals.

In spite of these weaknesses, the **filtering of the project ideas at DEU and EC levels has led to the preparation and selection of relevant proposals**, in line with strategic objectives but which have sometimes underestimated the need to take fully into consideration the constraints resulting from the complexity of the institutional setup, characterised by a severe fragmentation of powers, not conducive to consensus building and fast decision making.

The profile of the **three successive national programmes has seen considerable improvements**, with more diverse forms and types of assistance, closer coordination with other donors in some areas, spectacular increase of national contributions, more structured projects addressing wider issues.

The following are **key recommendations** from the analysis of the programming and intervention logic:

- Ø **Adoption of the Country Development Strategy** and a comprehensive document containing the government strategic responses to all obligations and requirements to be fulfilled in the European perspective **is a prerequisite for embedding assistance within nationally owned comprehensive framework**.
- Ø **Continuous efforts should be paid to ensure that following features of programming process are in place:** a) securing adequate time frame for consultation and ensuring **sufficient participation** of all relevant stakeholders; b) extensive **needs assessment conducted to inform programming**; c) **strategic documents should be produced with longer time frame** to also reflect the country development pace; d) **strengthened strategic focus on priorities** with links to strategies.
- Ø **Intensifying the work towards accreditation of DIS in BiH**, within which official appointment of a consolidated group of SPOs is done, is of high importance. The **project programming committees**, including the Task Managers of the DEU and of the DEI as well as the Senior Project Officers (SPOs) **should be more formalised** and acquire a unified working style across all the IPA covered fields.
- Ø **BIH Government ownership and inclusion** throughout the **programming process is of crucial importance** for achieving long lasting results within the BiH EU integration process.

## 2) Administration and monitoring

BiH has started in 2005 with the preparation for the Decentralised Implementation System (DIS). However, **setting up of administrative structures** has been **burdened by political issues** that impeded the planned advancement in this area. The **administrative structures** – Central Finance and Contracts Unit (CFCU), National IPA Coordinator (NIPAC), National Fund **and strategic departments of DEI are in place** to manage the operation of DIS **but criteria for accreditation of this system are not yet met**. The appointment of SPOs, who should become the operational level interlocutors of DEI in the programming process and identification of most relevant IPA project ideas, is still pending, while there are strong debates over involvement of entities in programming and implementation. Some structures, such as the IPA Coordination Board are the subject of a political struggle on their role.

Currently, the **monitoring of the IPA is confined to the regional Results Oriented Monitoring office (ROM)** technical assistance project. **Management of the projects** themselves ultimately **rests with programme managers within the EU Delegation**. While there is **no significant ownership** of this system **by the DEI and the Government of BiH**, the progress has been made by the BiH Council Ministers, which adopted a **Decision in July 2010 to amend the Rule book of the DEI** in the area discussing monitoring and evaluation (M&E). This **Decision stipulates that the M&E Unit within EU Aid coordination division of DEI needs to be established**. The **DEI reacted** to this Decision immediately **by establishing the Unit**, initiating training of the staff and drafting manuals on Monitoring and Evaluation procedures, with assistance of the TA project to the DEI.

- Ø **Developing the internal synergy in DEI** between its main operational departments is considered critical. For the moment, the **main divisions of the DEI have not reached a satisfactory level of mutual cooperation** and this should be urgently addressed by the Directorate with the assistance of the present capacity building project in support of DEI.
- Ø The **Unit for Monitoring and Evaluation within the DEI has been established**, so it is important to **use the momentum and work on elaborating a monitoring system** that is functional, and also complementary and harmonised with the ROM system.
- Ø **Ensure the system by which monitoring reports will inform the further implementation of interventions** and exchange of lessons learnt within and between projects and sectors.

## 3) Sectoral approach

The strategic framework of Bosnia and Herzegovina is pretty impressive – **there are 66 strategies** adopted at state and entity levels of government. However, **only a limited number of areas enjoy comprehensive sectoral strategies**, linked with appropriate action plans and connected with the budgetary framework. The perspective to move to a sector based approach has been initiated through the preparation of the MIPD 2011-2013, and **one sector – justice – has been selected as pioneer of the sectoral approach**. This sector has been selected based on the following criteria: meeting appropriate minimum conditions - high priority in the EU accession process; existence of an overarching strategy; inter-ministerial cooperation and joint support by donors. The **BiH government** extended its work on sectoral approach by **conducting an analysis of the various sectors**, which could also be considered for sectoral approach. The **analysis provided basis for further consideration of different sectors**, besides justice and public administration for this approach.

Analysis of the BiH strategic framework and current debates on sectoral approach points out to the following **key recommendations**:

- Ø **IPA assistance should continue supporting capacity building** of the government **for strategy development**, while **their operationalisation through fully budgeted action plans should be strongly encouraged**.
- Ø **Continue working on a consensual definition of the concept of sectoral approach** and on the conditions and parameters necessary to plan one in a given sector.
- Ø **Further coordination of donors and efforts to strengthen aid effectiveness** is highly desired. **Government leadership in donor coordination should be strongly supported** and extended.
- Ø **Ensure that pioneering sectoral approach in the justice sector** will actually represent an **added value for the justice sector**.

#### 4) Efficiency and effectiveness

The implementation of the **IPA programme in BiH has been delayed by several factors** (late signature of the framework agreement, time needed for the BiH authorities to amend the law related to tax exemption). This has resulted in the initial financial agreement being signed only in July 2008, with first projects under IPA 2007 starting only at the end of 2008/ beginning of 2009. In order to accelerate the process, **the IPA national programmes 2008 and 2009 have been split in two parts**, an expedient which only slightly accelerated the programme. The financial agreement related to the second part of the national programme 2009 was in the process of being signed during the evaluation field mission to BiH. The **performance in terms of contracting and disbursement is rather low**, with 33% of the total amount of the three NP contracted and 12% disbursed. The bottlenecks experienced at the beginning of the IPA programme have now been overcome and should not hold up the smooth process of next stages of assistance.

Ever increasing number of projects and contracts takes the form of delegation agreements and if this trend is maintained, this will probably contribute to improving the efficiency of the projects, at least as far as the period needed for contracting is concerned.

Although the IPA Regulation foresees the possibility of getting the national programmes adopted in several batches, and although this twice used possibility has perhaps allowed to start contracting some projects at an earlier date, **this practice appears also to complicate the approval process** and, as far as the National Programme of 2008 was concerned, the two financial agreements ended being only distant by a few months (April and July 2009).

The **contracting period** appears to have been **rather long for the 2007 programme projects**. This can be explained by the fact that the consultation process necessary in a highly complex institutional system is time consuming and that, in some cases, reaching a consensus on some project features was uneasy. Nevertheless, even in non controversial cases, the contracting process appears to have taken a quite substantial amount of time. Since the end of last year, however, a significant acceleration of the contracting process has taken place and, according to the DEU, most of the projects soon to reach their contracting deadline will be able to be launched in due time.

For the on-going projects, **monitoring reports of the ROM system** – limited so far almost entirely to IPA 2007 projects - are rather **positive on efficiency and effectiveness** with: 15 reports having a B scoring and 7 a C scoring for efficiency and a similar pattern for effectiveness.

The findings related to effectiveness and efficiency lead to the following **key recommendations**:

- Ø **Special attention should be placed on careful planning of the time needed for the project preparation**. Splitting national programmes into different parts may have its benefits only if the time between the parts is longer than only a couple of months.

- Ø Continuously **focus on ensuring balance between cohesiveness of interventions and complexity of their structure.**
- Ø Monitoring reports provide meaningful **insights and comments** whose incorporation **may positively influence effectiveness and efficiency of interventions**, so their use is highly recommended.

#### 5) Impact and sustainability

It is rather uneasy to come to conclusions on possible impact and sustainability of a programme, since only a very limited number of IPA interventions have gone far enough to be assessed in this respect. Most of the impact felt now is linked to the results of the CARDS programme and not yet of the IPA. For the on-going projects, **monitoring reports of the RoM system** – limited so far almost entirely to IPA 2007 projects - **are also positive on prospects for impact and sustainability.** However, **these results are not very meaningful as almost all projects were monitored at the end of their inception phase only.** For the C scored on-going projects, monitoring reports of the RoM system indicate that the lack of vertical and horizontal coordination between BiH institutions is likely to have negative implications but that there is no other option than carefully assessing and weighing all potential constraints before launching interventions. **Setting strict conditions** when needed is also seen as one of the most **appropriate way to ensure that projects would not be hampered by political and institutional constraints** once launched.

#### **Recommendations:**

- Ø **Work more energetically towards the development of BiH leadership** in the various working groups devoted to specific sectors would be desirable.
- Ø **Harmonization of the two systems devoted to international aid coordination**, one specifically devoted to IPA assistance and the other to assistance provided by other donors should proceed further.
- Ø **Establishing a programme for ex-post evaluation of IPA interventions** to be conducted for projects belonging to sectors of high relevance for future programming and carrying it out as soon as a sufficient number of projects from the IPA National Programmes 2007 and 2008 are over would be desirable. Such actions would contribute to better programming in terms of integrating lessons learnt and best practices from implemented projects, and consideration of risks and incorporation of risk mitigation in the new projects. Such task should be carried out as soon as a sufficient number of projects from the IPA National Programmes 2007 and 2008 are over.
- Ø **Systematically devoting enough time and efforts in securing not only the consent but also the firm commitment of all needed stakeholders** of any planned intervention and in formalizing this commitment before the project start is an imperative in the complex governmental and administrative framework of BiH.

## **BRIEF REMINDER OF THE BACKGROUND AND CONTEXT OF IPA ASSISTANCE TO BiH**

### **BACKGROUND**

The Dayton Peace Agreement, which put an end to four years of conflict, while allowing BiH to move out of instability and entering into a calmer period of development, has also resulted in the establishment of a complex constitutional and highly fragmented system of government, with the establishment of numerous centres of power, based on ethnic lines, engendering slow policy making and obstacles to the establishment of the creation of a unified socio-economic space through country wide strategies and policies adoption.

The international community has supported, after the period of reconstruction following the end of the war, a number of reforms of the BiH public administration and governance structures, with the aim to consolidate the State level of governance, necessary for a unified future of the country. Today, in spite of diverging views on a number of issues, the vast majority of the political actors as well as of the population formally support the European integration process and full membership in the European Union (EU) as a major goal to be attained and a guarantee for BiH future security and prosperity.

The decision on Initiative for Starting the Association Process of BiH to EU was signed by the CoM of BiH. The BiH government confirmed its commitment to the priority of EU integration in October 2002 and January 2007. On the other side, EU which had, since the end of the war, supported BiH in its stabilisation process, demonstrated a strong commitment to supporting BiH process to an eventual membership, reaffirming it at the Thessaloniki Council of June 2003. Further to it, the European Council adopted in 2004 the first European Partnership (EP) for BiH that includes a realistic and detailed plan for legal approximation based on EU requirements. The EP also represents the basis for the Programming of EU assistance.

Opening the Stabilisation and Association Process (SAP) formalised the EU and BiH commitment to European integration, and outlined formal steps towards this overall objective. An essential stage of the process was the Report of the European Commission to the Council of Ministers on the preparedness of BiH for negotiations of SAA with EU developed in 2003, which identifies sixteen outstanding priority reforms where significant progress would allow the Commission to recommend to the Council the opening of negotiations on Stabilisation and Association Agreement (SAA) with BiH. After the adoption by the BiH CoM of the Programme of activities for the realisation of the 16 priority areas in 2004, the EU Council officially opened the negotiations in Sarajevo on the 25<sup>th</sup> of November, 2005. Two official and five technical rounds of the SAA negotiations took place in the period between November 2005 and December 2006. During the fifth technical round the SAA negotiations were completed in a technical sense and the whole text of the SAA was agreed. Finally, the SAA was signed on the 16<sup>th</sup> of June, 2008. Meanwhile, the Interim Agreement came into effect on the 1<sup>st</sup> of July, 2008 and will be in application until the SAA has been ratified. The SAA was ratified by the BiH Government in November 2008. It still remains to be ratified by a few European MS.

BiH also adopted the EU Integration Strategy on the 29<sup>th</sup> of July, 2008. This document defines steps for the implementation of the country's obligations under the SAA and Interim Agreement (Action Plan for Implementation of Terms of Interim Agreement and SAA). The Directorate of European Integration (DEI) was tasked to report on the progress of implementation of those obligations on a quarterly basis. In addition, the BiH CoM adopted, on the 6<sup>th</sup> October, 2008 the Action Plan for the Implementation of Priorities from the European Partnership for the period 2008-2012.

The three last EC progress reports (2007, 2008, and 2009) on BiH indicate that Bosnia and Herzegovina has made only limited progress in implementing the reforms required by the SAP. Furthermore, The MIPD 2009-2011 emphasises the considerable challenges still facing BiH in order to comply with the political requirements of the SAP. It underlines the importance for the country to increase the effectiveness of its executive and legislative bodies, improve the co-ordination between the State and the Entities and to agree on the reform of its police structure.

The complex political situation has even been rendered more difficult with the occurrence of the global crisis, which has started impacting on employment, slowing down economic growth, led to slippages in public spending, which constitute serious obstacles to social and economic recovery.

## **EUROPEAN UNION ASSISTANCE TO BiH**

The EU assistance to Bosnia and Herzegovina has amounted to 2.8 billion EUR since the end of the war in 1995. Different types of assistance have been provided, including 540 million EUR for humanitarian assistance. More than 1 billion EUR was allocated to BiH through PHARE, OBNOVA and CARDS, of which 503 million EUR under the CARDS programme in the years 2001 to 2006. IPA 1 has already provided more 155 million EUR since 2007.

The nature of the EC assistance to BiH assistance has progressively changed with new demands and realities in the country. After a period where assistance had been largely concentrating on post conflict support, reconstruction, return and reintegration, the emphasis has shifted towards institution-building and towards assistance aimed at supporting BiH in complying with the requirements of the European Partnership, initially with evolving priorities within the CARDS programme, then with the introduction of the IPA Programme. The Regulation of the 17<sup>th</sup> of July, 2006, establishing this new instrument specifies that its overall objective is to “assist the (concerned) countries in their progressive alignment with the standards and policies of the European Union, including, when appropriate, the *acquis communautaire*, with a view to membership.” Since 2007, through its national and multi-beneficiary programmes, the IPA programme addresses the political and economic requirements in the framework of the SAP and approximation to European Standards, mainly to support BiH to establish regulatory systems and preparing for IPA pre-structural funds, and supports the participation in cross-border cooperation programmes with neighbouring countries and EU Member States (MS).

## **SECTION 1: THE STRATEGIC/ INTERIM IPA ASSISTANCE EVALUATION**

### **1.1. OBJECTIVES OF THE EVALUATION**

The strategic/ interim evaluation of the IPA Component 1 for BiH takes place in a larger frame, which includes similar exercises conducted in parallel for other countries of the Western Balkans. The evaluations related to BiH and to Serbia have been implemented under one single contract by one evaluation team while the evaluations related to Albania and Kosovo have been carried out through another contract involving another team of experts. This approach is linked with the EC intention to use the results of the evaluations for a mid-term meta-evaluation of the IPA assistance. The whole process has been coordinated and harmonised by the DG Enlargement Operational Audit and Evaluation Unit (E4).

This type of evaluation, the principle of which is started in the article 22 of the EC regulation establishing IPA, is, according to its ToRs aimed at providing findings, conclusions and recommendations to the EC for reviewing its approach on planning and programming assistance to IPA beneficiaries and for the preparation of the 2011-2013 MIPDs. The ToRs of the assignment underline the importance for the evaluators to fully take into consideration the fact that the IPA assistance is provided to assist beneficiaries in meeting a specific set of requirements, necessary for these countries to smoothly proceed towards meeting all criteria leading to accession to EU.

More specifically, the objectives of the present evaluation are twofold:

- a) Providing an assessments of the intervention logic of the IPA assistance to the concerned countries (in the case of the present evaluation, to BiH), including the extent to which assistance is / should be programmed through a sector based approach. The programming documents are to be assessed to come to conclusions on the extent to which they are based on a balanced and comprehensive planning demonstrating how all accession requirements under the Copenhagen criteria will be met;
- b) Providing a judgment on the performance of the provided assistance particularly as regards its relevance, efficiency, effectiveness, impact and sustainability. This last judgment is to be based on two levels of sources of evidence and analysis, at programming level as well as at implementing level.

### **1.2. APPROACH AND METHODOLOGY**

This evaluation is part of the FWC Commission 2007, lot 4. A single contract for both Serbia and BiH was awarded to IBF further to the request for offer n° 2010/231827 to perform this work.

The evaluation process was, according to the ToR s divided into four stages: a structuring phase, a data collection phase, an analysis of data phase and a formulation of judgement phase.<sup>1</sup>

After a general briefing meeting held on 9<sup>th</sup> of April, 2010 in Brussels under the chairmanship of the Head of the E4 Operational and Evaluation Unit of DG Enlargement, the work was divided in specific activities to be implemented respectively in BiH and in Serbia. Two separate inception reports were therefore produced and two kick off meetings organised. For BiH, the kick off meeting took place in Sarajevo on the 26th of April, 2010. After approval of the inception reports, the field phase of the evaluation started and lasted until the 10th of June, 2010. Before the departure of the experts from their respective places of field work, a presentation of their preliminary findings was organised by the

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1 See evaluation process and stages in annex 5 of the present report

DEUs. For BiH, it took place on the 10th of June, 2010 and was immediately followed by a joint presentation in Brussels DG Enlargement E4 Unit. After this event, the experts undertook the preparation of their respective final reports. Annexes 4 and 5 contain people interviewed and lists of documents/ sources consulted during the mission.

The presentation of the findings, conclusions and recommendations of the main part of the present report follows the order defined in the ToR of the evaluation, which, in its paragraph 2.5 mention the required outputs, in relation to the answers made to the evaluation questions listed in paragraph 4.2. In response to the ToR requirements, the Evaluation Matrix has been developed with elaborated judgement criteria, which guided the evaluation process and assisted drawing conclusions and recommendations (for more information, please see Annex 1).

This interim Evaluation of the IPA Pre-accession assistance focuses on the one of its five components, namely the IPA-Component I (Technical Assistance & Institution Building, TAIB). The evaluation seeks to assess the EU IPA TAIB assistance in Bosnia and Herzegovina within five groups of questions, i.e. 1) the programming and intervention logic; 2) Administrative and monitoring capacity; 3) Overview mapping; 4) efficiency and effectiveness; and 5) Impact and sustainability. The following sections will present assessment and findings within each of these five groups.

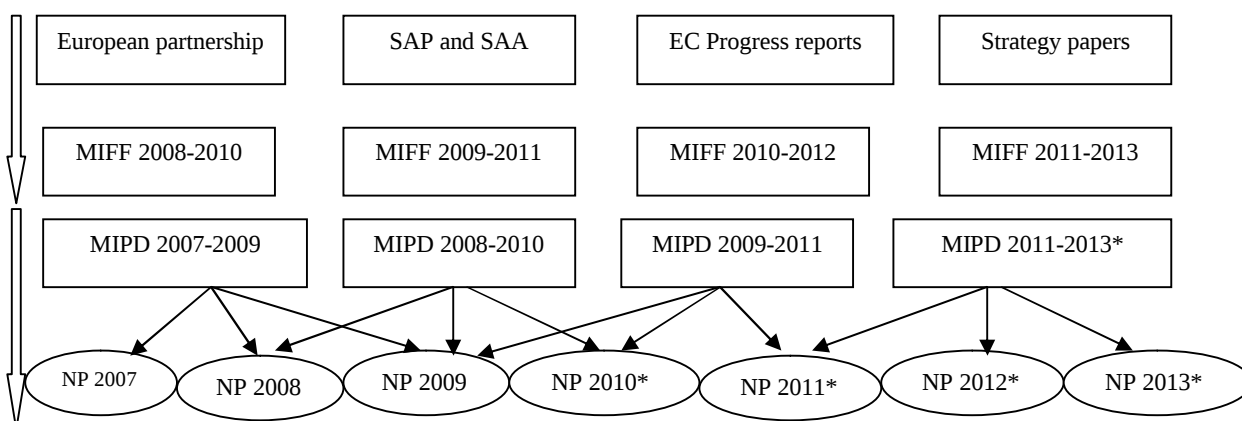
## SECTION 2. PROGRAMMING AND INTERVENTION LOGIC (QUESTION GROUPING 1)

### 2.1. PROGRAMMING OF THE IPA PRE-ACCESSION ASSISTANCE

The process of preparation and updating multi-annual and annual programmes for achieving the strategic goals is set out in the Council Regulation (EC) 1085/2006 establishing an Instrument for Pre-Accession (IPA), and further defined in Commission Regulation (EC) 718/2007 (the 'Implementing Regulation', IPA-IR), and relevant programming documents which are organised in a strategic hierarchy i.e. in a descending order of policy priority & planning timeframe.

The hierarchy of IPA-TAIB planning and programming documents is strictly followed in Bosnia and Herzegovina, as it is shown in Figure 1 below.

Figure 1: Strategic framework for IPA TAIB



Adapted from the DG enlargement programming guidelines version 2008

The EC Enlargement Strategy, EC Progress Reports that are prepared each year for the pre-accession countries, European Partnership, and Multi-Annual Indicative Financial Framework (MIFF) provide political and strategic framework for each pre-accession state and make out the 'enlargement package' of documents presented annually by the EC to the Council and the Parliament, and at the same time provide the road map for the pre-accession states.

The Multi-Annual Indicative Planning Documents (MIPD) are country specific documents that provide more in depth priorities and strategic objectives in that country over a 3 year period that are embedded in the country's context and are based on the strategic and political analysis. The MIPD development process is led by the EC Headquarters (EC HQ), and is envisaged as a participatory process whereby stakeholders in the beneficiary state provide inputs in the prioritisation. It is envisaged as a rolling document, which is reviewed annually, while the 3 year period is extended by 1 year. Within the scope of this evaluation, 3 consecutive MIPDs were examined, while the drafting process for the MIPD 2011-2013 was underway at the time this Evaluation was conducted.

The National programmes are further operationalisation of the MIFF financial allocations and MIPD priorities for IPA-TAIB, and they are based on the projects prepared by beneficiary countries. Project preparation is therefore an integral part of IPA-TAIB programming. The National Programmes for the years 2007, 2008 and 2009 and associated project fiches were analysed as part of the evaluation.

The intervention logic and challenges encountered during the planning and implementation of the IPA TAIB in Bosnia and Herzegovina will be tackled in the following section, which focuses on the issues of: setting of objectives; sequencing of projects; project selection/preparation and coordination with other donors.

**Q.1. TO WHAT EXTENT ARE OBJECTIVES AT DIFFERENT LEVELS (STRATEGIC, MIPDs AND PROGRAMMES) CLEAR, MEASURABLE AND REALISTIC?**

**Reference framework for EU integrations of Bosnia and Herzegovina**

Until now, the **reference framework** which **had been most used as a benchmark** and yardstick for the **progress of BiH in the implementation of the EU requirements** have been the successive **European Partnerships (EP)**.<sup>2</sup> For the time being, they constitute the main basis on which the BiH authorities monitor the progress made in the implementation of the measures in response to set of EU accession requirements. The strong asset of these documents is that they establish a clear setting of short term (1 to 2 years) and medium term (3 to 4 years) priorities and they include prioritization order within short term priorities, which de facto confer to the **nine or ten key priorities** selected among the short term ones, orienting the work of the authorities toward a limited number of critical issues. This type of approach is particularly helpful and could be used more widely in other strategic documents. With a new European Partnership Decision every two years since 2004,<sup>3</sup> rolling MIPDs being produced every year, sometimes even when the implementation of the previous one has not yet started<sup>4</sup>, it is understandable that a certain confusion is created and that the BiH authorities have the uncomfortable feeling of being asked to adjust to an ever changing framework, even if the reform agenda remains largely unchanged. Finally, even in the instance of the **introduction of the anti-crisis package** in the MIPD 2009-2011, which **led to a serious shift in the profile of the IPA assistance** to be provided by the EC to BiH, **there was no absolute necessity in having a new MIPD to include this element** as this type of assistance (investment in support for investment projects, aiming in particular at building management capacity in the areas of regional, human resources and rural development) is clearly foreseen in the IPA 2006 Regulation<sup>5</sup> for potential candidate countries.

**Findings:**

- r The Strategic framework as set out by the EP is a reference framework for monitoring of progress of the country in meeting the EU requirements
- r The rhythm of the **production of policy and strategic framework documents on the EC side appears too high and not entirely fitting** the progress in a country where the decision making processes are rather complex and slow.
- r There is no obvious need for a permanently rolling MIPD process but rather for 3 to 4 years MIPDs, strategically oriented and conducive to translation into specific annual programmes, where can be reflected the need for adjustments, further to the conclusions of the EC annual progress reports.

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<sup>2</sup> See table showing the results of the assessment of the implementation of the EP as prepared by DEI as graphs d) and e) in Annex 2 of the present report.

<sup>3</sup> Council Decision 2004/515/EC; Council Decision 2006/55/EC of 30/01/2006; Council Decision 2008/211/EC of 18/02/2008.

<sup>4</sup> One can observe that the MIPD 2007-2009 clearly states (page 5) that "the priorities set out in the document will serve as a basis for the annual programming of EU funds in 2007, 2008, 2009, while the next MIPDs do not make any more reference to their relationship with specific IPA annual programming; furthermore, while the 1<sup>st</sup> part of the IPA annual programme 2008 refers to the MIPD 2007-2009, its second part makes reference to the MIPD 2008-2010. This does not make a lot of sense for annual programmes whose financing agreements have been respectively signed on 09/ 04/ 2009 and 28/ 07/ 2009.

<sup>5</sup> Article 15 of the IPA Regulation of 17/ 07/ 2006.

## Quality of MIPD Objectives

Each MIPD defines the strategic objectives for IPA assistance in the 3-year planning period it covers. According to EC guidelines, national MIPD strategic objectives should integrate the analyses & assessments made by higher programming documents and tailor them to the specific needs of that country. The MIPD thus presents priorities and objectives for a country in a given 3-year period. MIPD strategic and priority objectives are listed in Annex 2c. By their nature, the objectives set out in MIPDs are rather broad and can hardly be expected to be SMART. The programming documents should however include reference to an ascending/ descending order of objectives, from specific, to intermediate and overall and vice-versa, which is not the case in both MIPDs and programmes. The MIPDs make use of three different concepts –**objectives, priorities and choices** - to express the descending logic going from strategic objectives to operational ones<sup>6</sup>. Using the concept of choice rightly indicates that it is not possible, starting from strategic objectives and priorities to directly infer the single compulsory path to the most relevant operational programme, but that a number of factors - level of feasibility, existence of other interventions and assistance, institutional preparedness need to be taken into consideration before the final selection of the interventions is made. This approach would request that reasons for final choices are better explained and that reasons for not making alternative choices are expressed in a clearer manner in these documents.

In the **MIPD 2007-2009**, there is still **an indication of the specific interventions (almost projects) foreseen to lead to the attainment of the planned results and objectives**. At the same time, while for some of the envisaged interventions, the nature of the project remains to be more precisely defined, for other interventions, it is obvious that the **MIPD is only reflecting and confirming already agreed project proposals**. In the very similarly designed **2008-2010 and 2009--2011 MIPDs**, **a more strategic approach was adopted**, and **most of the results show an adequate level of definition**. There are however some exceptions, where one can observe as an unjustified jump between the level of one expressed objective and the result(s) corresponding to it. In general, **the analysis of the successive MIPDs show a low number of results per objective/ choice, in particular for the intervention related to the political criteria** requirements (area of intervention 1) and **economic criteria** requirements (area of intervention 2).<sup>7</sup>

## Findings

- r Throughout the three successive MIPDs, there has been **little improvement on the distinction made between results and indicators**, although the structure of the chapters devoted to these matters has evolved.

## National Programmes' Objectives

The July 2006 IPA Regulation<sup>8</sup> specifies in its article 16 that "Assistance should be provided on the basis of a comprehensive multi-annual strategy that reflects the priorities of the Stabilisation and Association Process, as well as the strategic priorities of the pre-accession process". However, various policy documents related to EU accession strategy (European Partnership, SAA/ Interim

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<sup>6</sup> Currently, the EC is considering a proposed system of different levels of objectives/priorities to be used in the MIPDs to clarify the current rather confusing structure. According to that proposed system, priorities (not necessarily measurable) should be identified in the MIPDS at the highest level, then followed by objectives (measurable ones), with results as the realisation of objectives. If adopted, such system will greatly facilitate the programming logic of the MIPDs.

<sup>7</sup> See table c) in annex 2 of the present report

<sup>8</sup> Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)

Agreement, Progress Reports) are not yet fully perceived by the BiH government as complementary elements converging towards the realization of the European perspective. Rather, they are viewed as separate frameworks, which have their specific logic and whose requirements are not always clearly inter-related. This situation renders the use of the nationally produced documents uneasy for the assistance programmers. The National Programmes and thus, project fiches have stronger discipline to develop SMART objectives. The improvements in this regard have been visible with each National Programme. However there are individual projects that have vague objectives, leading to lower quality of indicators (this issue is further discussed in the Q 7).

- r On the BiH government side until now, there has been a serious weakness in translating all the obligations and requirements linked to the process of BiH future accession to EU membership in a unified framework and in a single document.
- r General use of the EC progress reports as valuable input for programming of assistance and work on meeting the EU requirements is not on a satisfactory level.
- r National Programmes and related project fiches show more focused and strengthened objectives.

### Conclusion in relation to question EQ 1

It may be concluded that **the national framework** as a basis for programming **faces significant weaknesses**, mainly in **connecting the documents with wider frameworks and needs assessments** in the country. Also, there is a **visible inflation of strategic documents** and **lack of a unified approach among them**. **Programme documents** also **suffer from confusion between results and indicators**, and **especially their SMARTness**. Nevertheless, the National Programmes and project fiches show improved attention to strong and SMART objectives. On the positive side, **there is an evolution as regards to adoption of a more strategic approach and improved definition of results** in the more recent IPA programming documents.

**Q.2. TO WHAT EXTENT PLANNING AND PROGRAMMING PROVIDE ADEQUATE ASSESSMENT OF NEED (BOTH FINANCIAL AND TIME) TO MEET ALL ACCESSION REQUIREMENTS / STRATEGIC OBJECTIVES?**

### Country Development Strategic Framework

The main framework where a global “needs assessment” is expected to be present is the overall strategic document of the beneficiary country, in this case BiH. This document should indicate the development goals and priorities of the country for a medium term period; the main issues faced in each of the broad development areas; the level of human and material capacities as well as financial resources available to deal with these issues, but also attain the stated strategic objectives and orientations selected by the Government to tackle these priorities, possibly with the assistance of the international community. Such **an overall development strategy existed in BiH** in the years preceding the introduction of the IPA instrument as **the Mid-Term Development Strategy (MTDS), which succeeded the Poverty Reduction Strategy Paper (PRSP)**, which covered the years 2004-2007. **The MTDS strategy defined the EU accession as one of its main goals** but did not reflect in each of the sector related chapters all the obligations that the achievement of this goal required. **After 2007, there was not direct successor to this overall strategy** and the three year process to complete the new one is still underway.

A large participative process has now led to the preparation and finalisation of a new overarching **Country Development Strategy (CDS)**, the time perspective of which is 2014. This strategy and its related social inclusion part, which constitutes a fully fledged strategy of its own, remains to be submitted and adopted by the BiH CoM, the Government of the Federation of BiH (FBiH), the

Government of the Republika Srpska (RS) and the Brcko District (BD). When this is done, it will not only provide **an overall direction for the country economic and social development** but also identify, through its four modules devoted respectively to the State, to the FBiH, to the RS and to the BD, action plans specifying measures and activities to be taken at all levels of authority. **This should constitute the basis for the further development** of the not yet produced National Programme for European Integration.

In the last period, **the BiH Directorate of Economic Planning (DEP) has regularly produced Economic and Fiscal Programme<sup>9</sup> annually**, according to a methodology defined jointly with the EC. The last and fourth programme of this type has a 3 year perspective, covering the period 2010-2012. It is the first of these programmes prepared since the signature of the SAA, and adopted by the BiH CoM at the end of 2009. The document benefited during its preparation from the contribution of the DEI, which should guarantee that it fully integrates the EU accession perspective. Although it does not update all the sectors, **it provides a clear description of the situation and major issues in a number of sectors, critical for the progress of BiH towards EU membership** (situation of the productive sector, and of the privatisation process, analysis of the financial sector, reform of the administration; employment situation and prospects, pension reform, business climate and environment, small and medium enterprises (SMEs) development). It can be seen as a major asset towards the definition of assistance priorities in a number of fields, critical for progress towards EU accession, although the extent to which these annual documents are actually used for this purpose is not clear, or at least could not be assessed during the field mission.

The elaboration, further to the adoption of the CDS and of its accompanying action plans, of a National Programme for EU integration, bringing together the consideration of all the country's commitments in relation to preparation for EU integration remains a major step to be taken by the BiH central authorities to **develop their ownership** of the requirements defined in various EC produced policy documents.

### **Findings**

- r **BiH Government has not adopted a comprehensive Country Development Strategy**, and there is **no wide ranging Needs Assessment document** that could be used to inform the programming. On a positive note, **the Economic and Fiscal Programme<sup>10</sup> documents are prepared regularly, according to a methodology defined jointly with the EC.**

### **Quality of needs assessments in the main IPA strategic documents**

**The MIPDs (2007-2009, 2008-2010, 2009-2011), do not clearly express objectives mentioned at strategic level and these documents usually only recall their alignment with the Enlargement strategy, the findings of the last progress reports, and the recommendations of the European Partnerships.** For example, the 2009-11 MIPD for BiH contents itself to recall that "since the previous strategy papers (MIPD 2007-2009 and MIPD 2008-2010), BiH has only made limited progress in implementing the reforms required by the SAP" and that consequently no change was made in the priorities identified in the previous documents. They usually retain only the main conclusions drawn from the more recent EC progress reports but do not put them sufficiently in relation with the overall priorities of the country. One can observe that even if some factors have prevented progress in several reform areas, other factors might have contributed to the occurrence of significant changes in the situation of the country, which would require a modification in the profile of assistance to be provided to it.

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9 Economic and Fiscal programme 2010-2012. BiH Council of Ministers. DEP.

10 Economic and Fiscal programme 2010-2012. BiH Council of Ministers. DEP.

Because of these weaknesses, the **conclusions and strategic choices** presented after the needs assessed in the MIPDs **do not sufficiently appear as clearly deriving from a strong assessment of the country situation**. There is in particular **no reference made in the MIPDs to the latest reports of the BiH government** related to the progresses made in the implementation of the key priorities of the EP, which would give a good basis for updating needs and potential assistance in relation with major issues closely connected to advancement of the country towards realisation of its own pre-accession plans. For example, it would be necessary in the last MIPD to better explain how- in a situation where political dissent creates bottlenecks in the some of the needed reform areas- the civil society is expected to contribute to overcoming of these divergences and lead to a renewed impulse towards democratic reform spirit. Finally, what is presented as an obvious conclusion **should be better substantiated** since **absence of progress made on strategic issues** might as well **require changes in the strategic approach** to attain the overall objectives.

The IPA NPs<sup>11</sup> (except the first IPA NP 2007, which was more detailed in this respect) **do not provide a detailed assessment of needs** but the **Commission decisions** regarding each of these programmes **refer for that to the project proposals submitted** by the beneficiary country. This is because proposals are meant to include all the necessary features justifying the choice and the design of specific interventions in a given context.

### ***Quality of needs assessments for projects***

It is therefore **in the project fiches** that **one can find detailed needs assessment, justification for the project selection, full description of the planned interventions**, put in relation with the **strategic priorities for progress** towards EU accession, as agreed in the partnerships and contractual agreements between the beneficiary country and the EU. These **fiches appear to have constantly improved** since the beginning of the IPA assistance, and this after a first improvement trend mentioned in the CARDS Ad Hoc Evaluation<sup>12</sup> performed for BiH in 2008. In general, **the fiches of the 2007, 2008 and 2009 NPs incorporate a proper description of the background of the projects, an adequate justification of their relevance** - if not always of their utmost priority – in relation with both the country's sectoral objectives/ strategies available - and with the commitments taken by the BiH in the framework of the pre-accession process and of the SAP. **They also place the project proposals in the context of previous interventions and of contributions** of both the EC and other donors, **although this aspect is sometimes insufficiently developed**. It is in the fiches, which are the "basic elements" of the programming chain that most needs assessments are present and usually well elaborated.

### ***Findings***

- r The IPA main strategic programming documents, the MIPDs and National Programmes, do not devote a large part to extensive and deep needs assessment", although one of their chapters is in principle devoted to it. Project fiches contain very detailed needs assessment sections.

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<sup>11</sup> The profile of the three NPs with number of projects and amounts per areas of intervention is presented in figures I) in Annex 2 of the present report. These profiles are followed by a table showing the level of financial execution of the three NPs.

<sup>12</sup> Ad Hoc Evaluation of the CARDS programme (BIH) Ramboll Management; final report 18/ 12/ 2008.

## Conclusion in relation to question EQ 2.

There are **clear deficiencies** in the **country's own needs assessment framework**. Also, **insufficient quality of the needs assessments** presented in the MIPDs is visible. On the positive side, the IPA **project fiches** contain well elaborated **specific needs assessment analyses**.

### Q.3. TO WHAT EXTENT ARE ANNUAL IPA COMPONENT 1 ALLOCATIONS (MIFFs) ADEQUATE IN RELATION TO THE STRATEGIC OBJECTIVES OF THE MIPDs?

The multi-annual indicative financial frameworks (MIFFs) constitute the second level in the IPA planning and programming framework.<sup>13</sup> They represent articulating point between the policy level and the strategic programming level, the main instrument of which is the MIPDs<sup>14</sup>. It is therefore impossible to assess whether the annual allocations set up for BiH by the MIFFs have been adequate to achieve the strategic objectives of the MIPDs.

The BiH MIPDs 2007-2009, 2008-2010, and 2009-2011 all refer to the indicative budget allocations foreseen in the MIFFs and take these figures as the indicative basis on which programming choices are to be made. The only indication given of a relationship between “needs assessments” at country level, budget allocation per country and component in the MIFFs and the MIPDs is found in reference made in the MIFFs to the fact that allocations are decided upon the consideration of the analyses made in the various reference documents of the Enlargement package (European Partnerships, Annual Country reports, Enlargement Strategy Paper), and that needs and absorption capacities of the countries are taken into account in this process.

The MIFF 2008-2010 mentions that its reference for setting the level of allocations has been the 2006 enlargement package, while the MIFF 2009-2011 refers in more general terms to the enlargement packages presented to the Council and European Parliament each year. The **main basis for the decision about the level of annual allocations for the candidates and potential candidate countries** appears to be **mainly related to the previous levels of EU assistance** already received by these countries in the previous period<sup>15</sup>. **Indications given in the MIFF 2008-2010** specify that **BiH will receive no less than the annual average** of the funding received during the period 2004-2006. In the field of regional and horizontal allocations, **more indications are given on the financial implications resulting from the introduction or strengthening of a number of programmes in various areas** (energy, transport, environment, social sectors) and **clearly indicate the contribution** which will continue to be provided to specific interventions, such as the funding of the Office of the High Representative/ European Union Special Representative (OHR/EUSR) in BiH.

Some additional factors have weakened potential links between annual allocations foreseen in the MIFFs and the MIPDs. The **allocation foreseen in the MIFF 2008-2010 for the year 2007** was, for several reasons linked with **delays experienced in adoption of IPA regulation** and agreement on a new financial framework for the period 2007-2013, **not in relation at all with any MIPD** but was a **confirmation of the 2007 figures** provided in the EC preliminary 2007 budget.

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<sup>13</sup> See the planning and programming framework illustration in the Figure 1, adapted from the DG enlargement programming guidelines version 2008

<sup>14</sup> The same sentences can be found in both the 2008-2010 MIFF and 2009-11 MIFF: “It (The MIFF) acts as the link between the political framework within the enlargement package and the budgetary process. The Multi-Annual Indicative Planning Document (MIPD) established for each beneficiary country, through which pre-accession aid for that country is delivered, will take into account the indicative breakdown proposed in the MIFF”.

<sup>15</sup> The MIFF 2008-2010 and 2009-2011 mention that “the figures for 2008 onwards have been calculated on the basis of per capita allocations which have been quoted in the past as a proxy for needs and impact”. Communication from the Commission to the Council and the European Parliament; Instrument for pre-accession assistance; multiannual indicative financial framework for 2008-10 and 2009-11.

There is **no evidence of shortage of funds** and the only possibility to identify such shortages would be to be able to assess the extent to which some project proposals submitted by the BiH authorities and presenting a high level of priority were not accepted for inclusion in the IPA annual programmes for financial reasons. This does not appear to have been the case and the **main reasons which appear to have been at the origin of the rejection of project ideas/ proposals were rather linked to an insufficient justification** of their level of priority to achieve the objectives set up in the MIPD and other constitutive elements of the enlargement package. It can, however, be noted that **the introduction of the anti-crisis package** - much appreciated – **has led**, according to the DEI, **to postponement of some already pre-selected projects** which had been considered on the BiH authorities' side as important to achieve some strategic results. One **area of intervention** which might have been **affected from this strategic choice was the European Standards and ability of the country to assume obligations of EU membership**. This is an area where the IPA assistance, in particular as regards to harmonization of the legislation, is **key and where BiH is suffering serious delays and weaknesses**<sup>16</sup>.

### **Findings**

- r The MIPDs **are built based on the knowledge of the indicative allocations of the MIFFs**. Therefore even the scope of the objectives to be reached within a given MIPD needs to take into consideration these set allocations, which are always mentioned in the corresponding MIPDs as a given.<sup>17</sup>
- r **There is no immediately perceptible relationship between “needs assessments” at country level, budget allocation per country and component in the MIFFS and the MIPDs.**
- r The allocation foreseen in the MIFF 2008-2010 for the year 2007 was, for several reasons linked with delays experienced in adoption of IPA regulation and agreement on a new financial framework for the period 2007-2013
- r The European standards and ability of the country to assume obligations of EU membership areas **were affected** by strategic choice to introduce anti-crisis package.

**Q.4. TO WHAT EXTENT IS THE PROJECT SELECTION MECHANISM APPROPRIATE IN THE SENSE OF SELECTING THE MOST RELEVANT, EFFICIENT AND EFFECTIVE PROJECTS TO MEET STRATEGIC OBJECTIVES?**

The **management of IPA assistance in BiH is centrally managed**, with the responsibility for **final project selection with EC HQ**. The Directorate for EU integrations (DEI) leads the project preparation on the side of the BiH Government as it has the joint responsibility of the NIPAC (Head of DEI) and the EU Delegation in BiH. At the same time, ECHQ is to a large degree involved at each stage of the process and there are regular programming missions from DG Enlargement to BiH over the period in which annual programmes are being prepared, including project selection.

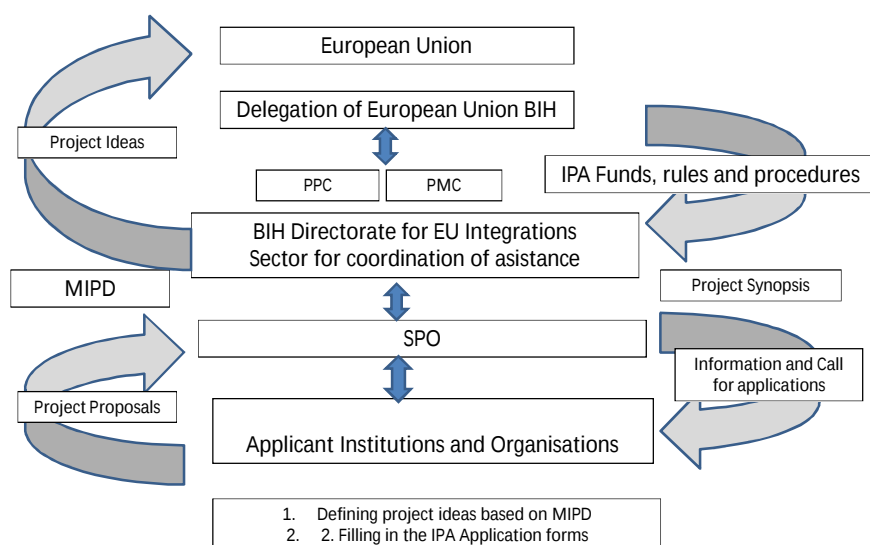
**Project selection**, within the larger framework of programming in BiH **takes place according to number of well defined steps**, and a simplified flow chart of this process is shown in Figure 2. As it may be seen in Figure 2 below, the **institutional framework for programming within which project selection is conducted is in place with clear responsibilities** of each of the key actors of the process. The selection of projects goes through several layers of consultation process taking into

<sup>16</sup> The comment of the DEU on this matter was well noted but, due to the fact that the overall financial amount of the IPA programme was not increased when the anti-economic crisis package was introduced, it was inevitable for this introduction to lead to a reduction of the allocations made to one of more of the other areas of intervention.

<sup>17</sup> See Executive summary of MIPD 2007-2009 (page 6), paragraph 3.3. in the 2008-2010 MIPD (page 6) and paragraph 2.3. in the 2009-2011 MIPD (page 14)

account the different layers of government in the country coordinated by the DEI. The EU Delegation and EC headquarters, including both the relevant geographical unit and the thematic ones, are involved to ensure and to further the work carried out by the line ministries and the DEI on the fiches preparation. This process guarantees that project proposals, which were not sufficiently elaborated by the beneficiaries, meet quality standards and are carefully checked for their level of compliance with the EU accession priorities. The NP 2007 mentioned, as an illustration of the strong initiative of the BIH authorities in IPA programming, the fact that DEI had pre-selected 3 proposals for 1 finally accepted project. In further programming of IPA, this proliferation of project ideas seems to have been rather considered by the EC as the demonstration of a lack of strategic approach to project selection.

**Figure 2: Project selection process**



This process benefits from the additional inputs provided through the Project Preparation Facility, a project included in the IPA 2008 National Programme, through which additional expertise has already been brought to the preparation of about 10 projects. Still, there should be caution that such structure (successive framework contracts) may not contribute to the long-term reinforcement of the capacities of the beneficiaries in project preparation.

The Box 1 describes the findings related to embedding the projects into existing policy and strategic documents.

**Box 1: Embedding the projects into the existing policy and strategic documents**

The consultation of the project fiches shows that all of them - starting with those included in the IPA 2007 NP - provide detailed explanations about the relationships that each of the selected projects entertain with the various policy and strategic documents related to the process of BiH integration within EU<sup>1</sup>. All projects included in the successive national programmes are put in relation with the main documents which compose the enlargement package, with a majority of references to the EP for the EC documents and fewer references to the progress reports, which appear to be perceived more as documents presenting a track record of achievements and pending issues rather than actual programming documents.

The degree of precision of the references made to the various strategic documents varies from one fiche to another but one cannot observe significant differences according to the areas of intervention in

this respect. It is also worthwhile noting that the project fiches do not always mention whether the given projects correspond to short or to medium term priorities of the EP or even if their content is likely to fulfil or contribute to fulfil a key EP priority.

As regards to references made to the national strategies, the picture is more mixed, with about 2/3 of the 2007 project fiches indicating a link with the then main national development strategy document, the Mid-Term Development Strategy (MTDS) covering the years 2004-2007. A few fiches establish a relation with the EU Integration Strategy, which was one of the components of the MTDS. Links with sector strategies are generally made clear and reference are added, in the fiche or in its annexes, to recently passed laws or strategies and laws under preparation, which is quite relevant. In a few cases, there is no mention of any relation with national sector strategies and it is difficult to infer from that whether there is no consideration given at sectoral level to the topic(s) of the project, which would be an indication of a low priority on the BiH side for this sector, or whether the national reference documents on this sector/ area were found of insufficient quality to be mentioned.

### **Weaknesses in the selection process**

In spite of the above mentioned positive features of the selection process, **it is not certain that the present selection process is always able to select the most strategic and effective projects.** Quality of prioritization cannot be simply inferred from the fact that almost all projects fiches are able to explain their relevance and strong linkage with strategic priorities expressed in both EU and national authorities strategic documents. The system of quotations, largely used in the project fiches to emphasize the projects high strategic priority, is not really appropriate since, as soon as one reference to the concerned topic/issue has been identified, this seems enough to justify the project high relevance. In some cases, it is clear that projects have been selected because they represent a priority for some groups and categories but it is less clear whether they are also perceived as a high priority at governmental level<sup>18</sup>.

Another relevant factor is the fact that, **due to delays in implementation of the BiH DIS Strategy, the SPOs at the state level** (even if many are operational since a lot of time) **are not officially appointed yet**<sup>19</sup>. The too large number of presently operating SPOs (57) makes them appear more as representatives of the institutions they belong to than as representatives of the entire sector. This problem should be solved with the appointment of the new SPOs group, whose number is anticipated to be reduced to 24. Another serious issue is linked to the fact that **SPOs do not benefit**, in many institutions, **of any supporting mechanism to conduct analyses and to programme** in their respective areas/ sectors, which renders the initial step of the selection process weak. In addition to that, the **DEI has not been able until now to provide to the SPOs the necessary strategic guidance**, which would assist them in pre-selecting proposals whose content is in line with the development needs of their sectors/ institutions, but also contribute to the progress of the given sector/institutions towards meeting EU accession requirements. In such situation, **SPOs require increased capacities, competences and power** to work with all concerned institutions in order to acquire substantial input and involve them in the IPA programming process.

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<sup>18</sup> This is for example the case for the Social Dialogue Project, selected on the request of the social partners but whose fiche fails to explain the extent to which the development of the intended social dialogue supported by the project is considered as a high priority by the BiH authorities.

<sup>19</sup> Due to complex BiH governance structure, the Entity governments have also appointed SPOs for different sectors, that are involved in development of projects. However, the coordination of the inputs is difficult for the SPOs at the state level, due to political aspects that influence the communication.

Another **weakness in the selection process** appears to be linked with the **timing sequence of the programming** (approximately 3 months). During this period, Task Managers (TMs) of the DEI contact the SPOs with tight deadlines for submission of proposals. As the multiple layers of government and governance in BiH increase the need for consultation procedures and processes, but also mean slow decision-making process than in the case of a more centralised set up, the present period allocated to programming is too short.

#### **Findings**

- r The project selection mechanism in place in BiH appears therefore to **have been able**, in spite of some weaknesses on the BiH side, **to prevent projects presenting low level of priority** and/ or unlikely to bring a meaningful contribution to strategic objectives **to find their way through** the annual programming process. At the same time, involvement of these actors in the project selection also ensures that the projects that address the needs and priorities are included in the final lists of projects in the NP.
- r The **delays in the appointment of SPOs** and **unclear responsibilities**, competences and cooperation lines between the state and entity levels **create obstacles for preparation of good quality projects**.

#### **Conclusion in relation with question EQ 4.**

Results of the selection mechanism usually lead to **project proposals well in line with priorities and strategic objectives**, even if the **ownership of the BiH government** in the selection process **is still insufficient** and the **DEI guidance towards SPOs is still weak**.

#### **Q.5. TO WHAT EXTENT PROGRAMMING PROVIDES ADEQUATE PRIORITISATION AND SEQUENCING OF ASSISTANCE?**

The question of prioritization was already partly considered in the answers to the previous questions. The programming process leads to a **relatively satisfactory level of prioritisation of projects**, but this result is attained mainly due to the massive contribution of the EC partners (both at Delegation and headquarters level) with a still insufficiently developed contribution of the beneficiary country stakeholders. Although all projects finally included in the national IPA programmes are in line with some of the priorities mentioned in one or more strategic reference documents, there is **no evidence that only the most relevant get finally selected**. However, the combined reduction in the project number and increase in the project scope, which can be observed through the three IPA programming exercises is progressively resulting in an **improvement in the prioritisation** of projects.

Good prioritization of assistance is very much linked with a thorough assessment of the risks involved in the selection of some projects of a sensitive nature in the present complex constitutional set up of the country and the existence of strong dissents between political forces in the country, an uneasy challenge. The assessed documents, such as the 2008-10 and the 2009-11 MIPDs, as well as the 2007 and 2008 NP, indicate **strong attempt of the BiH relevant authorities in charge of programming and the DEU to continue addressing some sensitive reform areas**, considered as critical for the progress of reforms. Namely, the **attempt to minimize the risk of failure** of such projects **is visible through efforts in consensus building**, attention paid to the **adequacy of the legal/ regulatory framework**, and to the **absorption capacity of the potential beneficiary institutions**.

No strong conclusion on the matter whether such an approach is intended to be pursued or modified can be drawn from this assessment. **Working in parallel to minimize the risks of project failure**, hence of lost of funds or inadequate project results, while **continuing to plan to address sensitive**

**issues** considered as critical for achievement of the ultimate goal of BiH integration to EU through IPA assistance **appears as a right and balanced attitude, even if results are not always crowned with success**. As mentioned in the overview of past assistance and lessons learned of the IPA NP 2008 (part 2)<sup>20</sup> “there is an increasing need for dialogue with all partners at state and entity level as the number of actors needed to effect a change in any given sector in BiH is high and the lack of ex ante consultation can adversely affect project implementation at a later stage”.

### Sequencing of assistance

The three year rolling character of the MIPDs<sup>21</sup> was conceived as a means to give some flexibility to sequencing of the assistance and allow projects facing difficulties in their preparation to be swiftly shifted from one NP to the next one. The MIPD 2007-2009 foresaw to concentrate on medium term priorities of the EP, assuming that CARDS and especially CARDS 2006 would be able to deal with the short term priorities of the EP, which was rather optimistic. As the implementation of the IPA 2007 and 2008 National Programmes has –for various reasons - incurred serious delays – **the benchmarks set up in the National Programmes for tenders/signature of grants/ calls for proposals have not been respected**, which had **negative implications on the sequencing of further projects**. The projects envisaged to be sequenced started piling up after a slow start, and slow contracting procedures combined with delays in NPs, resulted in often ineffective and inefficient sequencing of projects.

At project programming level, caution has been generally exercised about sequencing, by the inclusion of the necessary provisions in the project proposals allowing them to align their start date with the fulfilment of conditions, well specified in a number of fiches (adoption of a new law, completion of a preliminary study or assessment, fulfilment of conditions in the level of staffing of institutions – as in the case of the follow-up project for support to the DIS introduction; availability of land, buildings or construction permits, etc). In some cases, the **time necessary to prepare projects involving twinning agreements** has been **largely underestimated**. The Box 2 provides an example of sequencing of projects funded within the IPA TAIB in BiH.

#### Box 2: Sequencing issues in some IPA I projects in BiH

The Social Protection and Inclusion Project (SPIS) project, under the NP IPA 2007, shows a non typical approach to project sequencing with a single project financed separately in three annual sequences. Such approach has led to difficulties due to the extension of the initial phase, reverberated in a cascade effect on later stages.

Another project, devoted to EU awareness and planned under the NP 2008, is based on the assumption that it will use as its main reference the communication strategy to be designed and adopted within the intervention in support of DEI. However, there was no sufficient assurance that this will be realized in due time. In some cases, it might be useful to anticipate at project programming stage, how an intervention can be partly restructured if some anticipated events fail to occur as planned. For example, the IPA 2007 Census Preparation project can keep at least part of its raison d'être as a capacity building project even if the census law fails to be approved in due time. Another example shows that a legitimate intention to give a timely follow-up to the IPA 2007 capacity building project in support of metrology has led to the programming of a hybrid project – Support to Trade Policy, Capacity Building and Development of Infrastructure of a Metrology System in BiH - under the IPA 2008 programme, linking in a non logical manner assistance to the MoFTER for the development of trade policy/WTO accession/CEFTA implementation with support to the development of the infrastructure of the metrology system.

20 Annex: IPA 2008 – national Programme – BiH – part 2 (paragraph 8.3). page 10

21 This remark is not seen as contradictory with the comments made above on the inflation of programming documents, which needs to be rationalised.

## Findings

- r **Prioritisation of projects is satisfactory** and **selected projects are in line with** some of the priorities **set out in strategic reference documents**. However, **there is no evidence** that only the **most relevant get finally selected**.
- r The **sequencing of assistance was rather poor** at the beginning of the IPA programme.

## Conclusion in relation to question EQ 5.

**Progress is being made** on an already **acceptable level of prioritisation**, while sequencing issues are seriously considered, even if progress remains to be made to better identify potential risks at an early stage.

### Q.6. TO WHAT EXTENT PROGRAMMING TAKES ADEQUATE AND RELEVANT ACCOUNT OF BENEFICIARIES' POLICIES, STRATEGIES AND REFORM PROCESS IN RELEVANT KEY AREAS?

In principle, the **programming process is done in consultation with the beneficiaries**. However, stakeholders have varying level of satisfaction with the extent to which strategic decisions have taken sufficiently in account the beneficiaries' views in the preparation of the previous MIPDs. For some of the stakeholders, and in particular representatives of the civil society, the consultations have been one-off events without sufficient continuity to become a real participatory process. The **approach to preparation of the present MIPD 2011-2013**, with the organisation of 10 workshops centred on potential areas/sectors of intervention **is very much appreciated**. The replacement of mainly bilateral consultations by more **open discussions involving all interested parties is generally perceived as a step forward** to a real participatory process and an opportunity for all partners to provide input to the IPA priorities.

**National policies and sectoral strategies** and their links with the project idea are **especially well elaborated** in the project fiches, which give a complete and up-to date description of the national context within which the projects will take place, of the institutional set up in the concerned sectors, and of the legal and regulatory frameworks in place or about to be adopted. **Regular consultations take place** at various levels, in particular through the Programming Management Committee, involving the management level of DEI, MoFT, and DEU. The activity of the Committee seems to have gained a renewed impulse with the recent nomination of the DEI Director as NIPAC. At project programming level, the **cooperation between the TM of the DEU, their counterparts in DEI and the SPOs** of the various sectors appears to be of variable intensity and **requires more formalisation and systematisation** in some areas at least. **Continuous presence of the same interlocutors** (SPOs or their assistants) in these committees **is strongly needed**.

Currently, there is **no developed mechanism for sufficient cooperation** both at sectoral level and at project level on the results attained in specific sectors and/or projects, which may allow monitoring conclusions and recommendations to inform programming of new projects. In the IPA programme follow-up, the accent is almost exclusively on contractual and financial monitoring and there is little benefits taken from content related monitoring. The **chapter devoted to lessons learned**, which should reflect the assessment of the previous interventions from the point of view of their various stakeholders **is often a weak part of the project proposals/ fiches**.

## Findings

- r The **programming process** is executed with good level of consultations with the beneficiaries, and the **shift from bilateral meetings to participative workshops** is observed as **very positive**.
- r All the **programming documents** show a good knowledge and consideration of the **national policies and sectoral strategies**.
- r Currently, **no formal mechanism exists for exchange of experiences and lessons learnt** from the sector or project work that could be used to inform programming.

## Conclusion in relation to question EQ 6.

At the various levels, a proper consideration appears to be given to the beneficiaries' policies and strategies in the selected areas.

**Q.7. TO WHAT EXTENT PROGRAMMING AND MONITORING MECHANISMS INCLUDE SMART (SPECIFIC, MEASURABLE, AVAILABLE, RELEVANT AND TIME BOUND) INDICATORS TO MEASURE PROGRESS TOWARDS ACHIEVEMENT OF OBJECTIVES?**

## IPA Programming mechanisms

As already discussed under EQ 1, the MIPD chapters devoted to expected results and indicators often present a mix of these two elements with no clear distinction between them. However, it has already been argued that a clear distinction between results and indicators at this level would be rather uneasy. For example, adoption of a strategy is at the same time a result and an indicator that the government has, through this strategy, defined and designed a consolidated vision, orientation and priority setting mechanism in a given area. It is also problematic when the expected result of a widely planned intervention in a given policy area is the progress in the implementation of this policy. It is hard to specify at this stage all the major measures which will serve as benchmarks to assess the extent to which implementation has really progressed. The adoption of European standards and the compliance with the various EC accession requirements in each of the selected areas is a progressive process and it can be understood that the MIPDs do not go much further than indicating broad results. However, when "improvement" or "advancement" is foreseen, some more precise indications - rather than actual indicators - should be given on the type and level of the expected progress. It would be useful that NPs encompass, in addition to the projects list - indicating project purpose and implementation mechanisms - a brief summary of the main indicators of achievement selected for each project at purpose level.

The **project proposals/ fiches** are the main programming documents where **a real attention to indicators and to their "SMARTness" is present**. The Box 3 provides examples of indicators within 10 random project fiches (belonging to the three main areas of intervention in the 2007, 2008 and 2009 (part 1) National Programmes).

### **Box 3: Analysis of the indicators at project level**

Analysis of 10 random project fiches shows significant efforts in the definition of SMART indicators, but their quality remains variable. Weaknesses and possible improvement areas are in particular the following:

- with some exceptions (for example agriculture project 2008), the timeline for the attainment of specific results within the projects is generally not indicated, probably because it is assumed that the results will be assessed at the end of the project and that, in case there are several contracts foreseen under a single project their timeframe is already indicated elsewhere in the fiche.

- Quantification of results through indicators remains weak; for example, in case training is foreseen, the number or % of the personnel to be trained is rarely mentioned.
- When several institutions are to benefit from a project, indicators are sometimes grouped in such a way that makes uneasy to distinguish which specific result will be measured through the use of one given indicator;
- there are cases where selection of indicators is not done in a way to capture the achievement of the most important aspects of the projects;
- some projects also indicate to confusion in the logframes between indicators and means of verification.

Results Oriented Monitoring office (ROM) reports also provides these remarks. Still, these reports which almost exclusively relate to NP 2007 projects, for which project fiches were of a lesser quality than in the following years.

### BIH programming documents

For the moment, there is **no real all-encompassing Programme for EU Integration adopted by the BIH government**. The two documents used in assessment and measurement of progress towards agreed priorities are the Report on the implementation of the Interim Agreement/ SAA and the Report on the implementation of the EP. Indicators of the progress are assimilated to measures taken and there are no explanations provided on the effective implementation of the adopted measures. The public administration reform appears to be the more advanced sector where a complete mechanism for planning, implementing and monitoring the reform progress is in place, including indicators related to each of the 6 areas of the action plan 1. A similar approach is being finalized in preparation of the implementation of the action plan 2 but might prove more difficult to implement.

### Findings

- r The main programming documents (MIPDs, NPs) do not include SMART indicators.
- r Project proposals/ fiches are the main programming documents where **a real attention to indicators and to their “SMARTness” is present**; there is room for improvement of the quality of indicators in terms of clear formulation and quantification so that they can be better measurable.

### Conclusion in relation to question EQ 7

**Smartness of indicators is not always present** in programming at strategic level, and **progress can be made to include smarter indicators both in NPs and in the BiH plans for the implementation of the EP**. IPA project fiches show a rather good level of smartness in their indicators, but **there is room for further improvement**.

**Q.8. TO WHAT EXTENT PROGRAMMING TAKES ADEQUATE AND RELEVANT ACCOUNT OF ASSISTANCE PROVIDED AND REFORM PROMOTED BY KEY DONOR WHERE APPLICABLE?**

**The MIPD documents consider other donor assistance and international community involvement in assistance and reforms promotion.** The MIPD documents for 2007-2009; 2008-2010 and 2009-2011 provide reference to 27 donors and donor organisations actively providing assistance to Bosnia and Herzegovina in specific areas relevant for political, socio-economic and European standards criteria, out of which, Hungary appears as a donor in 2009-2011 MIPD. The Table 1 below shows the distribution of donors, as listed in the 2007-9 and later MIPDs, according to 8 broad sectors, these are: (1) Public Administration Reform (PAR); (2) Police and Security (PS); (3) Justice Sector (JS); (4) Civil Society and Media (CSM); (5) Protection of Human Rights and Minorities

(PHRM); (6) Economic Development including infrastructure(ED); (7) Education, Employment and Health (EEH); (8) European Standards including food safety, energy, agriculture and environment (ES).

**Table 1: Main Sectors of Assistance of Donors in Bosnia and Herzegovina (√ MIPD 2007-9; x MIPD 2008-10; p MIPD 2009-11)**

| Donors /Organisations                                                                                                                                                                                                                                                                                                                                                              | Sectors <sup>1</sup> of Assistance |       |       |       |       |       |       |       | Total Sectors |   |   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------|-------|-------|-------|-------|-------|-------|---------------|---|---|
|                                                                                                                                                                                                                                                                                                                                                                                    | PAR                                | PS    | JS    | CSM   | PHRM  | EDI   | EEH   | ES    | p             | x | √ |
| 1) Austria                                                                                                                                                                                                                                                                                                                                                                         |                                    |       | √ x p |       | √ x p | √ x p | √ x p |       | 4             | 4 | 4 |
| 2) Denmark                                                                                                                                                                                                                                                                                                                                                                         |                                    |       |       |       |       |       | √ x p |       | 1             | 1 | 1 |
| 3) France                                                                                                                                                                                                                                                                                                                                                                          |                                    | √ x p | √ x p |       |       | √ x p | √ x p |       | 4             | 4 | 4 |
| 4) Finland                                                                                                                                                                                                                                                                                                                                                                         |                                    |       |       |       |       |       | √ x p |       | 1             | 1 | 1 |
| 5) Germany                                                                                                                                                                                                                                                                                                                                                                         |                                    | √ x p | √ x p |       | √ x p | √ x p |       | √ x p | 5             | 5 | 5 |
| 6) Hungary                                                                                                                                                                                                                                                                                                                                                                         |                                    |       |       |       | p     |       |       |       |               |   | 1 |
| 7) Ireland                                                                                                                                                                                                                                                                                                                                                                         |                                    |       |       |       | √ x p |       |       |       | 1             | 1 | 1 |
| 8) Italy                                                                                                                                                                                                                                                                                                                                                                           |                                    |       |       |       |       | √ x p |       | √ x p | 2             | 2 | 2 |
| 9) Spain                                                                                                                                                                                                                                                                                                                                                                           |                                    | √ x p | √ x p |       | √ x p |       |       | √ x p | 4             | 4 | 4 |
| 10) Netherlands                                                                                                                                                                                                                                                                                                                                                                    | √ x p                              |       | √ x p |       | √ x p | √ x p |       |       | 4             | 4 | 4 |
| 11) Sweden                                                                                                                                                                                                                                                                                                                                                                         | √ x p                              |       | √ x p | √ x p | √ x p | √ x p |       | √ x p | 6             | 6 | 6 |
| 12) UK                                                                                                                                                                                                                                                                                                                                                                             | √ x p                              | √ x p | √ x p | √ x p | √ x p | √ x p | √ x p | √ x p | 8             | 8 | 8 |
| 13) Canada                                                                                                                                                                                                                                                                                                                                                                         |                                    |       | √ x p |       | √ x p |       | √ x p | √ x p | 4             | 4 | 4 |
| 14) Japan                                                                                                                                                                                                                                                                                                                                                                          |                                    |       |       |       | √ x p |       |       | √ x p | 2             | 2 | 2 |
| 15) Norway                                                                                                                                                                                                                                                                                                                                                                         |                                    |       | √ x p |       | √ x p |       |       | √ x p | 3             | 3 | 3 |
| 16) Slovenia                                                                                                                                                                                                                                                                                                                                                                       |                                    |       |       |       | √ x p |       |       |       | 1             | 1 | 1 |
| 17) Switzerland                                                                                                                                                                                                                                                                                                                                                                    |                                    |       |       |       | √ x p | √ x p | √ x p | √ x p | 4             | 4 | 4 |
| 18) US / USAID                                                                                                                                                                                                                                                                                                                                                                     | √ x p                              | √ x p | √ x p | √ x p | √ x p | √ x p | √ x p | √ x p | 8             | 8 | 8 |
| 19) World Bank                                                                                                                                                                                                                                                                                                                                                                     | √ x p                              |       |       |       | √ x p | √ x p | √ x p | √ x p | 5             | 5 | 5 |
| 20) Council of Europe                                                                                                                                                                                                                                                                                                                                                              |                                    |       |       |       |       |       | √ x p |       | 1             | 1 | 1 |
| 21) OSCE                                                                                                                                                                                                                                                                                                                                                                           | √ x p                              | √ x p |       |       |       |       |       |       | 2             | 2 | 2 |
| 22) UN / UNDP                                                                                                                                                                                                                                                                                                                                                                      | √ x p                              |       |       |       | √ x p |       |       |       | 2             | 2 | 2 |
| 23) UNHCR                                                                                                                                                                                                                                                                                                                                                                          |                                    |       |       |       | √ x p |       |       |       | 1             | 1 | 1 |
| 24) EBRD                                                                                                                                                                                                                                                                                                                                                                           |                                    |       |       |       |       | √ x p |       | √ x p | 2             | 2 | 2 |
| 25) EUPM                                                                                                                                                                                                                                                                                                                                                                           |                                    | √ x p |       |       |       |       |       |       | 1             | 1 | 1 |
| 26) EIB                                                                                                                                                                                                                                                                                                                                                                            |                                    |       |       |       |       | √ x p |       | √ x p | 2             | 2 | 2 |
| 27) WHO                                                                                                                                                                                                                                                                                                                                                                            |                                    |       |       |       |       |       | √ x p |       | 1             | 1 | 1 |
| Totals √                                                                                                                                                                                                                                                                                                                                                                           | 7                                  | 7     | 10    | 3     | 16    | 12    | 11    | 13    |               |   |   |
| Totals x                                                                                                                                                                                                                                                                                                                                                                           | 7                                  | 7     | 10    | 3     | 16    | 12    | 11    | 13    |               |   |   |
| Totals p                                                                                                                                                                                                                                                                                                                                                                           | 7                                  | 7     | 10    | 3     | 17    | 12    | 11    | 13    |               |   |   |
| <sup>1</sup> <b>Sectors:</b> Public Administration Reform (PAR); Police and Security (PS); Justice Sector (JS); Civil Society and Media (CSM); Protection of Human Rights and Minorities (PHRM); Economic Development including infrastructure (EDI); Education, Employment and Health (EEH); European Standards, including food safety, energy, agriculture and environment (ES); |                                    |       |       |       |       |       |       |       |               |   |   |

The overview of donor support indicates that donors have not significantly changed their focus and remain as supporters of sectors for longer periods of time. This is relevant for programming as well, as this information facilitates the work on creating synergies between donors (Q 10 provides further discussion on donor assistance).

Also, the monitoring reports indicate to the fact that a number of 2007 projects had to harmonize their intervention with those of other donors once on the spot. This progress is combined effect of both the programme main stakeholders efforts and general improvement of the donor coordination mechanisms in the country.

Nevertheless, the **IPA project fiches are not all of the same quality** as regards to **analysis of other donors' involvement** in the concerned areas. Some of them specify quite clearly the nature of the interventions of the other donors in the given areas while others do little more than mentioning the presence of other interventions.

In the 2008 and 2009 IPA National Programmes, several projects are to be implemented through joint management - in particular for investment in infrastructure projects - or by indirect centralized management by institutions whose procedures and control mechanisms are acknowledged as adequate by the EC. In one case, a Member State - Sweden – directly delegated management of its funds to the EC, which is also an effective way of cooperating. In the case of some grants directly made to international organisations and more specifically some UN family organisations, the level of the management fees requested by these organisations, although in line with the FAFA agreement, appears to be quite high and might be an obstacle to using on a larger scale this type of cooperation mechanism.

## Findings

- r The MIPDs provide overview of other donors involved in reforms in the areas of importance for respective programming documents.
- r The project fiches have varying quality of analysis of other donor involvement in relevant areas.

### SECTION 3: OVERVIEW MAPPING (QUESTION GROUPING 2)

**Q.9. WHAT ARE THE EXISTING SECTORAL STRATEGIES IN THE COUNTRY? TO WHICH EXTENT STRATEGIES ARE DULY EMBEDDED INTO BENEFICIARIES' POLICIES/ BUDGET? TO WHICH EXTENT IS EU/ DONOR ASSISTANCE ALIGNED WITH/ EMBEDDED INTO EXISTING STRATEGIES?**

According to the overview of sectoral strategies prepared by DEI, **governments at state and entity levels have adopted 66 strategies; 23 action plans and 3 roadmaps**; out of which, **32 Strategies** are adopted at the state level. Also, vast number of such documents is in process of preparation or adoption (like the Country Development Strategy and the Social Inclusion Strategy, whose adoption has been delayed<sup>22</sup>). The **quality of the strategies is variable**. As it may be seen from the Table 2 below, while majority of strategies have either no or insufficiently developed budgets, also 21 strategies have either no or inadequate Action plans. On the other hand, majority of strategies have very well developed needs assessment, prioritisation and definition of the sector. Regarding the Monitoring and Evaluation (M&E), it is visible that the strategies in the area of justice, freedom and security have most elaborated M&E plans. Also, the Public Administration Reform Strategy has a well elaborated M&E plan.

**Table 2: Distribution of Assessment Categories for National Strategies**

| Criteria                                         | No | Inadequate | Adequate | Good | Total            |
|--------------------------------------------------|----|------------|----------|------|------------------|
| 1) Definition of sector and sub-sectors          | -  | 1          | 28       | 2    | 31 <sup>23</sup> |
| 2) Quality of problem analysis /needs assessment | -  | -          | 30       | 1    | 31               |
| 3) Priorities identified                         | -  | 3          | 28       | -    | 31               |
| 4) Action plan                                   | 19 | 2          | -        | 10   | 31               |
| 5) Budget                                        | 24 | 5          | -        | 2    | 31               |
| 6) M&E                                           | 14 | 8          | 5        | 4    | 31               |

The analysis of the adopted strategies at state level shows that **only one Strategy (Justice Reform Strategy) has the fully elaborated time, financial and staffing framework**. A comprehensive presentation of the main existing sectoral strategies is provided in Annex 3 of the present report.

A set of strategies has been adopted to work on priorities from the EP and SAA, but also for activities for information provision for public in relation to EU Integration. Concretely, 3 Strategies and 5 Action Plans/programmes have been adopted together with the Decentralised Implementation System (DIS) Road Map. Importantly, the Strategy for the Application of DIS for the Management of Assistance Programmes of the EU in BiH was also adopted by the BiH Government with the aim to work on establishment of decentralised system of IPA assistance implementation. However, the work on DIS in Bosnia has been a rather slow and highly politicised process. Also, it is worth noting that there are no strategies adopted at state level relating to the economic criterion.

<sup>22</sup> Both strategies are under preparation led by the Directorate for Economic Planning in cooperation with representatives of Entities, cantonal, regional and municipal governments. The strategies, which were originally envisaged to cover the period 2008-2013, are in final stage of preparation, and according to response from the different representatives of government, strategies will cover the period 2010-2014/15.

<sup>23</sup> The Common IT strategy for all three statistical institutions was not reviewed as the Consultant could not get hold of this strategy.

The Table 3 below provides an overview of the number of adopted policy documents within different criteria of relevance for EU accession. As it may be seen from the Table 3 below, a significant number of sectoral strategies exist in BiH and the IPA programme is engaged in providing support to further elaboration of sectoral strategies in a number of still uncovered areas. A **systematic reference is made in all project fiches to the relevant sectoral strategies** (or their absence) in the concerned sectors. However, **less information is usually given on the quality of the sectoral strategies** which can show substantially different degrees of elaboration and precision.

**Table 3: Overview of adopted policy documents per criteria**

|             | Political criterion | Economic Criterion | European standards : Internal Market | European Standards: Sectoral Policies | European Standards: Justice, Freedom and Security | EU Integrations | Total |
|-------------|---------------------|--------------------|--------------------------------------|---------------------------------------|---------------------------------------------------|-----------------|-------|
| Strategy    | 17                  | 4                  | 15                                   | 17                                    | 10                                                | 3               | 66    |
| Action Plan | 7                   | 0                  | 1                                    | 8                                     | 5                                                 | 2               | 23    |
| Programme   | 1                   | 1                  | 1                                    | 5                                     | 0                                                 | 3               | 11    |
| Master Plan | 0                   | 0                  | 0                                    | 5                                     | 0                                                 | 0               | 5     |

It was not possible during this mission to assess concretely during project implementation the extent to which sectoral strategies are taken into account. Monitoring reports do not report major problems in this respect. The IPA programme has so far contributed to the development or improvement of several strategies and is even combining through a number of projects (e.g. energy sector or SMEs) and interventions linked with institution building and strategy development.

### **Findings**

- r **Strategic framework in Bosnia and Herzegovina is very comprehensive** and contains of **66 adopted strategies at state and entity level**. However, majority of reviewed strategies at most times do not contain budgets and action plans as separate annexes.
- r **Programming takes into account the existing strategic framework**, and especially **project fiches elaborate connections with relevant strategies**.

### **Q.10. OVERVIEW OF ASSISTANCE AND PROJECTS PER DONORS AND SECTOR**

heavily supported by vast number of donors, as well as the development and democratisation processes in the country. However, the last couple of years witness withdrawal of donors and decreased bilateral support, placing focus on EU assistance as leading driver of reforms towards EU integration. The Box 4 below provides general overview of donor assistance in BiH in 2008 and 2009.

**Box 4: Overview of donor assistance in BiH**

The Donor Mapping Exercise 2008–2009 found out that Donor Coordination Forum members have allocated EUR 765.77 million to projects in 2008 and EUR 430.37 million so far in 2009 (including EUR 66.65 million EC pipeline projects for 2009 not yet entered in the DCF database). Of the EUR 1196.14 million earmarked for 2008 and 2009, EUR 354.67 million was in the form of grants (including EC pipeline projects for 2009) and EUR 841.47 million was in the form of loans. Compared to 2007, the 2008 figures represent an overall growth of EUR 243.12 million in the total ODA allocation, with a EUR 20.32 million decrease in grants and a EUR 263.44 million increase in loans. This trend, which can be observed since 2006, is partially explained by the gradual phasing out of direct bilateral support from four donors (Canada/CIDA, the Netherlands, Spain/AECID and UK/DFID) and the increasing scale of concessional loans provided by major International Financial Institutions (IFIs). In 2008, the three largest IFIs (EBRD, EIB and the World Bank), together with Germany and Spain/AECID allocated over 79.87% of overall 2008 ODA to BiH. At the same time it should be noted that EC's contribution is growing as in 2009 EC pipeline projects amount to EUR 66.65 million, compared to EUR 22.43 million contracted in 2008 and EUR 45.77 million contracted in 2007.

*excerpt from the Donor Mapping Report 2009<sup>24</sup>*

Sectors enjoying largest donor support are infrastructure, governance, economic development and social protection, as well as conflict prevention and resolution, peace and security. The data in Table 4 below indicates to amounts earmarked for specific sectors and is taken from the database of donor assistance which has been set-up as part of the Donor Mapping Exercise lead by the Bosnian Government.

**Table 4: Donor assistance within sectors in Bosnia and Herzegovina**

| Sector                                                 | 2008                                                                 | 2009                                                                                      |
|--------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Education Sector                                       | 6.62 million                                                         | 6.75 million                                                                              |
| Health Sector                                          | 9.19 million - EUR6.55 million in grants and €2.64 million in loans; | 12.567 million - €6.5 million in grants and €6.06 million in loans.                       |
| Good governance and institution building               | 42.05 million - €0.68 million in loans                               | 59.7516 million - €3.33 million in loans                                                  |
| Conflict Prevention and Resolution, Peace and Security | 32.7 million                                                         | 21.88 million (including EC Pipeline for 2009 in the amount of €0.14 million)             |
| Infrastructure                                         | 399.60 million - €15.19 million in grants                            | 163.24 million - €11.82 million grants (including €7.3 million EC 2009 pipeline projects) |
| Economic Development and Social Protection             | 222.18 million - €28.93 million in grants                            | 110.66 million - €30.66 million in grants (including the 2009 EC pipeline projects)       |
| Local Government Sector                                | 19.53 million - €1.93 million loan                                   | 11.31 million                                                                             |
| Agriculture and Forestry                               | 16.92 million - €8.13 million in loans                               | 19,37 million - €14.04 million in grants (including EC Pipeline for                       |

<sup>24</sup> BiH Ministry of Finance and Treasury; Donor Mapping Report 2008-2009; Sarajevo, 2010.

|                        |                                          |                                                                                                  |
|------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------|
|                        |                                          | 2009 to the amount of €3.49 million)                                                             |
| Environment Protection | 3.35 million - all in the form of grants | 14.72 million - all in the form of grants (including EC pipeline to the amount of €8.25 million) |
| Cross-cutting sector   | 13.63 million                            | 10.14 million (Including €1.55 million EC pipeline projects, planned to commence in 2009.)       |

Key donors, besides the EU, in Bosnia and Herzegovina are: USAID, Sweden, UK, EBRD, World Bank, UNDP, Germany, Netherlands, EIB, and Switzerland. Some donors, like Spain and Canada are withdrawing from the country. Corresponding to the data provided in the Table 1 above, the key donors that are involved in majority of sectors are also key donors, besides the EU, who invest most significant funds in the country's development. The following Table 5 provides an overview of key donors and funds allocated in 2008 and 2009 for reforms in the country by these donors.

**Table 5: Donor funds in 2008 and 2009 for Bosnia and Herzegovina**

| Donor       | 2008             | 2009                             |
|-------------|------------------|----------------------------------|
| Austria     | 3.78 million EUR | ca. 3 million EUR                |
| Canada      | 5.5 million      | 2.10 million                     |
| Germany     | 69.4 million     | 90 million loan to Energy sector |
| Italy       | 6.4 million      | 10.83 million                    |
| Japan       | 2.97 million     | 1.48 million                     |
| Netherlands | 18.10 million    | 18.58 million                    |
| Norway      | 12.9 million     | N/A                              |
| Spain       | 26 million       | 1.40                             |
| Sweden      | 17.5 million     | 19 million                       |
| Switzerland | 8.4 million      | 8.46 million                     |
| UK          | 4.2 million      | 4 million                        |
| USAID       | 38.33 million    | 27.35 million                    |
| EBRD        | 250 million      | N/A                              |
| EIB         | 250 million      | 218 million                      |
| UNDP        | 10.86 million    | 11.12 million                    |
| World Bank  | 15.68 million    | 30.04 million                    |

\*data from the Donor Mapping Report for Bosnia and Herzegovina

In 2009, these donors had provided or planned 445.44 M€ of financial assistance in the form of grants and loans. Generally, sector coverage of assistance increases as funding volume increases, the exceptions to this are the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB), but also Germany which have provided loans for large investments in modernising energy, transport and water infrastructure.

### **Donor coordination**

The overall **coordination of the aid is done mainly through the donors' Coordination Forum** and its secretariat. Closer coordination is realized with major donors in the various targeted sectors where the IPA programme is active. Some sectors enjoy **sector-wide coordination groups** while in some other only sub-sectors coordination on more specialized areas exists. In some sectors (planning

capacity building for example), coordination has allowed financing gaps being bridged adequately while in a limited number of areas, several donors jointly contribute to funding interventions while the IPA programme is supporting the enhancement of the capacity of the national instance in charge (Public Administration Reform - PAR).

The improved donor coordination and transferring ownership and leadership of donor coordination to the BiH Government resulted from UNDP/DFID led efforts to create an operational aid coordination structure in the Ministry of Finance and Trade (MOFT), concretely the Secretariat for Coordination of International Assistance (SCIA) which now leads comprehensive donors' mapping exercise annually. In spite of these positive elements, there is a certain degree of concurrence between the donors' coordination mechanisms in place. Within the DEI, a specific department is devoted to bilateral assistance of European Union countries to BiH, and the synergy of which with the SCIA does not appear to be ensured.

### **Findings**

- r Donor coordination is mainly organised through Donors' Coordination Forum.
- r In some sectors, Donor coordination is organised in sector-wide coordination groups.
- r **Establishment of the SCIA has been a significant step forward** in harmonisation and coordination of donor assistance.
- r The **existence of both the SCIA and the DEI's department for bilateral assistance** of European Union countries to BiH **may bring collision in the donor coordination** by the BiH Government.

## SECTION 4: SECTOR-BASED APPROACH (QUESTION GROUPING 3)

### Q.11 IS PROGRAMMING THROUGH A SECTORAL BASED APPROACH A SUITABLE, FEASIBLE & OPERATIONAL OPTION FOR FUTURE PROGRAMMING (MIPDS & NATIONAL PROGRAMMES)

The EC intention to introduce a sector based approach into the IPA programming as means to render this assistance more efficient and effective has already a long history with several events, devoted to/ or touching on this matter organized since 2008 (donor conference in Brussels in October 2008, donor conference in Tirana in April 2009, enlargement conference on effective support for enlargement in Brussels in October 2009). During this last conference, it was decided to go ahead with this type of approach and the seminar organised jointly in Sarajevo in March 2010 by the BiH MoFT/ SCIA and the DG Enlargement was aimed at progressing further towards the introduction of this approach for the Western Balkans and Turkey, and, as far as this report is concerned, for BiH.

The definition of what constitutes a sector based approach was debated and its main aim and added value were defined as facilitating the delivery of a single comprehensive sector programme, budget and results framework, with processes for donor coordination and harmonisation and increased use of local systems for programme design and implementation. Further to this workshop, however, **it is not obvious that a completely unified understanding of what is actually meant by a sector based approach has emerged in BiH**. Various stakeholders appear to still have different understandings of the required main features of a sector based approach and of the conditions to be met in order to successfully apply this approach. While some stakeholders give more importance to the resource pooling aspect, others see it as a mere coordination and harmonization of various interventions concerning a given area. The **strategic role that a sector based approach can play to orient both the country's and the international donor community's efforts** to focus on jointly recognized priorities critical for the EU integration process **is not yet fully understood and needs to be further explained**.

Following the March 2010 seminar, sector analysis was conducted by the DEI Planning and Strategy Division and by the MOFT/ SCIA in order to define the core sectors which could possibly become candidates for this new approach, taking into account a number of weighed criteria, including EC accession relevance of the various sectors, existence of strategies/ action plans both at State and Entity levels, priorities defined in the major enlargement package documents, as well as profile of the international support already provided both by the EC and other donors to given areas. **Two sectors (public administration and justice) have been pre-selected for introduction of the IPA sector based approach in BiH, and finally Justice sector was selected as the one to proceed towards sector-wide approach**. The 10 planning workshops for 2011-13 MIPD organized in June reflect this already made pre-selection – being organized on the one side by MOFT for justice and public administration and by DEI. Other eight (8) areas not presently considered for this new approach - and are to contribute to confirmation or amendment of the initial choices.

The analysis of the characteristics of the justice sector in Box 5 clearly shows that it shares positive features which can recommend it for introduction of this new approach.

#### Box 5: Justice sector

Strengthening of justice sector is at the heart of the political requirements sphere. The chapter of the last EC progress report (2009) for BiH on this area mentions that the development of an effective and efficient judiciary remains at an early stage. It adds that "Significant efforts are needed to ensure implementation of the Justice Sector Reform Strategy and the National War Crimes Strategy, including by ensuring adequate financial resources. The fragmented legal and structural framework across the country and the absence of a single budget impede efficiency. Political interference in the judicial

system continues to be a cause for concern". The justice sector has received very significant support from the EC since the early CARDS programme. This commitment continues to be present in the successive IPA national programmes<sup>1</sup>.

This Justice Reform strategy – whose preparation has been supported by the DFID, is well aligned with the priorities of the EU integration; it covers the period 2008 to 2012, encompasses 69 strategic programmes and several action plans, contains a detailed plan for the enhancement of the BiH judiciary, designed by functional working groups. It includes a number of sub-sector strategies, presented in their mutual inter-relations. Some of them relate to specific areas – war crimes, juvenile justice, access to justice - while others are institution related such as the Strategy for the Ministry of Justice 2009-2011 and the Strategy for the HJPC 2007-2012, which has the almost unique characteristic to be strictly linked to the budget which is included as integral part of the strategy.

The sector enjoys a well functioning ministerial conference, and the working groups report regularly on the progress of the implementation of the reform in their respective sub-sectors. The recent report produced by the Sector for Strategic Planning, Aid Coordination and EU Integration (SSPACEI) of the State MoJ, notes that the funding requirements of the sector will increase significantly in the coming years, rendering even more necessary an improved effectiveness of the donors' support coordination in this area and that a better alignment between mid-term budgetary perspectives and the defined strategies will need to be introduced.

Two SPOs are active both in the MoJ and at the HJPC, in coordination with SPOs operating at lower levels. The coordination of this sector, supported by a large number of donors is ensured by BiH under coordination by the above mentioned SSPACEI. The SSPACEI developed a database of all projects in the justice sector and quarterly meetings bring together all contributors to the justice system, although without preventing some overlaps and duplications due to the difficulty to support involving not less than 15 structures at different levels.

Due to all these reasons, and in view of the need to speed up the implementation of the justice reform strategy, considered as slow in the progress report, the consideration of this sector for sectoral approach appears well justified and recommended.

The second sector, which was considered for a possible evolution toward a sector based approach in IPA, is Public Administration. This area, too, enjoys one of the highest levels of priority for EU accession, since the existence of a strong, functional and effective administrative apparatus is a key requirement for EU accession and a criterion for EU integration - as defined in Madrid in 1995 - in particular due to the heavy obligations related to the implementation of the *acquis communautaire*. The Box 6 provides more insight into the Public Administration Reform (PAR sector).

#### **Box 6: PAR sector**

The EC has supported development of the PAR concept and strategy since the beginning, through preparatory assessment of the situation of public administration in the six transversal key areas, which were to later become the main themes of the working groups engaged in the preparation of the action plan 1 of the PAR strategy. The strategy, adopted in 2006 by all relevant levels (State and Entities) is comprehensive and its implementation is subject to a regular monitoring done by the PAR Coordinator Office (PARCO). The strategy contains the Action Plans but it does not contain the budget. The PAR Coordinator office is now well established and has a well staffed operating structure. It has benefitted from the support of an EC project, which started in 2007 and ended only at the beginning of 2010.

The PAR Fund for supporting the government efforts in enhancing the public administration both in terms of administrative capacity and at sectoral level was established in 2007 and received an initial support from several donors in total amount of 4.5 million from the UK, the Netherlands and Sweden. These funds have so far allowed 14 projects to be selected, out of which two have been completed and 3 are on-going. Until now, the EC has not contributed to the Fund itself.

The PAR strategy implementation plan was divided into the action plan 1, implemented now at a level of about 40% - with the highest rates of success in public finance and human resources management -

and the action plan 2. Implementation of the Action plan 2 has not reached full consensus yet, since it is aiming at harmonisation of the public administration across the entities with a consolidation of the state level in PA, an approach which is not unanimously agreed by all concerned parties. This situation will need to be taken into account when deciding on the possibility to select public administration as the second area for a sector based approach.

### **Findings**

- r There is no **common understanding on what a sectoral approach represents** among relevant stakeholders in BiH. The **steps taken by the EC to introduce the concept are positive**, and **should be continued**.
- r One sector, Justice, was selected as eligible for sectoral approach. This is the sector which has the most characteristics which are prerequisites for a sectoral approach.

#### **Q.12 TO WHAT EXTENT IS THE BENEFICIARY READY TO OPERATE A SHIFT TOWARDS A SECTOR BASED APPROACH IN ITS OWN STRATEGIES, AND IN PLANNING & PROGRAMMING SECTOR BASED ACTIONS & FINANCES?**

The BiH relevant **authorities have shown their interest and readiness to engage in the shift towards a sector based approach** and have carried out an analysis of the situation of the different potential areas for IPA intervention to identify (according to the methodology developed after the March 2010 seminar, including weighing of a number of criteria) the potential sectors, candidates for this type of approach. Following this analysis, the two pre-selected sectors of justice and public administration appear to have been assessed as gathering a number of a number of decisive pre-conditions needed to move towards this approach, although not all. It is expected that the June workshops will bring new elements to this analysis and will lead to confirmation or adjustment of these choices.

As it may be seen in the Box 5 and Box 6 respectively, **main assets of the two considered sectors was the fact that the BiH Government has already well established administrative mechanisms in both sectors allowing for the orderly implementation of comprehensive strategies**.

It was not possible during the present evaluation mission to assess the beneficiaries' capacities and readiness in all other areas which could be considered for sector based approach. According to the ranking of the sectors realised by the MoFT/ SCIA, a number of other sectors share with justice (24 points) and PA (25 points) a high score, which potentially make them candidates for the introduction of this new approach. This is the case for Economic, fiscal and trade policy (25 points); Economic development, industry, SME, tourism (24 points), Rule of law (24 points). So it would seem advisable to continue giving consideration to these areas and refining the already conducted analysis, as, for the moment, these fields appear to have been ranked at a more or less similar level of appropriateness than the two already considered sectors.

As already mentioned, the concept of sector based approach does not have the same meaning for all the interested parties. Other considerations need to be taken into account before deciding on the final selection of these sectors for introduction of this new approach, such as: the need to pursue a balance between the different types of criteria (political, economic and European Standards) in the sector based approach, as well as the possible generation of synergies if sectors entertaining strong linkages and complementarily are selected (justice and rule of law for example).

## ***Findings***

- r **Bosnian government is motivated to introduce the sectoral approach** and it has **taken steps in defining existing sectors** and their features.
- r The Government capacities and sectors truly fulfilling the criteria for sectoral approach are not yet on a high level; so the application of the sectoral approach may be tested and introduced step by step – firstly on the Justice sector. Public Administration Reform and Rule of Law may be sectors that may be also considered.

## SECTION 5: PROGRAMMING GAPS, WEAKNESSES & RECOMMENDATIONS (QUESTION GROUPING 4)

### Q.13. WHICH ARE THE MAIN GAPS/ WEAKNESSES OF THE CURRENT PROGRAMMING FRAMEWORK?

The assessment of different areas of IPA TAIB programming and implementation point to the following gaps and weaknesses:

- a) The **absence of a comprehensive Programme for European integration and the National Development Strategy** as main policy documents framing the commitments of BiH to progressively comply with the requirements of EU accession **is a major weakness affecting the IPA programming framework.**
- b) **Inflation of policy and strategic frameworks** used in the IPA programming process **is an obstacle to sustained consideration of the main priorities** in a given period, which should be perceived as sufficiently long to enable progress to be realised. This is especially relevant in a country where consensus building and overcoming of structurally entrenched bottlenecks take time to be solved.
- c) **High number of institutions to be consulted at both state and entities' level to reach a sufficient consensus to programme and projects is also a serious constraint.** However, as this situation can only be changed with constitutional changes, that assistance alone is not likely to generate, the actual situation should commend to **devote a deeper ex ante consideration during the programming process**, to ensure that all institutional characteristics and features, which will play a role and eventually interfere with project implementation, are taken into account.
- d) **Absence of a consolidated group of officially appointed SPOs, empowered** as actual initiators of project ideas in their respective sectors, **with sufficient authority and support** to activate a network of correspondents in various institutions of their respective areas, at all government levels, **is also a major weakness which needs to be overcome** as soon as possible.
- e) **Lack of strong enough internal synergies** between various divisions of the DEI, leading to an insufficient guidance provided by this institution to the line ministries and other BiH institutions, concerned by potential IPA **support is also partly responsible for some weaknesses in the programming framework.**

### Q.14. HOW CAN PROGRAMMING OF ASSISTANCE BE ENHANCED TO MORE EFFICIENTLY AND EFFECTIVELY REACH STRATEGIC OBJECTIVES?

The programming of assistance might benefit from the following enhancements in order to more efficiently and effectively reach strategic objectives:

- Ø **Streamlining the programming framework and ensuring the existence of a stable mid-term term framework for IPA assistance** planning and strategic design. Since the beginning of the IPA programme, the MIPDs have been prepared each year on a three year rolling basis, in order to give some flexibility in the programme implementation. There is no evidence of the added value of a new MIPD being produced every year. **Important shifts in the actual content of the annual programmes can be possible** within the **overall frame of an unchanged MIPD** if sufficiently strategic objectives and choices are defined. A more **stable and long term strategic programming framework** (3/ 4 years with preparation of the new one at the second year end), **reflecting the key priorities and sectors to be addressed by the IPA assistance** would be

**preferable.** This would allow a stable strategic frame; resulting from a large participatory process, incorporating the government's own development strategies and other of involvement, and leading to the selection of a limited number of EU integration focused key intervention areas. Annual programmes could be included in this frame.

- Ø **Formulating and consolidating all major requirements and corresponding measures** for EU integrations in a single **nationally owned planning document**, the **National Programme for EU integration**. This document should serve **as a unique reference for prioritizing both governmental actions and assistance interventions**. It is to be clearly distinguished from the chapter of the CDS devoted to EU integration, which is mainly related to the institutional and organisational road map towards EU membership. In the BiH context, this would firstly require the fast adoption of the CDS and of its four related action plans and confirmation/ adjustment of the alignment of all existing sectoral strategies with this national development frame. It would in particular require that each sectoral strategy is assessed for the adequacy and comprehensiveness of its planned contribution to the realisation of the EU accession goal, which is the fifth pillar of the overall BiH development strategy. The draft CDS underlines this when stating "Given that a number of existing development documents was designed before the SAA and given that such documents do not sufficiently stress the element of the European integration and public administration reform, it is necessary for the Development Strategy of Bosnia and Herzegovina to take this element into consideration, thereby securing the convergence of BH economic and social policies towards the strategies and policies of the European Union".<sup>25</sup> It would also possibly involve harmonisation of the time frame of the various strategies and the incorporation in each of them of the obligations derived from the EP, the SAA/interim agreement and other commitments taken since 2003 concerning the process of harmonisation of legislation with the *acquis communautaire*.
- Ø **Improving the quality of a number of sectoral strategies**, in line with the CDS, **should be carried out** not only at the state level but also in the action plans derived from these strategies at all government levels. These documents should have **proper connection to investment plans and budgetary mid-term frameworks**. This should be done with the objective to **keep a clear hierarchy between the various strategies in order to avoid a proliferation of several overlapping strategic frames**.
- Ø **Developing the capacity of SPOs networks** (including also SPOs' colleagues involved in needs assessment and IPA assistance programming at entity level) and **increasing the resources targeted at sector analysis** of various types (impact of previous assistance in a given sector; assessment of continuity of assistance provided to a given sector; measures taken to deal with EP "open issues" unsolved in a given sector, etc). This should start with an assessment of the capacities and training needs of the members of this network.
- Ø **Developing the internal synergy in DEI** between its main operational departments **is very important**. For the moment, the **main divisions of the DEI have not reached a satisfactory level of mutual cooperation** and this should be urgently addressed by the Directorate with the assistance of the present capacity building project in support of DEI, whose inception phase was recently concluded<sup>26</sup>. This project, which was built on the analysis of the capacity and development needs of each DEI division, also underlines the importance of setting up good coordination practices between departments within DEI. But, it does not fully emphasize the importance of this objective. In fact, this should be seen as a major goal of the project, without which improvement of the strategic programming of IPA assistance will remain difficult. As noted in the inception report of the project: "The biggest internal challenge will be still existing internal

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<sup>25</sup> NDS (draft) prepared by the DEP. Chapter devoted to EU integration strategy.

<sup>26</sup> Terms of reference and inception report of the project "Support to the BiH Government for the European Integration process and coordination of Community assistance" Phase III (IPA National Programme 2007).

fragmentation of the Directorate which precludes from swift mobilisation of internal resources on the DEI scale across various divisions for complex and demanding tasks which lay ahead, for example, achieving NPAA or answering the questionnaire which will follow the BiH application for EU membership”.

- Ø **Reinforcing the guidance provided by the DEI towards State level ministries’ SPOs** in the preparation of their proposals for IPA assistance. There is also a **serious need of improved outreach of the DEI and of the SPOs to lower levels of government**. Again, to mention the inception report of the DEI support project: “Further progress soon will not be possible without addressing the fact that in many policy areas the real implementation of *acquis communautaire* is not at the state level. Improvements could be sought through an exposure of the entity level institutions to the full impact of the *acquis communautaire* transposition and implementation, i.e. through a better outreach to entity administrations and in parallel through a review and reform of the current co-ordination arrangements.” **DEI has to play a leading role in ensuring that the EU accession priorities that IPA is set to support are well understood at all levels of government** in order to receive more relevant project ideas and to be able to eliminate non relevant proposals at an earlier stage of the selection process in good cooperation with the concerned institutions, without them feeling frustrated by what they still often perceived as a time consuming exercise, generally leading to ultimate rejection of their ideas. Reinforcing this guidance requires **the continuous development of the capacity of the DEI TMs** working in the Aid Coordination Division to **become sufficiently specialised in their respective fields** to be recognised as valuable interlocutors both by the BiH line ministries/ institutions and by their DEU colleagues.
- Ø **Building capacity at Entity and Cantonal (in FBiH) levels** by significantly increasing training of relevant officers (not only SPOs) in order for them to **better understand the specificity of the IPA instrument** and the aims it serves.
- Ø **Working towards a more positive attitude of the IPA Coordination Board**, which could play a positive role in advising and assisting the NIPAC to take into consideration the entities’ interests and concerns while programming IPA. However, this **Board should not be converted in an instrument likely to block the NIPAC initiative** in IPA programming. This **requires the highest State authorities to be clear on the advisory and consultative role of this board and to prevent it to be used as a brake in the reform process** supported by IPA.
- Ø **Developing and formalising the role and the effectiveness of the project programming committees** in order to allow for a regular consultation between the DEU task managers (TMs), the SPOs and the DEI TMs in project proposal preparation and finalization and a transfer of knowledge and know how between the DEU TM and their respective colleagues.
- Ø **Ensuring that the number of sector working groups involving BiH officials and donors is covering all the main areas** but is not too large in order to keep their strategic usefulness.
- Ø **Further developing the general public and civil society awareness about the IPA programme** specificity and about the goals of this assistance, by nature devoted to supporting the efforts of BiH in preparing for EU membership, contrary to other programmes which are focused on other aspects of the CDS.
- Ø **Encouraging all donors in better integrating the EU accession perspective in their own projects**. SCIA and DEI should join their resources and efforts to impulse this process.
- Ø **Organising systematically, on a yearly basis, seminars for the main stakeholders** (beneficiaries, donors, civil society, etc) on **the conclusions to be drawn from the EC Progress Reports** and on the implications of these conclusions for the next programming exercises.

**Q.15. HOW CAN PROGRAMMING OF ASSISTANCE BE ENHANCED TO IMPROVE THE IMPACT AND SUSTAINABILITY OF FINANCIAL ASSISTANCE?**

Most of the recommendations mentioned above and aiming at enhancing the programming process to improve the efficiency and effectiveness of the IPA assistance towards attainment of its strategic objectives are expected to have also positive implications on the impact and sustainability of the IPA financial assistance.

**Introducing a sector based approach for carefully selected areas** meeting adequate criteria - the full list of which still remains to be consolidated - **could also contribute in the medium term to improve the impact and sustainability of IPA assistance**, as it should **promote synergies between several interventions** in given areas and **enable sectoral strategies to be supported** in a **more coherent and consistent manner**.

The following are inputs on how the programming can be enhanced to improve the impact and sustainability of financial assistance:

- Ø **Supporting BiH leadership in sectoral working groups.** There is progress in systematically involving beneficiaries in various aid coordination forums, but donors still keep leading role in some sectors, which might in short term be more effective. But, in the medium and long term it prevents a real interlocking between the country development strategies and these strategies which are more critical for EU integrations. Another **positive element is further harmonization of the two systems devoted to international aid coordination**, one specifically devoted to IPA assistance and the other to assistance provided by other donors.
- Ø **Establishing a programme for ex-post monitoring of IPA interventions** to be conducted for projects belonging to sectors of high relevance for future programming and carrying it out as soon as a sufficient number of projects from the IPA National Programmes 2007 and 2008 are over; **organising systematic reflection on results achieved** in the course of new programming cycles.
- Ø **Programming should envisage widening of the indirect centralized management modality**, whenever possible. In a number of sectors, even if some donors are not “the” only reference, their long standing presence, experience, and involvement can sometimes recommend them as good candidates for having a delegated responsibility in the implementation of IPA projects belonging to these sectors. This opening would contribute to an enrichment of the approaches followed in these projects, facilitate continuity and finally would likely to have a positive effect on the impact and sustainability of these interventions.
- Ø **Facilitating the transfer of lessons learned from good practices developed and tested** in some IPA projects in other interventions. Ensuring that promising pilot schemes implemented in specific projects are replicated in other locations/contexts, not counting that one positive experience is enough to be immediately taken over and generalized by the country authorities, if not proved again valuable on a larger scale through a new project of the same type.
- Ø **Systematically devoting enough time and efforts in securing and formalising not only the consent but also the firm commitment of all relevant stakeholders** for any planned intervention before the project start. Complexity, sometimes the redundancy and fragmentation of the legal and institutional set up in the country makes this task cumbersome and time consuming but, there is no possibility for projects to have a national impact if they do not integrate the full consideration of this situation and acknowledge it in their design.

## SECTION 6: ADMINISTRATIVE & MONITORING CAPACITY (QUESTION GROUPING 5)

### Q.16. ARE THE ADMINISTRATIVE AND OPERATIONAL STRUCTURES IN PLACE ENSURING EFFICIENT AND EFFECTIVE IMPLEMENTATION OF FINANCIAL ASSISTANCE?

#### Directorate for EU integrations (DEI)

Bosnia and Herzegovina has long standing institutional framework for the EU integrations. The DEI, established under the authority of the Chair of the Council of Ministers (CoM) has already long standing experience since its establishment in 2002. The COM also adopted a Decision in December 2003 related to the implementation of the vertical and horizontal coordination in the process of BiH accession to the EU.

DEI was the National Aid Coordinator for CARDS and guided the process of programming for IPA 2007 and 2008; however due to problematic nomination of the Director of DEI, the decision of the CoM of October 2008 transferred the NIPAC function to the Minister of Finance, who then acted as NIPAC in the programming process for IPA 2009 and 2010. This **transfer of duties and delays in nomination of director disturbed the work continuity** in this respect **for more than one year**. This situation has now found a **positive solution with the DEI Director being appointed as NIPAC**.

Today, DEI has 77 staff (compared to the officially planned 105 positions), counting 20 staff members (out of the 26 planned) in the aid coordination division, but only 9 of them are taking a direct part in programming tasks. The DEI has benefited already from several TA projects to increase its capacity in better ensuring its responsibilities in the implementation of EC assistance. The third of these projects has started in January 2010. The previous one was provided with the CARDS project "Support to the BiH Government for the European Integration Process and Co-ordination of Community Assistance – phase II" between January 2006 and August 2008.

As regards the IPA implementation, one should distinguish between the present operational capacity concentrated in the DEI and in line ministries, which has for the moment mainly concentrated - in the framework of the centralized system of management - on programming tasks, and the preparation of the structures which will become operational once the DIS reaches the accreditation level.

#### Decentralised Implementation System (DIS)

The BiH **Government started in 2005 to prepare for the introduction of the DIS**. In 2004, the preparation for such a system was supported by the twinning "light" project. Later, further stages of this process were accompanied by a CARDS project which lasted from the end of 2006 to the beginning of 2010. A Technical assistance project, specifically focusing on Preparation for DIS began in Feb 2007. Another project planned under the IPA national programme 2008 is foreseen but its start will be conditional to progress made in the various requirements set up in the road map for DIS introduction.

Within the DIS framework, BiH has established two instances, 1) the CFCU established in 2007 with responsibility for public procurement/ tendering, contracting and disbursement of the IPA and other community funds; and 2) the National Fund, which will be in charge of requesting the EC funds and of financial reporting. Both these institutions are for the moment appropriately staffed (3 staff members or the National Fund and 12 in the CFCU, which comprises two units, one devoted to procurement and the other one to accounting). However, **these levels are not in line with the planned levels required for the full operation of these bodies. Most of the agreements regulating the relationship between the various partners to be involved in the future decentralised system**

have been prepared as well as the main working procedures. The MoFT staff members belonging to the departments dealing with the DIS for IPA have already received a substantial training and, as regards the CFCU personnel, have been able to complement this training with on the job experience acquired in new member states as well as observers working alongside DEU personnel for tender evaluation and other procurement related matters.

However, a **number of long expected key appointments have only recently been made by the BiH CoM**. This includes the nomination the Director of DEI as NIPAC, the nomination of the PAO and NAO, all appointed in April 2010. Although the Directive related to the role of SPOs already dates back from 2008, the proposal for the adoption of the establishment of functions linked with the DIS is still pending at the CoM since December 2010 and final nominations of SPOs are yet to be made. Currently, there is a large network of SPOs (58) in the state line ministries who are the main interlocutors of the DEI in IPA programming activities and have played a similar role since the early years of CARDS assistance. A proposal, aiming at rationalising the number of SPOs to 24 corresponding with main sectors rather than relating them to institutions is awaiting approval within the final nominations at the CoM.

**Q.16.A. TO WHAT EXTENT ARE THE MONITORING MECHANISMS AND STRUCTURES APPROPRIATE AND CORRECTLY FUNCTIONING?**

**Framework for Monitoring of assistance**

For the time being, the **ROM system conducts monitoring of all projects. Nevertheless**, there has been significant progress in establishment of the Unit for Monitoring and Evaluation (M&E) within the DEI, brought by the BiH Council Ministers Decision in July 2010 to amend the Rule book of the DEI stipulating that the M&E unit within EU Aid coordination division of DEI needs to be established. The DEI established the Unit, and began with training of the staff and drafting manuals on Monitoring and Evaluation procedures, with assistance of the TA project to the DEI. However, this is only the beginning of the work on establishing a **system either at the DEI level or at the SPOs level to make use of the results of this system**, whether a project or at sector level. The importance of the strengthening of this function is underlined in the work plan of the present assistance project to DEI which mentions three functions to be supported in this respect: the setting up of the decentralised monitoring system of IPA; the setting up of the decentralised system for project monitoring at the level of SPOs and DEI; the setting up of the decentralised system for interim evaluation of the IPA component 1.

**Findings**

- r A **number of important requirements to further progress towards the completion of the DIS road map remain unresolved**, and in particular the question of SPOs and the audit function that the Supreme Audit institution declined to perform, as not compatible with its status.
- r The **integrated monitoring of IPA assistance framework within the Government is just established and will need to be further supported and developed**.

**Conclusion in relation with question EQ 16**

Negative consequences of the **absence of a proper management at DEI level** during a prolonged period, although likely to progressively disappear with a new impulse given for the development of synergies between its divisions and the inputs provided by the present TA project, **are still affecting the operation of this structure and its programming and monitoring capacities. Delays in the nomination of the SPOs and absence of support to this function are also negative elements**. The preparation for the DIS, although well started is far from being completed.

## SECTION 7: EFFICIENCY & EFFECTIVENESS (QUESTION GROUPING 6)

### Q.17. TO WHAT EXTENT ONGOING IPA FINANCIAL ASSISTANCE HAS/ IS CONTRIBUTING TO ACHIEVING STRATEGIC OBJECTIVES/ PRIORITIES LINKED TO ACCESSION PREPARATION?

The programming aspect of this question has already been dealt with in the answer to questions belonging to chapter III of the present report.

At implementation level, the **level of the contracting is still low** and it should be noted that, **until July 2009** (month of the signature of the part 2 of the 2008 FA), **only 7 IPA contracts had entered into their implementation stage**<sup>27</sup>. The Figure 3 below shows the status of the NPs for the period 2007-2009.

Figure 3: Status of National Programmes for the period 2007-2009

|      | Decision | Programme (excluding regional/<br>multibeneficiary)                                                          | Committed      | Contracted    | %<br>contract<br>ed | Disbursed     | %<br>disburse<br>d |
|------|----------|--------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------------|---------------|--------------------|
| 2007 | 19-352   | National programme for BiH - IPA TAIB 2007                                                                   | 49 736 394,00  | 38 948 819,68 | 78%                 | 14 400 775,18 | 29%                |
| 2008 | 20-111   | National programme for BiH - IPA TAIB 2008 - Part I                                                          | 12 500 000,00  | 7 977 621,00  | 64%                 | 4 513 156,32  | 36%                |
| 2008 | 20-339   | National programme for BiH - IPA TAIB 2008 - Part 2                                                          | 54 254 783,00  | 5 924 813,21  | 11%                 | 2 810 640,62  | 5%                 |
| 2009 | 21-333   | National programme for BiH - IPA TAIB 2009 - Part I                                                          | 39 000 000,00  | 13 000 000,00 | 33%                 | 1 000 000,00  | 3%                 |
| 2009 | 21-650   | National programme for BiH - IPA TAIB 2009 - Part 2 (not yet available for contracting pending FA signature) | 41 500 000,00  | -             | 0%                  | -             | 0%                 |
|      |          | IPA TOTAL                                                                                                    | 196 991 177,00 | 65 851 253,89 | 33%                 | 22 724 572,12 | 12%                |

Data 05/05/10 provided by DEU  
06/06/2010

The ROM monitoring reports generally underline that the **projects are coherent with the SAP/ EP priorities, with the established national strategies** and **should ultimately allow the concerned institutions to progressively adopt and implement European standards** and good practices, as well as contribute to achieving strategic objectives linked with accession preparation<sup>28</sup>. A brief analysis of the monitoring reports of projects belonging to the 2007 National Programme with a C score for relevance shows that it is **never the relevance**<sup>29</sup> as such which is considered as weak but rather **flaws in the design of the projects** or in the **way the contractor is approaching the issues** to be tackled, which are considered as potentially able to compromise the achievement of the objectives. The Box 7 gives a brief overview of reasons for low relevance scoring according to RoM.

<sup>27</sup> See figure showing the number of contracts starting implementation per month in point j) in Annex 2 of the present report

<sup>28</sup> The overall profile of the results of the ROM system for projects belonging to the 2007 and 2008 National Programmes is given as figures g) in Annex 2 of the present report.

<sup>29</sup> DAC glossary for relevance: The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies.

#### Box 7: Main reasons for low relevance scoring in IPA 1 2007 projects according to RoM

The Project on “Entrepreneurial learning in educational system in BiH” is criticised for absence of clear baseline to measure progress towards achievement of the planned objectives. The “EU support to institutional capacity building for regional economic development and SME development” Project is criticised for perceived inability of the contractor to provide a logical overview of the planned activities and to anticipate the hand over strategy, an element which is present even in some reports scored as B. The project “Capacity building of the office of the Coordinator of the reform of Public Administration” has a C score, not because of the inadequacy of the project concept or design to achieve IPA strategic objectives but due to acknowledgement that attaining this objective will be (especially as regards the implementation of action plan 2, involving a number of vertical activities) uneasy to achieve due to an uncertain commitment of some stakeholders.

The score acts as a warning to make the main partners realise that a much needed strategic project is likely to face risks of non-commitment or even opposition of some parties and to activate their reflection on the measures to be taken to avoid this situation.

A bit similar conclusion can be drawn from the C scoring of the project “Support to Implementation of BiH food legislation”, where the project is found to be well in line with strategic priorities. However, even after adoption of a strategic operational plan for vertical harmonisation in the field of agriculture, food and rural development aimed at clarifying competences and harmonising mechanisms between institutions in 2009, there are still some diverging views on the goals to be attained through this plan. These last two examples indicated that political divergences play a hampering role for prospects of attainment of strategic objectives.

#### Conclusion in relation with question EQ 17

Due to the very modest level of IPA contacting it cannot be stated that for the moment IPA has made/ is making a significant contribution to the achievements of strategic objectives and priorities. In view of the relevance of the projects, it is likely that it will be the case when projects are more advanced.

#### Q.18. ARE THERE ANY POTENTIAL ACTIONS, WHICH WOULD IMPROVE THE EFFICIENCY & EFFECTIVENESS OF ONGOING ASSISTANCE?

It is likely that the **efficiency and effectiveness of the on-going assistance will progressively improve** as a number of bottlenecks which have affected the initial stages of the IPA assistance<sup>30</sup> have now been overcome and should not hold up the smooth process of next stages of assistance.

The profile of the three national programmes has considerably changed and one of the main changes has been the decrease in the number of projects in each of the successive programmes<sup>31</sup>, as it may be seen in the Table 6 below.

Table 6: Overview of number of projects and fund allocation within National Programmes

| National Programme | number of projects | Total amount | Average amount per project |
|--------------------|--------------------|--------------|----------------------------|
| 2007 NP            | 45 projects        | 49.736.394 € | 1 105 253 €                |
| 2008 NP            | 26 projects        | 66.754.783 € | 2 567 492 €                |
| 2009 NP            | 19 projects        | 80 500 000 € | 4 236 842 €                |

<sup>30</sup> Primarily, the late signature of the framework agreement, time needed for the BiH authorities to amend the law related to tax exemption

<sup>31</sup> See comparison of the National programmes 2007 and 2009 with their forms of assistance in point h) of Annex 2 of the present report.

The assessment of the ongoing assistance points to the following actions to improve efficiency and effectiveness:

- Ø **Concentrating on a smaller number of priorities** in the next programmes and, in the case of sector based approach, **applying contributions to sector related funds** would improve effectiveness and efficiency of assistance.
- Ø Maintaining the trend of **increase in use of contracting forms like delegation, contribution and direct grant agreements would probably contribute to improving the efficiency of the projects**, at least in terms of decreasing the contracting period. The “de facto monopoly” clause should be used with moderation, as in some cases, it is not certain that there is no other option.
- Ø **Avoiding further splitting of the national programmes in two parts would be desirable.** It is clear that the IPA Regulation foresees the possibility of adopting national programmes in several batches, and that applying this approach has perhaps allowed starting contracting some projects at an earlier date. However, this practice still appears to complicate the approval process. The experience from the National Programme of 2008 whereby two financial agreements were distant by a few months only (April and July 2009) points that sometimes it does not bring added value.
- Ø **The aspect of time needed to prepare projects under various forms of assistance should be taken into account.** For example, preparing twinnings is particularly time consuming and this should be taken into account when programming them while means for reducing their preparation time should be devised. In general, the contracting period for the 2007 national programme, appears to have been rather long. The reasons may be found in: long consultation process due to a highly complex institutional system, and in some cases, reaching a consensus on some project features was uneasy. Nevertheless, it seems that even in non controversial cases, the contracting process was quite long and needs to be improved. It seems that since the end of last year, a significant acceleration of this process has taken place and, according to the DEU, most of the projects soon to reach their contracting deadline will be able to be launched in due time.
- Ø **Ongoing efforts to ensure that projects in the national programmes have gained in coherence and comprehensiveness should be continued.** Practice which is already used to have several types of assistance provided in parallel in one single intervention should allow a better effectiveness of the assistance and less dispersion. However, some schemes are becoming rather complex (civil society intervention for example) and a balance should certainly be made between cohesiveness of interventions and complexity of their structure.
- Ø **The integration of well defined conditions and conditionality in the programming of future projects is a guarantee that the projects will not run the risk of not achieving their results and objective because of the lack of a critical element in their environment.** Once the decision of including this type of conditions is taken at programming stage, there should be a strict application of the conditionality clause. In some cases, there could be an alternative path proposed at programming stage in case the condition is not met, especially when the project is intended to have both a reform dimension and a capacity building one. Some projects have already included in their design a risk mitigation strategy; this could be a good practice to extend to some other interventions, when needed.
- Ø **Proceeding fast with the nomination of the group of the 24 sector SPOs will be a decisive element for increasing the capacity of BiH line ministries/ main state institutions to identify, prepare and submit mature proposals** in line with EU integration priorities and with good potential to be effective.

- Ø A **quality control system should be developed within the DEI**, within the framework of the human resource strategy plan, supported by the present TA Project under the National Programme 2007. Further specialisation of the TMs/ staff already in place in their respective sector related fields would also be necessary.
- Ø **Better use of the monitoring reports and systematic reflection on their findings, lessons learnt and recommendations** will be conducive to enhancing efficiency and effectiveness and overall improvement of interventions. Cross referencing and mutual learning between projects should also be encouraged.
- Ø The Project preparation facility (PPF) is a good flexible instrument but **its use should be strictly limited to preparation of projects and not be extended to sector strategies preparation or activities linked with DIS preparation**, or even administrative support as other possible means can be utilised for these purposes. Moreover, it would be desirable to use the PPF not only to have tasks done by external experts and contractors but to use it capacity building tool for concerned BiH staff.

## SECTION 8: IMPACT & SUSTAINABILITY (QUESTION GROUPING 7)

**Q.19. WHICH ARE THE PROSPECTS FOR IMMEDIATE AND LONG-TERM IMPACT AND SUSTAINABILITY OF ASSISTANCE? ARE THERE ANY ELEMENTS WHICH ARE/ COULD HAMPER THE IMPACT AND/ OR SUSTAINABILITY OF ASSISTANCE?**

The prospects **for immediate impact and sustainability of the projects are rather low due to the delays in the start and implementation of the three national programmes**, the last of which (2009) has not yet seen its financial agreement signed for its part 2. The concern for sustainability is mentioned in each of the three national programmes, which, among the general conditionalities of the programme, also underline the commitment taken by the institutions through the endorsement of the design, tender documents and ToRs of projects. Also mentioned is the Government responsibility in ensuring that all necessary provisions are made for adequate land provision, building permits and other authorizations and that there is no possible duplication in the planning of infrastructure foreseen to be financed under IPA. The NPs also underline the obligation of the Government to ensure sustainability of the interventions through allocations of necessary resources, including running costs and maintenance. This latter issue appears to have been already a subject of negative comments issued by the European Court of Auditors, in relation with the maintenance of infrastructure and equipment previously delivered to the judicial sector.

The end dates of the contracted projects for the three national programmes indicate to the point that a **very small number of interventions have ended their implementation period until June 2010**<sup>32</sup>. Several of these contracts do not concern major interventions but rather small ones (including two small supply contracts and one devoted to drafting tender specifications).

The ROM monitoring focuses on the impact and sustainability prospects as integral part of the task. The results from their **scoring indicates to potential risks for sustainability and impact at project level**, which may be taken as indicative for NP impact and sustainability prospects as well. The following Box 8 provides an overview of the scoring for impact prospects of projects conducted by the ROM.

### **Box 8: The ROM scoring for impact prospects**

The ROM monitoring reports (concerning only 20 projects –out of which two were monitored twice - under the NP 2007 and 5 (including 4 small grants) for IPA 2008 mention the following scoring: for: 1 report with A, 21 with B and 5 C; for prospects of sustainability 21 B and 6 C. The only **A** is related to the 2007 project on Mine survey and clearance, which is self-explanatory. A project scored with **C** is the Social Inclusion of Children Project, the assessment of which is rendered difficult by the fact that it is split in three one year separate projects instead of being a three year intervention. The main impediment for good impact prospects appears related to changing mentalities on children's right issues and to the unequal level of implementation of activities in both entities, which seem to be holding back the project achievements and impact. Another **C** is the project Capacity building of the Office of the Coordinator of the reform of Public Administration, already mentioned in the paragraph regarding relevance in relation with strategic priorities. The project is considered as in a difficult situation as regards to impact prospects, since absence of consensus on the approach to be followed for action plan 2 risks to jeopardise the possibility for the project to bring the BiH institutions in line with the desired European standards. The same type of problem appears to affect the impact prospects of

<sup>32</sup> See figure showing the planned calendar of the end of implementation periods of contracted IPA interventions under National Programmes 2007, 2008 and 2009 in point k) in Annex 2 of the present report. .

another already mentioned project, the Support to Implementation of BiH food legislation, where serious impact risks seem to exist in relation with overlapping competences of several institutions and absence of vertical harmonisation of policies.

Prospects for sustainability are perceived as problematic in 6 reports. Examples from some projects are as follows. The Social Inclusion of Children project is problematic as BiH government is not likely to be able to fund the Social Protection and Inclusion System, at least in the medium term. In general, the lack of good sustainability prospects in this project is explained by a too ambitious design of the project. The Strengthening of the BiH Accreditation System Project sustainability problems appear to result from an inadequate level of state funding for the beneficiary institution, which raises the question of whether the intervention was designed in full knowledge of these limitations. The factors hampering sustainability prospects for Science in Service of Truth project are mainly related to non-formal legal status of the International Commission for Missing Persons (ICMP) and to the decision of the RS to establish its own team of research of missing persons, thus compromising the unified effort made at the state level on this matter. Issues related to divergences of approaches between the entities of the roles and support to be brought to the RDAs are the main reasons explained the sustainability concern about the project.

Generally, two main groups of reasons for sustainability prospects are mentioned: the first one relates to the levels of budget funding allocated to some institutions supported by the IPA programme, which calls for a better consideration of this matter at project design. The second is related to the structural problems resulting from the complexity and ineffectiveness of vertical coordination between entities and state structures, as well as, in some cases, diverging approaches followed between entities on some important issues.

The assessment of the prospects for immediate impact and sustainability has been difficult as majority of projects just started are still in the implementation phase, which is too early to bring strong conclusions. Still, **due to the existence of insufficient budget funding of some of the supported institutions and to issues of vertical integration between the entities and state structures** it is likely that at least **some of the projects will face sustainability problems**, when the IPA assistance is over.

#### **Q.20. ARE THERE ANY POTENTIAL ACTIONS WHICH WOULD IMPROVE PROSPECTS FORT IMPACT AND SUSTAINABILITY OF ON-GOING ASSISTANCE?**

Main actions likely to improve prospects for impact and sustainability of on-going assistance would be as follows:

- Ø **Keeping the dialogue** opened with the workshops in the framework of the preparation of the MIPD 2011-2013, **active through regular consultations, involving all donors** (through the donor coordination forum) **and the civil society**. Ensure regular presentation of conclusions reached by the EU in its progress reports to governmental and non-governmental actors.
- Ø **Improving the integration of the aid coordination system and leadership by BiH institutions** in order for this system to allow a) close coordination of donors working in the same areas – through the consolidation of a limited number of sector working groups to be placed under the leadership of the relevant BiH state sector-related authorities and b) general coordination, through further integration of SCIA and DEI work in this respect.
- Ø Providing **increased support to refinement and improvement of a number of key strategies** (even beyond strategies related for areas selected for a sector- based approach in IPA). This will ensure their satisfactory alignment with the new CDS and their full consideration within budgetary exercises, on a short and medium term.

- Ø **Continuous interlocking of the EU assistance with country's own reform strategies and development plans.** In this perspective make sure that the project titled National planning process and presidency planned under the National Programme 2009 can develop its activities in due time.
- Ø Developing a broad explanation campaign directed to State and Entity Institutions aiming at **further emphasizing the specificity of the IPA assistance and its strict connection with EU integration requirements** is strongly recommended. Capacity building of members of all level governmental institutions potentially concerned with IPA assistance would be beneficial for them to better understand this instrument and the roles and contribution expected from their respective institution in the advancement of the EU integration process.
- Ø Further pursuing, beyond immediate crisis recovery, a certain level of **support in the area of infrastructure investment related to integration of BiH in the major European networks** (energy, transport). This may bring to potential benefit from other sources of co-financing. Continue increased cooperation with IFIs to maximize impact and leverage of financial means.
- Ø **Ensuring the possibility for donors/ IFIs** having confirmed fields of specialisation, **long standing involvement in given sectors as well as adequate control procedures to more widely benefit from the possibility of becoming implementing partners for some projects**, on behalf of the EC, through indirect centralised management.
- Ø Prospects for withdrawal of the EUPM in the law enforcement sector should be carefully considered. **Law enforcement sector should be considered as another potential candidate for sector based approach**, even if preparation period is necessary for all conditions to be met.
- Ø **Making more use of the results of the ROM system and incorporation of their findings and recommendations in further programming.** Ongoing work should be done to ensure that its information system is structured in a way to allow easy generation of information available, but also to provide possibility to combine data on a higher level beyond the assessment of individual projects.

## SECTION 9: OVERALL CONCLUSIONS

### QUESTION GROUPING 1 - PROGRAMMING AND INTERVENTION LOGIC

The **commitments taken by BiH in the perspective of EU accession** - which are those to be supported by IPA - **have not yet been fully integrated into a single national framework**, and **there is no real nationally owned programme which could serve as a reference and benchmark for tailoring the IPA assistance to a well shared set of priorities acknowledged by all national stakeholders** as critical on the country road towards EU membership. The **main reference framework** presently in use is the **European partnership**, which specifies key, short term and medium priorities and is **perceived as the main reference for progress assessment**, while other documents and in particular **progress reports are not sufficiently used for programming purposes**.

#### Programming documents

The **main programming documents (MIPDs, NPs) do not include SMART indicators** and, for the MIPDs, the **chapters devoted to expected results and indicators often present a mix of these two elements with no clear distinction between them**. The **project proposals/ fiches** are the main programming documents where a **real attention to indicators and to their “smartness” is present**. They have improved significantly throughout the IPA programming exercises and **are of a rather good quality** in spite of some **weaknesses** related to **definition of time line** for attainment of results, **quantification of results**, **optimisation in the selection of indicators** and sometimes remaining confusion between indicators and means of verification.

On the **EU side**, the **main strategic and programming frame is fast moving for a country where progress is rather slow**. Even if an **increasingly strategic approach can be perceived** between the initial MIPD and its two successors, the **successive strategic programming documents do not demonstrate a significant improvement** throughout the three cycles.

The **National Programmes** rightly **emphasise the need to tightly link interventions to be selected with the priorities mentioned in the policy and strategic documents**; and in almost all the cases, **there is an undisputable relationship between selected projects and strategic priorities**, even if the prioritization of the most relevant projects remains weaker.

#### Selection of projects

In spite of programming weaknesses, the **filtering of the project ideas at DEU and EC levels has led to the preparation and selection of relevant proposals**, which are **in line with strategic objectives** but which have sometimes **underestimated the need to take fully into consideration the constraints** resulting from the **complexity of the institutional setup**, characterised by a **severe fragmentation of powers**, **not conducive to consensus building and fast decision making**.

The profile of the three successive national programmes has seen **considerable improvements**, with more **diverse forms and types of assistance**, **closer coordination with other donors** in some areas, **spectacular increase of national contributions**, **more structured projects** of a bigger size addressing wider issues.

## QUESTION GROUPING 2 – ADMINISTRATIVE AND MONITORING CAPACITY

BiH has started in 2005 with the preparation for the Decentralised Implementation System (DIS) but **setting up of the administrative structures has been burdened by political issues** slowing the advancement in this area. The administrative structures – CFCU, NIPAC, National Fund and strategic departments of DEI are in place to manage the operation of a decentralised implementation system (DIS). However, **criteria for accreditation of this system are not yet met**. The **appointment of SPOs**, who should become interlocutors of DEI in the programming process and identification of most relevant IPA project ideas, **is still pending**. There are **strong debates over involvement of entities in programming and implementation**. Some structures, such as the IPA Coordination Board are the subject of a political struggle on the role of Entity governments.

Currently, the **IPA monitoring is confined to the ROM** technical assistance project. **Management of the projects themselves ultimately rests with programme managers** within the Delegation. Nevertheless, the BiH Council Ministers adopted a Decision in July 2010 to amend the Rule book of the DEI, to include establishment of the Monitoring and Evaluation (M&E) unit within EU Aid coordination division of DEI. Upon adoption of this Decision, DEI established the Unit, initiated training of the staff and began drafting manuals on Monitoring and Evaluation procedures, with assistance of the TA project to the DEI.

Negative consequences of the absence of a proper management at DEI level during a prolonged period still affect its operation and its programming and monitoring capacities. These are likely to **progressively disappear with a new impulse given for the development of synergies between its divisions and the inputs provided by the present TA project**.

## QUESTION GROUPING 3 – OVERVIEW MAPPING

The **main donors** present in BiH and in particular **the EC provide an ongoing support to the elaboration of sectoral strategies**. In some cases, these **actors play a leading role in the support to the preparation of these strategies and in the development of the institutional framework** needed for their implementation. There is an impressive number of strategies adopted at State and Entity levels of government, however only a **limited number of areas enjoy comprehensive sectoral strategies**, linked with action plans and **connected with the budgetary framework**.

The **perspective**, opened with the preparation of the MIPD 2011-2013, **to move to a sector based approach**, seems **well accepted by the BiH government**. The government conducted analysis of the respective merits of the various sectors, which could become pioneers for sectoral approach. One sector – **justice** has been **selected as pioneer in adopting this approach**.

## QUESTION GROUPING 6 – EFFICIENCY AND EFFECTIVENESS

The implementation of the IPA programme in BiH has been delayed by several factors. First financial agreement was signed in July 2008 and the first IPA 2007 projects have started only at the end of 2008/ beginning of 2009. In order to accelerate the process, the IPA national programmes 2008 and 2009 have been split in two parts, an expedient which only slightly accelerated the programme. The **performance in terms of contracting and disbursement is rather low**, with **33% of the total amount of the three NP contracted and 12% disbursed**.

The profile of the three successive **national programmes** has **progressively improved**, with a **sharp decrease in the number of projects** throughout these programmes and a **significant increase in their financial amount**. Concentrating on a **smaller number of priorities** and, in the case of sector

based approach, **using the possibility of contributions to sector related funds**, is likely to **improve effectiveness and efficiency of assistance**, which for the moment have not been very high. In the same line, the **projects** in the last national programmes **have gained in coherence and comprehensiveness**. The projects **increasingly apply several types of assistance** provided for in parallel in one single intervention. **This allows for better effectiveness** of the assistance and **less dispersion** but, in some cases, **interventions might become rather complex**.

Ever **increasing number of projects and contracts** take **form of delegation agreements, contribution agreements and direct grant agreements**. Maintaining this trend will probably **contribute to improving the efficiency** of the programme, at least as far as the contracting period is concerned. This is needed as the contracting time appears to have been rather long for the 2007 programme projects. Since the end of last year, a significant acceleration of the contracting process has taken place and, according to the DEU, most of the projects soon to reach their contracting deadline will be able to be launched in due time. This remains to be confirmed.

### **QUESTION GROUPING 7 – IMPACT AND SUSTAINABILITY**

The assessment of the prospects for immediate impact and sustainability has been difficult as majority of projects just started are still in the implementation phase, which is too early to bring strong conclusions. Still, **due to the existence of insufficient budget** funding by some of the supported institutions and to **issues of vertical integration between the entities and state structures** it is **likely** that at **least some of projects will face sustainability problems**, when IPA assistance is over. **Sustainability of the assistance is likely to benefit from a reinforcement of the ownership** of the **BiH government**, be it at the level of sectoral working groups or at the overall level of harmonisation of the structures in charge of aid coordination.

## RECOMMENDATIONS

### RECOMMENDATION ON PROGRAMMING AND INTERVENTION LOGIC

#### Strategic and programming framework – documents

- Ø Absolute priority should be given to producing a comprehensive document by BiH Government which contains strategic responses of the government to all obligations and requirements on the road to EU integrations. This document should be a prerequisite for better rooting the assistance programming within a nationally owned comprehensive framework.
- Ø The clear structure of the European Partnerships, making distinction between key, short term and medium term priorities provide the most appropriate basis for assistance programming and formulation of the MIDPDs. The MIPD structure could reflect the structure of the EPs.
- Ø Slowing the rhythm of strategic documents production for the IPA assistance programming and enabling longer intervals for MIPDs. It is not certain that the time sequence of programming documents should be identical for all potential candidate countries, independently of the speed in the reform process.
- Ø Although the last two MIPDs have become more strategically focused, there is still room for improvements in this direction by operating fewer strategic choices and subsuming under each of them a larger number of results.
- Ø Developing a risk assessment methodology in order to ensure that selected projects will meet the necessary conditions for a successful implementation would be highly beneficial. This practice would also have the advantage to engage both the BiH and the DEU in a joint reflection in view of minimising risk factors likely to hamper the full success of planned interventions.
- Ø Project fiches, which are already of good quality, could be further improved in the area of justification on the level of priority of the planned intervention, assumption analysis, time line and quantification of results, selection of most meaningful indicators.

#### Strategic and programming framework – process and actors

- Ø Process of consultations in programming is long due to high number of institutions to be consulted at both state and entity level in order to reach a sufficient consensus for projects. However, as this situation can only be changed by constitutional amendments, that assistance alone is not likely to generate, strong focus should be placed on deeper ex ante consideration to all relevant institutional characteristics and features likely to play a role and eventually interfere with project implementation during the programming.
- Ø Official appointment of a consolidated group of SPOs is crucial. SPOs should be empowered as the actual initiators of the project ideas in their respective sectors, and should have sufficient authority and support to activate a network of correspondents in the various institutions of their respective areas, at whatever level is needed
- Ø A systematic presentation of the EC progress reports conclusions should be organised by the DEU upon their release and a discussion held immediately with relevant stakeholders on their implications for the IPA programming.
- Ø Project selection process should be further strengthened and formalised by the DEI. More time for consultation of all interested parties should be ensured, as well as space for progressive elaboration of project proposals pipeline built with the participation of both the SPOs and entity level officers working in sectors/ institutions relevant for IPA assistance.
- Ø The project programming committees, including the TM of the DEU and of the DEI as well as the SPOs should be more formalised and acquire a unified working style across all the IPA covered fields.

## **RECOMMENDATION ON ADMINISTRATIVE CAPACITY**

- Ø Developing the internal synergy between its main operational departments in DEI is critical. For the moment, the main divisions of the DEI have not reached a satisfactory level of mutual cooperation and this should be urgently addressed by the Directorate with the assistance of the present capacity building project in support of DEI.
- Ø Ensure sustainability of the training received by the CFCU and NF staff members, by further elaborating and implementing a mentoring programming, through which this staff can be progressively familiarised with its future tasks in the framework of the DIS.

## **RECOMMENDATION ON MONITORING CAPACITY**

- Ø Use the momentum of establishment of the Unit for Monitoring and Evaluation within the DEI to work progressively on elaborating a monitoring system that is complementary and harmonised with the ROM system.
- Ø Ensure the system by which monitoring reports will inform the further implementation of interventions and exchange of lessons learnt within and between projects and sectors.

## **RECOMMENDATION ON SECTORAL APPROACH**

- Ø Continue providing assistance within IPA on capacity building for strategy development, including their operationalisation through fully budgeted action plans.
- Ø Reinforce donors' coordination on assistance to BiH in strategy development, in order to avoid inflation of overlapping strategies elaborated without proper hierarchical organisation.
- Ø Continue working on a consensual definition of the concept of sectoral approach and on the conditions and parameters necessary to plan one in a given sector.
- Ø Consider the justice sector as the priority for a shift to a sectoral approach.
- Ø Consider the merits of the public administration reform and rule of law sectors for the introduction of a sectoral approach. A large allocation for the rule of law is already foreseen for this area in IPA programming and its complementarities with the justice sector would constitute an asset for the development of valuable synergies.

## **RECOMMENDATION ON EFFICIENCY AND EFFECTIVENESS**

- Ø Ongoing attention to finding balance between cohesiveness of interventions and complexity of their structure should be ensured.
- Ø Try to avoid splitting the national programmes into two different parts in order to unburden the approval process.
- Ø Additional consideration should be given to the time involved for the preparation of projects under the various forms of assistance, especially for twinning projects.

## **RECOMMENDATION ON IMPACT AND SUSTAINABILITY**

- Ø Work more energetically towards the development of BiH leadership in the various working groups devoted to specific sectors.
- Ø Further harmonization of the two systems devoted to international aid coordination, one specifically devoted to IPA assistance and the other to assistance provided by other donors is highly recommended.
- Ø Establish a programme for ex-post evaluation of IPA interventions to be conducted for projects belonging to sectors of high relevance for future programming. Ex-post evaluations would

bring multiple benefits to programming, through expanding knowledge on the outcomes and impacts of the projects implemented, and informing programming in terms of: a) careful programming to reflect and include all potential risks and risk mitigation; b) better response to institutional development needs; c) integration of best practices and lessons learnt from the implementation of finished projects. Such task should be carried out as soon as a sufficient number of projects from the IPA National Programmes 2007 and 2008 are over.

- Ø Systematically devoting enough time and efforts in securing not only the consent but also the firm commitment of all needed stakeholders of any planned intervention. This commitment should be formalised before the project start is an imperative in the complex governmental and administrative framework of BiH.

## ANNEXES

### ANNEX 1: EVALUATION MATRIX

| ToR Question                                    | EVALUATION QUESTIONS                                                                                                     | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | INDICATORS                                                                                                                                                                                                                      | SOURCES OF INFORMATION                                                                                                                                                                                                                                                                                                                                        |
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| <i>Specific Objective 1: Intervention Logic</i> |                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                               |
| <b>Question Grouping (1): Programming</b>       |                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                               |
| 1                                               | To what extent are objectives SMART at different levels (strategic, MIPDs & programmes)?                                 | <p>To be judged acceptable, objectives should:</p> <ul style="list-style-type: none"> <li>§ Give direction by showing linkage to an ascending order of objectives (operational, specific, intermediate, overall objectives)</li> <li>§ Be appropriately scoped for their level in the hierarchy of objectives</li> <li>§ Have SMART indicators at the appropriate levels as shown: <ul style="list-style-type: none"> <li>o Measures taken /resources used (input)</li> <li>o Immediate results of resources used/measures taken (output)</li> <li>o Results at beneficiary level (outcome)</li> <li>o Outcome of wider objectives (impact)</li> </ul> </li> <li>§ Be achievable, given the assumptions made &amp; resources allocated.</li> </ul> | <ul style="list-style-type: none"> <li>§ % objectives correctly sequenced and scoped in objectives hierarchy</li> <li>§ % objectives with SMART indicators</li> <li>§ % objectives which are likely to be achievable</li> </ul> | <ul style="list-style-type: none"> <li>§ SAA</li> <li>§ European Partnership</li> <li>§ MIPDs</li> <li>§ National Strategy for Development &amp; Integration</li> <li>§ National Plan for the Approximation of Legislation &amp; the SA</li> <li>§ National Sector Strategies</li> <li>§ National Annual TAIB Programmes</li> <li>§ Project Fiches</li> </ul> |
| 2                                               | To what extent planning & programming provide adequate assessment of needs (both financial & time) to meet all accession | <p>To be judged as being adequate, needs assessments should:</p> <ul style="list-style-type: none"> <li>§ Include problem analyses;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>§ Number of sectoral problem analyses &amp; needs assessments carried out per programming year.</li> <li>§ % projects prepared on basis of</li> </ul>                                    | <ul style="list-style-type: none"> <li>§ National Strategy for Development &amp; Integration</li> <li>§ National Plan for the</li> </ul>                                                                                                                                                                                                                      |

| ToR<br>Question | EVALUATION QUESTIONS                                                                                                         | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                            | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                            | SOURCES OF<br>INFORMATION                                                                                                                                                                                   |
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|                 | requirements /strategic objectives?                                                                                          | § Budgetary costs covering financial, administrative & human resources;<br>§ Costs for beneficiaries (co-financing, compliance costs stemming from administrative burden);<br>§ Are needs analysed within a realistic and adequate timeframe                                                                                                                                                                                                  | problem analyses or needs assessment<br>§ % project /programme budget requests based on itemised cost estimates<br>§ National budgets show co-financing in years n, n+1.<br>§ Average amount of co-financing (M€) /project /annual programme<br>§ National Strategy for Development &Integration & National Plan for the Approximation & the SAA include cost estimates per sector of achieving accession objectives<br>§ Cross reference fiches to needs assessments | Approximation of Legislation & the SA<br>§ Ministry of Finance (national budget)<br>§ National Sector Strategies<br>§ National Annual TAIB Programmes<br>§ Project Fiches                                   |
| 3               | To what extent are annual IPA component I allocations (MIFFs) adequate in relation to the strategic objectives of the MIPDs? | To be judged as being adequate, MIFF financial allocations should:<br>§ Reflect estimated costs of achieving MIPD objectives.<br>Is there a global estimation of the total costs to achieve objectives in MIPDs?<br>How is the relation between objectives and allocation of resources as per: <ul style="list-style-type: none"> <li>• level of priority;</li> <li>• sequencing of needs;</li> <li>• timeframe for implementation</li> </ul> | § % concordance between the following:<br>§ MIFF national allocations for IPA-TAIB<br>§ MIPD financial allocations per main areas of intervention<br>§ National Annual TAIB Programme financial allocations per priority programming axes<br>§ Cost estimates of National Strategy for Development &Integration & National Plan for the Approximation & the SAA                                                                                                       | § MIFF<br>§ MIPD<br>§ National Strategy for Development & Integration<br>§ National Plan for the Approximation of Legislation & the SA<br>§ National Sector Strategies<br>§ National Annual TAIB Programmes |

| ToR Question | EVALUATION QUESTIONS                                                                                                                                                    | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | SOURCES OF INFORMATION                                                                                                                       |
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|              |                                                                                                                                                                         | Are there any significant shortages of funds to meet some objectives?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | § Evidence of underfunded projects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                              |
| 4            | To what extent is the project selection mechanism appropriate in the sense of selecting the most relevant, efficient & effective projects to meet strategic objectives? | <p>To be judged appropriate, the project selection mechanism should ensure that:</p> <p>§ projects are identified within the framework of the hierarchy of EC &amp; national IPA programming documents i.e. they must be consistent with these documents &amp; clearly aimed at the achievement of accession-related objectives;</p> <p>§ projects are focussed on improving the existing situation, project identification should include analyses of (i) problems/needs; (ii) stakeholders; (iii) likely target groups; (iv) potential beneficiaries</p> <p>§ project preparation is subject to national, internal, quality control procedures focussed on project (i) <u>relevance</u> (justification on problems/needs &amp; impact on European integration /EU accession); (ii) <u>efficiency</u> (project design &amp; readiness re. activity-task definition, contract identification &amp; contracting timetables, budgetary analysis, procurement documentation, output-result schedules);</p> | <p>§ Number of appropriate references to programming documents in IPA TAIB project fiches</p> <p>§ % projects selected which have high priority in the National Strategy for Development &amp; Integration &amp; National Plan for the Approximation &amp; the SAA i</p> <p>§ . % projects prepared on basis of problem analyses/needs assessments /stakeholder analyses)</p> <p>§ % project budget requests based on itemised cost estimates</p> <p>§ % projects with realistic procurement schedules (re PRAG)</p> <p>§ % projects with supporting procurement documentation &amp; studies</p> | <p>§ Project Fiches</p> <p>§ National Internal Procedures/ Manuals /Guidelines /Documents</p> <p>§ Reports DG ELARG programming missions</p> |

| ToR Question | EVALUATION QUESTIONS                                                                    | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | INDICATORS                                                                                                                                                                                                                                                                                                  | SOURCES OF INFORMATION                                                                                                                                                                                                                               |
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|              |                                                                                         | <p>(iii) <u>effectiveness</u> (likelihood that results will achieve project purpose &amp; benefits to target groups)</p> <p>§ projects selected for inclusion in annual TAIB programmes are selected on the basis of quality &amp; accession priority</p> <p>§ <u>institutional framework for project selection in place:</u></p> <p>§ adequate human and material resources</p> <p>§ <u>efficient involvement of stakeholders</u></p> <p>How is the relation between objectives and allocation of resources as per</p> <ul style="list-style-type: none"> <li>• Level of priority;</li> <li>• Sequencing of needs;</li> <li>• Timeframe for implementation</li> </ul> | §                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                      |
| 5            | To what extent programming provides adequate prioritisation & sequencing of assistance? | <p>To be judged adequate:</p> <p>§ Projects should be selected on the basis of their EU accession / European integration significance rather than, say, their ease of preparation in relation to programming deadlines.</p> <p>§ Project selection in relation to annual programming priorities takes into account realistic implementation time frames</p> <p>Projects within any one field of assistance</p>                                                                                                                                                                                                                                                         | <p>§ % projects selected which have high priority in the National Strategy for Development &amp; Integration i&amp; National Plan for the Approximation &amp; the SAA i</p> <p>§ % projects showing sectoral continuity (i.e. as projects finish, follow-on projects are ready to start implementation)</p> | <p>§ EC Regular Progress Reports</p> <p>§ National Strategy for Development &amp; Integration</p> <p>§ National Plan for the Approximation of Legislation &amp; the SA</p> <p>§ National Annual TAIB Programmes</p> <p>§ Project Fiches</p> <p>§</p> |

| ToR Question | EVALUATION QUESTIONS                                                                                                                        | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                          | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                  | SOURCES OF INFORMATION                                                                                                                                                                                                                                                                                                         |
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|              |                                                                                                                                             | (e.g. public administration reform) are selected in such a way as to show: (i) linkage; (ii) continuity; (iii) appropriate time phasing, in successive annual programmes<br><br>When answering this EQ, findings from EQ3-4 will be used                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                |
| 6            | To what extent programming takes adequate & relevant account of beneficiaries' policies, strategies & reform process in relevant key areas? | To be judged as being adequate:<br><br>§ The programming process should include, & incorporate, regular consultations with national authorities responsible for policy, reform & strategic planning in accession-related sectors<br><br>§ Programming documents should contain appropriate, & up to date, references to national policies /strategies /reforms in accession-related sectors | § Number & type of inputs provided by beneficiaries to the preparation of MIPDs<br>§ % concordance of policy & sectoral analyses between Regular Progress Reports, European Partnerships, MIPDs, National Strategy for Development & Integration i& National Plan for the Approximation & the SAA annual Programmes & Project Fiches<br>§ % Project Fiches containing references to national policies, strategies & reforms | § EC Regular Progress Reports<br>§ European Partnerships<br>§ Draft MIPDs & Final MIPDs<br>§ Government Documents /Reports (MTEF) <sup>33</sup><br>§ National Strategy for Development & Integration<br>§ National Plan for the Approximation of Legislation & the SA<br>§ National Annual TAIB Programmes<br>§ Project Fiches |
| 7            | To what extent programming include SMART indicators to measure progress towards achievement of                                              | To be judged acceptable, indicators formulated in programming (for subsequent use in monitoring) should be SMART ,                                                                                                                                                                                                                                                                          | § % of IPA programming & monitoring documents containing indicators                                                                                                                                                                                                                                                                                                                                                         | § MIPDs<br>§ National Strategy for Development &                                                                                                                                                                                                                                                                               |

<sup>33</sup> MTEF= Mid-Term Expenditure Framework; a government document with priorities, projects & budget allocations i.e. national programming linked to national budgetary process.

| ToR Question | EVALUATION QUESTIONS                                                                                                                   | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                       | SOURCES OF INFORMATION                                                                                                                                                                                                                                           |
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|              | objectives?                                                                                                                            | <p>namely:</p> <ul style="list-style-type: none"> <li>§ <u>Specific</u> (linked to, &amp; appropriate to, level in the intervention logic);</li> <li>§ <u>Measurable</u> (quantifiable variables);</li> <li>§ <u>Available</u> (data exist or provisions are made to collect data);</li> <li>§ <u>Relevant</u> (significant correlation with intervention level targets)</li> <li>§ <u>Time-bound</u> (i.e. variables which can be expressed as rates and /or targets for fixed time periods)</li> </ul>                                                                  | <ul style="list-style-type: none"> <li>§ % of indicators in IPA programming &amp; monitoring documents which are SMART</li> <li>§ % of programming /monitoring documents judged to be of poor quality because of indicators.</li> </ul>                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Integration</li> <li>§ National Plan for the Approximation of Legislation &amp; the SA</li> <li>§ National Annual TAIB Programmes</li> <li>§ Project Fiches (Logical Frameworks)</li> <li>§ Monitoring Reports</li> </ul> |
| 8            | To what extent programming takes adequate & relevant account of assistance provided & reforms promoted by key donors where applicable? | <p>Programming is judged to take adequate &amp; relevant account if:</p> <ul style="list-style-type: none"> <li>§ IPA programming documents, at all levels, contain appropriate references to assistance from key bilateral/ development bank assistance</li> <li>§ Programming identifies synergies with other donors</li> </ul> <p>There is a formal institutionalised system for donor co-ordination.</p> <p>Reference and coordination with strategies is provided in programming documents for areas where donor assistance is aligned to functioning strategies</p> | <ul style="list-style-type: none"> <li>§ Number of references to key donors in IPA programming documents</li> <li>§ % Project Fiches with references to key donors.</li> <li>§ Number of references to IPA assistance in donor assistance strategies/ reports &amp; programming documents</li> <li>§ Evidence of a common database</li> <li>§ Evidence of duplication of activities with other donors</li> </ul> | <ul style="list-style-type: none"> <li>§ PA Programming Documents (European Partnerships to Project Fiches)</li> <li>§ Donor Reports</li> <li>§ Donor Assistance Strategies</li> <li>§ Donor Programming Documents</li> </ul>                                    |

| ToR Question                                   | EVALUATION QUESTIONS                                                                                                                                                                                                      | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                    | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | SOURCES OF INFORMATION                                                                                                                                                                                                                                                                                                                                                                |
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| <b>Question Grouping (2): Overview mapping</b> |                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                       |
| 9                                              | What are the existing sectoral strategies in ... To what extent are strategies duly embedded into beneficiaries policies /budget? To what extent is EU/ donor assistance aligned with /embedded into existing strategies? | <p>On the basis of a national audit of strategies<sup>34</sup>, sector strategies will be judged as being embedded if:</p> <ul style="list-style-type: none"> <li>§ beneficiary administrative structures &amp; procedures exist to implement &amp; their strategies are regularly monitored</li> <li>§ financial allocations are made for them in the state budget</li> <li>§ IPA /donor assistance projects support their implementation</li> </ul> | <ul style="list-style-type: none"> <li>§ Number of officials employed /procedures used to administer sector strategy implementation</li> <li>§ Budgetary allocations for implementing sector strategies</li> <li>§ Number of sector strategic objectives integrated into National Strategy for Development &amp; Integration &amp; National Plan for the Approximation &amp; the SAA i&amp; government legislative plans</li> <li>§ Number of references to beneficiary strategies in IPA programming documents</li> </ul> | <ul style="list-style-type: none"> <li>§ National Sectoral Strategies</li> <li>§ National Strategy for Development &amp; Integration</li> <li>§ National Plan for the Approximation of Legislation &amp; the SA</li> <li>§ Government Documents (legislative plans &amp; budget forecasts)</li> <li>§ IPA Programming Documents (European Partnerships to Project Fiches).</li> </ul> |
| 10                                             | Overview of assistance and projects per donors and sector                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                       | §                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | §                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Group 3: Sector-based approach</b>          |                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                       |
| 11                                             | Is programming through a sectoral based approach a suitable, feasible & operational option for future programming (MIPDs & national programmes)                                                                           | <p>Programming through a sectoral approach is judged:</p> <p>An <u>operational option for future programming</u>, if preconditions for adequate implementation (incl. clear allocation of responsibilities) and monitoring are in place</p>                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>§ Number of acceptable quality sectoral strategies which have accession-relevant objectives</li> <li>§ % of <i>acquis communautaire</i> /accession-significant areas which is covered by existing sectoral strategies</li> </ul>                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>§ National Sectoral Strategies</li> <li>§ National Strategy for Development &amp; Integration</li> <li>§ National Plan for the Approximation of</li> </ul>                                                                                                                                                                                     |

<sup>34</sup> An audit of national strategies will be undertaken as part of this evaluation. The audit will include: mapping strategies; assessing (i) quality, (ii) accession-relevance & (iii) costs of existing national strategies.

| ToR Question | EVALUATION QUESTIONS                                                                                                                                                             | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SOURCES OF INFORMATION                                                                                                                                                                          |
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|              |                                                                                                                                                                                  | <p>A sector programme for an IPA beneficiary country should identify what is needed to modernise a sector and align it to EU standards.</p> <p>Should be based on a country's own national development plan and be underpinned by the EU's overall enlargement policy as well as by the country's Accession/European Partnership and SAA.</p> <p>Should allow for EU integration priorities to be strategically planned for and sequenced at an early stage</p>                                                                | <p>§ Number of officials employed /procedures used to administer sector strategy implementation</p>                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Legislation &amp; the SA</p> <p>§ Government Documents (administration of sector strategy implementation &amp; monitoring)</p>                                                               |
| 12           | To what extent is the beneficiary ready to operate a shift towards a sector based approach in its own strategies, and in planning & programming sector based actions & finances? | <p>The beneficiary is judged ready if:</p> <p>§ Nominated government institutions are responsible for preparing, implementing &amp; monitoring sector strategies</p> <p>§ Sector strategic objectives are contained in the MIPD</p> <p>§ Sufficient administrative capacity exists to manage a sectoral approach</p> <p>§ There is linkage between sector strategies &amp; budgetary planning.</p> <p>§ Preconditions for adequate implementation (incl. clear allocation of responsibilities) and monitoring are in place</p> | <p>§ Number of acceptable quality sectoral strategies</p> <p>§ Number of sectoral strategies whose costs are included in national budgets</p> <p>§ Number institutions involved in implementing strategies &amp; monitoring of implementation</p> <p>§ Internal procedures &amp; administrative processes exist for undertaking sector strategic approaches (Number of procedures, Number of meetings of sectoral working groups etc)</p> <p>§ Beneficiary administrative capacity (staffing levels, number of</p> | <p>§ Government Documents i.e. Sectoral Strategies, National Budget Forecasts, Legislation establishing institutional roles &amp; responsibilities, NIPAC Reports, Government Organigrammes</p> |

| ToR Question                                                                     | EVALUATION QUESTIONS                                                                                        | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                               | SOURCES OF INFORMATION                                                                                                                                                                                                                                                                                                                                                                          |
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|                                                                                  |                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | institutions involved in sectoral planning)                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Question Grouping (4): Programming Gaps, Weaknesses &amp; Recommendations</b> |                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                 |
| 13                                                                               | Which are the main gaps /weaknesses in the current programming framework?                                   | <p>Judgement on gaps /weaknesses in the programming framework will be based on the examination of:</p> <ul style="list-style-type: none"> <li>§ Quality &amp; coherence of IPA programming documents</li> <li>§ Procedures for updating &amp; monitoring the implementation of National Strategy for Development &amp; Integration i&amp; National Plan for the Approximation &amp; the SAA i</li> <li>§ Extent to which beneficiaries are involved in preparing strategic programming documents (particularly the MIPD)</li> <li>§ Procedures used by ECD &amp; beneficiaries in annual programming (from project identification to selection);</li> <li>§ Role of sector strategies in programming</li> <li>§ To what extent is the programming function burdened by bureaucracy</li> </ul> | <ul style="list-style-type: none"> <li>§ Number &amp; type of inputs provided by beneficiaries to the preparation of MIPDs</li> <li>§ % of IPA programming documents judged to be of acceptable quality</li> <li>§ Number of internal quality control checks on preparing Project Fiches</li> <li>§ Number of IPA projects prepared on the basis of sector strategies</li> <li>§ Analysis of unnecessary steps in the process</li> </ul> | <ul style="list-style-type: none"> <li>§ EC Regular Progress Reports</li> <li>§ IPA Programming Documents (European Partnerships to Project Fiches)</li> <li>§ Government Documents (monitoring of, National Strategy for Development &amp; Integration i&amp; National Plan for the Approximation &amp; the SAA i internal quality control procedures)</li> <li>§ Sector Strategies</li> </ul> |
| 14                                                                               | How can programming of assistance be enhanced to more efficiently & effectively reach strategic objectives? | <p>Judgement on recommendations to enhance programming efficiency &amp; effectiveness will be based on the examination of:</p> <ul style="list-style-type: none"> <li>§ Management of the annual programming process</li> <li>§ Quality control of project preparation</li> <li>§ use, &amp; availability of, technical assistance</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>§ % internal programming deadlines met</li> <li>§ % acceptable quality project fiches</li> <li>§ % project fiches needing corrective actions during internal quality control checks</li> <li>§ Number (%) staff in potential beneficiary institutions PCM</li> </ul>                                                                                                                              | <ul style="list-style-type: none"> <li>§ IPA Programming Documents (European Partnerships to Project Fiches)</li> <li>§ Government Documents (quality control checks, training provision, TA inputs)</li> </ul>                                                                                                                                                                                 |

| ToR Question                                                                                                   | EVALUATION QUESTIONS                                                                            | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | SOURCES OF INFORMATION                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                |                                                                                                 | <p>in preparing projects</p> <p>§ The extent to which training &amp; institutional support is provided for potential beneficiaries</p> <p>§ Capacity to develop realistic monitoring indicators</p>                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>trained</p> <p>§ Number of training /information events provided for potential beneficiaries</p> <p>§ % acceptable quality monitoring indicators</p> <p>§ TA inputs (consultancy days /M€ programmed)</p>                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                   |
| 15                                                                                                             | How can programming be enhanced to improve the impact & sustainability of financial assistance? | <p>Judgement on recommendations to enhance programming impact &amp; sustainability will be based on the examination of:</p> <p>§ Extent to which programming involves civil society organisations &amp; stakeholder discussions</p> <p>§ Extent to which beneficiaries are involved in project preparation</p> <p>§ Extent to which post-assistance planning takes place</p> <p>§ Arrangements for visibility, public awareness &amp; publicity</p> <p>Phasing out (post-assistance) plans are provided in programming documents (e.g. TA for programming should include a timeframe for beneficiaries to take over responsibility)</p> | <p>§ Number of civil society organisations involved</p> <p>§ Number of visibility &amp; public awareness events</p> <p>§ Number of projects where beneficiaries feel a sense of ownership (interview responses)</p> <p>§ Number of projects where future maintenance costs are subsumed in national budgets</p> <p>§ % staff turnover in beneficiary institutions</p> <p>§ % of projects using local contractors</p> <p>§ % of projects using local staff &amp; services</p> | <p>§ EC Delegation Reports</p> <p>§ EC Regular Reports</p> <p>§ SPO /Line Institution Reports</p> <p>§ Contractors Reports</p> <p>§ National Annual TAIB Programmes</p> <p>§ Project Fiches</p> <p>§ National Budgets</p> <p>§ Institutional Capacity Reports</p> |
| § <i>Specific Objective 2: Performance (relevance, efficiency, effectiveness, impact &amp; sustainability)</i> |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                   |
| <b>Question Grouping (5): Administrative &amp; Monitoring Capacity</b>                                         |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                   |
| 16                                                                                                             | Are the administrative & organisational structures in place ensuring efficient & effective      | Judgement on administrative & organisational structures will be based on examination of:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | § Donor Coordination, IPA management structures & SPOs in place & evidence of activity.                                                                                                                                                                                                                                                                                                                                                                                      | <p>§ EC Regular Progress Reports</p> <p>§ Government Legislation</p>                                                                                                                                                                                              |

| ToR Question                                                | EVALUATION QUESTIONS                                                                           | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                 | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SOURCES OF INFORMATION                                                                                                                                                                                                      |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | implementation of financial assistance?                                                        | § Government institutional & staffing arrangements for implementation & monitoring of projects<br><br>§ Delays in implementation<br>§ Unused funds                                                                                                                                 | § % of Donor Coordination /IPA management structures at /exceeding minimum staffing levels<br>§ % staff turnover in IPA management structures<br>§ % of IPA management structures with procedures in place.<br>§ % of procurement deadlines met<br>§ Number of beneficiary staff responsible for monitoring<br>§ Number of projects monitored<br>§ Quality of Monitoring Reports                                                                                            | § Government Reports<br>§ Previous evaluations (if any)<br>§ Internal procedures manuals<br>§ Monitoring Reports<br>§ Project Fiches<br>§ Contractors' Reports<br>§ Audit reports                                           |
|                                                             | To what extent are the monitoring mechanisms & structures appropriate & correctly functioning? | Judgement on administrative & organisational structures will be based on examination of:<br><br>§ Government institutional & staffing arrangements for implementation & monitoring of projects<br><br>Evidence of inclusion of monitoring results into the decision making process | § Donor Coordination, IPA management structures & SPOs in place & evidence of activity.<br>§ % of Donor Coordination /IPA management structures at /exceeding minimum staffing levels<br>§ % staff turnover in IPA management structures<br>§ % of IPA management structures with procedures in place.<br>§ % of procurement deadlines met<br>§ Number of beneficiary staff responsible for monitoring<br>§ Number of projects monitored<br>§ Quality of Monitoring Reports | § EC Regular Progress Reports<br>§ Government Legislation<br>§ Government Reports<br>§ Previous evaluations (if any)<br>§ Internal procedures manuals<br>§ Monitoring Reports<br>§ Project Fiches<br>§ Contractors' Reports |
| <b>Question Grouping (6): Efficiency &amp;Effectiveness</b> |                                                                                                |                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                             |
| 17                                                          | To what extent ongoing IPA assistance has /is contributing to                                  | Judgement will be based on the performance of projects supported under the IPA TAIB                                                                                                                                                                                                | § Number of projects funded/ year<br>§ Average size of projects (M€)                                                                                                                                                                                                                                                                                                                                                                                                        | § Court of Auditors Reports<br>§ EC Regular Progress                                                                                                                                                                        |

| ToR Question | EVALUATION QUESTIONS                                                                                       | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | SOURCES OF INFORMATION                                                                                                                                                                                                         |
|--------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              | achieving the strategic objectives /priorities linked to accession preparation?                            | 2007-9 programmes.<br>The judgement differentiates two levels of sources of evidence and analysis: <ul style="list-style-type: none"> <li>• At programming level, based mainly on the assessment as per specific objective 1,</li> <li>• At implementing level, namely based on sources and indicators such as: status of contracting, institutional setting, monitoring reports and structures, etc ,(i) timely execution of activities &amp; delivery of outputs; (ii) planned results produced on time; (ii) likelihood of achieving project purpose</li> </ul> | § %s of 2007, 2008, 2009 budgets contracted & disbursed<br>§ % of outputs /results produced by IPA projects which have are linked to accession preparation<br>§ Estimated % contribution IPA makes to the implementation of National Strategy for Development &Integration i& National Plan for the Approximation & the SAA i& national sector strategies<br>§ % of IPA projects which are assessed in Monitoring Reports as acceptable<br>§ % planned outputs & results delivered<br>§ % output& result indicators achieved | Reports<br>§ National Annual TAIB Programmes, 2007-9<br>§ Project Fiches, 2007-9<br>§ National Strategy for Development & Integration<br>§ National Plan for the Approximation of Legislation & the SA<br>§ Monitoring Reports |
| 18           | Are there any potential actions, which would improve the efficiency & effectiveness of ongoing assistance? | Judgement on recommendations to improve efficiency & effectiveness of ongoing assistance will be based on the examination of:<br><br>§ Management of procurement procedures<br>§ Involvement of beneficiaries in preparing procurement documentation (e.g. Terms of Reference)<br>§ Internal procedures covering project implementation<br>§ Role of SPOs                                                                                                                                                                                                          | § Average length of time for procurement procedures to be completed<br>§ Number of beneficiaries involved in drafting procurement documents<br>§ Number of manuals /guidelines/instructions relating to project & contract implementation<br>§ Number of quality control checks on drafts of procurement documents<br>§ Number of training events on                                                                                                                                                                         | § ECD Reports<br>§ Government Documents (SPO Reports)<br>§ Internal Manuals /Guidelines<br>§ Government websites<br>§ Interviews                                                                                               |

| ToR Question                                              | EVALUATION QUESTIONS                                                                                                                                                                     | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                       | INDICATORS                                                                                                                                                                                                                                                                                                                                                                                                      | SOURCES OF INFORMATION                                                                                                                                               |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           |                                                                                                                                                                                          | § Quality control of procurement documentation<br>§ Use & availability of, technical assistance in preparing procurement documents<br>§ Management of contractors (consultants /twinners/equipment & service suppliers)<br>§ The extent to which training & institutional support is provided for beneficiaries institutions                             | project /contract implementation<br>§ % consistent recommendations from beneficiaries                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                      |
| <b>Question Grouping (7): Impact &amp; Sustainability</b> |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                      |
| 19                                                        | Which are the prospects for immediate & long-term impact & sustainability of assistance? Are there any elements which are/ could hamper the impact and /or sustainability of assistance? | Prospects for impact & sustainability will be based on:<br>§ Likelihood of results & specific objectives being achieved<br>§ Extent to which programming involves civil society organisations & stakeholder discussions<br>§ Extent to which beneficiaries are involved in project preparation<br>§ Extent to which post-assistance planning takes place | § % projects judged likely to achieve results & immediate impacts<br>§ Number of civil society organisations involved<br>§ Number of visibility & public awareness events<br>§ Number of projects where beneficiaries feel a sense of ownership (interview responses)<br>§ Number of projects where future maintenance costs are subsumed in national budgets<br>§ % staff turnover in beneficiary institutions | § EC Delegation Reports<br>§ EC Regular Reports<br>§ SPO /Line Institution Reports<br>§ Contractors Reports<br>§ National Annual TAIB Programmes<br>§ Project Fiches |
| 20                                                        | Are there any actions which would improve prospects for impact & sustainability of ongoing assistance?                                                                                   | Judgement on recommendations to improve impact & sustainability of ongoing assistance will be based on the examination of:                                                                                                                                                                                                                               | § Number of training /institutional support events held<br>§ Number of publicity /public                                                                                                                                                                                                                                                                                                                        | § EC Delegation Reports<br>§ EC Regular Reports                                                                                                                      |

| ToR<br>Question | EVALUATION QUESTIONS | JUDGEMENT CRITERIA                                                                                                                                                                                                                                                                                                                                                                             | INDICATORS                                                            | SOURCES OF<br>INFORMATION                                                |
|-----------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|
|                 |                      | § Arrangements for visibility, public awareness & publicity<br>§ Adequate account is taken (as part of programming and implementation) to ensure sustainability (e.g. phasing out plan for TA, formal commitment by beneficiaries for post-assistance)<br>§ Adequate analysis of how outputs and immediate results will be translated into midterm and (as far as possible,) long-term impacts | awareness events<br>§ % consistent recommendations from beneficiaries | § SPO /Line Institution Reports<br>§ Contractors Reports<br>§ Interviews |

a) IPA 1 Programming: from political / financial framework to strategic planning and specific programming (adaptation of the illustration provided in the DG Enlargement Document : IPA programming guide volume 1 for components 1 and 2)

The diagram illustrates the evolution of the European Partnership for the Mediterranean (EPM) from 2007 to 2013. It is structured into three main horizontal layers, with a large red arrow on the left indicating a downward progression over time.

- Top Layer (Strategic Framework):** Consists of four blue boxes: "European partnership", "SAP and SAA", "EC Progress reports", and "Strategy papers".
- Middle Layer (Multi-annual Financial Frameworks - MIFF):** Consists of four orange boxes: "MIFF 2008-10", "MIFF 2009-11", "MIFF 2010-12", and "MIFF 2011-13". A blue arrow points from the MIFF 2009-11 box down to the MIPD 2008-10 box.
- Bottom Layer (Mediterranean Investment and Partnership Dialogue - MIPD):** A large blue box labeled "MIPD" is divided into four sections: "MIPD 2007-09", "MIPD 2008-10", "MIPD 2009-10", and "MIPD 2011-13".
- Operational Level (National Partnership - NP):** Below the MIPD box is a row of seven orange boxes: "NP 2007", "NP 2008", "NP 2009", "NP 2010", "NP 2011", "NP 2012", and "NP 2013". Blue arrows connect the MIPD sections to these NP boxes:
  - MIPD 2007-09 connects to NP 2007 and NP 2008.
  - MIPD 2008-10 connects to NP 2008, NP 2009, and NP 2010.
  - MIPD 2009-10 connects to NP 2009, NP 2010, and NP 2011.
  - MIPD 2011-13 connects to NP 2011, NP 2012, and NP 2013.
- Regional/Horizontal Dimension:** Below each NP box is a green circle containing the text "Regional / horizontal", indicating the scope of the national partnerships.

## Process of IPA national programme elaboration in BiH

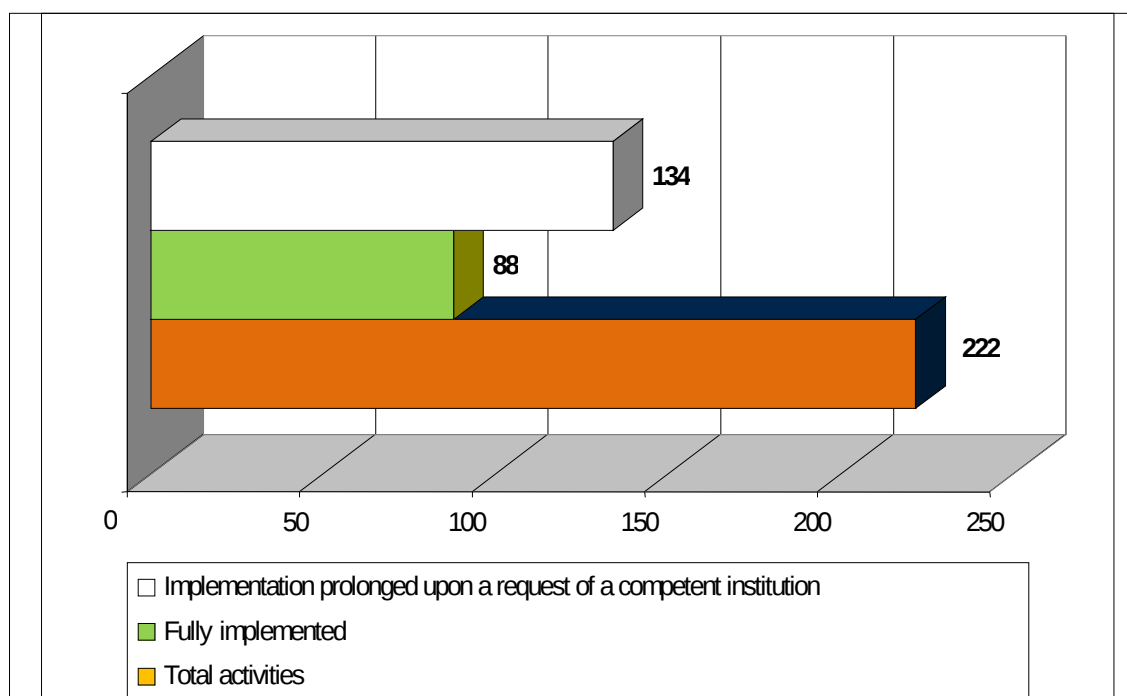


c) Objectives and results in successive BiH MIPD, according to the three main areas of intervention

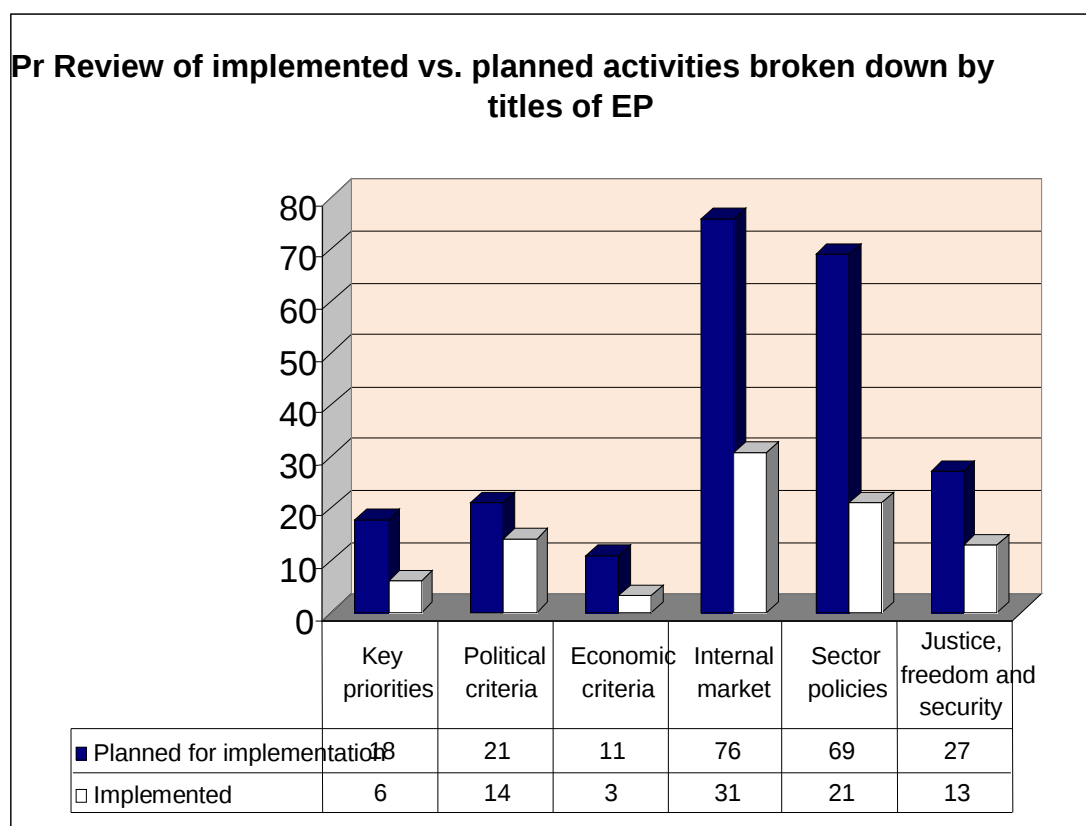
## Analysis of objectives and results in BiH MIPDs

|                 | Political criteria  |                     | Economic criteria   |                     | European standards/ obligations/ membership |                     |
|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------------------------------|---------------------|
|                 | Objectives/ Choices | Results/ indicators | Objectives/ Choices | Results/ indicators | Objectives/ Choices                         | Results/ indicators |
| In MIPD 2007-09 | 10                  | 14                  | 8                   | 14                  | 2                                           | 16                  |
| In MIPD 2008-10 | 5                   | 10                  | 3                   | 7                   | 3                                           | 13                  |
| In MIPD 2009-11 | 5                   | 10                  | 3                   | 7                   | 3                                           | 14                  |

d) Summary of the implementation of the activities planned in European Partnership in  
Semi-annual review of the realisation of the European Partnership (July 2009-December 2009)

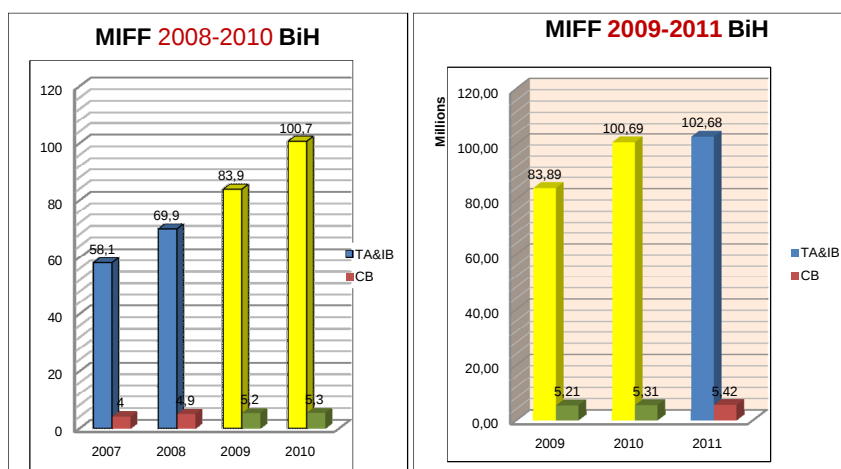


e) Review of implemented versus planned activities broken down by titles of European Partnership in Semi-annual review of the realisation of the European Partnership (July 2009-December 2009)

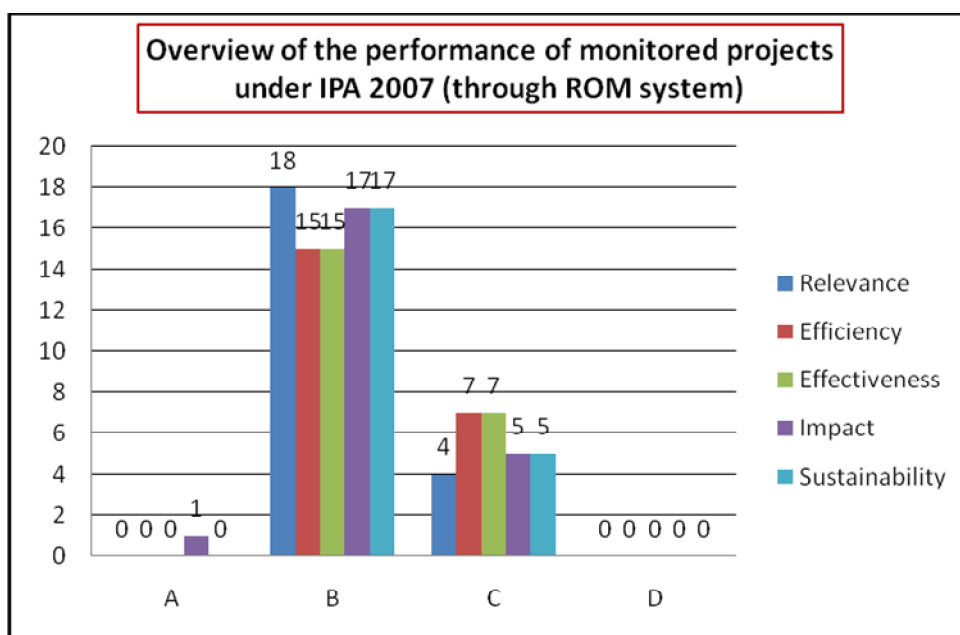


f) IPA allocations foreseen for BiH in the 2008-10 and 2009-2011 MIFFs (Columns in yellow and green relate to the same years in both MIFFs)

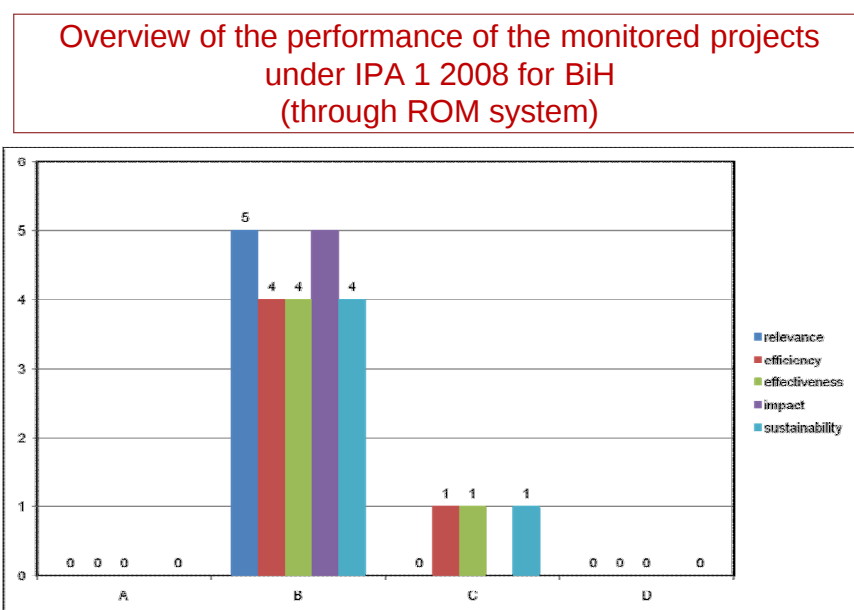
**IPA - MIFFs (in relation to BiH)**



g) Results of the RoM system for IPA projects under the National Programmes 2007 and 2008



Nota bene: 20 projects were monitored, including two monitored twice = 22 reports



h) Profiles of the National Programmes 2007 and 2009, showing number of projects, contracts and forms of assistance

| 2007 (beginning of list) |                               |         |                              |
|--------------------------|-------------------------------|---------|------------------------------|
| N° in NP                 | type of assistance            | N° cont | direct grant agreement inst. |
| 1                        | grant                         | 1       |                              |
| 2                        | call for proposals for grants | 1       |                              |
| 3                        | direct grant agreement        | 1       | ICMP                         |
| 4                        | service contract              | 1       |                              |
| 5                        | direct grant agreement        | 1       | UNICEF                       |
| 6                        | service contract              | 1       |                              |
| 7                        | direct grant agreement        | 1       | HJPC                         |
| 8                        | direct grant agreement        | 1       | CoE                          |
| 9                        | twining                       | 1       |                              |
| 10                       | service contract or grant     | 1       |                              |
| 11                       | service contract              | 1       |                              |
| 12                       | service contract              | 1       |                              |
| 13                       | twining                       | 1       |                              |
| 14                       | supply contract               | 1       |                              |
| 15                       | service contract              | 1       |                              |
| 16                       | service contract              | 3       |                              |
| 17                       | service contract              | 1       |                              |
| 18                       | service contract              | 1       |                              |
| 19                       | service contract              | 1       |                              |
| 20                       | direct grant agreement        | 1       | CoE                          |
| 21                       | service contract              | 1       |                              |
| 22                       | supply contract               | 1       |                              |
| 23                       | service contract              | 1       |                              |
| 24                       | supply contract               | 1       |                              |
| 25                       | twining                       | 1       |                              |
| 26                       | twining                       | 1       |                              |
| 27                       | twining                       | 1       |                              |
|                          | service contract              | 1       |                              |
|                          | supply contract               | 1       |                              |
| 28                       | service contract              | 1       |                              |
| 29                       | supply contract               | 1       |                              |
|                          | service contract              | 1       |                              |
| 30                       | service contract              | 1       |                              |
| 31                       | service contract              | 1       |                              |
| 32                       | service contract              | 1       |                              |
| 33                       | service contract              | 1       |                              |

| 2007 (end of list) |                        |         |                              |
|--------------------|------------------------|---------|------------------------------|
| N° in NP           | type of assistance     | N° cont | direct grant agreement inst. |
|                    | supply contract        | 1       |                              |
| 34                 | service contract       | 1       |                              |
| 35                 | service contract       | 1       |                              |
| 36                 | service contract       | 1       |                              |
|                    | supply contract        | 3       |                              |
| 37                 | service contract       | 1       |                              |
| 38                 | service contract       | 1       |                              |
| 39                 | service contract       | 1       |                              |
| 40                 | service contract       | 1       |                              |
|                    | supply contract        | 1       |                              |
| 41                 | works contract         | 1       |                              |
|                    | service contract       | 1       |                              |
| 42                 | twining                | 1       |                              |
| 43                 | service contract       | 1       |                              |
| 44                 | service contract       | 1       |                              |
|                    | supply contract        | 1       |                              |
| 45                 | direct grant agreement | 1       | UNDP                         |
| 46                 | twining                | 1       |                              |
|                    | supply contract        | 1       |                              |

| National Programme 2007 |                                     |
|-------------------------|-------------------------------------|
| Nb                      | Types / forms of assistance         |
| 46                      | projects                            |
| 59                      | contracts                           |
| 6                       | direct grant agreement              |
| 29                      | service / framework contract        |
| 1                       | works contract                      |
| 13                      | supply contract                     |
| 3                       | call for proposal for grants/ grant |
| 7                       | twining                             |

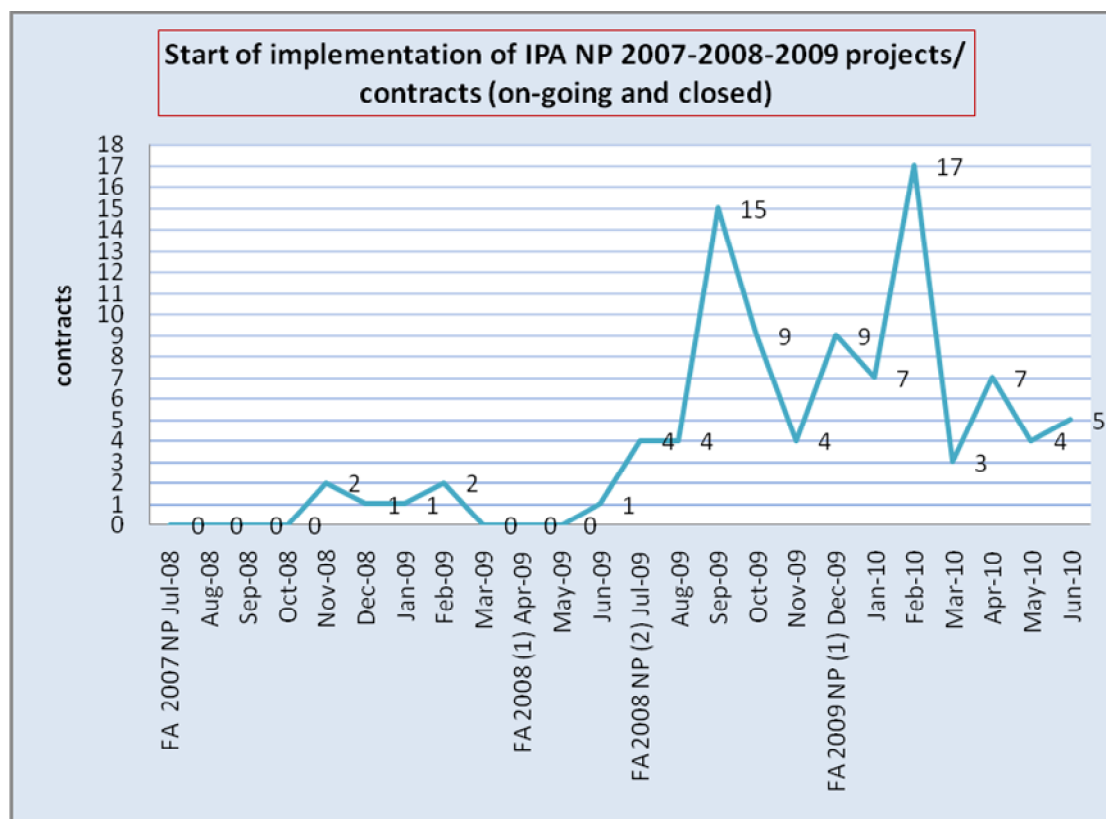
| 2009 (part 1) |                              |           |                              |
|---------------|------------------------------|-----------|------------------------------|
| N° in NP      | Type of assistance           | N° contr. | direct grant agreement inst. |
| 1             | contribution agreement       | 2         | EBRD                         |
| 2             | contribution agreement       | 3         | EBRD, EIB                    |
| 3             | delegation agreement         | 1         | KfW                          |
| 4             | contribution agreement       | 2         | EBRD, EIB                    |
|               | delegation agreement         | 1         | KfW                          |
| 2009 (Part 2) |                              |           |                              |
| 1             | direct grant agreement       | 1         | HJPC                         |
|               | service/ framework contract  | 3         |                              |
|               | works contract               | 1         |                              |
|               | supply contract              | 4         |                              |
| 2             | service contract             | 1         |                              |
| 3             | service contract             | 1         |                              |
| 4             | call for proposals           | 2         |                              |
|               | service contract             | 1         |                              |
| 5             | works contract               | 1         |                              |
|               | service contract             | 1         |                              |
| 6             | service contract             | 1         |                              |
| 7             | twinning                     | 1         |                              |
|               | supply contract              | 1         |                              |
|               | works contract               | 1         |                              |
|               | service/ framework contract  | 1         |                              |
| 8             | service contract             | 3         |                              |
| 9             | service contract             | 2         |                              |
|               | twinning                     | 1         |                              |
|               | call for proposals           | 1         |                              |
| 10            | service contract             | 1         |                              |
| 11            | twinning                     | 2         |                              |
|               | service contract             | 2         |                              |
|               | supply contract              | 1         |                              |
| 12            | supply contract              | 1         |                              |
| 13            | service contract             | 2         |                              |
|               | supply contract              | 2         |                              |
|               | contribution agreement       | 1         | FAO                          |
| 14            | service/ framework contracts | 2         |                              |
|               | supply contract              | 3         |                              |
|               | twinning                     | 1         |                              |
| 15            | service contract             | 1         |                              |
|               | supply contract              | 1         |                              |

| National Programme 2009 |                              |
|-------------------------|------------------------------|
| Nb                      | Types / forms of assistance  |
| 19                      | projects                     |
| 57                      | contracts                    |
|                         |                              |
| 2                       | delegation agreement         |
| 8                       | contribution agreement       |
| 1                       | direct grant agreement       |
| 22                      | service / framework contract |
| 3                       | works contract               |
| 13                      | supply contract              |
| 3                       | call for proposal            |
| 5                       | twinning                     |

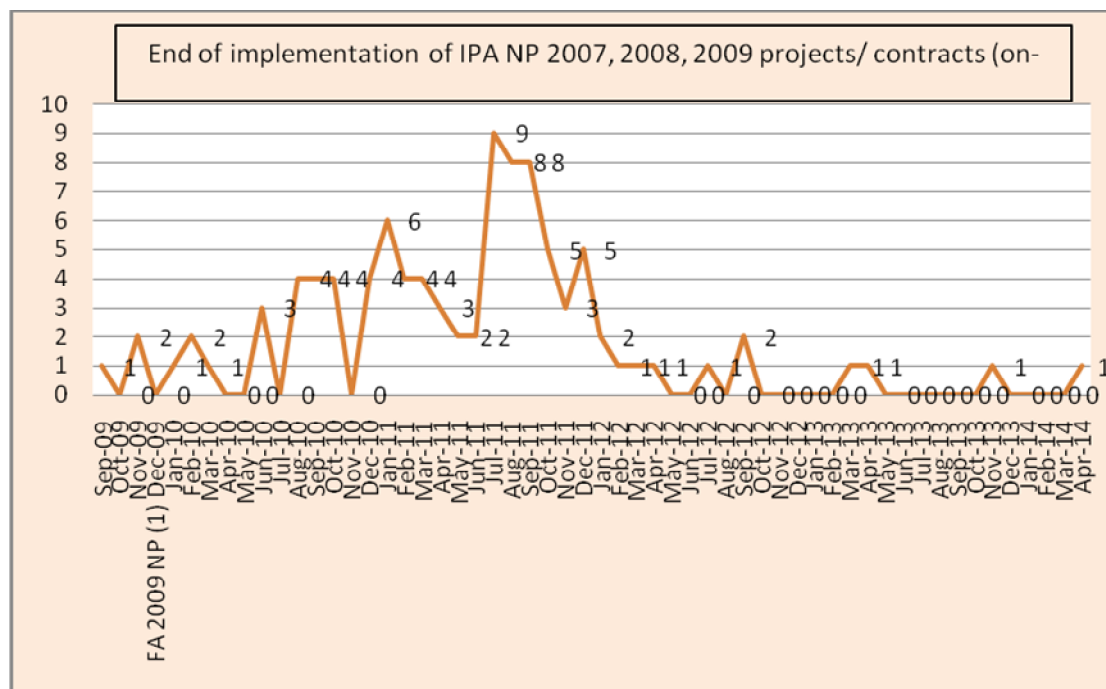
i) Analysis of the National Programme 2007 in relation with project proposals linkages with main programming documents (EP, MIPD, national strategy, sectoral strategies)

| National programme 2007 |                                                                                                       |                 |                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| ELARG code              | Project title                                                                                         | EC contribution | Project purpose                                                                                                                                                                                                                                                                                        | Relationship with programming documents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                       |
| Code                    | Title                                                                                                 | EC contribution | Project purpose                                                                                                                                                                                                                                                                                        | Link with European partnership, SAA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Link with MIPD                                                                                                                                                                                                                                                 | Link with national development plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Link with national sectoral strategies                                                                                |
| 1                       | Mine clearance and Technical Survey                                                                   | 1 500 000,00    | To reduce the antipersonnel landmine risk and to enhance local and regional impacts of effective mine action capacity through the Technical Survey (up to 70% of the action relates to this activity) and Mine clearance (30% of the action relates to this activity)                                  | "The European Roadmap towards zero victim target - EC Mine Action Strategy and Multilateral Indicative Programme"; commitment to the Mine Ban Treaty. SAA deals with mine related issues in its article 21: "Calls for more funding to be provided for attainment of the National Mine Action Strategy's goal of ridding BiH of mines by 2009; points out that the main challenge in this area is the lack of funding for implementation of that strategy; and therefore urges the competent authorities to provide the funding required to implement and complete that project as swiftly as possible"                                                         | Support to de-mining and assistance to mine victims and to address the cross-cutting issues of de-mining as the facilitation of the return process as well as the economic development is proposed as one of the <u>Political requirements interventions</u> . | MIM Term Development Strategy, Chapter V.15-Mine Action; the Draft Development Strategy does not mention demining.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Domestic Law of BiH Mine Risk Education Strategy; BiH Landmine Victim Strategy; Anti-Mine Strategy                    |
| 1                       | Reconstruction of Social and Technical Infrastructure facilities in support of the sustainable return | 500 000,00      | BiH authorities acquire the capacities to effectively fulfil their role in the return and reintegration of refugees and DPs (at both municipal level) and that BiH creates an environment more conducive to sustainable return                                                                         | Links with <u>European Partnership</u> priorities for effective human rights provisions (completing the refugee return process, facilitating refugees' economic and social reintegration, and for a more effective public administration) as well as the requirement to take steps to implement <u>BiH's Council of Europe Local non-violence efforts</u> , especially in the areas of democracy and human rights.                                                                                                                                                                                                                                              | Support to returnees is one of priorities of MIPD                                                                                                                                                                                                              | In line with <u>MIPD</u> measures that enable the poorer members of society to participate in growth, including in particular: labour market improvements, education, health and measures to promote inclusion of women, young people and other disadvantaged groups (including the returnee population).                                                                                                                                                                                                                                                                                         | Draft Social Inclusion Strategy                                                                                       |
| 1                       | Science in Service of Truth and Justice                                                               | 1 000 000,00    | Purpose 1: To enable ICMP's Forensic Science Department to continue to assist BiH. Purpose 2: Resolve the fate of missing persons for the tens of thousands of families with missing relatives and to assist in building effective, accountable, and just institutions following the conflicts in BiH. | No direct link with EU Partnership. Indirect link may be found in EU Partnership priorities for effective human rights provisions. <u>Parliament Resolution on SAA</u> mentions need to support work on addressing missing persons in its Article 24: "It is also convinced that greater efforts should be devoted to addressing the question of missing persons and separation to their families, and welcome in this respect the work done by the ICMP and the BiH Missing persons Institute, urges the corresponding agencies at entity level to support the work of the state-level bodies by forwarding to them all the relevant information they gather." | Strategic choice of MIPD: "Assistance will help to overcome the legacy of the war."                                                                                                                                                                            | No direct links to NDP or MTDG. Indirect link may be found in assistance to return and human rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Law on Missing persons in BiH, Draft National Transitional Justice Strategy, National War Crimes Prosecution Strategy |
| 1                       | Social Sector Functional Review                                                                       | 500 000,00      | To further support the minority and vulnerable groups concerns in particular public services, legislative system and socio-economic development                                                                                                                                                        | <u>European Partnership document – Public Administration Reform</u> . <u>Parliament Resolution on SAA</u> , Paragraph 33 "Facile the strengthening the central State does not mean weakening the entities, but creating the conditions for an efficient administration which works for the common good of all BiH citizens in many areas..."                                                                                                                                                                                                                                                                                                                    | <u>Social inclusion is one of the political priorities of the MIPD</u> .                                                                                                                                                                                       | The MTDG gives a general framework for further development of the social protection system with very general qualifications, thus leaving a lot of room for different interpretations.<br>• establish a more adequate system of social protection to ensure a minimum of social rights and a more balanced distribution of social assistance for all categories of the poor in the entire country;<br>The policy goals of the governments of FBiH and RS are to: • create a modern legislative framework, which would promote human and social rights, in accordance with the <u>Constitution</u> | Draft Social inclusion Strategy; PAR strategy                                                                         |
|                         |                                                                                                       |                 |                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | cancelled                                                                                                             |

j) Start of implementation of the IPA 2007, 2008, 2009 projects/ contracts

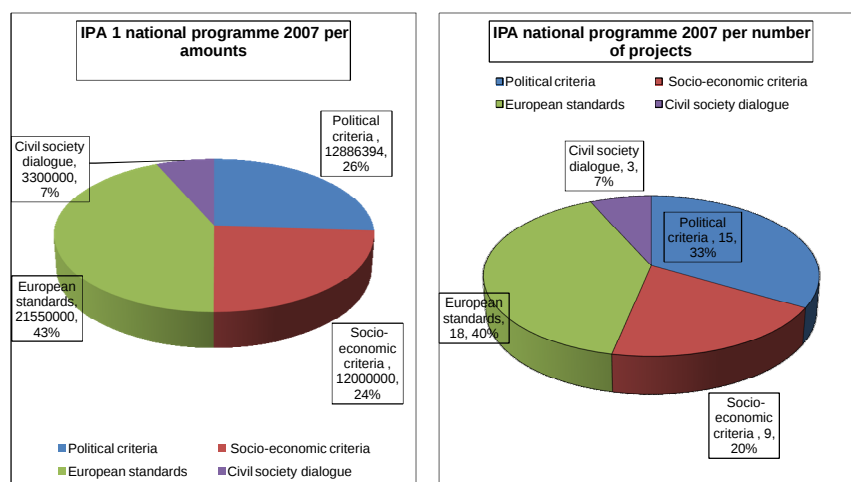


k) End of implementation of IPA NP 2007, 2008, 2009 projects/ contracts (on-going and closed)



## l) Profiles of the IPA component 1 NP for 2007, 2008, 2009

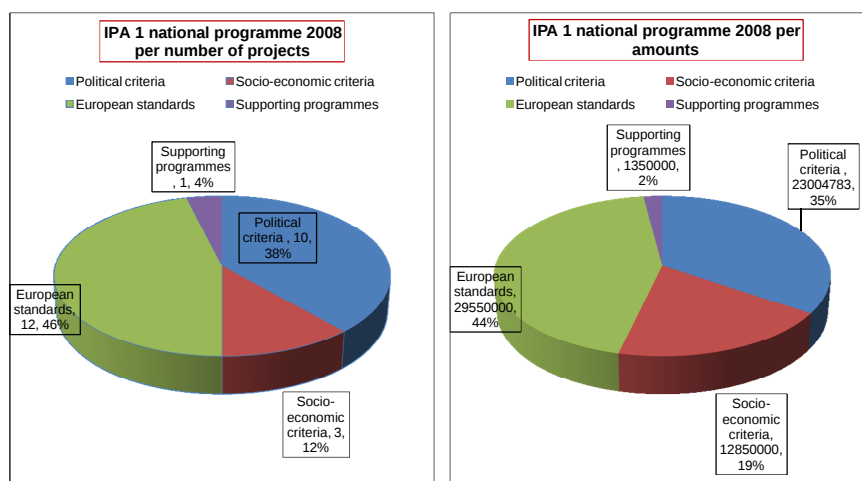
### Profile of IPA 1 National Programme 2007 for BiH per areas of intervention



### Profile of IPA 1 National Programme 2007 for BiH

- q Programme adopted by the EC in **December 2007**
- q Framework agreement signed by BiH in July 2008.
- q **Financing agreement signed in July 2008.**
- q Need for BiH to amend legislation related to tax exemption led to postponement of contracting until end of 2008.
- q Total amount : **49.736.394 €**
- q Number of projects : **45**
- q Average amount per project : **1 105 253 €**

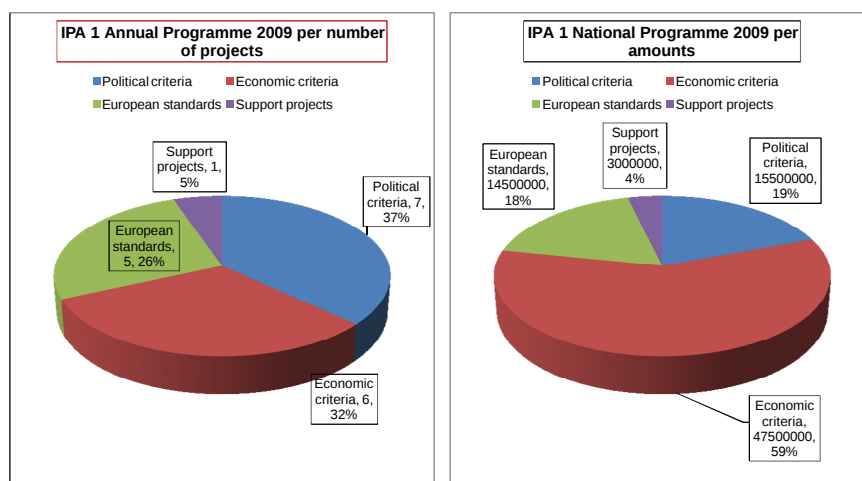
## Profile of IPA 1 National Programme 2008 for BiH per areas of intervention



## Profile of IPA 1 National Programme 2008 for BiH

- q Programme adopted in two parts (possibility foreseen in the EC Programming Guidelines 2008) .
- q First part entirely devoted to projects linked with political criteria. Second part includes projects in the three main areas of intervention.
- q Financing agreement part 1 signed in April 2009. Financing agreement part 2 signed in July 2009.
- q Total amount (part 1 + 2): **66.754.783 €**
- q Number of projects : **26**
- q Average amount per project : **2 567 492 €**

## Profile of IPA 1 National Programme 2009 for BiH per areas of intervention



## Profile of IPA 1 National Programme 2009 for BiH

- q Programme adopted in two parts (possibility foreseen in the EC Programming Guidelines 2008) .
- q First part entirely devoted to projects linked with economic criteria, mainly SMEs development and infrastructure. Second part includes projects in the three main areas of intervention.
- q Financing agreement part 1 signed in December 2009. Financing agreement part 2 not yet signed by BiH.
- q Total amount (part 1 + 2): 80 500 000 €
- q Number of projects : 19
- q Average amount per project : 4 236 842 €

## Execution of the IPA National Programmes for BiH

|      | Decision | Programme (excluding regional/<br>multibeneficiary)                                                                | Committed      | Contracted    | %<br>contract<br>ed | Disbursed     | %<br>disburse<br>d |
|------|----------|--------------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------------|---------------|--------------------|
| 2007 | 19-352   | National programme for BiH - IPA TAIB<br>2007                                                                      | 49 736 394,00  | 38 948 819,68 | 78%                 | 14 400 775,18 | 29%                |
| 2008 | 20-111   | National programme for BiH - IPA TAIB<br>2008 - Part I                                                             | 12 500 000,00  | 7 977 621,00  | 64%                 | 4 513 156,32  | 36%                |
| 2008 | 20-339   | National programme for BiH - IPA TAIB<br>2008 - Part 2                                                             | 54 254 783,00  | 5 924 813,21  | 11%                 | 2 810 640,62  | 5%                 |
| 2009 | 21-333   | National programme for BiH - IPA TAIB<br>2009 - Part I                                                             | 39 000 000,00  | 13 000 000,00 | 33%                 | 1 000 000,00  | 3%                 |
| 2009 | 21-650   | National programme for BiH - IPA TAIB<br>2009 - Part 2 (not yet available for<br>contracting pending FA signature) | 41 500 000,00  | -             | 0%                  | -             | 0%                 |
|      |          | IPA TOTAL                                                                                                          | 196 991 177,00 | 65 851 253,89 | 33%                 | 22 724 572,12 | 12%                |

Data 05/05/10 provided by DEU

06/06/2010

### ANNEX 3: SUMMARY TABLE AND MAIN SECTORAL STRATEGIES EXISTING IN BiH

|                 | Political criterion | Economic Criterion | European standards: Internal Market | European Standards: Sectoral Policies | European Standards: Justice, Freedom and Security | EU Integrations | Total |
|-----------------|---------------------|--------------------|-------------------------------------|---------------------------------------|---------------------------------------------------|-----------------|-------|
| Strategy        | 17                  | 4                  | 15                                  | 17                                    | 10                                                | 3               | 66    |
| Action Plan     | 7                   | 0                  | 1                                   | 8                                     | 5                                                 | 2               | 23    |
| Programme       | 1                   | 1                  | 1                                   | 5                                     | 0                                                 | 3               | 11    |
| Master Plan     | 0                   | 0                  | 0                                   | 5                                     | 0                                                 | 0               | 5     |
| Policy          | 0                   | 0                  | 1                                   | 2                                     | 0                                                 | 0               | 3     |
| Study           | 0                   | 0                  | 1                                   | 1                                     | 0                                                 | 0               | 2     |
| Road Map        | 0                   | 0                  | 1                                   | 0                                     | 1                                                 | 1               | 3     |
| Guidelines      | 0                   | 0                  | 0                                   | 1                                     | 0                                                 | 0               | 1     |
| Framework Plan  | 0                   | 0                  | 0                                   | 1                                     | 0                                                 | 0               | 1     |
| Investment Plan | 0                   | 0                  | 0                                   | 1                                     | 0                                                 | 0               | 1     |

#### Sector strategies

Bosnia and Herzegovina does not have a coherent state level Development strategy and a well elaborated needs assessment document covering developmental needs for the country. The *Country Development Strategy* and the *Social Inclusion Strategy* (that is envisaged as part of the Country Development Strategy) have been planned to replace the Mid-Term Development Strategy, which technically expired on 1 January 2008. Both strategies are under preparation process led by the Directorate for Economic Planning in cooperation with representatives in Entities, cantonal, regional and municipal government. The Strategies are in final stage of preparations, and according to response from the different representatives of government, strategies will cover the period 2010-2015. Bosnia and Herzegovina geared up its work on fulfilling the pre-accession requirements with signing the Stabilisation and Association agreement in 2008. Within its work on European integrations, a set of strategies has been adopted to work on priorities from the European Partnership and SAA, but also for activities for information provision for public in relation to EU Integrations. Importantly, the *Strategy for the Application of Decentralized Implementation System (DIS) for the Management of Assistance Programs of the European Union in Bosnia and Herzegovina* was also adopted by the BiH Government (Table 1). However, the work on DIS in Bosnia has been rather slow and highly politicised process.

**Table 1: Strategic framework for European Integration**

|                                                                                                                             |         |
|-----------------------------------------------------------------------------------------------------------------------------|---------|
| Integration Strategy of BiH into the European Union                                                                         | Adopted |
| Elaborated action plan for implementation of priorities from the European Partnership Document 2008-2012                    | Adopted |
| Elaborated action plan for implementation of the Interim Agreement and the SAA for the period 1 July 2008- 31 December 2009 | Adopted |
| Program of Measures for Implementation of the Interim Agreement / SAA for the Period 1 January 2010- 31 December 2011       | Adopted |
| Communication Strategy for Informing Public about Accession of BiH to the EU                                                | Adopted |
| Program of priorities in the legislative harmonization activities for                                                       | Adopted |

|                                                                                                                                                                     |                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| the implementation of the European Partnership and the Interim Agreement                                                                                            |                                      |
| Plan and program of education and professional training of civil servants in BiH in the process of EU integration                                                   | Adopted                              |
| Strategy for the Application of Decentralized Implementation System (DIS) for the Management of Assistance Programs of the European Union in Bosnia and Herzegovina | Adopted                              |
| DIS Road Map for IPA components I and II                                                                                                                            | Referred to the Council of Ministers |

### Political Criterion

24 Strategies and Action plans relevant to different sectors falling under the political criterion at all levels have been adopted by relevant governments, while remaining 10 are either in the drafting phase or in the adoption process.

The following Table indicates the strategies and action plans adopted and in the process of adoption within the Political criterion:

**Table 2: Sector strategies and action plans falling under the Political Criterion**

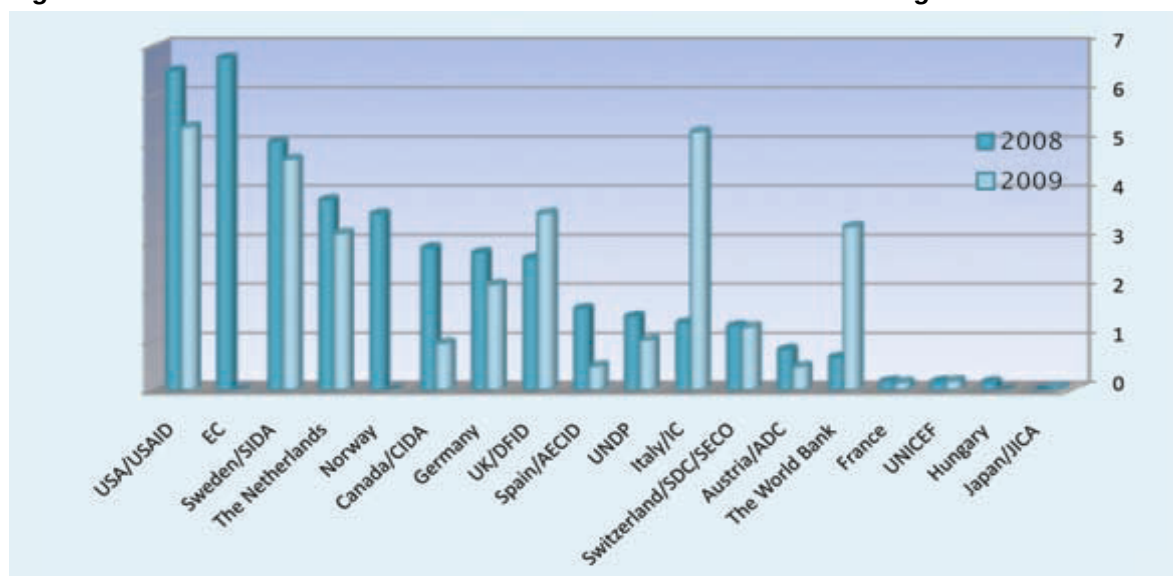
|                                               |                                                                                                                    |                             |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>State level</b>                            | <b>PUBLIC ADMINISTRATION REFORM</b>                                                                                |                             |
|                                               | Public Administration Reform Strategy of BiH                                                                       | Adopted                     |
|                                               | Action Plan 1 for the implementation of the 2006 Strategy for Public Administration Reform                         | Adopted                     |
|                                               | Action Plan 2 for the implementation of the Strategy for Public Administration Reform                              | under preparation           |
| <b>Entity level: RS</b>                       | Strategy for development of local self-government in the RS for the period 2009-2015                               | Adopted                     |
| <b>Justice JUSTICE</b>                        |                                                                                                                    |                             |
| <b>State level</b>                            | BiH Community Policing Strategy                                                                                    | Adopted                     |
|                                               | Strategy for Justice Sector Reform in Bosnia-Herzegovina and 2009-2013 Action Plan                                 | Adopted                     |
|                                               | National Strategy for War Crimes Prosecution                                                                       | Adopted                     |
|                                               | Care of Court Users Strategy in Bosnia and Herzegovina                                                             | Adopted                     |
|                                               | Action Plan for the Reduction of Backlog Cases                                                                     | Adopted                     |
|                                               | Transitional Justice Strategy                                                                                      | In the initial design stage |
|                                               | Strategy of the Ministry of Justice of BiH 2009-2011                                                               | Adopted                     |
|                                               | 2007-2012 Strategy of the High Judicial and Prosecutorial Council of BiH *                                         | Adopted                     |
| <b>FIGHT AGAINST CORRUPTION</b>               |                                                                                                                    |                             |
| <b>State level</b>                            | Strategy for Fight against Corruption of BiH and 2009-2014 Action Plan                                             | Adopted                     |
| <b>Entity Level: RS</b>                       | Anti-corruption Strategy in the RS and action plans for implementing strategies for combating corruption in the RS | Adopted                     |
| <b>HUMAN RIGHTS AND MINORITIES PROTECTION</b> |                                                                                                                    |                             |
| <b>State</b>                                  | 2007-2010 National Strategy for Combating Violence against Children                                                | Adopted                     |

|                           |                                                                                                                            |                        |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>level</b>              | 2002-2010 BH Action Plan for Children                                                                                      | Adopted                |
|                           | 2002-2010 BH Revised Action Plan for Children for the period 2008-2010                                                     | The draft action plan  |
|                           | 2005 BiH Roma Strategy                                                                                                     | Adopted                |
|                           | Action Plan for Roma Employment, Housing and Health Care                                                                   | Adopted                |
|                           | 2004 Plan of Action on the educational needs of Roma and other ethnic minorities                                           | Adopted                |
|                           | 2006-2010 Juvenile Justice Strategy                                                                                        | Adopted                |
|                           | Gender Action Plan of Bosnia and Herzegovina                                                                               | Adopted                |
|                           | Disability Policy in BiH / Disability Strategy in BiH                                                                      | Adopted                |
| <b>Entity level: RS</b>   | 2009-2013 Strategy of the Gender Centre for the fight against domestic violence in the RS                                  | Draft Strategy adopted |
|                           | Strategy for Improvement of the Social Status of Persons with Disabilities in the RS                                       | Under preparation      |
|                           | Action Plan for the Implementation of Strategy for Improvement of the Social Status of Persons with Disabilities in the RS | Under preparation      |
| <b>Entity Level: FBiH</b> | 2008 – 2013 Strategy for People with Disabilities in the FBiH                                                              | Being designed         |
|                           | 2010-2014 Strategy for Equalizing Opportunities of People with Disabilities                                                | Draft                  |
|                           | 2009.-2010 Strategy for the prevention of domestic violence with Action Plan for FbiH                                      | Adopted                |
| <b>State level</b>        | <b>REGIONAL AFFAIRS AND INTERNATIONAL COPERATION</b>                                                                       |                        |
|                           | BiH Strategy for the Implementation of Annex VII of Dayton Peace Accords                                                   | Adopted                |
|                           | BiH Revised Strategy for the Implementation of Annex 7 of Dayton Peace Accords                                             | Adopted by PABIH HoR   |
|                           | 2009-2014 Action Plan for Access to Rights under Annex 7                                                                   | Being designed         |
|                           | BiH Membership Action Plan for NATO                                                                                        | Adopted                |
|                           | Srebrenica Regional Recovery Programme                                                                                     | Adopted                |

However, the quality of the strategies is variable and many strategies do not have very well elaborated components of strategic framework. The analysis of the state level strategy revealed that majority strategies have either no or inadequate Action plans (please, see table 2 in the report). The strategies where significant pressure was placed by the European Union and other international stakeholders, like the strategies relating to public administration reform, justice and security have very well elaborated action plans and M&E system. Nevertheless, the budget framework is also very problematic area, and majority of strategies either have no or inadequately developed budget frameworks.

The Donor Mapping Report from 2009 outlined the following donors as active in the Good governance and Institution Building sectors in Bosnia and Herzegovina.

**Figure 1. Donors Active in the Good Governance and Institution Building sector 2008-2009**



Other key international organisations are: OSCE, OHR, and CoE.

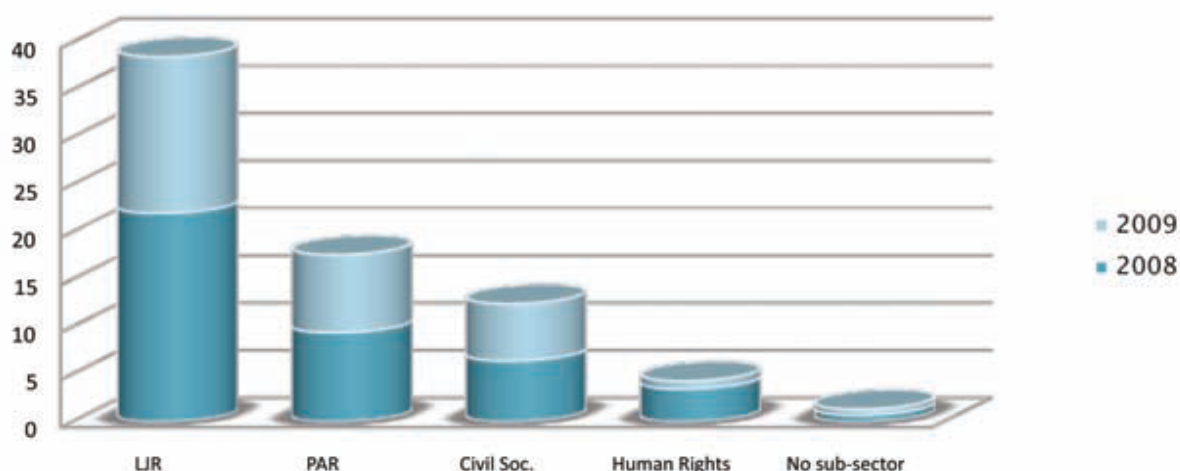
Main government partners and leaders of the above mentioned sectors that fall under the Political criterion and are considered as main stakeholders for good governance and institution building are the following:

- Justice Reform: BiH Ministry of Justice, RS Ministry of Justice, FBiH Ministry of Justice, BiH Prosecutor's Office, High Judicial and Prosecutorial Council (HJPC), the BiH Court;
- For PAR: BiH Public Administration Reform Coordination Office (PARCO) and BiH Council of Ministers (CoM)
- For Civil society : Civil Society Board;
- For Human Rights : BiH Ministry of Human Rights and Refugees, FBiH Ministry of Refugees and Displaced Persons, RS Ministry of Refugees and Displaced Persons, and Ombudsman Institutions.

These institutions lead the donor coordination together with the Ministry of Finance in their respective sectors.

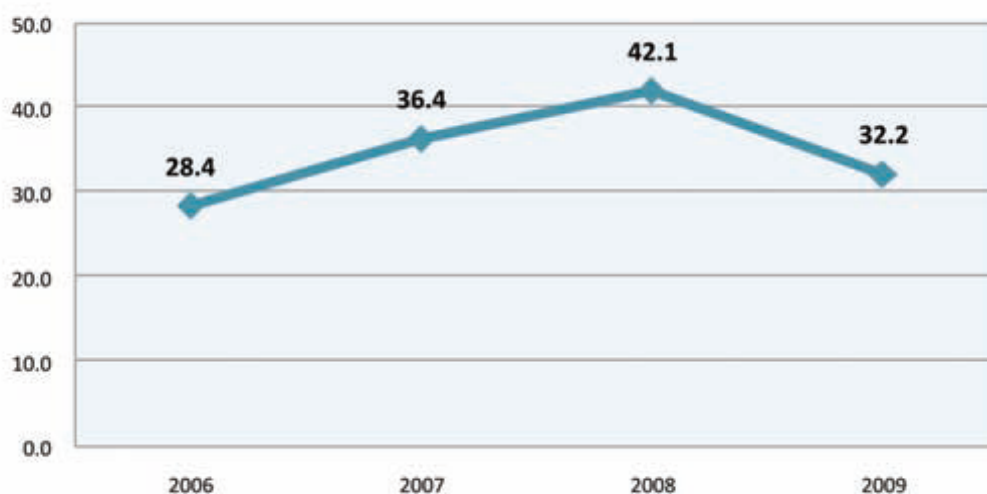
The good governance sector has received strong financial support by donors in 2008-2009. The Figure 1 shows the donor allocations in the sector according to the Donor Mapping Report.

**Figure 2. Donors' Allocation to the Good Governance and Institution Building sub-sectors 2008-2009 (Euros millions)**



The donor assistance has had its peak of assistance in the good governance and institution building sector in 2008, when 42.1 million EUR was committed for this sector, while the support decreased to 32.2 million in 2009 (Figure 3). This decrease may be the result of the withdrawal of donor support that is very visible in Bosnia. Namely, almost all donors active in this wide sector are in rapid withdrawal from the country, while some like Canadian CIDA have already left.

**Figure 3. Change in Donors Allocation to the Good Governance and Institution Building sector 2006-2009**



One sector that fall under the political criterion has been selected as pioneer for sectoral approach for the upcoming MIPD 2011-2013. This is the Justice Sector reform.

### Justice sector

The core values on which the EU is based are freedom, democracy, rule of law, and respect of human rights and rights of minorities. Achievement of these are crucial elements and requirements of the political criteria for EU integrations, with emphasis on institutions promoting and working towards these values. The institutional framework for Justice sector at state level was created by establishment of the Ministry of Justice in 2003. Subsequently, other institutions were established, such as High Judges and Prosecutors Council, Court of BiH, Constitutional Court and Prosecutors' office at BiH level. Other relevant institutions at lower levels of government have been established as well.

The Justice sector reform strategy is a very well elaborated strategy that also contains the overview of the budget forecast for the medium term, with elaborated segment on needs of relevant institutions and figures. The JSRS also envisages increase in staffing and establishment of new institutions within reform (JSRS, p. 50-51). The EU Progress reports on BiH highlighted the necessity to invest in this sector, but also provided some serious comments to the challenges in the sector. Highlights from the report are:

**2007.** – BiH achieved progress in decreasing dependence on International Community by replacing international judges and prosecutors by local experts. However, fragmentation of justice system and differences in legislation frameworks jeopardise functioning of judiciary. **2008.** – BiH achieved further progress in improvement of justice system. Problems with regards to organised crime and war crimes in entities and cantons. Fragmentation of justice system and complexity of legal framework jeopardise functioning of the justice system. **2009.** – BiH achieved limited progress in improvement of justice system, New legislation is adopted and certain activities are underway to decrease the number of unsolved cases. Implementation of the state Strategy for justice sector reform and Strategy for War crimes is bad and needs to be speeded up. Complexity of the legal framework, fragmentation of justice system and absence of common budget represent main obstacles to reforms in this area.

As response to the Progress Reports but also internal needs in the country, this sector has been rated as no. 1 priority by the BiH Government, as it was recognised that efficient, independent and transparent justice system is key for democracy, rule of law, protection of human and minority rights and as such of crucial importance for EU integration.

**Other sectors relevant are outlined below:**

#### **Public Administration Reform**

Existence of strong, functional and effective administrative apparatus is compatible with conditions for membership and has been established as the fourth accession criterium in Madrid in 1995. In the above table on Strategies related to PAR, we could see that a number of strategies relating to improvements in the Public Administration of Bosnia have been adopted. Also, the BiH Government established the PAR Coordination Office (PARCO) for management of the reforms in this sector. Besides, the donors and the government established a joint PAR Fund that was the first of such kind in the country. However, the PAR Fund has peculiar structure – it was established based on the Memorandum of Understanding between the donors and the government, by which the donors committed funds for the PAR implementation. Nevertheless, the PARCO needs to apply for funds from specific donors on project basis, which is seen as not very useful for comprehensive reforms in this sector.

The PAR Strategy and Action plan I were adopted in 2006, and since then the PAR is implemented horizontally, across the government public administration and focuses on general issues of strategic planning, human resources, etc. The PAR strategy is well elaborated strategy and includes needs assessment and elaborates areas in which PAR will focus. However, the document does not lay out the staffing of PARCO and the budget. The Action Plan II is in drafting phase, and it is expected that it will be finalised by the end of 2010. The Action Plan II will be for the duration of four years, and will focus on reform of different sectors of PA, based on programmes and plans to improve sectoral capacities – which will lead to efficient and effective fulfillment of obligations for EU accession. Until March 31, 2010, the BiH Institutions fulfilled **39,82%** of measures from Action Plan I<sup>35</sup>.

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35 Report on PAR implementation

The PAR was seen as a very important sector by the EU, and the Progress reports for Bosnia for years 2007, 2008 and 2009 highlighted certain progress achieved, but emphasised that it is necessary to continue investing further significant efforts. The latest EU Progress Report for 2009 recommended that it is necessary to invest further efforts to equip institutions both administratively and technically to work towards EU integrations. Linked to this, the Bosnian government also recognised the PAR sector as Priority no. 1, both due to the necessity to have strong, stable, functional administrative apparatus in the country, but also as there is strategic framework both at state and entity level.

### **Law Enforcement: fight against corruption, money laundering, organised crime, abuse of drugs and legislation in the police reform domain**

Even though various sub-sectors within the law enforcement fall under the two criteria – political and European standards, this section will deal with the entire sector here. Institutional framework for fight against corruption, organised crime, money laundry, terrorism and drugs, as well as police reform is composed of Ministry of Security BiH, State Agency for investigation and protection, state and entity Ministries of Justice, Entity Ministries of interior, state, entity and Brcko District Prosecutors' offices, Police of Brcko District, central Election Commission, Agency for Indirect taxes BiH. The institutional structure is followed by a strong strategic framework:

- § Strategy for prevention of money laundering and financing terrorist activities and Action Plan 2009.-2013.
- § Strategy for fighting against organised crime (2009-2014) and Action Plan for Implementation of the Strategy
- § State Strategy for overview on drugs, prevention and fight against abuse of drugs in BiH and Action Plan 2009-2013
- § BiH Strategy for prevention and fight against terrorism (2009-2012) – in process of drafting
- § Action Plan for prevention of trafficking 2008-2012.
- § Action Plan for fighting against vehicle crime
- § Plan of civilian-army cooperation in cases of response to terrorist attacks ; fight against financing terrorism and internet terrorism
- § Strategy for community policing in BiH, etc.

This sector has been very relevant for the Bosnian government in light of the requirements for visa liberalisation process that Bosnia undertook in the recent years. The EU Progress reports have been very critical of the achievements in this sector, and the highlights are the following:

**2007** – certain progress made in the area of anti-corruption. Certain steps are taken in fight against drugs by establishment of Office for prevention of drug abuse. Progress is made in terms of police functions. However, lack of progress in implementation of police reform jeopardises perspective of joint and efficient police. **2008.** – Limited progress made in the area of money laundry. Improved cooperation on international level. Progress made in the area of police work. Positive mark to adoption of relevant legislation on police. Limited progress in fight against organised crime, which is a matter of concern and jeopardises rule of law and business environment. Insufficient implementation of the State Strategy for fight against organised crime. **2009.** – Additional progress made in the area of prevention of money laundering. It is still necessary to harmonise legislation both internally, and with international conventions. Positive steps made in fight against drugs. Trafficking in drugs is still a serious problem and requires further efforts. Regarding police and implementation of police reform, which is a ky priority of EP, little progress is made. Bosnian government also ranked this sector as no. 1 priority, and linked it strongly with the Justice sector reform, highlighting that institutional framework at state level should be further strengthened, especially in combination with independent, efficient justice system.

## Economic criterion

During 2008–2009, Bosnia and Herzegovina, especially its Economic Development and Social Protection sector was affected by the global economic crisis, resulting in a decrease of import and exports, a decrease of remittances incomes (sent by labour migrants and the diaspora) and the credit-refinancing squeeze<sup>36</sup>. The global economic crisis impacted Bosnian economy which faced sharp reduction in economic growth in 2009, visible especially in decrease in economic imports and exports, declining Foreign Direct Investments inflows and decreasing external loans. Repercussions were visible in raising unemployment, and the State Statistical Agency has reported that over 21,000 people have lost their jobs since November 2008.

As response to crisis, the economic and social sector received 29.01 % of total Official Development Assistance (ODA) allocations in 2008 and, so far, 26.79% of total ODA in 2009 (excluding EC pipeline projects for 2009)<sup>37</sup>.

Following the requirements within the economic criterion, Bosnia and Herzegovina has invested efforts in developing strategic framework for achieving progress. Five Strategies and Action plans at all levels have been adopted for work on achieving the progress within the economic criterion in Bosnia and Herzegovina. However, there are six (6) strategies that are in the design or adoption phase (Table 3).

**Table 3: Strategies and Action Plans falling under the Economic criterion**

|                           |                                                                                                                                                  |                                                                                          |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <b>State level</b>        | 2008-2013 BiH Development Strategy                                                                                                               | Under preparation                                                                        |
|                           | Action Plan for Improvement of Commercial Courts and Divisions                                                                                   | Development of AP started and it will be part of revised AP for Justice Sector Reform    |
| <b>Entity level: RS</b>   | Development Program of the Republika Srpska                                                                                                      | Adopted                                                                                  |
|                           | Strategy of the Investment and Development Bank of the RS                                                                                        | Adopted                                                                                  |
|                           | 2009-2012 Strategy for Encouraging and Developing of Foreign Investment in the RS                                                                | Adopted                                                                                  |
|                           | 2009-2012 Strategy for Encouraging the Export in the RS                                                                                          | Adopted                                                                                  |
|                           | Development Strategy of the Republika Srpska Trade by 2015                                                                                       | Draft Strategy adopted by the RS Government                                              |
| <b>Entity level: FBiH</b> | FBiH Economic Development Strategy                                                                                                               | Being designed                                                                           |
|                           | Development of Trade and Domestic Market, Incentives and Streamlining of Import and Export of Goods and Services in the Territory of FBH Project | Within Economic Development Strategy of FBiH/in the stage of preparation and realisation |
|                           | Policy of Privatization of State Capital in the FBiH with the Program of Priority Investments                                                    | Document adopted by the FBiH Government and referred to the Parliament and rejected      |
| <b>Brčko Distrikt</b>     | 2008 – 2012 Development Strategy of the Brčko District of BiH                                                                                    | Adopted                                                                                  |

36 "The Regional Impact of the Global Economic Crisis", Development in Transition, concept paper (number 13), March 2009.

37 Donor Mapping Report 2008-2009

## European standards

European standards cover many important areas of public life in Bosnia and Herzegovina, spanning from free movement of goods, through employment, education, social sector, etc. Therefore, the section on European standards is subdivided into sectors and related strategies.

Economic development, especially employment and social policies are very important segments of complying with European standards, and Bosnia and Herzegovina has adopted a number of strategies to tackle these issues. As we can see from the Table 3 below, seven strategies at different levels of government have been adopted, while the remaining nine are in process of design or adoption. Within this, it is also important to mention the Strategies focusing on SME sector and industry (Table 4), all together these make the strategic framework that is closely also linked to improvement and achievement of progress within the economic criterion.

**Table 4: Employment and social policies**

|                           | <b>EMPLOYMENT AND SOCIAL POLICIES</b>                                                                                |                                               |
|---------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>state level</b>        | 2010-2014 BiH Employment Strategy                                                                                    | In the process of preparation and adoption    |
|                           | 2008-2013 BiH Social Inclusion Strategy                                                                              | Being designed                                |
|                           | BiH Health Information System Strategy                                                                               | Being designed                                |
| <b>Entity level: RS</b>   | RS Employment Strategy                                                                                               | Draft, referred to the RS Government          |
|                           | Republika Srpska Program for Returnees Employment Support                                                            | Adopted                                       |
|                           | 2009-2015 Strategy for Mental Health Development in the RS                                                           | Adopted                                       |
|                           | 2009-2014 Strategy for improving social protection for children without parental care                                | Adopted                                       |
|                           | Strategy for Pension System Reform in the Republika Srpska / RS Strategy for Pension and Disability Insurance Reform | In the final stage of designing and adoption  |
| <b>Entity level: FBiH</b> | FBiH Employment Strategy and Action Plan for Implementing of the Strategy                                            | Adopted /working group for AP has been formed |
|                           | FBiH Youth Health Strategy                                                                                           | Adopted                                       |
|                           | 2008-2018 Strategic Plan of Health Care Development in FBiH                                                          | Adopted                                       |
|                           | Mental Health Policy in FBH                                                                                          | Draft prepared                                |
|                           | FBiH Strategy for Pension System                                                                                     | In the stage of designing and adoption        |
|                           | Strategic Plan of Primary Health Care Development in FBiH                                                            | Adopted                                       |
|                           | FBiH Strategy for Strategy for Pension and Disability Insurance FBiH                                                 | In the stage of designing                     |
| <b>Brčko District</b>     | 2008 - 2013 Brčko District of BiH Strategy for Health Care Development                                               | In the stage of adoption                      |

**Table 5: Industry and SMEs**

|                               | <b>INDUSTRY, SMALL AND MEDIUM ENTERPRISES</b>                                                                      |                                             |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Bosnia and Herzegovina</b> | 2009-2011 Strategy for Development of Small and Medium Enterprises in BiH                                          | Adopted                                     |
| <b>Republika Srpska</b>       | 2006-2010 Strategy for Development of Small and Medium Enterprises in the RS                                       | Adopted                                     |
|                               | 2011 - 2013 Strategy for Development of Small and Medium Enterprises and Entrepreneurship in the Republika Srpska  | Being designed                              |
|                               | 2009 – 2013 Sectoral Strategy for Industrial Development of the RS                                                 | Adopted                                     |
|                               | 2009 – 2013 Action Plan for Implementation of Sectoral Strategy for Industrial Development of the RS               | Being designed                              |
|                               | 2009-2013 Action Plan of Support to the Establishment and Development of Business Zones in the RS                  | Adopted                                     |
|                               | Restructuring Programme of Chamber of Crafts and Entrepreneurship of the RS                                        | Adopted                                     |
|                               | 2010 – 2020 Tourism Development Strategy of the Republika Srpska                                                   | Being designed                              |
| <b>Federation of BiH</b>      | "Development of small and medium enterprises in the FBH" Project /within the Economic Development Strategy of FBH/ | In the stage of preparation and realisation |
|                               | "Development of industrial policy in the FBH" Project /within the Economic Development Strategy of FBH/            | In the stage of preparation and realisation |
|                               | 2007-2010 Crafts Development Program                                                                               | Adopted                                     |
|                               | Tourism Development Strategy of FBH                                                                                | In the stage of designing                   |
| <b>Brčko District</b>         | 2010 – 2012 Tourism Development Strategy of the Brčko District of BiH                                              | Being designed                              |

Donors have been pretty active in each of the above mentioned sectors. Significant support has been provided to support to SME sector, and significant support has been provided within different segments of support. The Donor Mapping report 2008-2009 does not specify the amounts of assistance in the sectors, but it clearly shows that the assistance was provided both through project, technical assistance and loans.

The field research and interviews with stakeholders indicated that the adoption of the State Strategy on SMEs was a positive move by the Bosnian government, even though it was a very long and difficult process.

## Good governance in the area of financial control

Strengthening institutional and strategic framework and capacities for financial control has been one of the crucial investments for harmonisation with European standards. Donors, such as DFID supported this area extensively. The strategic framework for financial control is outlined in the Table 6 below.

*Table 6: Financial control*

|                               | <b>FINANCIAL CONTROL</b>                                                                      |                                                     |
|-------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------|
| <b>Bosnia and Herzegovina</b> | PIFC Strategy (Public Internal Financial Control)                                             | Adopted by the Council of Ministers                 |
|                               | Action Plan for Improvement of Internal Controls and Internal Control Standards Harmonization | Should be developed at all levels of administration |
| <b>Republika Srpska</b>       | PIFC Strategy (Public Internal Financial Control)                                             | In the stage of adoption                            |
|                               | Action Plan for Improvement of Internal Controls and Internal Control Standards Harmonization | Should be developed at all levels of administration |
| <b>Federacija BiH</b>         | PIFC Strategy (Public Internal Financial Control)                                             | In the stage of adoption                            |
|                               | Action Plan for Improvement of Internal Controls and Internal Control Standards Harmonization | Should be developed at all levels of administration |

## Statistics

Even though the Action Plan for realisation of European partnership priorities outlined seven activities, none of these has been realised so far. The statistics remain very problematic in Bosnia, due to political struggle with recognition of the State Agency for Statistics by the Entity governments. The open question from the European partnership related to implementation of the agreement between entities in the statistics system for improvement of work of the State Statistics Agency, but also on improvement of quality, has thus not yet been fulfilled. The EU Progress reports also stated that there has been certain progress, especially in adoption of strategic framework (Table 7). Nevertheless, Bosnian government rated Statistics as no. 1 priority for sector wide approach and support.

*Table 7: Statistics*

|                               | <b>STATISTICS</b>                                               |                                                                                  |
|-------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Bosnia and Herzegovina</b> | Common IT strategy for all three statistical institutions       | Adopted                                                                          |
|                               | Multi-year Plan (Master Plan) for National Accounts Development | Adopted, Republican Statistics Institute of the RS having expressed some reserve |
|                               | 2009-2012 Statistical Program                                   | Adopted                                                                          |

## Visa, Border control, Asylum and migration

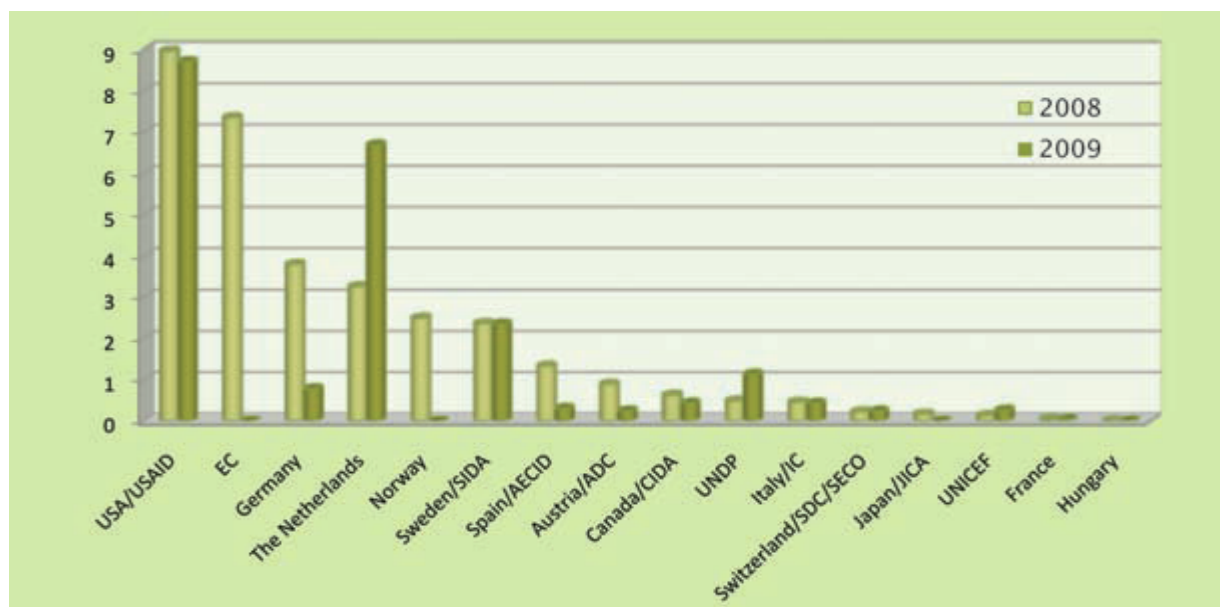
Complying with general European standards on security issues and concretely the Visa liberalisation requirements for Bosnia placed high emphasis on strengthening the strategic and institutional framework on issues of Visa, Border control, Asylum and migration, where all strategies have been adopted by the Bosnian Government. Also, the strategic framework was strengthened by adoption of strategies in the area of fight against organised crime and terrorism, police, drugs, money laundering.

**Table 8: Strategic framework for Visa, border control, asylum and migration**

|                               | <b>VISA, BORDER CONTROL, ASYLUM AND MIGRATION</b>                                                                                                                                                                                                                 |                  |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Bosnia and Herzegovina</b> | Integrated Border Management Strategy and July 2008 Action Plan for the Implementation of Integrated Border Management Strategy                                                                                                                                   | Adopted          |
|                               | 2008-2011 Immigration and Asylum Strategy and Action Plan                                                                                                                                                                                                         | Adopted          |
|                               | Road Map of Visa Regime Liberalization                                                                                                                                                                                                                            | Adopted          |
|                               | BiH Strategy of Institutional and Legal Framework Harmonisation with EU in the Areas of Immigration and Asylum                                                                                                                                                    | Adopted          |
|                               | <b>FIGHT AGAINST ORGANIZED CRIME AND TERRORISM, POLICE, DRUGS, MONEY LAUNDERING</b>                                                                                                                                                                               |                  |
| <b>Bosnia and Herzegovina</b> | 2009-2013 Strategy for the Prevention of Money Laundering and Terrorist Activities Financing in BiH and Action Plan                                                                                                                                               | Strategy adopted |
|                               | BiH Strategy for Combating Organized Crime (2009-2014) and AP for the Implementation of Strategy for Combating Organized Crime                                                                                                                                    | Adopted          |
|                               | 2009-2013 National Strategy for Narcotics Control, Prevention and Combating of Narcotics Abuse in BiH and Action Plan                                                                                                                                             | Adopted          |
|                               | BiH Strategy for the Prevention and Fight Against Terrorism (2009-2012)                                                                                                                                                                                           | Being designed   |
|                               | 2008-2012 Action Plan for Prevention of Trafficking in Humans in BiH                                                                                                                                                                                              | Adopted          |
|                               | Action Plan for Struggle against Car Thefts                                                                                                                                                                                                                       | Adopted          |
|                               | Plan of Civil-Military Cooperation in Case of Response to Terrorist Attacks and Rehabilitation of Their Consequences, the Fight Against Financing of Terrorism, Cyber terrorism                                                                                   | Adopted          |
|                               | Community Policing Strategy in BiH                                                                                                                                                                                                                                | Adopted          |
|                               | Plan of Proceeding in Relation to Obligations under Civil Aviation Security Program                                                                                                                                                                               | Plan designed    |
| <b>Republika Srpska</b>       | Strategy of combating illegal employment                                                                                                                                                                                                                          | Adopted          |
|                               | 2008 - 2012 Strategy for Narcotics Control and Combating of Narcotics Abuse in the Republika Srpska and 2009 – 2012 Action Plan for Implementation of the Strategy of Narcotics Control, Prevention and Combating Abuse of Narcotic Drugs in the Republika Srpska | Strategy adopted |

Donor support to the Conflict Prevention and Resolution, Peace and Security sector during 2008 and 2009 have been mainly provided by Austria/ADC, Canada/CIDA, France, Germany, Hungary, Italy/IC, /JICA, the Netherlands, Spain/AECID, Sweden/SIDA, Switzerland/SDC/SECO, USA, the EC, UNDP, and UNICEF. The total allocation to the Conflict Prevention and Resolution, Peace and Security sector by DCF members was 32.7 million EUR in 2008 and 21.88 million EUR (including EC Pipeline projects for 2009) in 2009, all in the form of grants.<sup>38</sup> The individual donor support is outlined in the Figure 4.

**Figure 4. Donors Active in the Conflict Prevention and Resolution, Peace and Security sector 2008-2009**



### Free movement of goods and capital

As it can be seen from the Table 9 and 10 below, strategic framework on the issues of free movement of goods and capital has been covered by specific strategies, out of which only three have been adopted (Policy on Metrology; Strategy for the Introduction of International Agreements on Capital Measurement and Capital Standards - Basel II RS; Strategy for the Introduction of International Agreements on Capital Measurement and Capital Standards - Basel II FBiH).

**Table 9: Strategies related to Free Movement of Goods**

|                         | <b>FREE MOVEMENT OF GOODS</b>                                                                             |                                                                                               |
|-------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>State level</b>      | Strategic Plan for Future Improvements and Activities of the Institute for Accreditation                  | Development with support from IPA 2007 funds                                                  |
|                         | Strategy for Monitoring the Market of Technical Products That Are Included in the New Approach Directives | Designing should start together with III component of IPA 2007 Project                        |
|                         | Strategy for the Development of Metrology of Bosnia and Herzegovina                                       | Internal strategy has not been officially adopted by CoM, adopted by the Metrology Institute. |
| <b>Entity level: RS</b> | Development Policy of Metrology and Standardization of the Republika Srpska                               | Adopted in 2006                                                                               |

**Table 10: Free movement of capital**

|                                     | <b>FREE MOVEMENT OF CAPITAL</b>                                                                                        |         |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------|
| <b>Entity level:</b><br><b>RS</b>   | Strategy for the Introduction of International Agreements on Capital Measurement and Capital Standards - Basel II RS   | Adopted |
| <b>Entity level:</b><br><b>FBiH</b> | Strategy for the Introduction of International Agreements on Capital Measurement and Capital Standards - Basel II FBiH | Adopted |

## **Agriculture**

Another important sector for EU integrations is the agriculture, and donors have invested significant resources in development of strategic and institutional framework for it. As it may be seen from the Table 11 below, half of the envisaged strategies (eleven) at all levels have been adopted by government, while the other half are in the process of design or adoption.

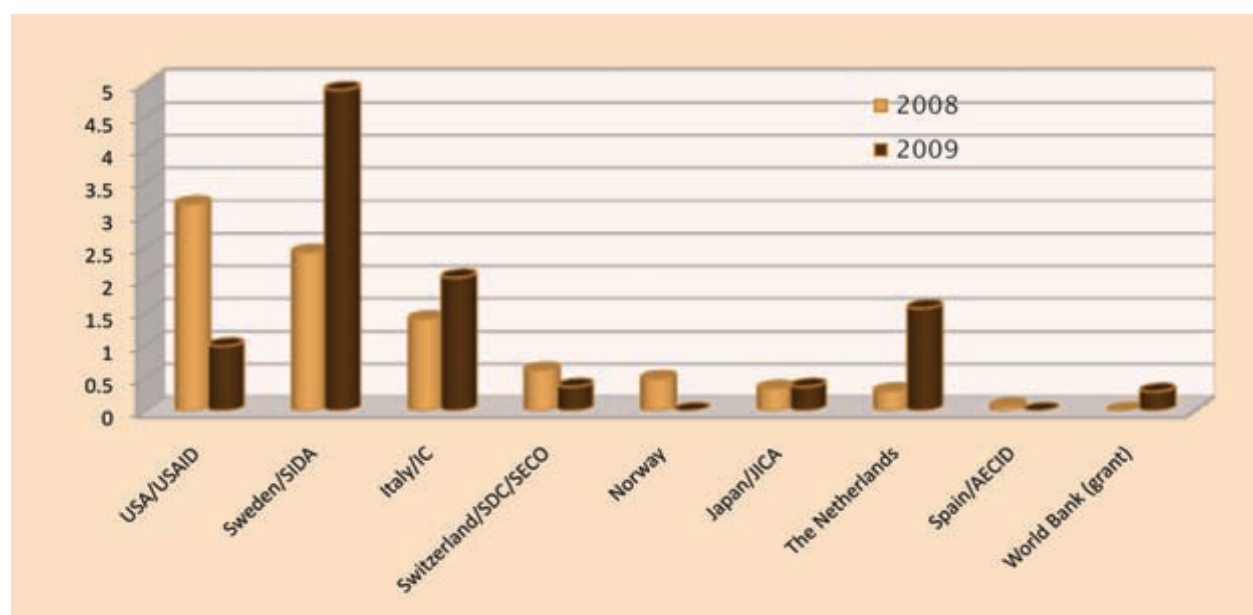
**Table 11: Agriculture and Fishery**

|                               | <b>AGRICULTURE AND FISHERY</b>                                                                                                           |                                             |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Bosnia and Herzegovina</b> | Strategic Plan for the Harmonization of BiH Agriculture, Food and Rural Development (2008 - 2011)                                        | Adopted                                     |
|                               | Operating Program for Harmonization of Agriculture, Food and Rural Development                                                           | Adopted                                     |
|                               | Rural Development Strategy of BiH                                                                                                        | Under preparation                           |
|                               | Strategy for Animal Health in Aquaculture                                                                                                | In the final stage of designing             |
|                               | Operating Programme for Controlling Brucellosis in Small Ruminants                                                                       | Adopted                                     |
|                               | Agricultural Statistical System Strategy                                                                                                 | Being designed                              |
|                               | Strategy for Advisory Services                                                                                                           | Should be designed                          |
|                               | Action Plan for the Development of Stockpiles in Bosnia and Herzegovina                                                                  | WG appointed to make draft AP               |
| <b>Republika Srpska</b>       | 2010-2015 RS Agricultural Development Strategy                                                                                           | Adopted by Government and National Assembly |
|                               | Action Plan for Implementation of Objectives of the Agricultural Development Strategy (2007-2016)                                        | Adopted                                     |
|                               | 2010-2015 RS Strategic Plan for Rural Development and 2010-2015 Action Plan of Rural Development Strategy / Rural Development Strategy / | Adopted                                     |
|                               | Strategy for Advisory Services                                                                                                           | In the final stage of designing             |
|                               | 2008-2018 Program of Suppression and Eradication of Brucellosis in the RS whit Action Plan                                               | Adopted                                     |
|                               | 2008 - 2012 Strategy for Control of Use of Tobacco and Tobacco Products in the RS and Accompanying Action Plan                           | Adopted                                     |

|                          |                                                                                                                                           |                                                                                                            |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Federation of BiH</b> | Rural Development Strategy of BiH                                                                                                         | Being designed                                                                                             |
|                          | Medium-term Strategy for Development of the Agricultural Sector in the FBiH (2006-2010)                                                   | Adopted                                                                                                    |
|                          | Agricultural Land Management Strategy                                                                                                     | Planned to be drafted in 2010                                                                              |
|                          | Strategy for Advisory Services                                                                                                            | Designed and will be referred for adoption after the Law on Agricultural Advisory Services has been passed |
|                          | Operating Program for Harmonization of FBiH Agriculture, Food and Rural Development (2008-2011)                                           | Referred to the FBiH Government for adoption                                                               |
|                          | Program for Suppression and Control of Brucellosis in Sheep and Goats in FBiH (2010 - 2016)                                               | Adopted                                                                                                    |
|                          | Forestry Program of FBiH                                                                                                                  | Draft document being designed                                                                              |
| <b>Brčko Distrikt</b>    | 2008-2013 Development Strategy for Agriculture, Food and Rural Areas in the Brčko District of FBiH and Action Plan for its implementation | Adopted                                                                                                    |

Major donors active in the agriculture sector are Italy/IC, Japan/JICA, The Netherlands, Norway, Spain/AECID, Sweden/SIDA, Switzerland/SDC/SECO, USA/USAID, EC, EBRD, World Bank; and the funds allocated within this sector in 2008-2009 amount to 16.92 million - 8.13 million EUR in loans in 2008; and 19,37 million - 14.04 million EUR in grants in 2009, including EC Pipeline for 2009 to the amount of 3.49 million EUR<sup>39</sup>.

**Figure 5: Donors active in agriculture and forestry in 2008-2009**



39 Donor Mapping Report, p. 79

## Environment

Harmonisation of BiH legislation with EU standards is crucial for the environment sector within the EU integration process. Institutional framework for environment in BiH is mainly functional at entity level through the work of Entity Ministries of Environment, while Ministry of Foreign Trade and Economic Relations has the coordination roles. There is no State Environment Agency even though its establishment is one of eight open questions in the European partnership, together with the requirement for establishment of state framework for this sector.

Most sectoral strategies within environment sector are under preparation, and also it may be concluded that the work at the entity level on adoption of strategic framework is not coherent. The state level framework has not been achieved so far (Table 12).

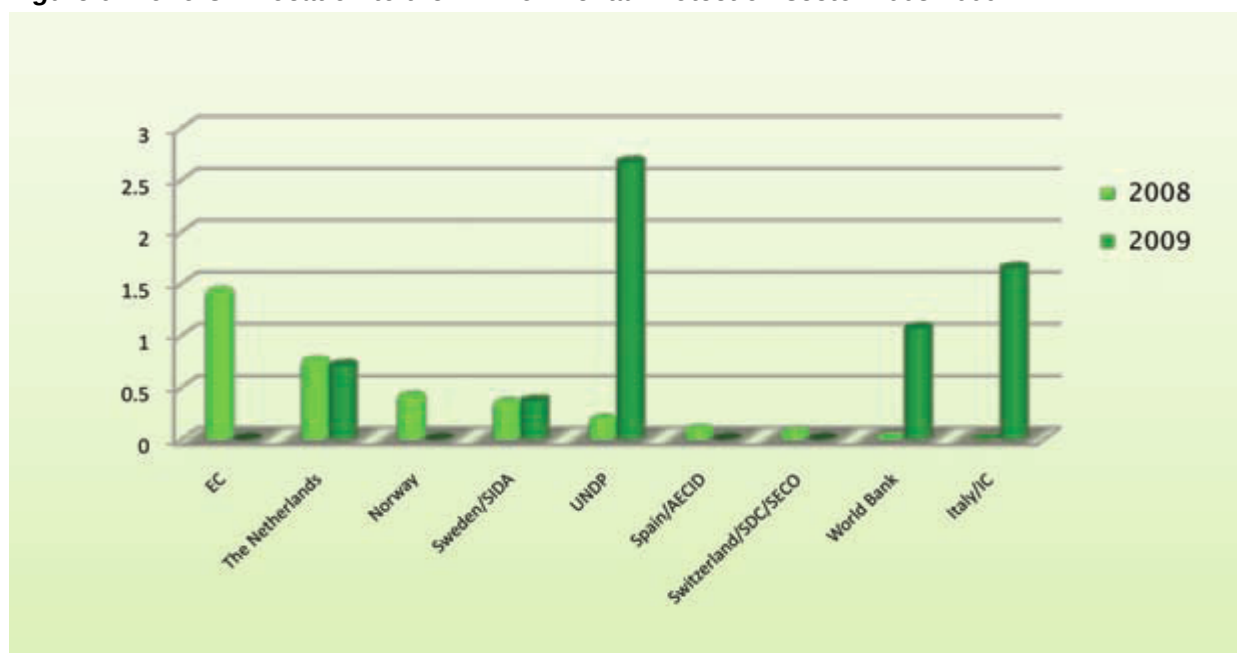
**Table 12: Environment**

|                               | <b>ENVIRONMENT</b>                                                                                                                                              |                                                                                                    |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>Bosnia and Herzegovina</b> | Solid Waste Management Strategy                                                                                                                                 | Designed within PHARE Project/Adopted in the RS, but not in FBiH, although it is implemented there |
|                               | BiH Strategy for Biodiversity Protection                                                                                                                        | In the process of development and adoption/Adopted in FBiH, but not in the RS                      |
|                               | Report on Biodiversity, in accordance with the Convention on Biological Diversity                                                                               | 4 reports finished and approved                                                                    |
|                               | Designing the Master Plans for Investment in Infrastructure for Environmental Protection, Implementation of "Heavy" Directive and Making the List of Priorities | Being designed                                                                                     |
|                               | National Environment Action Plan - NEAP                                                                                                                         | Adopted by entities, not adopted at the state level                                                |
| <b>Republika Srpska</b>       | Air Quality Protection Strategy and AP to improve the quality of air                                                                                            | Draft prepared                                                                                     |
|                               | Nature Conservation Strategy                                                                                                                                    | Being designed                                                                                     |
|                               | Integrated Water Management Strategy of the Republika Srpska                                                                                                    | Being designed                                                                                     |
|                               | Water Management Guidelines for the Preparation of Documents for the Construction of Small Hydropower Plants                                                    | Adopted                                                                                            |
|                               | Framework Plan for Water Management Development whit Action Plan                                                                                                | Adopted                                                                                            |
|                               | Study of Irrigation Areas Sustainable Development whit Action Plan                                                                                              | Adopted                                                                                            |
| <b>Federation of BiH</b>      | Environmental Protection Strategy of the Federation and Action Plan for Environmental Protection                                                                | Adopted/Currently encompasses 3 components: waste management, nature protection and air protection |
|                               | Water Protection Strategy                                                                                                                                       | Draft finished, will be added to the Environmental Protection                                      |

|  |                                         |                          |
|--|-----------------------------------------|--------------------------|
|  |                                         | Strategy                 |
|  | Water Management Strategy of FBiH       | Public debate under way  |
|  | Air Quality Protection Strategy of FBiH | In the stage of adoption |

Donor support to Environment sector has been mainly provided by Italy/IC, The Netherlands, Norway, Spain/AECID, Sweden/SIDA, Switzerland/SDC/SECO, EC, UNDP, World Bank. The total amount allocated for environment in the period 2008-2009 is 3.35 million EUR of grants in 2008, and 14.72 million EUR of grants in 2009. The donor contributions for the 2008-2009 period look as follows:

**Figure 6: Donors' Allocation to the Environmental Protection sector 2008-2009**



## Energy

Harmonisation standards and legislation with *acquis communautaire* is the requirement of the third pre-accession criterion on European standards. As with environment, energy is also coordinated by the Ministry of Foreign trade and economic relation at state level. Besides the ministry, State regulatory agency for electric energy and State regulatory agency for radiation and nuclear safety have been established. Entity ministries of energy (FBiH Ministry of Energy, Mining and Industry and RS Ministry of Economy, Energy and Development) are implementing policies at lower level of government.

Six strategies and action plans that are either adopted or in process of adoption compose the strategic framework for energy sector (Table 13). Also, Canada/CIDA, Germany, the Netherlands, Norway, Spain/AECID, USA/USAID, EIB, EBRD, the EC, and the World Bank contribute to the Energy sector in BiH.

However, the EU Progress reports for the subsequent years of 2007-2009 have had concerns regarding the progress in the energy institutional and strategic framework. Namely, the progress reports for 2008 and 2009 for example described the sector as in stagnation or with no progress. Thus, it was marked as no. 1 priority by the government.

**Table 13: Strategic framework in the energy sector**

| <b>ENERGY</b>                 |                                                                                        |                                                                        |
|-------------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <b>Bosnia and Herzegovina</b> | BiH Energy Sector Strategy                                                             | It will be created after development and adoption of entity strategies |
| <b>Republika Srpska</b>       | Strategic Plan for the Energy Sector Development in the RS                             | Under preparation                                                      |
|                               | RS Energy Sector Development Strategy                                                  | Public debate over the Draft under way                                 |
|                               | RS Energy Strategy by 2030                                                             | Being designed                                                         |
|                               | Republika Srpska Strategy for Regulatory Reform and Action Plan for its implementation | Being designed                                                         |
| <b>Federation of BiH</b>      | Strategic Plan and Program for Energy Sector Development in FBiH                       | Adopted                                                                |

## Transport

Transport is recognised as no. 1 priority for both the Government and international community in BiH. However, long term strategic framework has faced serious difficulties, especially the state-level comprehensive Transport Sector Strategy, which was developed through a coordinated effort between the BiH Ministry of Transport and Communication and donors, but it has not been endorsed by the Bosnian Parliament (Table 14). Institutionally, the state Ministry of Transportation and Communication is in charge of developing a country-wide strategy for the communication sector, while Entity ministries and Directorates are in charge of implementation of Entity policies and interventions in this sector. The EU Progress reports have recognised certain improvements in the transport sectors that are continuously recognised in 2007, 2008 and 2009 reports. Varying success was marked between the Trans European transport network which is consistently marked as positive, and rail network which has not achieved significant progress.

**Table 14: Strategic framework for Transport sector**

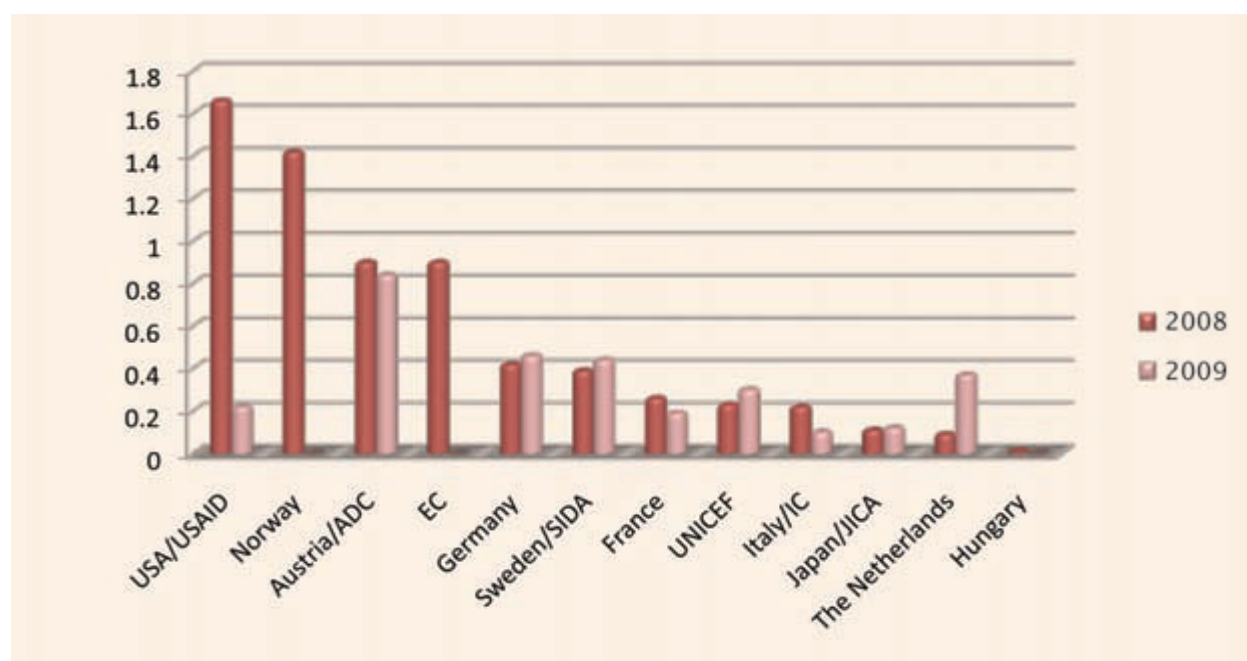
|                               | <b>TRANSPORT</b>                                                                                                                                                                                                                   |                                                                                                                 |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Bosnia and Herzegovina</b> | BiH Transport Policy (2007)                                                                                                                                                                                                        | Adopted by CoM, rejected by BiH PA                                                                              |
|                               | BiH Transport Strategy with Action Plan (2007)                                                                                                                                                                                     | Adoption conditional upon adoption of Transportation policy/Draft Transportation Strategy and Draft AP finished |
|                               | Development Strategy for Air Space Management in BiH (ATM Strategy)                                                                                                                                                                | Adopted                                                                                                         |
|                               | Transport Master Plan                                                                                                                                                                                                              | Adopted                                                                                                         |
|                               | Memorandum of Understanding on the Development of Core Regional Transport Network in South East Europe SEETO (North East Transport Observatory) / 2010-2014 MAP for Development of Core Regional Transport Network in SEE.-ADOPTED | BiH actively participates in the implementation of Memorandum                                                   |
|                               | TEM(Trans European Motorway) and TER(Trans European Railway) Master Plan                                                                                                                                                           | Adopted                                                                                                         |
|                               |                                                                                                                                                                                                                                    |                                                                                                                 |

|                          |                                                                                    |                          |
|--------------------------|------------------------------------------------------------------------------------|--------------------------|
|                          | 2005-2009 Investment Plan for the Development of Railways                          | Adopted                  |
|                          | 2008 Strategy for Framework Agreement Implementation in the River Sava Basin       | Being designed           |
|                          | 2008 Study of Requirements and Market for River Navigation in BiH                  | Being designed           |
| <b>Republika Srpska</b>  | 2009-2013 RS Road Safety Strategy                                                  | Adopted                  |
|                          | 2009-2015 RS Development Strategy for Railway Traffic                              | Adopted                  |
|                          | 2009-2013 RS Program for Road Traffic Safety                                       | Adopted                  |
| <b>Federation of BiH</b> | 2010-2012 Strategic Plan for Transport Sector in the Federation                    | In the stage of adoption |
|                          | 2008-2013 Basic Strategy for Road Traffic Safety in FBiH/FBiH Road Safety Strategy | Adopted                  |

### Education, research and Intellectual property

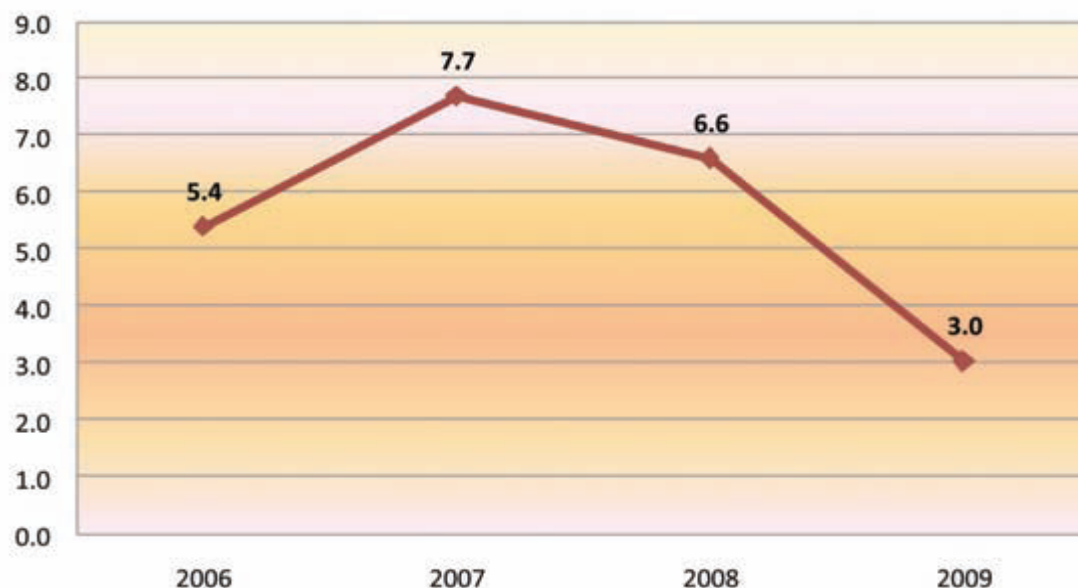
Institutional framework for Education sector consists of following institutions: BiH Ministry of Civil Affairs (BiH MoCA); entity, district and cantonal Ministries of Education; Pedagogical Institutes; Agency for Higher Education and Quality Assurance, Agency for Pre-school, Primary and Secondary Education, and Centre for Information and Recognition of Documents in the Area of Higher Education (CIP); BiH Rectors' Conference; BiH Conference of Ministers of Education (CoEM); and BiH Education Councils. The sector has been receiving significant donor support in harmonisation of legislation and improvement of the sector in general. From the Figure 6 below we may see that USAID's contribution was significant in 2008, and it decreased in 2009. Only Austrian assistance was consistent in the two years.

**Figure 7: Change in Donors Allocation to the Education sector 2006-2009**



Education sector received 0.86 % of total Official Development Assistance allocations in 2008 and so far 0.84% of total ODA in 2009 (excluding EC pipeline projects for 2009)<sup>40</sup>. These figures indicate that Education is one of the least donor-funded sectors. Also, donor support has been in decrease since 2006, as it may be seen from Figure 8 below.

**Figure 8: Change in Donors Allocation to the Education sector 2006-2009**



The progress of Bosnian institutions in harmonising education with European standards has been good in the recent period, and improvements have been geared up by adoption of legislative framework for education in the Country. The years 2007–2009 in the Education sector have been characterized by significant institutional and legislative progress, such as the endorsement of the *Framework Law on Pre-school Care and Education in BiH*; *Law on the Agency for Pre-school, Primary and Secondary Education*; *Framework Law on High-school Vocational Education and Training in BiH* and the *Framework Law on Higher Education in BiH*. Also, the state-level *Strategic Directions for the Development of Education in BiH and Implementation Plan 2008–2015* have been adopted in 2008 by the Council of Ministers of BiH. Besides this above mentioned strategic documents, 15 other strategies and action plans dealing with education, research and intellectual property have been adopted or are in process of adoption at all levels of government in the country (Table 15).

**Table 15: Education, research and intellectual property strategic framework**

|                    | <b>EDUCATION AND RESEARCH</b>                                                                                        |         |
|--------------------|----------------------------------------------------------------------------------------------------------------------|---------|
| <b>State level</b> | 2008 - 2015 Strategic Directions for Development of Education in Bosnia and Herzegovina with the Implementation Plan | Adopted |
|                    | BiH 2007-2013 Strategy for Secondary Vocational Education and Training in BiH                                        | Adopted |
|                    | 2004 Strategic Directions for Development of Preschool Upbringing and Education in Bosnia and Herzegovina            | Adopted |

<sup>40</sup> Donor mapping report

|                           |                                                                                                                                    |                             |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|                           | BiH Strategy of Science Development and Action Plan for Implementation of the Strategy and Action Plan for Investments in Research | Strategy adopted            |
|                           | BiH Strategy for Cultural Policy                                                                                                   | Adopted                     |
|                           | Road Map and Action Plan for Inclusion of BiH into EU Programs for Lifelong Learning and Young People In Action (by 2013)          | Adopted                     |
|                           | Sports Development Strategy of BiH (September 2009)                                                                                | In the stage of adoption    |
|                           | Document titled Analysis of the Position of Youth in BiH                                                                           | Adopted                     |
| <b>Entity level: RS</b>   | 2010 - 2014 Republika Srpska Education Development Strategy                                                                        | Adopted                     |
|                           | New Strategy for Scientific and Technological Development of Republika Srpska by 2015                                              | In the process of designing |
|                           | 2010-2015 Cultural Development Strategy of the Republika Srpska                                                                    | Adopted                     |
|                           | 2010-2015 Youth Policy of the Republika Srpska                                                                                     | Adopted                     |
|                           | 2008-2012 Sports Development Strategy of RS                                                                                        | Adopted                     |
|                           | The strategy for the development of family in RS for the period from 2009th to 2014th                                              | Adopted                     |
| <b>Entity level: FBiH</b> | FBiH Science Strategy                                                                                                              | Project proposal            |
|                           | Strategy for the Importance of Innovation Centres Development                                                                      | Adopted                     |
| Intellectual property     |                                                                                                                                    |                             |
|                           | Development Strategy of the Institute of Intellectual Property 2008-2015                                                           | Adopted                     |

## IT and media

Harmonisation of IT and media subsectors also belong to European standards. Bosnia and Herzegovina adopted majority of eleven strategies and action plans in this sector as it may be seen from the Table below.

**Table 16: Strategic framework on IT and Media**

|                                          |                                                                                      |                      |
|------------------------------------------|--------------------------------------------------------------------------------------|----------------------|
|                                          | <b>INFORMATION SOCIETY AND THE MEDIA</b>                                             |                      |
| <b>Bosnia and Herzegovina</b>            | BiH Information Society Development Policy                                           | Adopted              |
|                                          | BiH Information Society Development Strategy                                         | Adopted              |
|                                          | BiH Action Plan for Information Society Development                                  | Adopted              |
|                                          | 2007-2011 e-SEE Agenda Plus for Information Society Development in South East Europe | Active participation |
|                                          | Software Policy in the institutions of Bosnia and Herzegovina                        | Adopted              |
|                                          | Decision on 2008-2012 BiH Telecommunications Sector Policy                           | Adopted              |
|                                          |                                                                                      |                      |
| Decision on the Adoption of Broadcasting |                                                                                      | Adopted              |

|                         |                                                                                                                                                                 |                             |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|                         | Sector Policies in BiH                                                                                                                                          |                             |
|                         | Strategy for Transition from the Analogue to Digital Terrestrial Radio Broadcasting in the Frequency Bands 174-230MHz and 470-862 MHz in Bosnia and Herzegovina | Adopted                     |
| <b>Republika Srpska</b> | 2010 - 2013 Republika Srpska Information Society Development Strategy                                                                                           | In the process of designing |
|                         | 2009-2012 RS e-Government Strategy                                                                                                                              | Adopted                     |
|                         | Information System Security Policy of the RS Government                                                                                                         | Adopted                     |

Other strategies relevant for the harmonisation of Bosnian strategic framework with European standards are, before all, strategic framework for Mine Action and assistance to Mine victims adopted by the BiH Government, but also the BiH Access to Housing strategy that is under preparation.

### **MIPD 2011-2013 – Sectoral approach**

Within the process of development of the MIPD 2011-2013, the Directorate of European Integrations has led the prioritisation of sectors that may fulfil requirements for sector wide approach. Ten sectors have been initially proposed: Public administration, Justice, Law Enforcement, Education and employment, Social inclusion, Civil Society, SMEs and environment, Energy, Transport. These sectors have been thoroughly analysed and ranked according to their importance on a scale from 1-3, according to priorities from European Partnership and obligations stipulated by SAA, but also according to the level of developing institutional and strategic framework by the BiH Government. The Analysis document ranking is provided in the Table below.

**Table 17: Ranking of Sectors**

| SECTOR                          | RANK |     |
|---------------------------------|------|-----|
|                                 | EP   | SSP |
| <i>Public Administration</i>    | 1    | 1   |
| <i>Justice</i>                  | 1    | 1   |
| <i>Law enforcement</i>          | 1    | 1   |
| <i>Social inclusion</i>         | 1    | 1   |
| <i>Civil society</i>            | 3    | 3   |
| <i>Education and employment</i> | 1    | 1   |
| <i>SMEs and environment</i>     | 1,2  | 1,2 |
| <i>Energy</i>                   | 1    | 1   |
| <i>Transport</i>                | 1    | 1   |

**ANNEX 4: LIST OF INTERVIEWS IN BIH (OTHER THAN MEETINGS WITH ALREADY PREPARED MINUTES)**

| Name                  | Institution and position                                                           | Place of the meeting | Evaluation team participants (initials) | Date of the meeting |
|-----------------------|------------------------------------------------------------------------------------|----------------------|-----------------------------------------|---------------------|
| Boris Iarochévitch    | DEU; Head of Operations                                                            | DEU                  | EP - ZK                                 | 24/05/10            |
| Dominika Skubida      | DEU; Attaché                                                                       | DEU                  | EP - ZK                                 | 24/05/10            |
| Rujejda Aliefendi•    | DFID Bosnia; Head of DFID                                                          | DFID                 | EP – ZK                                 | 25/05/10            |
| Zara Halilovic,       | DEI; Deputy Director of DEI                                                        | DEI                  |                                         | 25/05/10            |
| Tarik Cerić           | DEI;                                                                               | DEI                  | EP – ZK                                 | 25/05/10            |
| Sanja Tica            | DEU; Programme Manager                                                             | DEU                  | EP - ZK                                 | 26/05/10            |
| Peter Van Ruysseveldt | UNDP; Deputy Resident Representative                                               | UNDP                 | EP - ZK                                 | 26/05/10            |
| Armin Sir•o           | UNDP; Assistant to UNDP Resident Representative                                    | UNDP                 | EP - KK                                 | 26/05/10            |
| Brigitte Kuchar       | DEU ; Programme Manager                                                            | DEU                  | EP – ZK                                 | 26/05/10            |
| Zoran Stjepanovic,    | RS Government; IPA Coordinator for RS                                              | Hotel Bosnia         | EP – ZK                                 | 26/05/10            |
| Jadranka Mihic        | DEU, Programme Manager for Education and Health                                    | DEU                  | EP – ZK                                 | 26/05/10            |
| Una Kelly             | DEU, Attaché - Judicial Reform                                                     | DEU                  | EP – ZK                                 | 27/05/10            |
| Irena Sotra           | EU, TM for PAR                                                                     | DEU                  | EP – ZK                                 | 28/05/10            |
| Goran Tinjić          | World Bank                                                                         | World Bank Office    | EP – ZK                                 | 27/05/10            |
| Aneta Rai•            | SPO at PARCO, Government of BIH                                                    | PARCO                | EP – ZK                                 | 27/05/10            |
| Sehija Mujkanovic     | NAO; Government of BIH                                                             | Ministry of Finance  | EP – ZK                                 | 28/05/10            |
| Aida Daguda           | Director, Center for Promotion of Civil Society                                    | CPCD Office          | EP - ZK                                 | 28/05/10            |
| Goran Bubalo          | Former Secretariat of the NGO Council                                              | CPCD Office          | EP - ZK                                 | 28/05/10            |
| Dijina Sikima         | DEU, Programme Manager                                                             | DEU                  | EP                                      | 31/05/10            |
| Boris Iarochévitch    | DEU, Head of Operations                                                            | DEU                  | EP                                      | 31/05/10            |
| Normela Hodzic        | DEU, Programme manager, DEI,                                                       | DEU                  | EP                                      | 31/05/10            |
| Vesna Grkovic         | DEU, Programme manger                                                              | DEU                  | EP                                      | 31/05/10            |
| Kyriakos Argyroudis   | ROM regional team leader                                                           | ROM Office           | EP                                      | 31/05/10            |
| Zura Talovic          | DEI; Junior associate in department of bilateral assistance of EU countries to BiH | DEI                  | EP                                      | 01/06/10            |
| Vera Latica,          | CFCU; Government of BIH; Director of CFCU.                                         | MoFT                 | EP                                      | 01/06/10            |
| Almir Kapisazovic     | CFCU, Government of BIH                                                            | MoFT                 | EP                                      | 01/06/10            |
| Gunther Zimmer        | Director; Austrian                                                                 |                      | EP                                      | 02/06/10            |

|                                                                                          |                                                               |                 |    |          |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------|----|----------|
|                                                                                          | Development Cooperation Office                                |                 |    |          |
| Mirjana Valjevac,                                                                        | Programme Manager, USAID                                      | USAID           | EP | 02/06/10 |
| Anders Hedlund                                                                           | Swedish Development Cooperation                               | Swedish Embassy | EP | 02/06/10 |
| Nevena Marilovic                                                                         | DEI, EU coordination Division                                 | DEI             | EP | 03/06/10 |
| Nermina Saracevic                                                                        | DEI, Senior Associate EU coordination Division                | DEI             | EP | 03/06/10 |
| Darija Ramljak                                                                           | DEI, Assistant Director of Strategy and Integration Division  | DEI             | EP | 03/06/10 |
| Radmila Urta                                                                             | DEI, Strategy and Integration Division                        | DEI             | EP | 03/06/10 |
| Selma Mesic                                                                              | DEI, Strategy and Integration Division                        | DEI             | EP | 03/06/10 |
| Sandra Mimeseric                                                                         | DEI Strategy and Integration Division                         | DEI             | EP | 03/06/10 |
| Ljerka Maric                                                                             | Director, Directorate for Economic Planning                   | DEP             | EP | 03/06/10 |
| Gabela Zada                                                                              | MoFT FBiH; Assistant to the Federal Ministry of Finance FBiH; | MoFT FBiH       | EP | 03/06/10 |
| Primož Vehar                                                                             | Team leader IPA support project to DEI                        | DEI             | EP | 04/06/10 |
| Kristel Illaste                                                                          | Key expert IPA support project to DEI                         | DEI             | EP | 04/06/10 |
| Toni Santic,                                                                             | SPO Ministry of Justice, Government of BIH                    | MoJ             | EP | 04/06/10 |
| Slavic Vucic                                                                             | MoCA; Assistant SPO for labour and employment                 | MoCA            | EP | 04/06/10 |
| Stefan Simonas                                                                           | OEUSR, Head of political department                           | OEUSR           | EP | 09/06/10 |
| Julien Berthoud                                                                          | OEUSR, advisor on rule of law                                 | OEUSR           | EP |          |
| Tarik Cerić                                                                              | DEI;                                                          | DEI             | EP | 09/06/10 |
|                                                                                          |                                                               |                 |    |          |
| <b>Meetings planned but not implemented due to non availability of persons to be met</b> |                                                               |                 |    |          |
| Mrs.Sanvic                                                                               | NIPAC; Director of DEI                                        |                 |    |          |
| Amela Alihodzic                                                                          | DEI; Head of the Harmonisation of legislation Division        |                 |    |          |
| Dushanka Basta                                                                           | MoFT/ SCIA                                                    |                 |    |          |
| Mr. Dizdarevic                                                                           | MoCA; SPO                                                     |                 |    |          |

## ANNEX 5: LIST OF DOCUMENTS REVIEWED AND REFERRED TO IN THE EVALUATION

| Documents consulted – IPA evaluation – BiH                                                                                                                                                                                                                                                                                                                                                                        |        |             |                  |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------|------------------|---------|
| Title                                                                                                                                                                                                                                                                                                                                                                                                             | Author | Institution | Date of document | Remarks |
| Council Regulation (EC) No1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)                                                                                                                                                                                                                                                                                                 | EU     | EU          | 17/07/2006       |         |
| Commission regulation (EC) No 718/2007 of 12 June 2007 implementing Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre -Accession Assistance (IPA)                                                                                                                                                                                                                                           | EC     | EC          | 12/06/2007       |         |
| Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2006-2007 including annexed special report on the EU's capacity to integrate new members                                                                                                                                                                                                    | EC     | EC          | 08/11/2006       |         |
| Council Decision of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2004/515/EC                                                                                                                                                                                                                             | EU     | EU          | 30/01/2006       |         |
| Council decision of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Bosnia and Herzegovina and repealing Decision 2006/55/EC                                                                                                                                                                                                                             | EU     | EU          | 18/02/2008       |         |
| Council Regulation (EC) No 594/2008 of 16 June 2008 on certain procedures for applying the Stabilization and Association Agreement between the European Communities and their Member States, of the one part, and BiH of the other part, and for applying the Interim Agreement on trade and trade-related matters between the European Community, of the one part, and Bosnia and Herzegovina, of the other part | EU     | EU          | 16/06/2008       |         |
| Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2007-2008                                                                                                                                                                                                                                                                                   | EC     | EC          | 06/11/2007       |         |
| Communication from the Commission                                                                                                                                                                                                                                                                                                                                                                                 | EC     | EC          | 05/11/2008       |         |

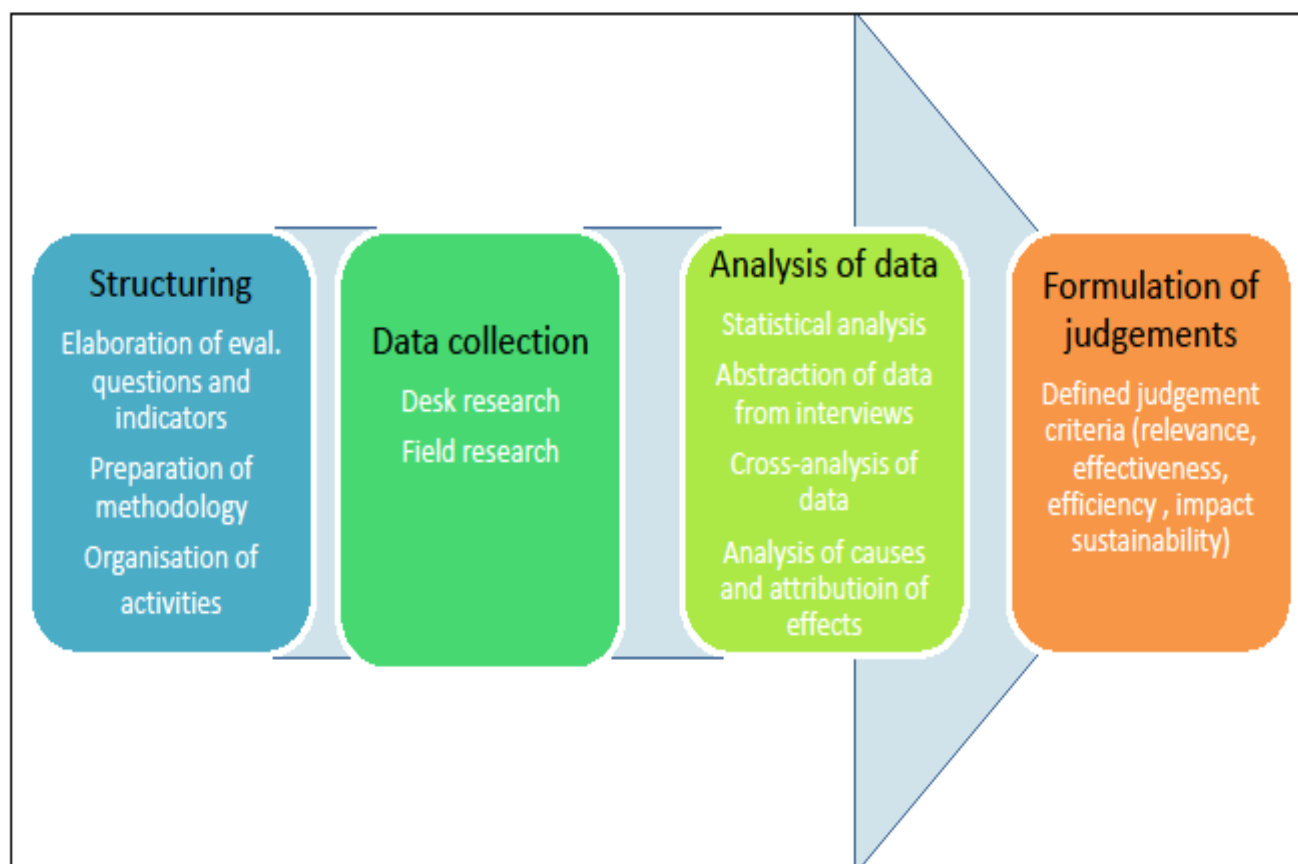
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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|------------|--|
| to the European Parliament and the Council Enlargement Strategy and Main Challenges 2008-2009                                                                                       |        |        |            |  |
| Communication from the Commission to the European Parliament and the Council Enlargement Strategy and Main Challenges 2009-2010                                                     | EC     | EC     | 14/10/2009 |  |
| BiH 2007 Progress Report                                                                                                                                                            | EC     | EC     | 6/11/2007  |  |
| BiH 2008 Progress Report                                                                                                                                                            | EC     | EC     | 05/11/2008 |  |
| BiH 2009 Progress Report                                                                                                                                                            | EC     | EC     | 14/10/2009 |  |
| Communication from the Commission to the Council and the European Parliament IPA Multi-annual indicative Financial Framework 2008-10                                                | EC     | EC     |            |  |
| Communication from the Commission to the Council and the European Parliament IPA multi-annual indicative financial framework 2009-11                                                | EC     | EC     |            |  |
| Commission Decision EC(2007) 2255 of 01/06/2007 on a Multi-annual Indicative Planning Document (MIPD) 2007-2009 for BiH                                                             | EC     | EC     | 01/06/2007 |  |
| Commission Decision on a Multi-annual Indicative Planning Document (MIPD) 2008-2010 for BiH                                                                                         | EC     | EC     |            |  |
| Commission Decision EC(2009)5114 of 01/07/2009 on a Multi-annual Indicative Planning Document (MIPD) 2009-2011 for BiH                                                              | EC     | EC     | 01/07/2009 |  |
| Financing Agreement between Bosnia and Herzegovina and the Commission of the European Communities concerning the National Programme for 2007 under the IPA TAIB component           | BiH-EC | BiH-EC | 31/07/2008 |  |
| Financing Agreement between Bosnia and Herzegovina and the Commission of the European Communities concerning the National Programme (Part I) for 2008 under the IPA TAIB component  | BiH-EC | BiH-EC | 09/04/2009 |  |
| Financing Agreement between Bosnia and Herzegovina and the Commission of the European Communities concerning the National Programme (Part II) for 2008 under the IPA TAIB component | BiH-EC | BiH-EC | 28/07/2009 |  |

|                                                                                                                                                                                    |                                        |                                    |               |             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------|---------------|-------------|
| Financing Agreement between Bosnia and Herzegovina and the Commission of the European Communities concerning the National Programme (Part I) for 2009 under the IPA TAIB component | BiH-EC                                 | BiH-EC                             | 01/12/2009    |             |
| Constitution of Bosnia and Herzegovina                                                                                                                                             |                                        |                                    |               |             |
| Mid-term Development Strategy of BiH (PRSP) 2004-2007                                                                                                                              | Office of the BiH Coordinator for PRSP | CoM of BiH; Gvt of FBiH; Gvt of RS |               |             |
| Country Development Strategy – draft                                                                                                                                               | DEP                                    | DEP                                | 07/ 2009      | not adopted |
| Social Inclusion Strategy – draft                                                                                                                                                  | DEP                                    | DEP                                | 07/2009       | not adopted |
| Economic and fiscal programme 2010 – 2012                                                                                                                                          | DEP                                    | DEP                                | 13/04/2010    |             |
| Report on the Current State of Implementation of the Interim Agreement/SAA (01/07/2009-31/12/2009)                                                                                 | DEI                                    | CoM of BiH                         |               |             |
| Action Plan for Implementation of the Interim Agreement/ Stabilisation and Association Agreement ( 01/01/2010-31/12/2011)                                                          | CoM of BiH                             | CoM of BiH                         |               |             |
| EU Integration Strategy of BiH                                                                                                                                                     |                                        | CoM of BiH                         |               |             |
| Communication Strategy for Informing public about Accession of Bosnia and Herzegovina to the EU                                                                                    | DEI                                    | CoM of BiH                         | 2008          |             |
| Sector Analysis                                                                                                                                                                    | DEI                                    | DEI                                | 2010          |             |
| Action Plan for implementation of the Justice Sector Reform Strategy in BiH                                                                                                        | MoJ                                    | MoJ                                | 12/ 2008      |             |
| Donor Assistance to the BiH Justice Sector document                                                                                                                                |                                        | MoF                                | Draft 08/2008 |             |
| Monitoring and Evaluation Report of Aid Effectiveness in the Justice Sector in BiH                                                                                                 |                                        | MoJ                                | 05/2010       |             |
| PAR Fund Info                                                                                                                                                                      | PARCO                                  | PARCO                              | 28/05/2010    |             |
| Overview of PAR Fund projects                                                                                                                                                      | PARCO                                  | PARCO                              | 28/05/2010    |             |
| Quarterly Progress Report of PARCO (period 01/10 to 03/10)                                                                                                                         | PARCO                                  | PARCO                              | 05/2010       |             |
| Draft of the National Anti-Corruption Strategy (2009 – 2014)                                                                                                                       | Govt of BiH                            | Govt of BiH                        | 2010          |             |
| Law on Agency for Corruption Prevention                                                                                                                                            | Govt of BiH                            | Govt of BiH                        | 2009          |             |
| Action Plan for Prevention of Corruption and on Coordination of the Fight against Corruption                                                                                       | Govt of BiH                            | Govt of BiH                        | 2010          |             |

|                                                                                                                                                                                                                                   |                      |                      |            |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|------------|------------------|
| DIS Road map for BiH Conferral of management powers with ex-ante controls by EC for IPA Components I – Transition Assistance and Institution Building and II – Regional and Cross-Border Cooperation                              |                      |                      |            |                  |
| List of training courses delivered to the BiH Central Financing and Contracting Unit (CFCU) and National Fund (NF)                                                                                                                |                      |                      |            |                  |
| Decision on establishing functions and structure for decentralised implementation system of the IPA instrument                                                                                                                    |                      |                      |            |                  |
| Capacity Building of the Ministry of Finance & Treasury in the Decentralised Implementation System in BiH. Final report 02/ 2010 EuropeAid/122900/C/SER/BA                                                                        | East West Consulting |                      | 02/2010    |                  |
| Protocol between the National Fund (NF), the Central Financing and Contracting Unit (CFCU) and the Central Bank (CB) of Bosnia and Herzegovina (BiH) - draft                                                                      | MoFT                 | MoFT                 | 02/2009    |                  |
| Draft directive on the establishment of the role of Senior Programme Officer at the Ministries and other governing bodies of Bosnia and Herzegovina, on the establishment of jurisdiction and necessary institutional assistance. | DEI                  | CoM of BiH           | N/A        |                  |
| Bosnia and Herzegovina Economic Trends; Annual Report, 2008                                                                                                                                                                       | DEP                  | Govt of BIH          | 2009       |                  |
| Minutes of IPA Management Committee in BiH                                                                                                                                                                                        | DEI-DEU              | DEI-DEU              |            | Only for 05/2010 |
| Multi-beneficiary programme Activity report (October – December 2009; January – March 2010)                                                                                                                                       | DG Enlargement       | EC                   |            |                  |
| Support to the BiH Government for European Integration process and Coordination of Community assistance –Phase III Inception report                                                                                               |                      | East West Consulting | 05/2010    |                  |
| List of CARDS on-going contracts for BiH                                                                                                                                                                                          |                      | EC                   | 05/2010    |                  |
| Ad Hoc Evaluation of the CARDS Programme (BiH) Sectors: Democratic Stabilization Good Governance; Economic and Social Development                                                                                                 | Rambøll Management   | Rambøll Management   | 18/12/2008 |                  |
| IPA programming guide for components 1 and 2                                                                                                                                                                                      | DG Enlargement       | EC                   | 2008       |                  |
| IMF Country Report No. 08/327                                                                                                                                                                                                     | IMF                  | IMF                  | 10/2008    |                  |
| IMF Country Report No. 09/226                                                                                                                                                                                                     | IMF                  | IMF                  | 07/2009    |                  |

|                                                                                                                                              |                                          |                                      |         |  |
|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------|---------|--|
| IMF country report n010/101 Bosnia and Herzegovina: Staff Report for the First Review Under the Stand-By Arrangement                         | IMF                                      | IMF                                  | 04/2010 |  |
| Recent EBRD activities in BiH                                                                                                                | EBRD                                     | BRD                                  | 2009    |  |
| UNDP Human Development Report: The Ties that Bind: Social Capital in Bosnia and Herzegovina                                                  | UNDP                                     | UNDP                                 | 2009    |  |
| BiH Aid Co-ordination and effectiveness project – project memorandum                                                                         | DFID                                     | DFID                                 | 05/2009 |  |
| European Social Watch Report: Migrants in Europe as Development Actors: Between hope and vulnerability                                       | Social Watch                             | Social Watch                         | 2009    |  |
| Economic Reconstruction of Bosnia and Herzegovina: The Lost Decade                                                                           | Nikolos Tzifakis-Charalambos Tsardanidis | Ethnopolitics, Vol. 5, No. 1, 67–84, | 03/2006 |  |
| Policy Brief: Quo Vadis, Public Administration? Evaluation of Progress Achieved in the Implementation of Public Administration Reform in BiH | Aleksandar Eski•                         | ACIPS                                | 01/2010 |  |
| Policy Brief: When will IPA be in our hands? Establishment of the Decentralized System for the Management of EU Funds                        | Ranko Markuš                             | ACIPS                                | 01/2010 |  |

## Methodology of the strategic/ interim evaluation and main steps



## ANNEX 7: LOGICAL FRAMEWORK OF THE EVALUATION

|                       |                                                                                              |                                                                                                                                                                                     | Objectively Verifiable Indicators                                                     | Sources of Verification           | Assumptions / Conditions                                         |
|-----------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------|
| Evaluation Objectives |                                                                                              |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 1                     | To provide an assessment of the intervention logic of IPA Assistance to Serbia               |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 1                     | a                                                                                            | To what extent should assistance be programmed and implemented through a sectoral approach?                                                                                         | Evaluation Report and Annexes<br><br>Recommendation that can be used in the next MIPD | Final Report and Annexes approved | Co-operation of beneficiaries and EC Delegations                 |
|                       | B                                                                                            | To what extent, are programming documents reflecting priorities likely to allow the countries to meet the based on balanced and comprehensive planning to meet Copenhagen criteria? |                                                                                       |                                   |                                                                  |
|                       | C                                                                                            | To what extent do programme documents meet required standards                                                                                                                       |                                                                                       |                                   |                                                                  |
| 2                     | To provide a judgement on the performance of assistance                                      |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 2                     | a                                                                                            | At Programming Level                                                                                                                                                                | Evaluation Report and Annexes                                                         | Final Report and Annexes approved |                                                                  |
| 2                     | b                                                                                            | At Implementing Level                                                                                                                                                               |                                                                                       |                                   |                                                                  |
| Evaluation Purpose    |                                                                                              |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 1                     | To provide country teams with assessments of the state of implementation of their programmes |                                                                                                                                                                                     | Programme performance<br>Efficiency ,Sustainability                                   | Comparison to stated objectives   | Co-operation of beneficiaries                                    |
| 2                     | To improve future programming                                                                |                                                                                                                                                                                     | Lessons learned                                                                       | Final report and annexes          |                                                                  |
| 3                     | To improve the design of future programmes and                                               |                                                                                                                                                                                     | Recommendations                                                                       |                                   |                                                                  |
| 4                     | To build local evaluation capacity                                                           |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| Expected Results      |                                                                                              |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 1                     | Methodology                                                                                  |                                                                                                                                                                                     | 8 page report                                                                         | Reports approved                  |                                                                  |
| 2                     | Inception report                                                                             |                                                                                                                                                                                     | Inception report                                                                      |                                   |                                                                  |
| 3                     | Final report                                                                                 |                                                                                                                                                                                     | Final report                                                                          |                                   |                                                                  |
| Activities            |                                                                                              |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 1 Structuring Phase   |                                                                                              |                                                                                                                                                                                     |                                                                                       |                                   |                                                                  |
| 1                     | 1                                                                                            | Elaboration of evaluation questions                                                                                                                                                 | List of questions                                                                     | Inception Report approved         | Agreement of beneficiaries and Evaluation Committee to work plan |
| 1                     | 2                                                                                            | Indicators of achievement                                                                                                                                                           | List of indicators                                                                    |                                   |                                                                  |
| 1                     | 3                                                                                            | Evaluation methodology                                                                                                                                                              | Provisional list of actors<br>Provisional list of review                              |                                   |                                                                  |

|                           |   |                                        |                                                                   | Objectively Verifiable Indicators                                         | Sources of Verification                                       | Assumptions / Conditions                              |
|---------------------------|---|----------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------|
|                           |   |                                        |                                                                   | documents;<br>Work Plan                                                   |                                                               |                                                       |
| 1                         | 4 | Organisation of evaluation activities  |                                                                   |                                                                           |                                                               |                                                       |
| 2 Data Collection Phase   |   |                                        |                                                                   |                                                                           |                                                               |                                                       |
| 2 1 Desk Research         |   |                                        |                                                                   |                                                                           |                                                               |                                                       |
| 2                         | 2 | 1                                      | Evaluation of planning documents                                  | Questions which form the basis of field research                          | Interview Objectives and templates;<br>Appointments programme | Appointments set up in advance                        |
| 2                         | 3 | 2                                      | Evaluation of projects proposals / reports                        |                                                                           |                                                               |                                                       |
| 2                         | 4 | 3                                      | Assessment of indicators and progress against Copenhagen Criteria |                                                                           |                                                               |                                                       |
| 2                         | 5 | 4                                      | Identification of key questions                                   |                                                                           |                                                               |                                                       |
| 2 2 Field Research        |   |                                        |                                                                   |                                                                           |                                                               |                                                       |
| 2                         | 2 | 1                                      | Interviews with programming team                                  | Documented minutes of structured interviews                               | Annexes to final report                                       |                                                       |
| 2                         | 2 | 2                                      | Interviews with beneficiaries                                     |                                                                           |                                                               |                                                       |
| 2                         | 2 | 3                                      | Interviews with stakeholders                                      |                                                                           |                                                               |                                                       |
| 2                         | 2 | 4                                      | Questionnaires                                                    |                                                                           |                                                               |                                                       |
| 3 Analysis of Data        |   |                                        |                                                                   |                                                                           |                                                               |                                                       |
|                           |   |                                        | Statistical analysis of survey data                               | Detailed analysis of findings of desk and field research                  | Annexes to final report                                       |                                                       |
|                           |   |                                        | Coding & abstraction of data from interviews                      |                                                                           |                                                               |                                                       |
|                           |   |                                        | Cross analysis of data from different sources                     |                                                                           |                                                               |                                                       |
|                           |   |                                        | Analysis of cause and attribution of effects                      |                                                                           |                                                               |                                                       |
| 4 Formation of Judgements |   |                                        |                                                                   |                                                                           |                                                               |                                                       |
| 4                         | 1 | Detailed conclusions                   |                                                                   | Final report and presentation                                             | Approval of final report                                      | Beneficiaries approve conclusions and recommendations |
| 4                         | 2 | Recommendations for future programming |                                                                   |                                                                           |                                                               |                                                       |
| 4                         | 3 | Lessons learnt                         |                                                                   |                                                                           |                                                               |                                                       |
| 5 IPA Seminar             |   |                                        |                                                                   |                                                                           |                                                               |                                                       |
| 5                         | 1 | Deliver IPA workshop in Serbia         |                                                                   | Presentation;<br>Speaker notes<br>Participants listing<br>Feedback report | Workshop report                                               | Format agreed and list of participants                |
| 5                         | 2 | Deliver IPA workshop in Serbia         |                                                                   |                                                                           |                                                               |                                                       |