

**The European Union's IPA Program for Western Balkans and Turkey**

# IPA - interim evaluation and meta-evaluation of IPA assistance

## Country Report Bosnia and Herzegovina



This project is funded by  
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Country Programme interim Evaluation Bosnia and Herzegovina

Client: European Commission, DG Enlargement, Unit A3

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Rotterdam, Sarajevo, June 2013 (with clarifications in August 2013)

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# List of Abbreviations

**Table 1 List of abbreviations**

Abbreviation and full name		Abbreviation and full name	
ADHEQA	Agency for Development of Higher Education and Quality Assurance	ICT	Information and Communication Technology
AGA	Adapted Global Assessment	IFC	International Finance Corporation
ALMM	Active Labour Market Measures	ILO	International Labour Organisation
APOSO	Twinning with the Agency for Pre-primary, Primary and Secondary Education	IMBIH	Institute of Metrology of BiH
APBiH	Association of Employers of BiH	IMF	International Monetary Fund
ASI	Co-operation Agreements with Standardisation bodies of Australia	IPA	Instrument for Pre Accession
BAS	Institute for Standardisation	IR	Inception Report
BATA	Institute for Accreditation	ITA	Independent Tax Authority
BHAS	Agency for Statistics	KSBIH	Trade Unions as representing BiH
BiH	Bosnia and Herzegovina	M&E	Monitoring & Evaluation
BIPM	International Bureau of Weights and Measures	MBP	Multi Beneficiary Programme
BSI	Co-operation Agreements with Standardisation bodies of great-Britain	MEUR	Million Euro
CAB	Conformity assessment bodies	MIFF	Multi-Annual Indicative Financial Framework
CENELEC	European Committee for Electro-technical Standardisation	MIPD	Multi Annual Indicative Programme
CGPM	General Conference of Weights and Measures International and diplomatic level	MHRR	Ministry for Human Rights and Refugees
CIP	Centre for Information and Recognition of documents in areas of higher education	MoCA	Ministry of Civil Affairs
CIPM MRA	Mutual Recognition Agreement	MoFTER	Ministry of Foreign Trade and Economic Relations
CoE	Council of Europe	MoU	Memorandum of Understanding
CoM	Council of Ministers	MR	Monitoring Report
CPiE	Country Programme Interim Evaluation	MSA	Market Surveillance Agency
DB	District Brčko	NIPAC	National IPA Co-ordinator
DEI	Directorate for European Integration	NPAA	National Programme for the Adoption of the <i>Acquis Communautaire</i>
DIN	Co-operation Agreements with Standardisation bodies of Germany	NSI	National Statistics Institute
EA MLA	European Corporation for Accreditation	PF	Project Fiche
EC	European Commission	PR	Progress Report
EU	European Union	QI	Quality Infrastructure
EUD	Delegation of the European Union	ROM	Results Orientated Monitoring
EURAMET	European Association of National Metrology Institutes	RS	Republika Srpska
EP	European Partnership	RSIS	Institute of Statistics of Republika Srpska

Abbreviation and full name		Abbreviation and full name	
EQ	Evaluation Questions	RTA	Residential Twinning Advisor
FbiH	Federation Bosnia and Herzegovina	SAA	Stabilisation and Association Agreement
FIS	Institute of Statistics of the Federation	SD	Social Dialogue
FM	Financing Memorandum	SESP	Employment Support Projects
FR	Final Report	SPIS	Social Protection and Inclusion System
GOPA	EU support to reform of higher education	SPO	Sectoral Programme Officer
HER	Support to Reform of Higher Education Financing	TA	Technical Assistance
HR	Human Resources	ToR	Terms of Reference
HRD	Human Resource Development	UUPRS	Association of Employers of Republika Srpska
IALM	Improving Active Labour Markets in BiH	VET	Vocational Education and Training
ICBES	Institutional and Capacity Building in Employment Sector in BiH	WB	World Bank



# Summary

## Introduction

The Bosnia and Herzegovina Country Evaluation is an integral part of the *Interim and Meta Evaluation of the European Commission's (EC) Instrument for Pre-Accession (IPA) Component I*. The overall objective of this series of evaluations is to improve the performance of European Union (EU) financial assistance. This country evaluation focuses on a sample of two sectors, Quality Infrastructure & Statistics and Social Development, representing 22 projects from the 2007 to 2009 Financing Memoranda (FM) and a total spending of EUR 32.07 million, over 22% of the eligible value of the portfolio. The evaluation methodology consists of an exploration of how the selected sectors have developed since the programming of the associated IPA assistance, coupled with an in depth performance assessment of projects from 2007-2009 to attribute the impact of the IPA to observed changes. The evaluation addresses eight evaluation questions related to effectiveness, efficiency, sustainability and impact.

## Sector Analysis

An analysis was made of the changes in the sample sectors by comparing the baseline – the situation in 2006 - with the current situation. It shows that although some progress has been made at a technical level the complicated and politically influenced environment as well as the constraints on the national budget was increasingly limiting the ability of sectors to develop as envisaged. The QI sector had established some laboratories and built technical capacity for metrology principally at the state level but legislation and policy reform was stalled due to the lack of political agreement between entities and state on the structure of the sector. Other areas of accreditation, standardisation and market surveillance had made better progress in both legislation and practical capacity building in part by being small, nascent and currently able to avoid the political issues affecting metrology. Capacity building in statistics has made some progress after a series of substantial interventions from a range of well co-ordinated donors with a series of new surveys and extensive training amongst all three statistical institutes. Collaboration between entity and state levels has been poor but stakeholders recognise some improvement recently. Preparations for the census have started but despite passing of the delayed census law under pressure from the international community progress is otherwise slow and faced with substantial practical and political challenges.

In the social sector the legal framework for education is largely in place and there are some developments with adult and vocational education, although the institutional structures are large and complicated and capacity within them correspondingly limited. Strategic planning in employment and some legislation have been positive steps but significant work remains. Institutional capacity is limited and modern policies on active labour market measures still need to be adopted. There has been only limited progress in the development of social dialogue; institutions remain weak and the unemployment rates high with structural rigidities that hamper reform. Social protection is fragmented and complex but the single focus of both donor and government funds on a Social Protection and Inclusion System has made very positive inroads in changing policies and approaches of local government.

## The IPA project performance

In order to be able to attribute changes in the sector to the IPA projects, their effectiveness, efficiency and sustainability were assessed.

Generally, IPA projects have been **effective** with the planned outputs delivered at the appropriate quality level. Beneficiaries mostly use the outputs but the ability to achieve results is in some cases, particularly legislation or strategic planning, compromised by the various political levels being unable to agree on their use. Human resource development has been effective especially in the more technical areas under review, such as QI, but there have been issues with absorption capacity in some areas.

There have been substantial delays in the contracting of assistance caused in part by the complex institutional and political situation in the country. Once contracted, projects were generally delivered **efficiently** although again there have been problems in implementation due to contractor performance, slow procurement procedures or meeting conditionalities or consensus between all stakeholders. There have been good examples of co-ordination and collaboration with other donors. Funding over multiple years reflects the long term perspective in instigating institutional change.

**Sustainability** is broadly positive as much of the assistance is linked to technical components of the acquis and thus will be part of the longer term political agenda of the country. Staff turnover has been limited by the dearth of alternative opportunities in the private sector but sufficiency of both administrative capacity and operational budgets is consistently low and constrains the extent to which outputs will continue to be used. Necessary inter institutional collaboration at cantonal, entity and state level remains challenging.

All projects are policy-relevant, as evidenced by comparison with MIPD, EP and Strategy Papers. IPA could therefore be expected to make a contribution to the institution building objectives of the Stabilisation and Association Strategy. In the QI sector, observed **impact** can be substantially attributed to the IPA as the most significant donor by some margin. Good progress has been made in strengthening a range of QI institutions but the operation of a functioning QI system remains some way off. IPA has also made a useful contribution to impact in statistics where the contributions of a number of donors has improved a range of surveys and strengthened institutional capacity. Whilst the IPA will support some of the outputs needed for the census, impact remains under threat. Framework legislation and the establishment of new institutions have laid the basis for impact to be achieved in education primarily in higher education and vocational education and training. Consistent ongoing support will be needed to achieve European Partnership objectives in employment, labour market and social protection. The focus of impact in the social sector has been on improving care for children and further work is needed in other areas. Capacity improvements in staff and better connections between employers and unemployed in the labour offices have had little visible impact on chronically high unemployment rates.

Despite good progress with establishing institutional structures and to some extent capacity building, impact is constrained by systemic issues of insufficient national resources to further elaborate structures and finance operation of systems and tools; limited human resources and a worsening political environment that has made communication and collaboration between different government levels extremely challenging.

### Key recommendations

- With the Sector Wide Approach concept only now being developed into a practical aid implementation methodology by the Commission Services it will be some time until this system becomes fully operational. In the meantime, the European Commission is invited to consider greater enforcement of preconditions for ownership:
  - Inclusion of financing for sectors that include state level institutions only where all actors agree the role and scope of the state and entity level institutions through strategic plans formally endorsed by both entities;

- If projects cannot be agreed between the entities and state level within the scheduled programming deadlines, funding should be cancelled;
- Establish a policy that where projects are unreasonably delayed by a lack of political will or commitment, funding is cancelled and/or not extended.
- Administrative capacity assessments should be undertaken for each of the potential beneficiaries included in future assistance financing;
- Strategic plans should contain clear indications of future financial requirements that will, whilst not yet part of a medium term financial planning policy, give all stakeholders an understanding of the resources required to support implementation of the assistance and sectoral change overall;
- The development of a NPAA would identify those areas that have universal agreement and avoid any components that will be likely to require a transfer of enforcement from the entity to the state level.



# 1 Scope of work

## 1.1 Introduction

The overall objective of the Interim Evaluation and Meta evaluation of the European Commission's (EC) Instrument for Pre-Accession (IPA) Component I is to improve the performance of European Union (EU) financial assistance. Three specific objectives underlie this overall objective. The first is to provide a judgement on the performance of EU pre-accession assistance under the IPA component I in Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo<sup>1</sup> through the preparation of five Country Programme interim Evaluations (CPiE) as well as an additional evaluation report on IPA multi-beneficiary programmes (MBP). This report covers the findings of the Bosnia and Herzegovina (BiH) CPiE.

The CPiE for BiH was the second country evaluation carried out under this project and began with a scoping mission at the end of May 2012. This was followed by a formal kick off meeting at the end of June and a field work phase lasting until the end of July. A short term technical expert was recruited to assist in the assessment of the metrology equipment elements of the evaluation. Training, which was planned to address the capacity building elements of the assistance, was cancelled by mutual consent during the scoping phase. More details on the approach to this country study are entailed in the Country Inception Report.<sup>2</sup>

The report was presented to key stakeholders for commenting and the key conclusions and recommendations discussed in Sarajevo in May 2013. The conclusions and recommendations in Chapter 5 have been revised based on these discussions. Subsequent minor clarifications were provided by some national stakeholders in August 2013.

## 1.2 Summary methodology

The evaluation methodology consists of an exploration of how the selected sectors have developed since the programming of the associated IPA assistance as well as an in depth performance assessment of projects from 2007-2009 to attribute the impact of IPA to observed changes. See also Annex 4 for a more elaborate description of the methodology.

The following eight evaluation questions will be answered by the evaluation:

- To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?
- To what extent are interventions financed under IPA effective in delivering outputs and immediate results?
- Are the outputs and immediate results delivered by IPA translated into the desired/expected impacts?
- Are there any additional impacts (both positive and negative)?
- Are the identified impacts sustainable?
- Are there any elements which could hamper the impact and/or sustainability of the assistance?
- Are there any potential actions which would improve the efficiency and effectiveness of on-going assistance?

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<sup>1</sup> The designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

<sup>2</sup> Country Inception Report Albania, April / May 2012.

- Are there actions which would improve the prospects for impact and sustainability of the on-going assistance?

The emphasis of the evaluation will be on demonstrating impact at programme level *within a sector* over time. Country evaluations will therefore follow two approaches: (i) from a sectoral perspective; and (ii) from an IPA project and programme perspective.

The approach has the following sequence:

- Sectoral impact : analyse how the sector developed by comparing the objectives and baseline at the moment of programming with current sectoral status;
- Programme impact: analyse the contribution of IPA to observed sectoral change using actual or defined indicators in programme documents;
- Combine these analyses to answer the evaluation questions;
- Draw conclusions and recommendations at the programme level.

The underlying report is structured around these steps.

Judgement criteria have been developed which are discussed in more detail in Annex 4. At the impact level, indicators measure changes in three broad categories:

- Institutional structures (e.g. in Ministries, Government Agencies etc., including new bodies);
- Human Resources; and
- Systems and Tools (e.g. legislation, but also relevant IT – hard and software).

The evaluation will therefore not just focus on the status of legislation and adoption of the *acquis*, but also on the embedding of this in appropriate structures and implementing capacity, i.e. human resources.

### 1.3 Sectors and projects included in the sample

#### *Institutional background to the programme*

The complex institutional environment in BiH reflects the constitution of the country and has a significant impact on the design and implementation of IPA assistance. The country has a single state level administration that performs a co-ordination function for the two entities of the Republika Srpska (RS) and the Federation of Bosnia and Herzegovina (FBiH) which together with the District Brčko (DB) constitute the country of BiH. The administrative authority in the FBiH is further devolved to ten cantons with the RS operating under a centralised administrative structure.

The EU assistance under review is principally targeted at state level agencies that exist within the Council of Ministers (CoM) at state level and also at the state level Ministries of Civil Affairs (MoCA) and Ministry of Foreign Trade and Economic Relations (MoFTER). These state level Ministries have a limited role in 1) defining policies and principles and 2) co-ordinating the plans of the entities and District Brčko with those of international institutions in a range of sectors.

The national IPA programme is managed under a centralized environment with programming and contractual responsibilities remaining with the European Commission (EC). The national authorities (co-ordinated at the state level but involving all appropriate decision makers at lower constitutionally defined levels) are involved in the identification of projects and preparation of the programme but tendering, contracting and management responsibilities are devolved to the Delegation of the European Union to BiH (EUD).

This CPIE covers the assessment criteria of effectiveness, efficiency and sustainability but primarily focuses on the contribution of the IPA from programming years 2007-2009 to observed sectoral

impact in the areas of **Quality Infrastructure & Statistics and Social Development** – the latter including assistance in the fields of education, labour market and social protection. This sampling has been used to reduce the overall scale of the study to a manageable size. It has been defined in the overall context of the interim and meta evaluation project by allocating all of the assistance for all of the countries in the study to the sectors used in the 2011 IPA programming exercise and then selecting those sectors that are most representative of the scope of assistance typically funded by the EC. The sectors selected for this country evaluation were chosen based on the scope of assistance included in them and discussed with the Commission Services prior to the start of the evaluation.

#### *Status of implementation of quality infrastructure and statistics projects*

**Table 1.1 Overview of the IPA quality infrastructure and statistics projects included in the sample**

Area	IPA Year	IPA m€	Project title	Status
Quality Infrastructure	2007	1.00	Strengthening the accreditation system	Finalised
	2007	1.70	Strengthening the metrology system	Finalised
	2007	1.70	Safety infrastructure	Finalised
	2008	2.00	Development of metrology infrastructure	Ongoing
	2009	3.90	Single Market (standardisation, accreditation, market surveillance, metrology)	Ongoing/ on hold
Statistics	2007	0.50	Preparation for the population census – phase I	Finalised
	2008	3.67	Support to State and Entity statistical institutions	Ongoing
	2009	2.00	2011 Census – phase II	Ongoing
Subtotal	2007-2009	16.47	8 projects	

Source: information from EUD & NIPAC

Assistance is primarily provided in the form of technical assistance and twinning, with associated investment components which are most significant in the areas of metrology and census. In QI, assistance from the 2007 FM was completed in the latter stages of 2011 and that from 2008 and 2009 is ongoing. Investment funding to metrology under 2009 *Single Market* is on hold due to the lack of approval of a state level Strategy for Metrology Development and Law that is a precondition of the financing. One other project, in market surveillance, has not started yet as the preceding project was late in finishing. It will begin in the Autumn of 2012.

Strengthening statistics is supported through the latest – the fifth – in a series of projects and funded under the 2008 programme, starting at the end of 2011. Preliminary assistance for the preparation of the census under IPA 2007 was contracted in January 2010 but the census itself delayed until 2013. Substantial funding from Sweden has been rolled into the IPA 2008 programme to further support the census along with more IPA funds from the 2009 FM

#### *Status of implementation of social sector projects*

**Table 1.2 Overview of the IPA social development projects included in the evaluation**

Area	IPA Year	IPA m€	Project title (and abbreviation)	Status
Labour market	2007	0.5	Improving the development and capacity of Social Dialogue and Social Partners (SD)	Finalised
	2007	1.2	Improving Active Labour Markets in BiH (IALM)	Finalised
	2009	2.5	Promoting labour market competitiveness – Labour part / Institutional and Capacity Building in Employment Sector in BiH (ICBES)	Ongoing
Social Policies	2007	1.3	Enhancing the Social Protection and Inclusion System for Children in BiH I (SPIS I)	Finalised
	2008	1.3	Enhancing the Social Protection and Inclusion	Finalised

Area	IPA Year	IPA m€	Project title (and abbreviation)	Status
			System for Children in BiH II (SPIS II)	
	2007	0.5	Social sector functional review (SSR)	Not contracted
Education	2007	1.3	Supply of equipment to VET schools (VET)	Finalised
	2007	0.4	Strengthening Higher Education in BiH (SHE III)	Finalised
	2007	1.1	EU support to reform of higher education in BiH (GOPA)	Finalised
	2008	1.5	Support to Reform of Higher Education Financing (HER)	Ongoing
	2008	1.5	EU Support to VET Reform in BiH IV (VET IV)	Ongoing
	2009	1.2	Strengthening capacity in BiH for human resources development (HRD)	Ongoing
	2009	0.5	Twinning with the Agency for Pre-primary, Primary and Secondary Education (APOS0)	Planned
	2009	0.8	Grant scheme to strengthening human resource development (Grant)	Planned
	Subtotal	2007-2009	15.6	14 projects

Source: information from EUD & NIPAC

IPA 2007 was mostly completed in 2011. Two IPA 2007 projects were cancelled (*Social sector review* and *Support to microbiology laboratories*). The projects funded under IPA 2008 and 2009 were all contracted during 2011 with *Social inclusion phase II* contracted in 2010. Two IPA 2009 projects had not yet started at the time of the evaluation.

Further details on the content of the individual projects within this evaluation can be found in annex 1.

## 1.4 Sources of information

The following sources of information have been used for the programme assessment:

- Project fiches;
- Project summary fiches;
- Inception report;
- Progress reports;
- Final report;
- Results Orientated Monitoring reports - there are however only three ROM reports for the QI/Statistics sector and six for the Social Sector.

For the sectoral analysis the following documents have been used:

- Partnership Agreement;
- Enlargement strategy and Main Challenges;
- Multi-Annual Indicative Financial Framework (MIF);
- BiH Progress reports from the European Commission (2008-2011);
- Strategies from state and entity level;
- Action plans from state and entity level.

See annex 2 for a complete list of documents referred to in the evaluation



## 2 Sector analysis

This chapter represents a summary of the more extensive sectoral assessment included in annex 3 of this report.

### 2.1 Elaboration of the sectoral objectives and baseline

In order to create a picture of how each of the sectors has developed over time, a number of sectoral matrices were developed which can be found fully elaborated in annex 3. They establish the baseline for the sector - the situation at the time when programming for IPA 2007-09 was initiated in BiH in 2005-2006 - as well as the objectives for the sub sectors at that time as defined by the European Partnership (EP), as well as the Stabilisation and Association Agreement (SAA) and the MIPDs. The third column of the matrix consists of indicators of expected progress by 2010 or 2011 taken from the medium term objectives of the 2005-2006 EP and elaborated from other information in programming documents.

For the purpose of identifying and assessing sectoral change, information was derived by reviewing the most recent Progress Reports, Sector Strategies, Sector Studies and Discussion papers and was supplemented by interviews with key sectoral stakeholders. To complement the specific indicators given in the sector matrices, achieved progress, both as the result of the IPA and other actors<sup>3</sup> was analysed in the context of factors contributing to impact in administration reform: Institutional Structures; Human Resources and Systems and Tools<sup>4</sup>. A more elaborated sector analysis can be found in Annex 3.

### 2.2 Quality infrastructure and statistics

A National Quality Infrastructure (QI) contains a series of integrated and co-ordinated institutions and activities that starts with the adoption of national standards, is confirmed through internationally recognised measurement capacity and is implemented in industry through testing and certification by bodies overseen by an independent accreditation agency. An effective National QI is essential for BiH to be able to access export markets, in particular those of their immediate neighbours in the EU, create regional markets and also to protect consumers from substandard products being placed on the market.

Upon independence, BiH inherited some parts of the former Yugoslav QI institutional infrastructure and all of its mandatory national standards (JUS). Attempts to develop the sector only began with the imposition of legislation by the High Representative in 2001 that formally established the key state level institutions in metrology and accreditation. Subsequent actions have included the establishment of other QI institutions (standards, market surveillance & consumer protection), introduction of voluntary European (EN) standards, development of legislation (both rules for the QI system and technical regulations for products), capacity building and establishment of verification and conformity assessment systems. As will be elaborated below and in annex 3, progress in these areas has been variable.

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<sup>3</sup> Including contributions from other donors and the national budget.

<sup>4</sup> For a fuller description of this methodology, please see the Inception Report.

### *Institutions dealing with quality infrastructure and statistics*

Institutions in both the QI and statistics fields are established following the constitutional structure of the country, with co-operation, co-ordination and external relations being undertaken at the state level through organizations established under the Council of Ministers and the administrative authority remaining at the entity level. There are no institutions at cantonal level in this area, although a wide range of cantonal institutions make contributions to Federation level statistics.

For QI, the main institutions involved are all, to varying degrees, beneficiaries of IPA assistance and consist of:

- **Metrology:** Institute of Metrology of BiH (IMBIH) – state level institution from 1996 and established as independent in 2004, Entity Institute of Metrology of the Federation of BiH, Republic Institute of Standardisation and Metrology of the Republic of Srpska;
- **Standardisation:** Institute for Standardisation of BiH (BAS) – state level institution established in 2004, Republic Bureau of Standardisation and Metrology of the Republic of Srpska (there is no Federation of BiH institution);
- **Accreditation:** Institute for Accreditation of BiH (BATA) – state level institution established in 2001;
- **Market surveillance:** Market Surveillance Agency of BiH (MSA) - state level institution established in 2006, entity and Brčko level inspectorates.

The Ministry of Foreign Trade and Economic Relations of BiH (MoFTER) is responsible for legislation harmonization throughout the sector. Although not directly benefitting from the assistance, a Metrology Council also exists as a non-binding co-ordination and consultative body and as such has limited effectiveness. There are similar councils for Standardisation and Accreditation.

#### *2.2.1 Metrology*

The establishment and maintenance of national standards through metrology, or the science of measurement, is the basis for the QI system and underpins the other components by ensuring international recognition of measurements made in the country. The legislative base for metrology consists of three laws introduced in 2001 and 2004. As with other parts of the BiH national legislative structure, the national metrology system has laws on both the state and entity levels that need to be in harmony. However, since the preparation of these early state level laws the entities have created additional local rules and therefore different parts of the country implement metrological activities (principally verification) in different ways.

The new draft Law on Metrology and associated strategy prepared in 2009 intended to create a National Measurement Institution (NMI) in line with international practice, consolidate the existing legislation, create new implementing legislation and establish the nationwide structures for the national standards. It gives the state level IMBIH (the NMI) responsibility for the distributed system of the National (and reference) standards – this is a system whereby suitably competent private laboratories are allowed to make measurements based on the national standards owned by the Institute. However, both the strategy and the draft Law remain to be adopted and face substantial opposition from the entities because they are seen to transfer competencies from the entity levels to the state. Much of this resistance is related to the unwillingness of the entities to surrender revenue generating verification work (except initial verification) and precious metal activities.

Cooperation between other quality infrastructure institutions of Bosnia and Herzegovina (MOFTER, BATA, BAS, MSA and entity level institutions) is gradually being strengthened, but collaboration between the IMBIH and the metrology institutes of the Entities is still very poor.

Further issues affecting the metrology sector include:

- available national overview of the metrology system is limited and based on IMBIH and existing accredited and authorised laboratories;
- the distributed system of the national measurement system is not well developed and therefore not fully operational;
- there are no national measurement standards (no decision issued so far);
- traceability is available only in a few areas within BiH.

Despite difficulties in developing a nationwide metrology system, there has been some progress. In June 2011 IMBIH became an associate of BIPM, the international organization responsible for scientific metrology and a signatory of CIPM MRA (Mutual Recognition Agreement) enabling the international recognition of measurements made in BiH. In May 2011, BiH became an Associate of CGPM (General Conference of Weights and Measures International and diplomatic level) and has been granted full membership of the European Association of National Metrology Institutes (EURAMET).

Currently in BiH there is no primary realization of any measurement unit, meaning that measurement standards are at the secondary level and their traceability is achieved through other national metrology institutes, which have higher levels of measurement standards. This is to be expected given the relatively undeveloped state of metrology in the country and the expense involved. The other auxiliary equipment ensures traceability through accredited laboratories, accredited by the Accreditation Body signatory of the European Association of Accreditation (EA MLA). IMBIH actively participates in EURAMET projects and inter-comparisons.

### 2.2.2 Standardisation

The National QI system requires a single national standards body responsible for introducing international standards into the country, informing international partners about national standards created and collaborating with national legislative bodies as they create various mandatory technical regulations from the voluntary standards. BiH inherited a large number (more than 6000) of mandatory Yugoslav standards which remain in force alongside the voluntary EN standards.

The BAS became a self-sustained institution in 2007 and is under the responsibility of the Council of Ministers of BiH. It has adopted a further 2,695 European standards (ENs) as national standards, bringing the total to 12,306 ENs or approximately 70% of the total that have been introduced into the country. The BAS performed the first annual check of its quality management system. However, a comprehensive strategy and an action plan for becoming a full member of the European Committee for Standardisation (CEN) and the European Committee for Electro-technical Standardisation (CENELEC) remain pending.<sup>5</sup>

The main progress so far achieved in standardisation includes:

- BAS represents the country in European Standardisation organizations and it is a full member of ETSI (since 1997), is an affiliate to CEN (since 2008) and to CENELEC (since 1999);
- all harmonized EN standards are adopted (Standards which are related to New Approach Directives);
- BAS has Co-operation Agreements with Standardisation bodies of Germany (DIN), Austria (ASI) and Great Britain (BSI), as well as with countries in the region.

The *Strategy for the Development of the Institute for Standardisation for the period 2007-2015* paves the way for further achieving progress in line with the long term objectives as defined in EP,

<sup>5</sup> The Institute became Affiliate member of CEN-CENELEC in the beginning of 2008. It cannot apply for full membership until it becomes a candidate country but the BAS consider that they are compliant with the nine membership criteria.

MIPDs and SAA. However, it is a short, basic document and has not been formally adopted. The Institute's cooperation with Public Authorities in BiH (on the state and entity levels) is well developed, which is important to establish and sustain the Enquiry and Contact Points that act as information dissemination hubs on standards for industry.

Although much progress has been made on the introduction of the EN (voluntary) standards, better collaboration with industry would mean more relevant standards could be prioritised. At the same time as the new EN standards are being introduced, former Yugoslav standards (which are mandatory) remain in force. However as there are no technical regulations (mandatory rules for enforcement of EN standards in specific areas) there is no ability to enforce product quality. A comprehensive review of Yugoslav (JUS) standards for applicability to BiH industry and compatibility with EN standards is needed.

### 2.2.3 Market surveillance

Market surveillance in BiH consists of the MSA co-ordinating all aspects of product safety and three entity level inspectorates, each with around a dozen technical inspection units covering all manner of inspections including many outside of the remit of the MSA (for example, food safety). The MSA is a small state level institution of 19 people established in 2006. It focuses on product safety by acting as a national information point for new legislation and product alerts which it translates and disseminates to the entity inspectorates throughout the country. Together with the MoFTER, it also develops the legislative structure.

The horizontal *acquis* on product safety has been transposed through the adoption of the *Law on General Product Safety* and the *Law on Market Surveillance*, both in 2004. The legal framework for the transposition of the New Approach Directives (NADs) is also in place<sup>6</sup>. However plans to adopt eleven NADs under recently completed IPA assistance were not successful due to the lack of willingness of the entities to collaborate with state level institutions where they feel implementation responsibility should remain at the entity level.

The *Market Surveillance Strategy for Non-Food Consumer Products in Bosnia and Herzegovina for 2011-2015* was also adopted and is under implementation. All nine short term strategic goals set in the Strategy as well as the Dynamic Realization Plan were implemented by MSA in 2011.

Cooperation and coordination between all actors in the market surveillance system in BiH has been improved and strengthened but the system remains largely based on mandatory standards and pre-market control. The development of post market surveillance could be established with reporting by the inspectorates to the MSA on inspectorate activities, but there is concern that this would extend the remit of the Agency beyond its constitutionally defined limits.

### 2.2.4 Accreditation

Accreditation is the procedure by which an authoritative body gives formal recognition that a body or a person is competent to carry out specific tasks. The structure of the accreditation system in Bosnia and Herzegovina consists of an autonomous state level Accreditation Agency of BiH (BATA) established in 2001 under the Council of Ministers and 54 accredited conformity assessment bodies (CABs), mostly laboratories. There are no entity level accreditation bodies. In June 2009 it became an associated member of the International Laboratory Accreditation Cooperation (ILAC) and in March 2010 it applied for the status of an EA-MLA signatory. Final pre-acceptance reviews were made in June 2012 and the Agency is expected to become a full signatory in November 2012.

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<sup>6</sup> Law on technical requirements for products and conformity assessment (OG 45/2004), with implementing rules on methods and programme of transposition of technical regulations in 2006.

With international acceptance of the certificates of its accredited CABs, BATA promotes trade and protects consumers and the environment and contributes to the development of technical competence.

Although BATA has been substantially strengthened and its capacity to provide training and accreditations services has been enhanced, only limited progress can be observed in recent years. The technical regulations in force in BiH are still limited and the measurement standards are not internationally recognized. The lack of technical regulations on conformity assessment procedures and nomination of conformity assessment bodies for official control of compliance with technical regulations in line with current international rules remains thus as one of the main obstacles for a successful accreditation process.

The role of accreditation in authorizing conformity assessment bodies at both State and Entity levels also need further consideration and a clear policy. There are in addition insufficient numbers of potential CABs available in the country due primarily to the under developed industrial sector and low demand for their services.

### 2.2.5 Statistics

Accurate national statistics are essential for the effective policy making of a government and as such are an important part of the *acquis*. The statistics system in BiH was created after the war on the foundations of the former Yugoslav system, although the Federation of BiH inherited the physical infrastructure and the state and Republika Srpska institutions were established separately. Preliminary legislation was imposed by the High Representative in 2002 and a Law of Statistics passed in 2004 followed by a multi-agency agreement on implementing statistics in 2005. The first strategic plan for the sector was implemented in the period 2005-08.

The census is the first to be undertaken since 1991 and is extremely politically sensitive because it will give for the first time since the war an accurate picture of the geographical distributions of the various ethnic groups, which has the potential to rebalance both local and regional politics. Although the Census Law was passed, this was under massive political pressure from the international community and significant implementation hurdles are likely to lie ahead.

The statistical system consists of three primary institutions:

- The Agency for Statistics (BHAS), a state level institution under the CoM that co-ordinates, collaborates internationally and collates statistical data produced by the entities and other statistics producers and was established in 2008;
- The Institute of Statistics of the Federation of BiH (FIS) administers statistical activities in the Federation of BiH and collects data via Cantonal services and offices;
- The Institute of Statistics of Republika Srpska (RSIS) which co-ordinates the collection of statistical data through six regional offices;
- The Central Bank is another producer of statistics and there are a number of other important contributors to the statistical system, such as the Indirect Taxation Authority (ITA).

In addition, there is a Statistical Council that has the responsibility to co-ordinate the sector.

BHAS and the entity Institutes of Statistics have entirely accepted the European Statistics Code of Practice and most of the recommendations are embedded into their legislation and other documents. The process of integration of the statistical system into the European Statistical System is also proceeding. Recommendations from Eurostat report on Global Assessment of Statistical System in BiH will form the basis for further development in the sector. The cooperation between the three statistical institutions in BiH is considered by stakeholders to be improving but the extent of inter institutional collaboration, co-ordination and communication at the state level varies,

particularly regarding business statistics. It remains unlikely that the finalisation of the long term Development Strategy under preparation at the time of writing will significantly improve matters.

Field work for the household budget survey started and the labour force survey was implemented in 2011, with final data published. Preparations for the agricultural census are also continuing and a pilot agricultural census was conducted. The quality of short-term statistics, construction industry statistics and structural business statistics has improved and progress is also observed in energy statistics. Even though therefore some progress has been made, national accounts, business and agricultural statistics still remain to be improved. Only limited progress is visible in the area of macroeconomic statistics, in the framework of which the annual GDP estimates for 2010 were published. The RSIS is implementing the multi-annual master plan for developing national accounts and whilst it is developing quarterly national accounts these cannot be produced at national level until the relevant short-term indicators are produced and the cooperation between all parties involved is in place<sup>7</sup>.

Due to the absence of a Census Law, the census planned for 2011 did not take place and will now be undertaken in autumn 2013 after a pilot in the autumn of 2012. Extensive preparations in the form of development of the census methodology, training of staff and preparation of equipment have taken place but a series of substantial obstacles remain to be overcome, even before the pilot census. New maps and register of territorial units need to be prepared, national funding of up to 20MEUR provided, a large number of enumerators recruited and trained and computer and optical recognition equipment bought and made operational.

## 2.3 Education, employment and social dialogue

### Social Development

#### *Institutions dealing with social development*

Social development is co-ordinated through the Department of Education and the Department of Labour, Employment, Social Protection and Pensions, which are both at the state level Ministry of Civil Affairs (MoCA). There are the relevant ministries at entity level (Ministry of Labour and Social Policy in Federation Bosnia Herzegovina with its 10 cantons and Ministry of Health and Social Protection and Ministry of Labour and Veterans in Republika Srpska) and District Brčko.

#### 2.3.1 Education

The MoCA is responsible for co-ordination of legislation and strategies at entity and sub-entity levels as well as to coordinate cooperation between international bodies and bodies at state, entity and sub-entity levels. Three agencies for education (higher education, pre-school, primary and secondary and recognition of documents) were established at the state level in Bosnia and Herzegovina and nine Pedagogical Institutes throughout the country. Pedagogical Institutes were established with the aim of carrying out professional and, partly, administrative duties in the field of education (pre-primary, primary and secondary education). Their organization and activities are regulated by the RS, cantonal and Brčko District regulations in the field of education. Responsibility for the school system lies with the entities, cantons and Brčko District. In the FBiH, schools are financed by the Education Ministries in the cantons, in the RS by the Education Ministry and in Brčko District at the District level.

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<sup>7</sup> In their comments to the draft evaluation report, the RSIS note that these two issues have now been resolved, with quarterly national accounts published by the BHAS in July 2013.

The legal framework for the education sector is now largely in place. However, framework laws have still not been adopted in all cantons in the Federation. The BiH Rectors' Conference and the Conference of Ministers of Education have been established as the highest advisory bodies in the area of education. In adult education, at the entity level the RS adopted laws on Adult, Higher Education and students and established the RS Institute for Adult Education. There are no similar structures in the Federation where eight out of ten Cantons harmonized their laws on pre-school education with the framework legislation whilst limited progress has been made in harmonization of the laws on vocational education and training with the Framework Law. State-level strategies and framework laws also remain to be fully implemented. There are no Framework laws on recognition of qualifications in line with the Lisbon Recognition Convention and adult education and no harmonized procedures in place to recognize qualifications obtained abroad. Implementation of the higher education qualifications framework remained at a pilot level but is progressing towards a system level. All Cantons harmonized their laws with the Framework Law on higher education. In the Federation as well as in Brčko District, adult education is currently regulated by existing laws on primary and secondary education but some Cantons have started the process of developing and adopting special legislation for adult education.

A number of strategic planning documents in VET have been created along with a qualifications framework linking qualifications with employment in compliance with the European Qualifications Framework for Lifelong Learning. Modular curricula and new classifications of occupations have further developed VET. Other educational strategic plans covered adult, pre-school, lifelong learning and entrepreneurial learning.

There is not enough cooperation between schools and the private sector and there are no internship or apprenticeship opportunities. Sectoral strategic plans<sup>8</sup> from 2008 note that the number of teachers without adequate qualifications is steadily decreasing and the MoCA confirms that now all teachers have adequate qualifications according to the relevant laws and regulations. However, teacher training is not standardized or appropriately remunerated. The education of adults is not being implemented widely although the IPA has made some contribution to VET teacher training through VET IV projects.

Interviews with stakeholders noted that there are still insufficient staff numbers in the recently established agencies. Due to a staff increase, the State-level Agency for Pre-school, Primary and Secondary Education is fully operational, as well as the State-level Centre for Information and Recognition of Documents in the Field of Higher Education and the Republika Srpska Institute for Adult Education. Overall, capacity is still insufficiently developed both at canton and Federation level, particularly related to number of staff in some cantons, whose administration is very small. The situation in RS is slightly more favourable.

Within the Federation of BiH, some progress can be seen in the reduced number of divided schools. However, the separation of children within schools along ethnic lines and the existence of mono-ethnic schools remain as issues of concern.

### 2.3.2 *Employment and the labour market*

The adoption of the State-level employment strategy along with entity level strategies can be considered as a significant step in bringing employment policy into alignment with European standards. The Republika Srpska adopted a law on mediation in employment and entitlements during unemployment. A similar new Law, aiming at streamlining cantonal and Entity level

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<sup>8</sup> Strategic Directions for the Development of Education in Bosnia and Herzegovina 2008-2015

employment services, remains to be adopted in the Federation. Most resources allocated to assisting the unemployed are spent on passive labour market measures.

No steps were taken to harmonize the labour laws of the Entities and Brčko District with the *acquis* and a labour law at the State-level remains to be adopted because it is considered in contravention of the constitutionally defined responsibilities which remain at entity level. Provisions regulating labour matters at cantonal-level are not aligned with the *acquis* and make for further fragmentation in the Federation. Despite the achievements in the sector, there is still a significant lack of institutional capacity for the reforms needed in the labour market, employment and social sectors. The high unemployment rate and the large informal economy create additional obstacles to social and economic recovery of the country. Active policies and programmes of the labour market are mainly focused on co-financing of new employment, self-employment and training.

### 2.3.3 Social dialogue

Despite its importance, the complex system of government and the fragmented legislation continue to hamper social dialogue in the country. The ratification of the revised European Social Charter was a positive step but the national legislation has not yet been fully aligned with it. Limited progress has been made in clarifying the rules for registration and recognition of trade unions and both Entities have formed their own Economic and Social Councils (ESCs) with no agreement on the membership criteria for a State-level ESC. The legal framework is not in place and the rules for recognition and registration of social partners need to be clarified.

The Federation adopted legislation establishing the Agency for Peaceful Resolution of Collective Labour Disputes and RS adopted a law on peaceful resolution of labour disputes and its Agency for Mediation became operational. However, the State-level Law on social partners' representativeness remains to be adopted. Therefore little progress can be reported related to social dialogue. There are significant weaknesses in the design and implementation of monitoring and evaluation of interventions in the labour market. The public employment services and the relevant Ministries do not have the staff capacity or resources to undertake any substantial monitoring and evaluation of Active Labour Market Measures (ALMMs). The understaffed labour inspectorates are unable to monitor compliance with health and safety at work standards and reliable data on accidents at work is also not available. This is a particular problem in the Federation, where records are held at Canton level but addressed in the RS through reporting to the Ministry of Labour and Veterans.

Levels of unemployment still remain very high. Registered unemployment reached 43.1% in June 2011. It was particularly high among the young population (57.9% for people aged between 15 and 24). Structural rigidities such as the high rates of social contributions, poorly targeted social transfers and low labour mobility, are continuing to hamper job creation and the propensity to work. The lack of political will at the highest level to reform the administration of health insurance and other non-employment-related benefits further undermines active labour market measures.

### 2.3.4 Social inclusion and protection

The social protection system is fragmented and extremely complex and still requires harmonization of both laws and practices in order to ensure a common approach for children's rights to social protection. An additional problem is the lack of budget resources, as well as the lack of technical equipment, qualified staff and training.

Both donor assistance and national funds in the sector have been targeted towards a single comprehensive multi donor project, the Social Protection and Inclusion System. This has achieved significant changes in the policies and approaches of the local government towards social



protection and inclusion of children in their communities. Modelling new intersectoral approaches to social protection and inclusion policies and services has resulted in improved social protection and inclusion of children.

However, despite some very positive achievements with the SPIS program, the implementation of framework legislation to reform social protection systems towards a needs-based approach did not advance substantially. The legal framework still does not provide the most vulnerable categories with adequate assistance.

Means-testing for social benefits, including veterans' benefits, was introduced but has not been implemented due to powerful lobbies of veterans and entitlement still varies considerably across the country. The Ombudsman has presented special reports however most of the recommendations have not been implemented.



## 3 IPA Programme Performance

### 3.1 Introduction

This chapter contains an analysis of the IPA assistance, on the basis of the projects sampled. Three evaluation criteria will be covered: effectiveness, efficiency and sustainability. Although this sequence deviates slightly from that of the evaluation questions as posed in the ToR, it logically feeds into the impact of the IPA assistance in the following chapter: Effectiveness and sustainability are prerequisites for impact.

### 3.2 Effectiveness

**EQ2 To what extent are interventions financed under IPA effective in delivering outputs and immediate results?**

Effectiveness looks at the extent to which the outputs and objectives of the assistance have been successfully achieved, or are likely to be achieved or if there were better ways of delivering outputs and objectives.

The IPA assistance has delivered:

- Strategic plans and sub sectoral legislation for the development of *institutions* in metrology, accreditation, market surveillance and standardisation and is expected to also deliver strategic plans in statistics;
- *Human resource development* through training and capacity building, primarily in country;
- Information systems for the census have been contracted and can be expected to be delivered and made operational. In QI, *systems and tools* include metrology equipment and training facilities and information systems for accreditation. Chemical metrology equipment and some elements of the legal metrology equipment remains to be delivered and a clear risk remains that the former will not be.

#### 3.2.1 Effectiveness in quality infrastructure and statistics

##### *Effectiveness in Quality Infrastructure*

Twinning assistance to the BAS under *2009 Standardisation* targets the establishment of the National Enquiry and Contact Point and the distributed network of contact points within state level institutions, as well as the capacity building of the BAS itself. The BAS is well staffed and equipped and has made significant progress whilst being only peripherally involved in previous assistance to QI. Risks on the willingness of the various nominated Enquiry Points to actively undertake their new role are known but political commitment has been obtained. Therefore whilst the investment component has been delayed by a failed tender under national funds, it remains likely that the Enquiry Points and associated information system will be successfully created. In terms of membership of the European Committee for Standardisation (CEN), where the BAS has been the country representative on an associate basis since 2008, the management believe that they are already in compliance with the nine conditions of full membership and will undertake an audit for membership next year.

Assistance to *Metrology* prepared proposals for new laws to replace the three adopted by the Parliament of Bosnia and Herzegovina between 2001 and 2004 (one of which had imposed by the Office of the High Representative) defining the metrology sector and establishing the IMBIH. They also created eight by laws and revised a strategic plan for the development of a distributed metrology system that had been created with earlier IPA assistance from Slovak and Czech experts. Little use has been made of these outputs thus far as despite being in line with European practice they are considered by the entity institutions not to respect the constitutional areas of responsibility between entity and state levels. The bylaws were revised based on the existing legislation and six were adopted in August 2012. Investment components from 2007 were merged with funds from IPA 2008 and tendered together; although only a little over 50% was successfully contracted initially. This led to a re tender due to be completed in March 2013. With further training of the staff and the establishment of a Quality Management System for their new laboratories, the IMBIH has begun the process of establishing national standards in five of the seven base quantities.

The General Products Safety Directive of the EU was transposed into national law by the General Product Safety Law through 2007 *Market Surveillance* to MoFTER and the MSA, but the planned creation of 11 New Approach Directives was not successful due to the unwillingness of entity level officials to take part in legislative working groups. The entities wish to retain control over technical regulation. Only five draft regulations were produced and only one was subjected to a full regulatory impact assessment. The legislative base and training for the establishment of Conformity Assessment Bodies was completed in the Ministry, but further work was not implemented because of a lack of agreement on whether they should be established at state or entity level. For the MSA, the Strategic Plan was successfully created although it was prepared substantially by the beneficiary after the failure of the expert advisor. Other positive deliverables included the annual surveillance plan and information campaign, which are now under implementation.

Institutional strengthening of *Accreditation* has been provided through training and advisory support to BATA from two projects, one of which is ongoing. The first project under IPA 2007 provided an overview of the beneficiary, developed a training programme and centre, established new Technical Committees, reviewed the quality manuals of the beneficiary and developed new accreditation schemes and procedures. Subsequent, ongoing assistance has focused on developing more accreditation schemes, promoting the accreditation process amongst potential clients and Conformity Assessment Bodies and continued training of assessors.

#### *Effectiveness in statistics*

The IPA 2008 twinning assistance project to *statistics* is one quarter completed and although it is on schedule most outputs have yet to be delivered. It is therefore too early to make an objective assessment of effectiveness, however there are a number of factors influencing whether outputs will be delivered and objectives achieved. The assistance consists of a very large number of missions to deliver a wide range of outputs. Twinning assistance with a member state is appropriate to the technical requirements of the assignment but beneficiaries noted that some short term experts lacked both country background and technical knowledge and this would reduce effectiveness. There are also concerns over the capacity of beneficiaries – particularly at entity level - to collaborate as planned with both supporting finance and staff. This threatens the effectiveness of the assistance and will be additionally strained in some sectors by the forthcoming census. The state level is less effected by capacity constraints particularly with this assistance as they have a dedicated unit on business statistics who are not expected to be involved in the census. .

Earlier assistance to preparation of the *census* was able to prepare the statistical authorities through training and developing various planning documents as well as preparing tender documentation for the subsequent follow on TA and investment projects. As these latter projects

have only very recently started, it is too early to determine whether they will successfully deliver their outputs but pre-conditions for this are in place – there is a legislative base for the census, clearly identified institutional beneficiaries and locations for the installation of equipment.

The table below gives an overview of the ROM scores. ROM reports are available for 3 of the 8 quality infrastructure and statistics projects. The scores reflect the opinion of the evaluation.

**Table 3.1 Overview of the Result Oriented Monitoring scores on effectiveness**

IPA	Project title	ROM score(s)
2007	Safety infrastructure	B
2009	Single Market (standardisation, accreditation, market surveillance, metrology)	B (accreditation) B (standardisation)
2008	Support to State and Entity statistical institutions	B

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

### 3.2.2 Effectiveness in the social sector

#### *Effectiveness in employment and social policies*

The effectiveness of the social policies inclusion (SPIS) projects (IPA 2007 and 2008) is good but it has taken some time for the SPIS to start functioning well. The integrated, multi sectoral approach of the SPIS project was new and innovative for BiH. SPIS I involved a broad range of beneficiaries that required a complex management structure which hampered the achievement of results I. For SPIS II the expert team was replaced, which worked well. The SPIS project is especially successful at municipality level as 10 social inclusion centres for children were established and in some municipalities the centres are now funded from the local budget. These centres follow a cross-sectoral approach which works well as all services (education, health, etc.) are at one centre. There is little contact between the municipalities but the approach has meanwhile been expanded with 11 other municipalities under IPA 2010.

2007 *Social Dialogue* has not been able to deliver its planned objectives. In order to conform with the International Labour Organisation (ILO) Charter, BiH is required to institute a state level Economic and Social Council. The Social Dialogue project was intended to improve the development and capacity of social dialogue and social partners, through 1) analysing and proposing an institutional structure for a state level Economic Social Council (ESC\_, 2) capacity building of Associations of Employers (APBiH), Confederation of Trade Unions as representing BiH (KSBiH) and government representatives for working in ESC, 3) design & implement mechanisms for sustained social dialogue, and 4) promote social dialogue as a functioning part of relations between governments, employers and workers. However there have been significant disagreements between the various parties on the project objectives:

- The trade union and employer representatives (and project team) assumed that a state level ESC would be established. However the agreement of 2006 (Agreement on Economic Social Council of BiH) between the Council of Ministers, APBiH and KSBiH appeared to have never been signed (After the 2006 elections there was no longer commitment for establishing a state level ESC) and MoCA indicated to the project team that they should focus merely on capacity building activities for the social partner organisations.
- At the start of the project it appeared that the associations of employers throughout BiH did not recognize each other sufficiently to be able to start a social dialogue and were not able to have a representation at state level: The APBiH and the KSBiH were not recognized by the Union of Association of Employers of Republika Srpska (UUPRS) to be representing BiH.

Because of this, the objectives of the project could not be achieved: no effective and active institutions were developed as no state level ESC was established and efforts to involve all social partners in the steering committee did not succeed.

An analysis of potential for social dialogue was made, an action plan was developed as foreseen and capacity building activities were delivered and therefore about half of the results were achieved. The effectiveness of the activities can be considered therefore as low. There is no social dialogue between employer organisations as they were not ready to act as one organization. Only the capacity building of the social partners was achieved.

The IPA 2007 *Improving Active Labour Markets in BiH* project (IALM) and the IPA 2009 *Promoting Labour Market Competitiveness – Labour part / Institutional and Capacity Building in Employment Sector* project (ICBES) are both aiming to improve the institutional capacity of labour market management and employment service delivery at national level, entity and sub entity levels. Through the *IALM* project all foreseen results were achieved: 1) Active Labour Market Measures (ALMM) were analysed, major changes have been recommended together and practical support has been given; 2) 333 people were trained or participated in capacity building events to improve capacity and systems of the Employment Services; 3) IT services have been reviewed and monitored (including tendering) to improve the data management system for redesigned registration procedures; 4) communication on project results was disseminated (tv, discussions, video) and 32 people trained in media presentation skills. The establishment of 'communication hubs' worked rather well to involve a variety of stakeholders from lowest (employment bureau) to highest (ministry) level on specific topics. The following communication hubs were established: ALMM policy; Legal and procedural issues; and Capacity building and training issues.

The *ICBES* project is still ongoing but foreseen results are:

1. Effective labour market management system at all levels through definition of indicators, labour market policy, monitoring and evaluation;
2. Strengthened budget preparation process for labour market and employment at all levels;
3. Improved employment service delivery at local employment office level;
4. Strengthened capacities of the staff of public employment services at all levels.

#### *Effectiveness in education*

There has been progress in the education sector: The legislative framework has been set up: three of the four strategies have been drafted in IPA projects and have been approved. Furthermore six documents have been developed to comply with the Bologna process. However, the complex administrative organisation of the country with 14 Ministers responsible for Education is one factor that makes implementation and further progress in the sector difficult - contributing for example to the inability to draft the foreseen law on recognition of qualifications.

The supply project has provided equipment to VET schools and teachers were trained in its use. Eighteen contracts have been implemented to provide schools with computers, projectors and copiers. The target of equipping 36 schools was achieved, with additional training provided to technicians for maintenance.

*Strengthening Higher Education* (SHE III) has partially achieved the expected results. The project focused on implementing the key strategies and guidelines of the Bologna Process in the field of quality assurance of higher education and creating an implementing framework for higher education qualifications. However it has not been possible for the ADHEQA to carry out independent external evaluation or pilot external quality assurance due to political issues. During the first 15 months, until the new RS law on education was adopted on 6 July 2010 through which a RS Agency for Quality Assurance was established, decisions were blocked. The late start of the accreditation process has

also been due to a lack of trained staff at the Agency and a lack of relevant procedures and bylaws in RS and cantons. Quality assurance procedures are defined and prescribed by ADHEQA which has also been assisted in expanding its international network.

The Higher Education Qualification Framework has been applied to three particular fields of study with active participation of all public and two private universities. Also guidelines such as the 'curriculum development good practice guide' have been endorsed by the project Steering Board and sent to Conference of Education Ministers for information, to the BiH Rectors Conference for adoption and implementation and to all Higher Education institutions for implementation. The legislative review took place but the endorsement of the recommendations ('guidance on the use and acquisition of academic and scientific titles in BiH' and 'Consolidated recommendations related to the legislative framework for Quality Assurance and the Qualifications Framework in higher Education') has not been possible as the governments were still not in place by 31 March 2011. A single expert body for strategic implementation of Bologna reforms in BiH has been proposed but has not been established. 'Higher Education Reform Experts dealing with Bologna issues exist but do not have a formal role in BiH.

The dissemination of results was fully achieved: about 1000 individuals were informed on aspirations and benefit of quality assurance and national framework for higher education qualifications.

*2007 EU support of Higher Education in BiH* has been only partially effective due to a lack of commitment and consensus among all relevant project counterparts (educational authorities). The draft law on recognition of qualifications could not be established but the institutional and staff capacity building of the Centre for Information and Recognition of documents in areas of higher education (CIP) has been achieved mainly through training on IT and recognition. Instead of the law, guidelines for assessment and recognition of foreign higher education qualifications in BiH have been created. Furthermore, four other reports have been delivered<sup>9</sup>. Expanding the university management from three to all eight universities has increased the complexity of the project but has enabled a better understanding of the principles and benefits of the process of integration among all relevant stakeholders, especially the importance of increasing cost-effectiveness of their administrative and management operations.

*Under 2008 Reform of Higher Education Financing* has begun however the ToR was derived from a study prepared in 2009 which some considered not well founded on local views and perceptions or on proven or demand-driven feasibility. The project aims to build a financing model for the higher education (component 1) and mapping needs in staff, infrastructure and research together with capacity building (component 2). If the assistance is allowed to continue as planned, it should result in a report on the situational analysis, recommendations for alternative financing models and stakeholders with adequate level of competence.

*2008 VET Reform IV* has a number of aims.

1. Strengthen vertical and horizontal mobility in education system through developing a qualification framework for vocational secondary and non-university tertiary education. To develop the qualification framework, meanwhile several workshops have been carried out to develop standards of occupations and training standards for ten occupations in VET
5. Build capacity of VET Department at the Agency for pre-primary, primary and secondary education. To date cooperation between the VET IV project and the VET Department has been

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<sup>9</sup> 1) legislative review on recognition of higher education qualifications; 2) situation and gap analysis on higher education, 3) status and recommendations on integration of public universities in BiH and 4) guidelines for further development of university management towards integration in BiH (last three under component 2: University management and governance).

established and the current situation is being analysed for creating a VET Information System (VETIS) handbook. The drafting of the new school and pedagogic documentation is in process (handbook VETIS).

6. Implement and harmonise the reform process in the fields of curricula and training programmes, pedagogical standards and norms through development of new normative acts and laws at all levels of decision making and implementation in accordance with the framework law on vocational education and training. This will be done by assessing the current situation, drafting a road map in line with VET Framework law. To date the evaluation of use of modular and traditional curricula in secondary vocational education has been done. A road map and action plan for systematic implementation of the VET reform is almost completed.

2009 HRD aims to enhance institutional, strategic and legal framework for adult education in the context of lifelong learning. It also seeks to advance evidence based planning of educational policies through improvement of the system of educational statistics in order to meet international standards and requirements from UNESCO, OECD and Eurostat. Of the 11 expected results two are in the phase of completion (situation and gap analysis and a report on the statistical system). The effectiveness of the project will also depend on the possible revision of the ToR, especially regarding the framework Law on adult education since the legislation has been implemented in Republika Srpska but not yet in the Federation at the cantonal level.

The table below gives an overview of the ROM scores. ROM reports are available for 6 of the 14 social projects.

**Table 3.2 Overview of the Result Oriented Monitoring scores on effectiveness**

IPA	Project title	ROM score(s)
2007	Improving Active Labour Markets in BiH (IALM)	C
2009	Promoting labour market competitiveness – Labour part / Institutional and Capacity Building in Employment Sector in BiH (ICBES)	B
2007	Enhancing the Social Protection and Inclusion System for Children in BiH I (SPIS I)	B
2008	Enhancing the Social Protection and Inclusion System for Children in BiH II (SPIS II)	B
2008	EU Support to VET Reform in BiH IV (VET IV)	B
2009	Strengthening capacity in BiH for human resources development (HRD)	C

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

### 3.2.3 Conclusions on effectiveness

Summarising, with reference to the judgement criteria (*in italics the criteria are mentioned*, below is indicated how the projects meet the criteria):

*Was the assistance effective with the planned outputs delivered, at the appropriate quality level?*

- ✓ Although some projects are still ongoing, most of the IPA 2007-2009 assistance was effective with the planned outputs delivered, at the appropriate quality level. However, important elements, especially of legislation and strategic planning, were not delivered (such as technical regulations in QI) or were delivered but not accepted due to lack of political agreement on their content – for example in Social Dialogue, Metrology and CABs. Both the EC and contractors were slow to become sufficiently cognisant of the complex local political environment and its influence on all aspects of assistance has in some cases not been as good as it could have been.

*Have appropriate service providers or twinning partners been selected?*



- ✓ With only few exceptions, appropriate service providers or twinning partners have been selected with TA for beneficiaries requiring larger associated investment elements and twinning where the objectives focused principally on legislation development and training.

*Procedures for programming and supervision are pro-active and promote quality and effectiveness*

- ✓ In the programme and project design process the EUD collaborates principally with the national authorities at state level and the inclusion of the entities and district Brčko by the state level authorities is frequently not as comprehensive as it should be and this has negatively affected effectiveness. Supervision by the EUD is comprehensive and has been a key factor in ensuring the delivery of outputs at a satisfactory quality level. The ROM monitoring has reduced in recent years in both scale and scope although it is unclear whether this has affected the quality of implementation.

*Were outputs generally relevant for the beneficiary organisations?*

- ✓ Legislative or strategic planning outputs have faced political challenges and in a number of cases legislation was either not created or was created but is unlikely to be turned into law. Human resource development in the form of training was relevant for the beneficiary organisations as they have to adopt new systems and roles however there have been some instances (such as statistics) where beneficiaries have found it difficult to adequately absorb the scale of the assistance. Investment components were relevant to institutional needs although in some cases (QI generally) the wider sectoral benefits may not accrue immediately.

*Have outputs generally been taken up/used by the beneficiary organisations?*

- ✓ Outputs are in general likely to be taken up by beneficiary organisations as they represent important elements in their institutional reform or development. However the political situation in the country is affecting this as entity level authorities quickly object when they perceive actions are being taken that are not in conformity with the Constitutionally described areas of responsibility. This has reduced the extent to which outputs have been immediately taken up by the beneficiaries in some areas. Resource constraints – to fund additional investment, running costs and additional staffing - will limit the effectiveness of some assistance at least in the short term.

### 3.3 Efficiency

#### EQ 1 To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?

Assessing efficiency relates to the timeliness of the delivery of the outputs and their cost, i.e. it addresses whether outputs were delivered on time and at a reasonable and expected cost. In the context of this evaluation, efficiency focuses on the achievement of value for money for both outputs and objectives. To assess this, the following factors need to be determined:

- whether the assistance has been, or is likely to be, delivered within the originally planned budget and time-frame; and
- whether the planning process took adequate consideration of other ways of delivering outputs or objectives and whether assistance could have been delivered in a more cost effective manner to achieve the same outputs or objectives.

#### 3.3.1 Efficiency in quality infrastructure and statistics

##### *Efficiency in Quality Infrastructure (QI)*

Institution building aspects of QI are delivered via both twinning and TA, but primarily the latter because most Member State QI institutions operate on at least a partially cost recovery principle

and sell the services of their staff at commercial rates. All contracts were signed following an appropriate tender or selection procedure although whilst most were contracted much later than planned (up to 12 months, and in the exceptional cases of 2008 *Metrology*, 24 months and 2009 *Metrology*, currently 18 months)<sup>10</sup>. Most contracts are signed within five months of the commitment deadline. 2009 *Market Surveillance* twinning has also been significantly delayed to enable the late finishing previous assistance to be completed.

The levels of co-financing<sup>11</sup> required from the beneficiary institutions are low, reflecting the structure of support to the sector which is principally technical assistance. For the limited investment components in the sector, co-financing has been provided in *Metrology* (used to renovate laboratories prior to receiving equipment as well as additional equipment) and to buy computer equipment in *Standardisation* – where 100% of the investment component is covered by national funds.

Project and programme design – including ToR preparation - is done by the EUD task manager in association with the beneficiaries and whilst there is an internal administrative quality control process within the EUD, external technical external experts are not used. The administrative capacity of beneficiaries is considered in project design but as they operate under an annual budgeting structure it is impossible for them to guarantee sufficient collaborative financing (the costs of sufficient staff as well as any formal co-financing) for projects due to start several years in the future. In reality, all projects suffer from financial constraints with most beneficiaries under staffed and with little or no investment funds. The first projects in 2007 included elements for the preparation of strategic plans and thus most of the programme under review was developed without an overall concept of how individual beneficiaries should evolve, at what pace and at what cost. Only the Market Surveillance Agency has an approved strategic development plan, with drafts existing for the other three components in various stages of completion and agreement. In an effort to overcome this, the EUD has reoriented its approach to QI and required that a single unified strategy be developed and approved before further assistance is considered.

Co-ordination of assistance to the sector is good, with regular, often weekly, progress meetings within individual projects, monthly meetings between projects in the sector and within the EUD on a less frequent but regular basis. The EU is the principle donor in QI although there have been important bilateral contributions from Slovenia (*Metrology*) and Norway (*Accreditation*). The level of involvement of all stakeholders in both the planning and delivery of assistance has not been as good as it could have been. In a divided country with most of the administrative capacity in Sarajevo and multiple iterations of documents, it is difficult to include all parties in every revision. However, stakeholders in RS especially note that they are either not informed of revisions or given only very short deadlines to make comments on what are essential final drafts.

Contracts are managed within the EUD under centralized procurement rules and it is assumed that the institutional control of the procurement and contract management process ensures that corruption is avoided. There are no subcontracted elements that could potentially be subject to undue influence although most contracts include expenditure on training facilities and associated expenses that must be subjected to simplified procurement procedures. These are audited as part of the financial reporting of beneficiaries. Investments are based on needs assessments and specifications drawn up by experts funded under the associated TA element. There is some evidence that TA is scaled to the absorption capacities of beneficiaries as smaller beneficiaries

<sup>10</sup> The former is has been delayed by a partial tender failure in mid-2011 and the latter due to unmet conditionalities imposed by the EUD.

<sup>11</sup> Institution Building assistance through technical assistance does not typically include a co-financing contribution. Twinning usually includes a nominal 10% co-financing commitment but in practice these funds are rarely provided in their entirety. Investment however should attract co-financing of 25% to engender ownership with the beneficiary and improve the efficiency of aid overall.

have had lower value projects than larger ones but there is no evidence that detailed administrative capacity assessments are undertaken as part of project design. Administrative concerns over minimum project size appear to be a greater driver in the scaling of assistance.

Outputs are generally delivered on time and to the satisfaction of beneficiaries; the levels of competence in the beneficiary administrations is reportedly good and collaboration with project experts high. Only one project reported significant performance problems with one expert (Market Surveillance) and this issue was resolved successfully. Collaboration with stakeholders in support to Accreditation is reported to be particularly comprehensive. Operational changes require funding of either additional staff or operational costs and for complementary equipment that is not being provided by the EU funding and there is no evidence at this stage that the state has the capacity to provide these resources.

#### *Efficiency in statistics*

The use of a Member State institution for a twinning assistance for capacity building in *statistics* is appropriate as these institutions have a large pool of staff to address the wide range of subject areas and intensive mission schedule. The beneficiaries have had experience of both twinning and twinning light assistance in the past. However, Member State statistical organisations also respond to requests for technical assistance and given the limited capacity of counterparts to provide the collaborative financing required under twinning, it may have been more appropriate to have contracted this assistance as TA.

The intensity of the project suggests that it will be efficient - it consists of more than 60 short term missions of foreign experts to BiH along with a small number of study tours. This is challenging organisationally, even with a full time Residential Twinning Advisor (RTA) and assistant, but ensures that the wide range of technical areas can be covered within the scope of the assistance. Individual missions are prepared with the beneficiary using preparatory 'homework' for their staff to ensure that the most efficient use can be made of the expert's time in country. Despite this intense schedule, beneficiaries especially at the entity level would prefer to have shorter missions – although this may have more to do with financing of their attendance rather than seeking efficiency gains in delivering outputs.

The project is on schedule, with 13 of the 62 missions completed by the end of the second quarter. Whilst it is too early to assess the delivery of outputs and immediate results, the design of the assistance featuring a long term residential advisor co-ordinating a large number of short term expert missions ensures that technical preparations, consultations and feedback can complete very specific inputs of advisory support. It is similar in design to previous twinning assistance to the sector in BiH. There is, however, a concern that the schedule may be too intense and this could impact of the achievement of outputs and, thus, value for money.

An independent assessment of the state of the statistics sector<sup>12</sup> was conducted by Eurostat during April and June 2011 and finalized at the end of that year. Although the statistical entities did not entirely agree with some elements of the study, it was accepted by the BHAS and improved the design of the IPA by being used to fine tune the missions of the 2008 twinning assistance.

Management of the project is good, with close involvement of the EUD task manager and constant collaboration between the contractor and the main beneficiary, the BHAS. The RSIS in Banja Luka has also been visited on a number of occasions by the contractor. Risks, in the form of lack of information from the ITA and the provision of only consolidated data from RSIS, were identified early in the project and action to resolve them is closely followed. Resolutions to these issues

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<sup>12</sup> The Adapted Global Assessment (AGA) of the National Statistical system

include the definition and agreement all three statistical agencies of two protocols following AGA recommendations<sup>13</sup>.

Overall, support to the statistics sector is well co-ordinated and has attracted significant support from a range of donors including multilateral as well as German, British and most significantly Swedish bilateral aid – the Swedes alone providing M€5.800 through three long term projects, the most recent of which started in February 2012. M€1.700 of this Swedish assistance has been delegated to the EUD for implementation alongside the IPA support to statistics, which further increases operational efficiency by reducing the overall costs of implementation.

In preparing for the *census*, IPA assistance has been efficient. Initially planned assistance under 2007 was undertaken even though it became clear that the main census would not be held in 2011 as there was a significant amount of training and equipment specification to be accomplished. It would not have been possible to predict that political agreement on the census would not have been reached at the time of both programming and contracting and the capacity building remained relevant to the needs of the beneficiaries. The tender for the second stage of this assistance under the 2008 TA component was completed but then suspended for a year until the new *Law on the Census* was passed. Similarly, the investment component was prepared but suspended. This has meant that assistance has been immediately available to support a time critical action – contracts for TA were signed within six weeks of the new Law being passed and within eight weeks for the investment component.

The table below gives an overview of the ROM scores. ROM reports are available for 3 of the 8 quality infrastructure and statistics projects. This is largely in line with the evaluation although the time delays and poor performance of 2007 *Safety Infrastructure* was made up by the end of the project

**Table 3.3 Overview of the Result Oriented Monitoring scores on efficiency**

IPA Year	Project title	ROM score(s)
2007	Safety infrastructure	C
2009	Single Market (standardisation, accreditation, market surveillance, metrology)	B (accreditation) B (standardisation)
2008	Support to State and Entity statistical institutions	B

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

### 3.3.2 Efficiency in the social sector

#### *Efficiency overall*

The efficiency of the social projects has been low when considering contracting, which has been very slow. Efficiency has improved once assistance has been contracted. Whereas all IPA 2007-2009 projects started 6-15 months later than foreseen in the project fiches, they were all implemented within the possible contracting and implementation period of the IPA funding. One project has not been contracted (the social sector review) as the entity did not agree on the content. Two IPA 2009 Education projects have not yet been contracted. Furthermore there have been two extensions of projects with all other projects being or expected to be implemented in the foreseen duration.

<sup>13</sup> 'Strengthening the co-ordination mechanisms and data exchange between the BHAS and entity institutions for statistics' and 'Protocol for data exchange in Statistical System of Bosnia and Herzegovina

The table below gives an overview of the ROM scores. ROM reports are available for 6 of the 14 social projects.

#### *Efficiency in employment and social policies*

*Contracting:* All projects were contracted at least six months and up to 15 months later than foreseen in the schedule in the project fiche which is not unusual for these programmes. For the IPA 2007 and 2008 projects the delay was at least nine months (the least delay for the SPIS projects, the most for IALM). For 2009 projects, *ICBES* has the least delay at six months and was contracted in September 2011. From the IPA 2007 and IPA 2008 projects the SPIS I and II projects were the most rapidly contracted in the sector as they are implemented through a contribution agreement which avoids the need for a competitive procurement procedure. *2007 social sector review* was not contracted as the entities did not agree on the content.

*Implementation:* Of the five contracted social policy projects, most were implemented on schedule or with a small delay:

- *2007 Social Dialogue* finished earlier than expected as a part of the project could not be implemented due to changed context;
- The duration of the IALM was as foreseen in the project fiche;
- The team leader of the ICBES project was changed which caused the delay of some activities. Furthermore the input utilisation is so far in line with the time elapsed and has been managed in a transparent way;
- The SPIS I project and ICBES will finish three months late;
- The SPIS II has had an extension during its implementation of six months due to the kid's festival.

#### *Efficiency in education*

*Contracting:* The contracting of all three 2007 education projects was delayed by 15 months and the two from 2008 projects for 12 months. For the 2009 projects, one was contracted with only a six month delay but the other two still had not started tendering by June 2012 (the twinning project APOSO and Grant HRD). These delays have been caused by the changing government and in some instances with the difficulty of agreeing the content with 14 ministries of education.

The tendering cycle of most projects took 10 to 12 months, which is normal for EU external assistance. The only exception is *2008 Support to Higher Education Financing* which has been re-launched as none of the tenders received met the minimum technical requirements. It will take more than 18 months to mobilize the assistance.

*Implementation:* At least half of the six contracted education projects will need to be extended:

- The IPA 2007 *VET* supply project took nine months longer to implement due to EU procedures and some equipment was only delivered in 2011. For the IPA 2007 Supply contract 19 of 20 contracts have been implemented (one company went bankrupt) with a total value of 1.2 mln euro, ranging from 8 800 to 147 654 euro;
- The 2007 *SHE III* project has had a small extension of 1.5 months during its implementation. The duration of the *2007 Reform to Higher Education* project was as foreseen;
- The 2008 *Support to reform of Higher Education Financing* project is encountering problems as the inception report is not yet approved, six months after the start of the project, due to disagreements with the Republika Srpska. Only now members of steering committee are being appointed;
- The 2008 *VET IV* project has experienced delays due to a change of team leader;
- For the three planned IPA 2009 projects, only *Strengthening of Capacity in HRD* is currently under implementation. The *twinning project* is currently in the process of being signed (June 2012). For the *Grant scheme on HRD*, guidelines have been prepared and approved by the EU

and must be agreed by the ministers of education. It is expected that the ToR will be launched soon.

**Table 3.4 Overview of the Result Oriented Monitoring scores on efficiency**

IPA	Project title	ROM score(s)
2007	Improving Active Labour Markets in BiH (IALM)	B
2009	Promoting labour market competitiveness – Labour part / Institutional and Capacity Building in Employment Sector in BiH (ICBES)	A
2007	Enhancing the Social Protection and Inclusion System for Children in BiH I (SPIS I)	C
2008	Enhancing the Social Protection and Inclusion System for Children in BiH II (SPIS II)	C
2008	EU Support to VET Reform in BiH IV (VET IV)	B
2009	Strengthening capacity in BiH for human resources development (HRD)	C

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

### 3.3.3 Conclusions on Efficiency

Summarising, with reference to the judgement criteria (*in italics the criteria are mentioned*, below is indicated how the projects meet the criteria):

*Were planned outputs normally delivered within the foreseen timespan?*

- ✓ There have been substantial delays in the contracting of assistance due in part to the complex institutional and political environment in the country, that caused significant delays in ratifying the 2007 and 2008 IPA Financing Agreements, as well as difficulties in appointing a National IPA Coordinator,<sup>14</sup> Once contracted, assistance delivered the most outputs within a realistic timeline, meaning that the planned budgets have been used and projects were/are implemented within the given time. Where outputs could not be delivered or were no longer relevant, alternative tasks were allocated to contractors and this flexibility contributes to improving efficiency. Administrative changes have sometimes been lengthy.

*Were budget and timelines for the majority of interventions realistic?*

- ✓ Much of the assistance consists of repeated interventions in the same sub sector or with the same beneficiary which reflects a compromise between the limited time duration of assistance contracts and the longer time needed to instigate the extent of changes required. Budgets have appeared sufficient in most cases although there are examples (such as statistics) where a lower intensity of assistance would have been more appropriate. Co-financing is provided, although is in general low.

*Are procedures for programming and supervision transparent and promote efficiency?*

- ✓ On several occasions projects were cancelled, not contracted or significantly delayed due difficulties in reaching consensus between the EUD, the state level and the entity level. The active involvement of the EUD in the development of the programming documents means that whilst they are logical and well developed, they lack the ownership that could be achieved if they were developed together with all beneficiaries.

*Has the assistance delivered the planned outputs and achieved project objectives in the most cost effective manner?*

- ✓ The assistance has in all but one case been contracted after a tendering procedure which should contribute to cost efficiency. Most planned outputs have been delivered with the notable exception of some legislative components.

*Was generally a good mix of financial sources (incl. non-EU sources like IFIs etc.) applied?*

<sup>14</sup> Page 6 of the Bosnia and Herzegovina 2009 Progress Report. Commission staff working document accompanying the Enlargement strategy.

- ✓ Although the majority of projects are solely funded by the EU and co-financing is very low due to the institution building nature of the assistance, there have been good examples of collaborative financing with both bilateral and multi lateral agencies. Donor co-ordination is very well developed in the country.

*IPA interventions normally do not result in excessive administrative burden for the beneficiary organisations*

- ✓ Whilst national authorities have some involvement in the planning process and a greater role in monitoring implementation, IPA implementation is principally driven by the EUD who prepare the project fiche and tender documents. The beneficiary is involved in a more peripheral manner, especially in the design phase although in the education sector the working group drafts the ToRs together with the EUD. For some of the smaller beneficiaries, project involvement represents a significant challenge in addition to their normal tasks and administrative capacity assessments to gauge absorption capacity are typically not carried out. The timely provision of co-financing has proved a challenge especially where the associated assistance has been delayed beyond the planned financial year.

### 3.4 Sustainability

**EQ5 Are the identified impacts sustainable?**

**EQ6 Are there any elements which could hamper the impact and/or sustainability of the assistance?**

Given the programme level of this evaluation, the identification of issues which hamper the achievement of impact and sustainability will concentrate on common rather than on project specific issues.

#### 3.4.1 Sustainability in quality infrastructure and statistics

##### *Sustainability in quality infrastructure*

QI is, along with most sectors of intervention in BiH, suffering from the poor political collaboration between the entities and between the entities and the state levels of the administration.

*Standardisation* and *Accreditation* report limited difficulties thus far because there is technically a requirement for a single state level body in these areas. *Market Surveillance* has also established a functional role for the Agency at state level supporting entity level inspectorates, although this has had less success in the development of product legislation. *Metrology*, the main actor in the sector, is experiencing significant and sustained difficulties in establishing functional collaboration between the institutions at state and entity level.

All organisations in the QI sector are funded by the state and are thus suffering from budgetary limitations and reductions in recent years. Whilst this has led to salary reductions in line with broader public administration reform policies as well as limits to capital expenditure, all institutions are still operational and likely to remain so. Their further development is however substantially reliant on accessing external donor funds.

Whilst there will always be some national financial contribution for the maintenance of national standards and other central QI resources, QI is in most member states at least partially self-financing with the various institutions owning and selling services such as accreditation, standards and verification. Although there is a user pays principle in BiH, any revenues earned go to the central budget and not to the specific institution providing the service, which reduces the incentive

to provide an good and appropriate service. Once a clear overall vision of the QI sector has been developed, the introduction of a direct revenue for service providing institutions would improve both effectiveness and sustainability – on the one hand an increased commercial incentive will contribute to the institute identifying the needs of industry and on the other the directly attributable income will improve the justification for resources.

Staff turnover, a systemic factor against sustainability in other transition nations is not a problem in the QI sector due to the specialist nature of the work and the lack of alternative positions in the private sector.

In *accreditation*, BATA has completed its preparations for membership of the EA MLA and this is expected in 2013. Staff turnover is low and a large number of external assessors have been included within the training programme. Whilst individual skills will be difficult to replace if staff do leave, BATA does have its own training facility to replicate training. A factor influencing the sustainability of the assistance is the limited number of accreditations that the BATA is actually called upon to do. The largely undeveloped industrial and manufacturing sector limits the range of conformity assessment that is required in the economy.

BATA is expected to be self-funded through the provision of accreditation services to national CABS, but there are too few currently in existence - 45 of the 150-200 that would be needed to provide the scale of revenue required. The institution is therefore reliant to some extent on financing from the national authorities even though it should in principle be self-financing and independent.

The function of the *Standardisation* Institute is to disseminate information on EN standards to national stakeholders and co-ordinate information on BiH standards internationally. In this, the Institute is well developed and can be expected to continue developing over time. There are a number of factors which could hamper impact and sustainability of the ongoing IPA assistance. The first nationally funded tender for equipment failed as it attracted only two of the required three compliant offers. Any further difficulties with tendering will reduce the time remaining for the contractor to prepare the information system. In addition, enthusiasm amongst the state level institutions who will host the 15 contact points that will be the first phase of the establishment of the National Enquiry Points is questionable. Although the BAS will fund the equipment, the operation and staffing of the points will have to be undertaken by the recipients. Whilst they have committed themselves to do so, they receive no benefits from undertaking this task and will have to achieve it using their existing staff.

In the *Market Surveillance* sector, the MSA is the only beneficiary in QI with an agreed strategic plan. It also has a clear and agreed operational role as a state level institution within the sector and has transposed horizontal product safety legislation that underpins its functions. However, physical control of products placed on the market – and hence the functioning of the market surveillance system in practice - remains the responsibility of the entity level inspectorates. These institutions are fragmented (there are more than ten), subject to the common problems of a lack of capacity and funding and unwilling to relinquish any oversight function to the MSA at state level. Whilst the new system for exchanging information planned for the IPA 2009 assistance will make some contribution to centralising information and therefore supporting the overall control of products placed on the market, it does rely on the collaboration of the entities which remains unclear at this stage.

The establishment of the national measurement standards in *metrology*, is a key task of the IMBIH and therefore it can be assumed that the Institute will maintain those standards currently existing and continue towards international acceptance of the remainder. However as with other institutions in the sector reliant on state budgets, their fragile financial position means that there are no funds



for further recruitment, expansion or provision of additional operational budgets and training. It remains questionable whether such a substantial volume of highly specialized and expensive equipment should have been introduced into an environment lacking in institutional structural clarity and with no way of providing the required level of longer term financing.

Equipment given to public or private enterprises as part of the distributed metrology system can be expected to be maintained as it is used by them in their business operations. The recalibration of these national standards will be funded by the national budget. Despite broader financial concerns, there is no reason to believe that there will not be sufficient funds available to maintain the laboratories at the IMBIH.

There is a small budget (EUR10,000) for calibration of equipment but as this is new and is little used yet this will not be needed for some years. Of somewhat greater concern are the budgetary requirements for the chemical metrology equipment that will be purchased under 2009 funding as although there will be a user pays principle, as explained above, the income accrues to the state centrally and not to the service providing institutions. Verification services undertaken by the state level institutes – despite not being properly integrated into the QI infrastructure – represent one of their main revenue sources. It seems unlikely that they will be willing to transfer these responsibilities, and the associated revenue streams, to the IMBIH as the latter has planned in its Strategy.

The draft law on metrology and strategic plan developed with assistance from 2007 are unlikely to be sustained in their current form. Whilst they are well developed documents, they are not appropriate to the local political conditions and therefore cannot be taken up by entity level stakeholders without further amendment. The by laws created initially as part of the new law and subsequently revised to operate under the existing legislation have, however, a better chance of being sustained. Although at the time of the evaluation it was unclear whether the revised bylaws created under the existing legislation would be passed, there is significant pressure from the European Commission and no substantial opposition from the entities on a technical level <sup>15</sup>

#### *Sustainability in statistics*

The outputs from *statistics* twinning, including the enhanced structured business statistics, sector surveys and Household Budget Survey can be expected to be maintained because they will become (or in some cases are already) part of the annual work plan of the statistical system. In due course, these surveys will become part of the national obligations under the *acquis* when the country accedes to the European Union. Any substantial increase in the number and scale of surveys and analysis will however require a commensurate increase in the operational budgets of the three institutes and this seems unlikely in the near term.

More general capacity strengthening results to the three statistical institutions remain vulnerable to staff turnover which is exacerbated by budget issues. Ongoing development of the statistical sector and the further use of outputs from this and earlier assistance will rely on the ongoing provision of donor assistance. This is planned.

The inability to form a government from October 2010 until early 2012 meant that state level institutions had only temporary financing that was substantially lower than their normal budgets. Due to this, at the end of 2011 the BHAS had only 93 working positions staffed from a total of 192. Budgets constraints in both the Federation and the Republika Srpska have caused head counts to be reduced (to 179 from 264 and 120 from 144 respectively) and this situation is not expected to

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<sup>15</sup> Six of these by laws were published in the Official Gazette in August 2012

improve in the near term. Financial constraints have led, or will lead, to negative consequences for sustainability and this has been exacerbated by the late start of the assistance:

- ✓ Experts from the RSIS cannot attend international study tours as part of IPA assistance despite the project revising the funding structure to cover almost all of the costs;
- ✓ Both FIS and RSIS call for a revision to the locations of the in country training to reduce their costs for attending – FIS want 2/3 of the meetings in Sarajevo as both they and the BHAS are located there and the RSIS wants the split to be half and half reflecting the two entities.
- ✓ Experts from all institutions have to cover the work of more than one individual and this is only likely to increase as new surveys are introduced following the IPA assistance. This both limits their ability to attend IPA financed training sessions (all institutions noted that these should be of three days not five) and reduces the time they can spend in data collection and analysis;
- ✓ Although there will be a large number of enumerators hired to implement the census, it will still take a considerable amount of time from the beneficiaries of the IPA assistance, in particular from the entities. The BHAS experts implementing the IPA assistance are expected to be less involved as they are specialized in Business Statistics; and
- ✓ There is not yet confirmation that the costs of the census can be covered from the state budget.<sup>16</sup>

The AGA report on the statistical system identifies a number of issues that affect the quality and quantity of statistics produced in the country. Most of these will affect either the impact or the sustainability of IPA assistance to the sector and should be carefully analysed and discussed at state and entity level to ensure a mutually agreed solution is derived that can be included in the forthcoming strategic plan.

The capacity building in preparation for the *census* is not intended to be sustainable as it is one off – or at least very infrequent – in nature. Equipment procured to support the census has the potential to contribute to strengthening the beneficiary institutions if it is reused by them after the census is completed.

The table below contains the ROM report scores for the sector which reflect the opinion of the evaluation.

**Table 3.5 Overview of the Result Oriented Monitoring scores on sustainability**

IPA Year	Project title	ROM score(s)
2007	Safety infrastructure	B
2009	Single Market (standardisation, accreditation, market surveillance, metrology)	B (accreditation) B (standardisation)
2008	Support to State and Entity statistical institutions	C

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

### 3.4.2 Sustainability in social sector

#### *Sustainability in employment and social policies*

UNICEF continues to be the driving force for the SPIS projects. This ensures a successful approach with the creation of the municipal social service centres and ensuring that children are actually being taken care of. The continuation of the centres at municipality level is being discussed during the SPIS project. There are basically three alternatives for the centres involved.

<sup>16</sup> In their comments on the draft version of this report the RSIS confirmed that funds for the institutions conducting the census had been included in 2013 budgets

1. The most sustainable solution seems to be the inclusion of the centres into the municipal organisation, covered by the local government budget, accompanied by the transformation of the management boards into commissions.
2. The local centres become NGOs. Funding will have to be arranged which may constitute a problem for the longer term sustainability
3. The local centres continue as they are now, which means that they are completely depending on funding.

The sustainability of the IPA 2007 Social Dialogue project is low as the action plan is not being used.

To ensure sustainability at all policy levels for the SPIS projects, it will however be important to work towards the committed inclusion of all involved policy levels. The Social Inclusion Strategy is for example not yet adopted. Currently, the cantonal level is not covered even though they have social policy responsibilities and it is an external organisation, UNICEF that is having the most practical impact in ensuring liaison between with all organisations. The cooperation between municipalities is not strong, leading to UNICEF engaging staff who work temporarily at the state level MoCA to ensure that work is completed at ministries.

There are fundamental problems hampering the sustainability of assistance towards social dialogue. Until the social partners are able to recognize each other it will be difficult if not impossible to start a social dialogue and begin the process of resolving labour market problems.

In the IALM project many people have been trained which represents a permanent improvement of the capacity. However, currently the trained staff of the employment bureaus cannot always apply their increased capacity due to the administrative amount of work (about 40-50% of all registered unemployed persons are not real job seekers but are registering to acquire the health insurance right which creates significant administrative work). Therefore the sustainability of IALM & ICBES will also depend on the possibility of decreasing this administrative task of the employment bureaus, so that they can focus more on supporting the real active job seekers and start applying their increased knowledge of dealing with job seekers.

#### *Sustainability in education*

The most important element hampering sustainability in the sector as a whole is the lack of political will to establish or develop one higher education system for the whole country. This also means that a willingness to change is needed to be able to move forward and this is not always apparent.

Furthermore a rather small number of senior executives (such as rectors, ministers, agency directors and senior management staff) is requested to participate in many steering committees, conferences etc., which have been established to overcome the lack of political will to mandate standing secretariats, bodies or agencies at the level of the state of BiH.

The several layers (state, entity/district Brčko, cantons) dealing with legislative framework makes the creation of an efficient administrative structure difficult. Only few people are available at each level. Systematic coordination and information exchange between all those involved in higher education reforms is not sufficient and sometimes depends on the initiative of the involved individual. Initiatives such as starting up coordination meetings with the donors of ADHEQA are very good. It would be good to have a proactive coordinating body for all higher education reform priorities and initiatives in BiH.

For the financing reform the complexity of the situation, the history of failure in higher education finance reform and vested interests argues for a careful strategy based on creating an understanding of the disadvantages of the present situation.

The sustainability of results in the sector is unclear as there is concern over the extent to which guidelines and rulebooks will be effectively implemented given the limited political support for sectoral reform. There has been progress in drafting guidelines which help towards meeting the criteria of the Bologna process, however, the pace of change is slow in part due to complicated administrative structures (in particular in the Federation of BiH). Furthermore it remains to be seen if these rulebooks, for example the 'Guidance on the use and acquisition of academic and scientific titles in BiH' (developed under IPA 2007 SHE III), will actually be used and if the recommendations will actually be followed.

Also under the IPA 2007 project *Support to reform of higher education in BiH* the sustainability remains to be seen. In March 2012 the Conference of Education Ministers recommended that all education authorities adopt legislation to enable implementation of the Guidelines for assessment and recognition of foreign higher education qualifications in BiH (which has been developed as alternative to state level framework law on recognition). This would guarantee a solution to the equal recognition of the higher education qualifications throughout BiH.

The sustainability of the IPA 2008 *VET IV* project is ensured financially and whilst it will also require the involved organisations to remain in the partnership, the network of mentors could contribute to sustainability by ensuring that their knowledge is used. However, the VET department's limited number of staff is potentially hampering the successful implementation of the project.

The table below contains the ROM report scores for sustainability.

**Table 3.6 Overview of the Result Oriented Monitoring scores on sustainability**

IPA	Project title	ROM score(s)
2007	Improving Active Labour Markets in BiH (IALM)	B
2009	Promoting labour market competitiveness – Labour part / Institutional and Capacity Building in Employment Sector in BiH (ICBES)	B
2007	Enhancing the Social Protection and Inclusion System for Children in BiH I (SPIS I)	B
2008	Enhancing the Social Protection and Inclusion System for Children in BiH II (SPIS II)	B
2008	EU Support to VET Reform in BiH IV (VET IV)	C
2009	Strengthening capacity in BiH for human resources development (HRD)	C

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

### 3.4.3 Conclusions on sustainability

Summarising according to the judgement criteria (*in italics the criteria are mentioned*, below is indicated how the projects meet the criteria)

*Will the long term institutional capacity building impacts be sustained as they are a pre-requisite for membership of the European Union?*

- ✓ Technical elements of the QI & statistics sectors can be expected to be sustained because they form part of the institutional structures needed to access the Single Market; however they remain vulnerable to the national political agenda. Social and education sectors, whilst having an EU imperative, are large, complex and highly political and it is less clear that the accession agenda will be sufficient to ensure that the outputs of IPA assistance are sustained.

*Is beneficiary budget sufficient to sustain the effects?*

- ✓ The broader financial downturn has had a significant impact on the fiscal resources of the state. This has had direct repercussions throughout the sectors under review with budget cuts that have led to staff retrenchment, salary reductions, operating budget reductions and capital expenditure freezes. This will inevitably affect the longer term development of the sectors after IPA assistance has finished
- ✓ Revenue from fee earning beneficiaries currently accrues to the central budget. Allowing them to keep this income would make a direct connection between service provision and revenue generation and would improve both impact and sustainability.

*Are the IPA enabled effects logically embedded in beneficiary (new) structures?*

- ✓ The complex institutional and political situation continues to make sustaining progress difficult in BiH. This is primarily seen in the failure to use outputs as intended because they do not adequately reflect the constitutional structure of the country. In some cases it is too early to see if outputs will be used as intended.

*Are the beneficiary organisations able to retain human resources necessary to implement the results of the IPA interventions?*

- ✓ Administrative capacity represents a significant threat to sustainability in most sub sectors under review, either through the sufficiency of staff or the retention of trained staff.



## 4 Impact analysis of IPA assistance

### 4.1 Introduction

**EQ3 Are the outputs and immediate results delivered by the IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to the accession preparation? Are/can impacts be sufficiently identified/quantified?**

In this chapter the focus is on the contribution of the suite of IPA-funded projects studied on the changes in the sector identified. The preceding analysis in this report has shown that assistance once contracted has been broadly effective in delivering outputs as planned. The consideration in this chapter is whether IPA design and management and the public sector in Bosnia are enabling the translation of direct results into impact. A key challenge is to ensure the policy objectives of the European Commission can be accommodated into the fluid and complex political landscape in BiH.

In evaluating IPA assistance to BiH, especially at the impact level, it is important to consider the context in which this assistance was conceived in 2005-2006 and the political reality under which it was implemented in 2009-2011. Until April 2006 there was significant movement for constitutional change that would have enhanced the powers of nascent state level institutions. Focusing the support of external donors on these institutions was therefore appropriate at the time of programming. Following the collapse of these proposed constitutional changes, negotiations within the complex political and ethnic balance in the country led to a second period in late 2008 when a series of amendments to the constitution looked possible. The IPA as a tool of policy intervention into this complex political environment has been unable to react with the flexibility required.

The 'one size fits all' programming and implementation structure of the IPA is not sufficiently flexible for the institutional and political uniqueness of BiH. It is possible that a more sectoral based approach to IPA programming which is expected to be introduced for the next financial perspective will improve the situation by linking assistance to longer term agreed institutional development planning, but this policy remains in its infancy.

### 4.2 Does IPA assistance address priority issues?

The assessment of relevance has not been included in this evaluation report because it was covered in the interim evaluation exercise of 2011. However, in order to have impact, interventions must address the targeted policy priorities and thus the table below provides a comparison between the 2006 and 2007 EP priorities (when the assistance was designed) and the overall objectives of the projects.

**Table 4.1 Overview of the European Partnership priorities and the objectives of the projects**

2006 / 2007 EP priorities:	Overall objective of the project
<b>Quality Infrastructure</b>	
Implement current legislation in the areas of standards, certification, metrology, accreditation and conformity assessment; establish the institutions provided for by this legislation and equip/staff them so that they can implement their tasks. Continue efforts to align rules and regulations in these areas	<b>2007 Accreditation:</b> further develop quality infrastructure and create an enabling environment to strengthen international competitiveness
	<b>2007 Metrology:</b> further develop the quality infrastructure and create an enabling environment for BiH industries and manufacturers to improve their trade

2006 / 2007 EP priorities:	Overall objective of the project
<p>with the <i>acquis</i>, in particular to create conditions favourable to trade.</p> <p>Establish an internal consultation and notification mechanism of new technical regulations prior to their adoption on measures having an impact on trade.</p> <p>Ensure continued progress in adopting European standards.</p> <p>Establish the Market Surveillance Agency and ensure its capacity to fulfill its tasks. Continue taking steps towards the establishment of a market surveillance structure responding to the requirements of the <i>acquis</i> on free movement of goods.</p>	<p>with the EU and international markets</p> <p><b>2007 Safety Infrastructure:</b> further develop the quality infrastructure and create an enabling environment for BiH industries and manufacturers to improve their trade with the EU and international markets .</p> <p><b>2008 Metrology:</b> promote integration into the global economy in general and the EU economy in particular and to further develop quality infrastructure in BiH, in line with the provisions of the SAA, and to create an enabling environment for BiH industries and manufacturers to improve their trade and industrial relations with the EU and international markets.</p>
<p>Continue the alignment of legislation in the areas of standards, certification, metrology, accreditation and conformity assessment with the <i>acquis</i>, and the transposition of new and global approach and old approach directives.</p>	<p><b>2009 Internal Market:</b> enhance the integration of the markets of BiH with those of the EU through further development of Quality Infrastructure and to create an enabling environment for the BiH industries and manufacturers to improve their trade with the EU and international markets.</p>
Statistics	
<p>Develop reliable economic statistics and build up institutional capacity to produce and publish basic statistical data harmonised with European standards, in particular in the areas of national accounts, labour statistics and business statistics.</p> <p>Implement the agreement between the Entities in the statistical system on improvement of the work of the Central Statistical Agency in Bosnia and Herzegovina and improve the range and quality of statistics, in particular at State level.</p> <p>Improve the collection and processing of agriculture statistics in line with EU standards and methodology.</p> <p>Improve the quality and coverage of statistics on consolidated government accounts.</p>	<p><b>2008 State and Entity statistical institutions:</b> strengthen the BiH statistical system, improve the production of harmonised statistical data for the state level, and strengthen inter-institutional cooperation.</p>
<p>Establish the legislative framework necessary for carrying out the population census. Agree on a target date for the census and start preparations for implementing it.</p>	<p><b>2009 Census II:</b> prepare for the Population and Housing Census in 2011 by providing IT and other necessary equipment.</p> <p><b>2007 Census I:</b> prepare for the Population and Housing Census in 2011.</p>
Labour	
<p>Implement policies aiming at reducing unemployment, in particular long-term unemployment.</p> <p>Improve the coordination of employment agencies across the country and make efforts to reduce labour market fragmentation.</p>	<p><b>2007 Active labour markets:</b> Economic regeneration of BiH</p> <p><b>2009 Labour market competitiveness:</b> Strengthening the human resource capacities and making labour market work effectively, thus contributing to the overall development of society and to the promotion of economic and social cohesion</p>
Social Policies	
<p>Further develop social inclusion and social protection policies.</p> <p>Develop mechanisms for a social dialogue.</p>	<p><b>2007 Social sector review:</b> more efficient and improved quality delivery of social security services to BiH.</p>



2006 / 2007 EP priorities:	Overall objective of the project
<p>Make further efforts improve the situation of persons with disabilities.</p>	<p><b>2007 SIPS I:</b> development of a fiscally sustainable and effective social safety net and to the establishment of a harmonized, well-targeted, efficient and sustainable social protection system.</p> <p><b>2007 Social Dialogue:</b> the economic regeneration of B&amp;H.</p> <p><b>2008 SIPS II:</b> to combat social exclusion in Bosnia and Herzegovina.</p>
Education	
<p>Step up efforts to improve the education system, including primary education, and to create a modern vocational education and training system. Address the problem of fragmentation of the educational system and the overlap of functions between different levels of organisation. Strengthen policy development and strategic planning to improve quality of education.</p> <p>Implement the State level Law on higher education, paving the way for implementation of the main components of the Bologna process and the Lisbon Recognition Convention.</p> <p>Take measures to prevent segregation of children along ethnic lines at school.</p> <p>Sign and ratify the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.</p> <p>Start designing an integrated research policy.</p>	<p><b>2007 Reform of higher education / 2007 Strengthening higher education:</b> advance the reform of the higher education system which does not currently respond to the needs of the labour market, to combat unemployment and to support the development of economy and society.</p> <p><b>2007 Equipment to VET schools:</b> Advancing the Reform of the Education System to support the development of economy and society.</p> <p><b>2008 Education reform:</b> to build and efficient and effective quality education system in Bosnia and Herzegovina in line with European trends and standards.</p>

As can be seen from the table above, there is a clear correlation between the policy objectives and the programme objectives despite the latter being in most cases vague and difficult to measure – due to both vague indicators and the lack of a baseline.

In the following sections, impact realised in the different subsectors will be presented, in which the sectoral analysis (see Chapter 2 and Annex 4) has been combined with the analysis of IPA performance addressed in the previous chapters. Emphasis is on the three elements of capacity building: human resources, systems and tools, and structures.

### 4.3 Impact in Quality Infrastructure and Statistics

**EQ3 Are the outputs and immediate results delivered by the IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to the accession preparation? Are/can impacts be sufficiently identified/quantified?**

In general, IPA assistance has been multi-faceted, with projects within a single financing year looking to reform **institutional structures**, strengthen **human resources** and instigate new **systems and tools** for beneficiaries. There is an implied multi-annual perspective as all components have received more than one project and some, such as statistics, are in their fifth phase of assistance with more planned to follow.

#### 4.3.1 Impact in Quality Infrastructure and statistics

##### *Impact in Quality Infrastructure*

The IPA has been the most significant donor in the QI sector by some considerable margin, providing in excess of 10 MEUR of programmed funds. The next largest donor, Slovenia, provided a little over 1 MEUR. There has been very little provision of national financing for investment elements within the sector – either as co-financing of donor assistance or as stand-alone investments. National funds have however maintained the human resources of the sector with a total of more than 120 staff distributed between the four institutions covered by this evaluation. They have also maintained and renovated offices and laboratories in support of IPA assistance activities. It is therefore clear that a significant proportion of the impact observed in the sector can be specifically attributed to the IPA.

The strategic objectives for QI are orientated around the continuing transposition of legislation, establishment and strengthening of institutions to implement quality systems, adoption of European standards and gaining membership of European bodies overseeing collaboration in the sector. Underpinning QI is the transposition of a body of horizontal and technical legislation related to product standards. Formerly highly prescriptive, the new approach to product standard legislation under the *acquis* has been to establish basic framework conditions for categories of goods and leave the specific details to the market place. Whilst horizontal product safety legislation has been developed by the MOFTER and successfully passed into law, implementation remains sporadic. Furthermore, as identified during evaluation of assistance to *Market Surveillance*, resistance has been met in the transposition of new and old approach technical directives because of a lack of willingness and capacity of the entities to attend the respective technical expert Working Groups. It appears unlikely that this resistance will be overcome despite the provision of additional external assistance.

A National QI is an integrated system of rules and institutions that must work together to achieve the impact of protecting consumers, promoting exports and reducing non-tariff barriers to trade. Whilst individual elements within the system have benefits to society, the system as whole will only function effectively when all the components are in place and functioning. Therefore whilst the IPA has led to a large number of outputs including substantially enhancing the capacities of the Accreditation Agency, Market Surveillance Agency, Standards Agency and Metrology Institute through strategies, legislation, training and equipment, impact in terms of the establishment of a functioning QI system is still some way off. Individual components are to various degrees operational and producing some impacts – EN standards are available, CABs operate in limited areas, pre-market product control is undertaken, there is international recognition of some elements and there is some process of metrological verification – but there needs to be greater demand from industry for services, further international verification of results, more product legislation, further institutional clarity (specifically in metrology) and in some cases more investment before a functional QI system is in place.

The sector analysis contained in annex 4 table 0.5 shows that the IPA made a substantial contribution to the changes seen in the sector since the 2006/07 EP was written and which formed the baseline for the sector study. Useful oversight to the sector is provided by the IPA Multi Beneficiary Programme, which will be subject to a separate evaluation.

Most of the ***institutional structures*** were established before EU assistance was delivered, although the role of state level institutions remains under discussion in some areas. In metrology attempts to revise both the legislative framework and the strategic direction for the development of institutions in the field have not had any impact because the project outputs were not accepted by

the national stakeholders. Developing implementing legislation in all aspects of QI remains difficult and will remain so as long as the wider political discussions on competencies between state and entity remain ongoing.

Strengthening of national institutions through **human resource development** has had greater impact with all institutions building capacity and most reaching, or in the process of reaching, their targeted international recognition. However, for most institutions this is a long term process and will require further external financial and technical support to supplement constrained national resources. Individual capacity and individual institutions have been enhanced but the impact on delivering QI services to industry is constrained by limited demand, incomplete legislation and insufficient equipment.

It is too early in most cases to determine whether the **systems and tools** established by the IPA will have their planned impact. In some cases (such as metrology, MSA and standards) further investment and capacity building will be needed but the IPA has stimulated important progress. In other areas (accreditation, some elements of metrology) the systems and tools are in place but require a longer term process of testing, validation and international comparison before the impact of international recognition will be achieved. Beneficiaries can be expected to find the resources to continue these actions.

#### *Sub sectoral impacts*

The establishment of **systems and tools** in the form of a distributed *metrology* system has been started with the delivery of equipment to a number of institutions and private companies throughout BiH. Although this system has broad agreement in principle, the strategic planning and legislation underpinning the system has not been approved by the entities who consider that the IMBIH wants to build a centralized system under its authority. They expect legal metrology to be controlled by the entities - rather than having laboratories internationally accredited and nominated and controlled by one state level institution - and the scientific metrology only to be controlled at state level. Until agreement on at least the strategic planning of metrology has been agreed, it is difficult to see how the system can be effectively established. The entities consider that the existing metrology legislation from 2001 is satisfactory despite the substantial changes in EU level legislation in the past ten years and therefore the eight by laws developed under 2007 IPA assistance have been revised to fit into this legislation.

However, there has been progress in the establishment of the national standards, with EURAMET recently granting international recognition of the Laboratory for Mass through the publication of its calibration and measurement capabilities in the Key Comparison Database in the Bureau International des Poids et Mesures. The **human resource development** of this will be useful to the IMBIH in its attempts to gain recognition for the other national standards for which donors (the EU and Slovenia) have contributed significant funds. This is a longer term process, requiring sustained efforts in training and international comparison to be able to demonstrate the equivalence of the national standard and international recognition of the services of the IMBIH. Whilst some resources are available from international organisations the IMBIH will rely on identifying additional funds from the donor community to be able to substantially continue this work.

*Standardisation* has received only limited assistance directly from the IPA although its staff have been involved in **human resource development** activities of other trade related projects covered in part by the evaluation. Progress in adopting standards is being made although this is largely attributable to the efforts of the BAS and earlier assistance from UNDP than from the IPA. Planned impact on the establishment of the National Contact and Enquiry Points has not yet been achieved, but the **institutional structures** are in place along with implementing agreements from the Council

of Ministers. The **systems and tools** needed for the elaboration of the information systems and funded by national resources are thus timely.

*Market surveillance institutional structures* have been recently established and thus the IPA has made a useful contribution in strengthening them – although the effects of this for the MSA will only be seen with the full implementation of the new rulebook which has yet to be adopted due to budgetary constraints. 2009 assistance will further target the integration of the various bodies involved in the sector (customs and inspectorates) and, as long as this can be undertaken without overstepping the constitutionally defined responsibilities, should have a positive impact on controlling products placed on the market. **Human resources development** through twinning assistance under IPA 2007 has strengthened the capacity of the MSA in co-ordinating the sector but the extent to which entity inspectorates are functioning in effectively controlling products through the annual surveillance plan will also not be determined until **systems and tools** have been put in place from this planned assistance. Lack of on-site equipment for inspection, including laboratory equipment, will reduce impact on inspection capacity.

In *accreditation*, BATA has passed the pre-peer evaluation for full membership of the European Cooperation for Accreditation Multi-Lateral Agreement (EA-MLA) in June 2012 after preparation with support of the IPA assistance. It is expected to become a full member in 2013 and this will allow international acceptance of its work across Europe. This will reduce the trade costs of BiH producers who wish to export to other countries as their national certificates will be accepted. For **human resource development**, the training centre has been established and is continuing training of internal and external assessors. However the overall impact of the development of the accreditation sector is limited by the small demand for accreditation services from the CABs in the country. This is connected to the limited development of the productive sector in the economy and is thus expected to expand with an eventual broader economic recovery. Whilst the IPA has assisted in the development of **systems and tools** through the review of BATA's information system, this was initially established from their own resources.

#### *Impact in Statistics*

In statistics, the priorities of accession preparation concern the production of reliable economic statistics and build up the institutional capacity to produce and publish basic statistical data harmonized with EU standards. The second objective is to carry out the housing and population census.

With the three statistics institutions already created, the IPA focuses on **Human Resource Development** to strengthen the quality of the Business Register and structural business statistics, creating short term statistics in construction and tourism as part of the first structured business surveys, and extending the already existing Household Budget Survey. These are all requirements of the *acquis* and objectives in the accession preparations. Therefore, despite the difficulties with intense schedule of implementation and delivery of micro data from the ITA this support is expected to have the impact expected.

However, planned impact on strengthening of the capacity of the three statistical institutes is compromised by their limited administrative and operational resources. All are substantially undermanned and, in an environment of constrained state and entity level budgets and poor political cooperation, are struggling to effectively collaborate with the assistance provided by donors. The resource limitations may also reduce the ability of the institutes to replicate the new surveys once the assistance has finished.

Whilst the entity statistical institutions are obliged to follow the annual statistical plan and to undertake the same surveys in the same manner at the same time to enable consolidation by the BHAS to national statistics, they also undertake surveys covering just their geographical areas. As these are not replicated in the other entity they are not forwarded and consolidated by the BHAS and therefore do not become official national statistics (only the BHAS and the Central Bank can produce official national level statistics). Given the resource limitations to the statistical system as a whole, greater collaboration to focus attention on those surveys important to the national statistics would improve the overall impact of IPA assistance to the sector.

IPA support to preparations for the *census* has been delayed by a lack of political will to agree on the necessary **institutional structures** including enabling legislation. Whilst this has been overcome with the passing of the Law on the Census in early 2012 (developed with IPA assistance) after substantial political pressure from donors, significant operational, administrative and financial hurdles remain to be overcome before the census can be completed and the IPA will be able to make only a limited contribution to these. Whilst a large IPA component will finance the IT component of the **systems and tools** needed, substantial additional funds will be needed from the state budget to pay for enumerators and maps must be produced by the entities. The census itself is extremely political and there are likely to be considerable local and national obstacles to overcome in the run up to the operation and during it. However, the IPA contribution of equipment and advisors is in place and thus the impact of preparing the national authorities to undertake the census. Those impacts connected to supporting the pilot census that were not achieved by the IPA 2007 assistance will be achieved by the subsequent project - if the whole census process manages to overcome the political difficulties it faces.

**Table 4.2 Overview of the Result Oriented Monitoring scores on potential impact**

The table below gives an overview of the ROM scores which are broadly in line with the conclusions of the evaluation

IPA Year	Project title	ROM score(s)
2007	Safety infrastructure	B
2009	Single Market (standardisation, accreditation, market surveillance, metrology)	A(accreditation) B (standardisation)
2008	Support to State and Entity statistical institutions	C

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

#### 4.3.2 Impact in social sector

##### *Impact in Employment and social policies*

In the *social inclusion* sub sector **institution building** is important. The impact of SPIS projects has been positive so far (as it is still running in SPIS III under IPA 2010): ten local service centres were established for children. Meanwhile this is currently expanded to 11 more municipalities under SPIS III. This is a quite innovative approach since a cross sectoral, integrated approach is used to ensure social inclusion of children. Furthermore a social inclusion strategy for BiH has been developed but has still not been adopted. The improvement of the social inclusion and protection has merely focused on children and is foreseen to be expanded to overall vulnerable groups. As such the SPIS projects contribute to improving the social inclusion of children in about 30% of the municipalities but the objectives in the European Partnership also included social contribution rates and pensions which have hardly been dealt with in the IPA 2007-2009 projects.

Also for *social dialogue institution building* by creating cooperation between the institutions is vital for being able to improve the social dialogue. Unfortunately, the impact of the IPA 2007 Social Dialogue project has been very little or even negative. Large-scale meetings, round table seminars, training programmes and study tours were organised, so one could say the awareness on social dialogue has been increased. However, the employer associations are still not cooperating. For example in November 2011 the Union of Association of Employers of Republic of Srpska (UUPRS) sent a letter to the Council of Europe indicating that the Association of Employers of BiH (APBIH) does not represent UUPRS, that no social dialogue at BiH level exists and even that APBIH and KSBIH “are not social partners and do not lead any social dialogue on the BiH level”. In March 2012 the APBIH has been organizing with Business Europe a conference on “role and importance of social dialogue in democratisation of society” (in the context of BOSMIP4).

The *labour market* projects are not only focusing on impact on *institution building* (cooperating), but also on *system and tools* and *human resources* (capacity building). Especially on capacity building there has been and is impact since the staff of the labour offices is continuously improved and also a better link is created between unemployed and employers at the labour offices. However, unemployment figures remain extremely high, exacerbated by the slow- down in the local and regional economy.

#### *Impact in Education*

In *education* the projects focused both on *institution building* (establishing agencies, strategies), *system and tools* (laws, guidelines) and *human resources* (capacity building). The impact of the IPA 2007-2009 education projects varies from low to high. The IPA projects definitely have had impact, however, the inability to establish and/or develop one higher education system for the whole country under the current constitutional arrangement negatively affects impact overall. A lot has been achieved on *institutional structures* in the last few years but the objectives of the European Partnership have not been met yet. For example: the framework legislation for education is in place at state level but transposition into entity and cantonal legislation varies. The framework law on recognition at the state level could not be drafted. Also whilst three agencies (ADHEQA, Agency for pre-school, primary and secondary education & CIP) have been established, during the SHE III project Republika Srpska established its own Quality Assurance Agency. Furthermore three of the four strategies were drafted in EU projects.

The EU has focused on vocational and higher education so the impact of the IPA projects is mostly in these areas. It is foreseen that there will be more focus also on the general (primary and secondary) education in the future.

In the field of *systems and tools* the IPA projects have contributed by providing equipment to 36 VET schools, establishing links between existing data bases in educational sector and sectors of labour and employment (*EMIS*, *Gaudeamus* and *LMIS* - a new information system of employment) and by providing standards, guidelines and procedures for internal and external quality assurance in compliance with the ENQA Standards and Guidelines for Quality Assurance in the European Higher Education Area. Also modular curricula (common to all VET occupations) were developed for five general subjects and for different occupations in VET and guidelines for improvement of the integration process of Higher Education Institutions were developed and guidelines for Recognition of Foreign Higher Education Qualifications in BiH are prepared.

As for *human resources*, agencies and ministries are staffed but still insufficiently. During the IPA projects resource base of 60 mentors has been developed, who are trained as teacher trainers in curriculum development for VET. Furthermore the capacity has been raised of 3,000 teachers in BiH in new teaching methods and modular methodology in VET. Also the capacity has been raised

of staff in the Agency for Higher Education Development and Quality Assurance and the Centre for Information and Recognition of Qualification in Higher Education.

More in detail per project:

- The IPA 2007 project *Strengthening Higher Education (SHE III)* has contributed to the implementation of the Bologna Strategies and Guidelines in BiH through 1) capacity building for Ministries, the ADHEQA and public and private higher education institutions, 2) hands on guidance and advice through the Curriculum Development Good Practice Guide, legislative review and other reports, 3) training and accomplishment of case studies to develop/revise and validate curricula in line with the European Higher Education Area and BiH frameworks;
- The IPA 2007 project *Support to reform of Higher Education* has contributed to advance the reform of education system through the development of a 'guidelines for assessment and recognition of foreign higher education qualifications in BiH' which were adopted by the Conference of Education Ministers in BiH in March 2012. However, this only contains recommendations whereas the foreseen impact was a framework law on recognition of qualifications. The recommendations now have to be incorporated into the laws in RS, Cantons and Brčko District. The raising of the awareness has been successful (and was expanded to all 8 universities to obtain a similar level of knowledge), and the project has also made the recommendations specific for each university. However there have not been action plans drafted with each higher education institution which means that the impact of the recommendations is rather low;
- Under IPA 2008 *Reform of Higher Education Financing* the inception report has not been approved. It is foreseen that there will be impact of ownership and consensus on the outcomes of the project, better and efficient ways of higher education funding. At this moment it seems that these are rather ambitious impacts;
- For the IPA 2008 *VET IV* project it is foreseen that there will be impact through increase of the VET relevance with regard to the demands of labour market, better balance between demand and supply side, horizontal and vertical mobility of students graduates and work force. If the project will be implemented as foreseen it has a potential for impact. Basically the fact that there is the VET IV project is a good impact as the VET reform has started already a while ago.

The table below gives an overview of the ROM scores. ROM reports are available for 6 of the 14 social projects.

**Table 4.3 Overview of the Result Oriented Monitoring scores on potential impact**

IPA	Project title	ROM score(s)
2007	Improving Active Labour Markets in BiH (IALM)	B
2009	Promoting labour market competitiveness – Labour part / Institutional and Capacity Building in Employment Sector in BiH (ICBES)	B
2007	Enhancing the Social Protection and Inclusion System for Children in BiH I (SPIS I)	B
2008	Enhancing the Social Protection and Inclusion System for Children in BiH II (SPIS II)	B
2008	EU Support to VET Reform in BiH IV (VET IV)	C
2009	Strengthening capacity in BiH for human resources development (HRD)	B

a = very good; b = good; c = problems; d = serious deficiencies. Source: ROM reports

#### 4.3.3 Conclusions on impact

Summarising, with reference to the judgement criteria (*in italics*):

*The assistance provided under the IPA is making, or can be expected to make, a visible contribution to the institution building objectives of the SAA*

- ✓ IPA 2007-2009 projects have made a useful contribution to the European Partnership objectives of 2006 and 2007, especially in the quality infrastructure, statistics and education. In QI particularly, the IPA has had a significant impact in improving the capacity of institutions even if the completion of the entire system remains some way off. For employment and labour market and SPIS there has been impact in reforming the way the state interfaces with citizens but more projects will be needed to be able to achieve the European Partnership objectives.
- ✓ The IPA has made a significant contribution to the institution building objectives of the SAA in those areas sampled in the evaluation; however this is less than could be expected given the volume of funds provided due to the difficulties in establishing inter-institutional collaboration and the provision of sufficient national complementary resources.

*All interventions fit logically into the wider objectives of IPA.*

- ✓ The comprehensive IPA programming process ensures that assistance is logical to the wider IPA objectives of stabilizing the country and preparing it for the start of the accession process. The objectives of the assistance also correlate to the policy objectives in the European Partnership.

*Generally, outputs have been taken up by the beneficiary organisations*

- ✓ The uptake of outputs by beneficiaries has in many of the cases under review not been as much as expected due almost entirely to the difficulties in reaching agreement on their use between entity and state level. This was in principle difficult to predict at the time of programming but had been exacerbated by contractors with limited understanding and appreciation of the local environment and increasingly entrenched national political opinions;

Generally, the objectives of the programme have been met

- ✓ In general, the objectives of the programme have not been met to the extent expected during the planning stages of the associated assistance. Transposition of legislation, human resources, institutional reform and the provision of necessary ongoing financing for sectoral development have all fallen short of expectations and this has compromised the achievement of programme level objectives.

## 4.4 Additional impact

### EQ4 Are there any additional impacts (both positive and negative)?

An alternative definition of impact is 'the total of all effects: direct and indirect, expected and unexpected, positive and negative'. In this section the existence of unexpected, positive or negative impacts caused by the IPA interventions is investigated.

#### 4.4.1 Additional impact in Quality Infrastructure and Statistics

##### *Additional impact in Quality infrastructure*

By appearing to specifically support the state level over the entities, the European Commission in its support to *metrology* has exposed and exacerbated already poor collaboration between entity and state, which could potentially have been avoided with clearer and earlier inclusion of the entities in the project design and implementation.

The contractor supporting the BATA has engaged a very wide group of stakeholders in project coordination which is important for defining the needs of accreditation and informing both industry and other institutional stakeholders of the work of the project and the services offered by BATA. This is



especially important in an integrated sector such as QI and should be seen as an example of best practice for similar assistance elsewhere.

The poor performance of one of the experts to the MSA meant that preparation of the strategic plan was substantially completed by the beneficiary with only limited external assistance. An unexpected benefit of this has been the establishment of closer and more involved collaboration between all the national actors than would have likely happened if the strategy had been prepared by an external consultant.

#### 4.4.2 Additional impact in Social Development

##### *Additional impact in employment and social policies*

The social dialogue project has had as a negative additional impact that currently only few initiatives are being taken to improve the social dialogue.

A positive additional impact has been through the SPIS project. As a cross-sectoral cooperation has been started, the involved stakeholders have seen that it is actually feasible and possible to cooperate cross-sectoral. It can be a positive example for other projects in BiH on how one can cooperate, even if one has to deal with political sensitive issues.

##### *Additional impact in Education*

One of the additional impacts is establishing coordination with similar EU funded projects, which provides for transparency of action in the education sector but also the exchange of lessons learned.

#### 4.4.3 Conclusions on additional impact

Summarising, with reference to the judgement criteria (*in italics*):

##### *Unplanned impacts are identified in the interventions*

- ✓ Only limited unplanned impacts were identified during the evaluation, either positive or negative

*There have been unplanned indirect positive effects of the interventions, which significantly augment the impact of IPA.*

- ✓ Positive unplanned impacts include the increased collaboration between stakeholders in some sectors, both on the donor and government sides, and between EU projects.

*There have been unplanned indirect negative effects of the interventions, which significantly take away from the impact of IPA.*

- ✓ In some cases where the IPA assistance has been implemented into an uncertain or deteriorating political environment, it has exacerbated already difficult conditions. This has been amplified when state level beneficiaries seek ownership over project inputs and outputs and contractors are not very cognisant of the specific issues affecting beneficiaries at all levels in the project;
- ✓ The long delays in starting projects meant that planned national financing to support implementation, either in the form of additional staff or funds, was budgeted before the assistance actually began. In the centralized management environment, funds cannot be jointly contracted and this mistiming has reduced overall impact by limiting the ability of beneficiaries to collaborate as planned.

*In hindsight, could these effects have been anticipated?*

- ✓ In hindsight, most of these unplanned impacts could have been identified, if not at the planning stage then certainly during the early stages of implementation. However, there are only limited

actions that could have been taken to militate against the negative impacts identified. The EU has clearly very limited capacity to influence local political opinion but the scale, scope or timing of interventions could have been revised to better accommodate the reduced ability of the beneficiary to collaborate.

## 5 Key conclusions and recommendations

### 5.1 Thematic and programme level conclusions and recommendations

1. The relatively small size of the IPA budgets and the long term of the accession agenda have proved an insufficient incentive to overcome the increasing political intransigence between the state and entities. Planning of IPA is becoming hostage to the internal political conflicts in the country, leading to delays, politicized negotiation of funded projects and brinkmanship between the Commission and the national authorities. None of this contributes to efficient and effective use of resources.
  - **Future delivery of financial assistance within the scope of a sectoral based approach has the potential to align resources from the side of the beneficiaries with the timing and volume needed for the achievement of impact from IPA funding, but only if this includes a rigorous medium term fiscal planning element. With the Sector Wide Approach concept only now being developed into a practical aid implementation methodology by the Commission Services it will be some time until this system becomes fully operational. In the meantime, the European Commission is invited to consider greater enforcement of preconditions for ownership:**
    - **Inclusion of financing for sectors that include state level institutions only where all actors agree the role and scope of the state and entity level institutions through strategic plans formally endorsed by both entities.**
    - **If projects cannot be agreed between the entities and state level within the scheduled deadline, funding should be cancelled.**
    - **Establish a policy that where projects are unreasonably delayed by a lack of political will or commitment, funding is cancelled and/or not extended.**
4. Serious questions must be raised over the sustainability of the financing of the civil service, particularly in the light of the ongoing economic crisis in the country and more globally and the associated reduction in tax revenue. Most beneficiary institutions have suffered budgetary reductions at a time when they need to increase administrative capacity to take on new roles. This has led to headcount reductions, recruitment freezes and reductions in investment and operating budgets which will affect the overall impact of the IPA funded assistance.
  - ***Administrative capacity assessments should be undertaken for each of the potential beneficiaries included in future assistance financing.***
  - ***Strategic plans should contain clear indications of future financial requirements that will, whilst not yet part of a medium term financial planning policy, give all stakeholders an understanding of the resources required to support implementation of the assistance and sectoral change overall.***
5. The requirement imposed by the EUD to create a broader QI strategy makes logical sense given the interconnected nature of the sector but would be difficult to achieve in any country let alone one as complex as BiH. The EUD has agreed to make funds available to support this but until then care must be taken not to lose the gains already made in the sector.
  - ***The MOFTER and NIPAC should analyse the risks to sustainability of already achieved impacts in the QI sector if large scale future financing is not going to be provided. The NIPAC should invite the national stakeholders to draft and discuss a proposal for assistance in drafting the QI Strategy***

6. Legislation transposition has proved difficult in those areas that involve enforcement responsibilities not in line with the constitutionally defined structure of the country. It is clear that the financial support of the IPA and the political pressure of the EU are not sufficient to overcome these issues.
  - ***A NPAA is needed to clarify and agree the legislative agenda as there is insufficient time in the programming process to undertake legislative risk analysis during the planning stages.***
  - ***In the segment of social protection it can be assessed that further efforts need to be made on anti-discrimination and social protection. Furthermore, legislative approximation remains to be intensified and social inclusion strategies to be adopted.***
  
7. There should be greater inclusion of the private sector in the development of strategic planning and associated assistance in both QI and statistics to improve the effectiveness, impact and sustainability of the IPA.
  - ***In QI, the needs of the market for standards, conformity assessment and verification services should be analysed by the various institutes involved and included in any sectoral strategic plan(s).***
  - ***Whilst they cannot be direct beneficiaries of IPA assistance, any future assistance to the QI sector should include within its stakeholders representatives of chambers of commerce and industry to enable the sector to develop according to the needs of the economy.***
  - ***In statistics, the Strategic Statistical plan being produced by the IPA contractor should analyse the business sector to identify the most useful areas in which to introduce business statistics surveys in the future.***

## 5.2 Associated recommendations for each conclusion

### 5.2.1 Improving efficiency and effectiveness, sustainability and impact

**EQ 7 Are there potential actions which would improve the efficiency and effectiveness of the ongoing assistance?**

**EQ8 Are there actions which would improve the prospects for impact and sustainability of the on-going assistance?**

**Are there potential actions which could improve the efficiency and effectiveness of the ongoing assistance?**

#### *Quality Infrastructure*

1. 2009 Metrology is currently suspended but there are a series of systemic issues which would improve the efficiency and effectiveness of this future assistance if it were to go ahead:
  - ***The IMBIH remains substantially understaffed and a clear understanding of how this will affect the planned assistance needs to be developed by the Institute.***
  - ***Operational budgets are currently at zero in 2012 and only very small for 2013 and this affects the ability of the IMBIH to maintain and expand its laboratories for national standards. A clear indication of the financial commitments that will be needed into the medium term should be developed and at least an informal commitment to providing them received from the Council of Ministers.***
  
2. There remain significant differences in opinion between the entity and state institutions on the structure of the distributed metrology system and the operational responsibility for verification in

each of the two entities. This situation needs to be resolved so that the investments and training provided under the IPA and Slovenian bilateral assistance can achieve the planned impact and a functional metrology system can begin to be put into operation. Although the entities have the authority for enforcement of legislation at the broadest constitutional level, they have little in the way of resources to be able to do so.

- ***The IMBIH and the entity institutions need to re-engage with each other through the Metrology Council to define and agree those areas where they can effectively collaborate in order to meet EU requirements.***
3. The MSA does not have a formal role in the quality control of the work of the entity level inspectorates as they currently only report to the entity authorities. To oversee the annual market surveillance plan the MSA needs to ensure that the numerous inspectorates submit appropriate data on their activities in a timely fashion. It is important that this is not seen as a control function as it is unlikely that this would be approved by the entity authorities.
- ***The twinning support to the MSA under IPA 2009 should ensure enhanced co-operation and established standards operating procedures between the Agency and inspectorates of entities.***

#### *Statistics*

4. Beneficiaries have intensive training missions under statistics twinning, both in terms of staffing and financial resources for supporting the attendance of their staff at training sessions. Greater involvement of all beneficiaries in the planning of individual assignments might improve ownership.
- ***Future planned support for the statistics sector should consider the use of TA rather than twinning for some elements of the programme as it attracts the same applicants (Member State statistical agencies) but allows greater scope for the provision of operational funds from the reimbursables budget line.***
  - ***Individual missions are developed by the beneficiaries together with the contractor but despite this and the establishment of working groups for each component, the entity institutions note that they are consulted only late in the process and with little time to make an effective contribution but this is disputed by the BHAS. Greater attention could be given to formally recording the consultation process to ensure adequate transparency.***
5. Inter institutional collaboration at both the state level and between the state and entities has some specific difficulties but these are known to all parties.
- ***There are ongoing efforts to oblige the Indirect Taxation Authority to provide confidential information to enable the effective functioning of the Business Register.***
6. The AGA makes a series of conclusions and recommendations on the state of the statistics system in BiH and the three institutions should seek to address these and report on progress made. Some progress, such as on improving communication, have already been made.
- ***Most of these recommendations will directly affect the impact and sustainability of this and future IPA assistance and thus the EUD should include addressing these as a conditionality for future assistance.***

#### *Employment and social policies*

7. For an improved effectiveness and efficiency of employment and social policies the following actions are recommended.

- *It is recommended to ensure that knowledge will be shared to enable ministries to continue without the temporary staff after the SPIS projects finish.*
- *To enable a social dialogue first of all a solution would have to be found for social partners to recognize each other and cooperate before they can resolve the labour market problems jointly and meet the requirements of for example the ILO and CoE European Social Charter.*

# Annexes

## Annex 1 Detailed information on the scope of the assistance

### Quality Infrastructure

Assistance to *Accreditation* consists of a large TA contract for capacity building and strategic planning to BATA from the 2007 programme which started in late 2009 and finished in spring 2011. It was followed by subsequent assistance under the 2009 programme, again consisting of long term TA, to develop new accreditation services. *Standardisation* was supported by long term twinning starting in late 2011 to establish a National Enquiry and Contact Points and strengthen the information system of the BAS, the latter investment element being self-funded by the beneficiary. *Metrology* received a long term TA contract under 2007 financing to develop legislation, train staff of the IMBIH and elaborate equipment specifications. A substantial investment component followed under 2007 and 2008 programmes, which was partially contracted in mid-2011 and retendered for those elements that failed to contract (due by mid-2012). More TA and equipment was planned to be procured under the 2009 Financing Memorandum (FM) for the development of chemical metrology but this has been suspended until the eight by-laws developed under the 2007 project are in force. Legislative support to transpose horizontal product safety legislation in *Market Surveillance* and a series of New Approach Directives as well as strengthening the MSA and the Internal Market unit of MOFTER was provided under 2007 funding that was completed in late 2011. This will be followed by a twinning assignment under IPA 2009 – delayed by the late completion of preceding assistance - to strengthen the market surveillance and inspection system

### Statistics

Strengthening *statistics* is supported through the latest – the fifth – in a series of projects and funded under the 2008 programme, starting at the end of 2011. It intends to build on the earlier development of the Household Budget Survey (HBS) and elaborate Business Statistics through a large number of short term missions in BiH and study visits abroad. Preliminary assistance for the preparation of the census under 2007 was contracted in January 2010 despite the lack of a Law on the Census, which has been rescheduled for 2013 with a pilot in late 2012. Substantial funding from Sweden has been rolled into the IPA 2008 programme to further support the census through technical assistance and to finance the monitoring of the census itself by the Council of Europe (CoE). In addition, the IPA is funding under the 2009 FM a substantial element of investment to procure equipment necessary to conduct the census. This assistance to the census process has been recently contracted following the approval of the Law on the Census in February 2012.

### Social sector

Projects in the *social* sector consist of support (IPA 2007-2009 15.6 mln Euro) to the sub sectors of Education, Labour and Social Protection. IPA 2007 was mostly completed in 2011. Two IPA 2007 projects were cancelled (*Social sector review* and *Support to microbiology laboratories*). The projects funded under IPA 2008 and 2009 were all contracted during 2011 with *Social inclusion phase II* contracted in 2010. Two IPA 2009 projects have not yet started.- Twinning with the Agency for pre-primary, primary and secondary education is expected to start shortly and the project fiche for the Grant scheme to strengthen human resource development is being considered by the relevant ministries of education and awaiting their agreement (status June 2012).

## Education

The IPA funding focuses mostly on building structures (both institutional and legal) primarily in higher education and Vocational Education and Training (VET). One VET project focused on providing equipment to VET schools and another is developing standards of occupations and training standards for VET and creating a road map for implementation of secondary vocational education reform. 2009 *Strengthening capacity in BiH for Human Resources Development* aims to develop strategy, an action plan and a state level framework law for adult education and the creation of educational statistics in line with Eurostat, OECD and UNESCO requirements.

In higher education, there has been support to development of the Agency for Development of Higher Education and Quality Assurance and creation of a framework for Higher Education Qualifications as well as recommendations for a legislative framework for higher education (2007 *Strengthening of Higher Education*). 2007 *Support to Higher Education reform* focused on analysing the BiH legislation on recognition of Diplomas, the establishment of the national info centre for Diploma Recognition and recommendations for an integrated university. 2008 *Support Higher Education Reform* is very much focused on creation of financing models and standards for a financing system of higher education.

## Social

The IPA 2007 social sector functional review project, which has not been contracted, was meant to review the social sector as a basis for the reform of the social security system. The other three projects are subsequent phases of the same project which aims to improve the social protection and inclusions system for children. It covers a broad set of activities, including the establishment of first 10 and in total 21 local social protection centres for children and the involvement of all relevant sectors at all levels to improve the protection of children.

## Employment

The employment projects are focused on two elements: creating a social dialogue (IPA 2007) and improving the employment services (IPA 2007 and IPA 2009). The idea of the social dialogue project was to assess the potential for social dialogue, build capacity and develop an action plan. The labour market project is supposed to introduce active labour market policy development, improving the institutional capacity of labour market management and employment service delivery at national, entity- and sub-entity levels, and setting up the conditions and the preliminary steps for a successful implementation of the adult learning strategy.

**Table 0.1 Approval dates of framework documents and final dates for IPA 2007-2009**

	IPA 2007	IPA 2008	IPA 2009
European Partnership	31 Jan 2006	18 Feb 2008	18 Feb 2008
MIPD	24 May 2007: 2007-2009	23 Sep 2008: 2008-2010	1 July 2009: 2009-2011
National Programme	20 Dec 2007	9 Oct + 5 Dec 2008	11 Aug 2009
Financing Agreement	31 July 2008	Final date: 31 Dec 2009	Final date: 31 Dec 2010
Final date for contracting	N+2: 2009, revised to 30 Nov 2010 (C(2010)2376)	Financing agreement + 2 years: 2011	Financing agreement + 2 years: 2012
Final date for execution of contracts	N+4: 2011	End date of contracting + 2 years: 2013	End date of contracting + 2 years: 2014
Final date for disbursements	N+5: 2012	End date for execution of contracts + 1 year: 2014	End date for execution of contracts + 1 year: 2015

Source: Ecorys, on basis of National Programmes, Project Fiches and other EU documents.



## Annex 2 List of documents used

**Table 0.2 List of documents used, obtained or found per project**

Sector	Project	PF	PSF	IR	PR	FR	MR	Other
Quality infrastructure	Accreditation system	✓	✓	✓	✓	✓	✓	
	Metrology system	✓	✓	✓	✓	✓		
	Safety infrastructure	✓	✓	✓	✓		✓	
	Metrology infrastructure	✓	✓					
	Single Market	✓	✓	✓	✓		✓	
Statistics	Census I	✓	✓					
	Statistics	✓	✓	✓	✓		✓	
	2011 Census	✓	✓					Contract
Social protection	SPIS I	✓	✓			✓	✓	Project deliverables
	SPIS II		✓	✓		✓		
	Social Review	✓	Not contracted so not available					
Employment	SD	✓	✓	✓		✓		
	IALM	✓	✓	✓		✓	interim	
	ICBES	✓	✓	✓	✓		✓	ToR
Education	VET	✓	✓	Supply so not available				List of contracts
	SHE III	✓	✓			✓		MoU, Project website
	GOPA	✓	✓	✓		✓	Interim	
	HER	✓	✓					
	VET IV	✓	✓	✓	✓		Interim	
	HRD	✓	✓	✓	draft		Interim	ToR
	APOSO	✓	✓	Planned so not available				
Grant Scheme	✓	✓	Planned so not available					

PF= Project Fiche, PSF = Project Summary Fiche, IR = Inception Report, PR = Progress Report, FR = Final Report, MR = Monitoring Report, ToR = Terms of Reference , MoU = Memorandum of Understanding

**Table 0.3 Other references used**

Title of document	Institution	Year
<b>GENERAL</b>		
Discussion Paper EU – BiH sub-committee on Economic and Financial issues and Statistics	BiH Council of Ministers, Directorate for European Integration (DEI)	2011
Discussion Paper EU – BiH sub-committee on Economic and Financial issues and Statistics, Part I: Statistics	BiH Council of Ministers, Directorate for European Integration	2012
EU-BiH sub-committee on innovation, information society, social policy and public health, discussion paper	BiH, Council of Ministers, DEI	2011
EU-BiH sub-committee on innovation, information society, social policy and public health, discussion paper	BiH Council of Ministers, DEI	2012
1 <sup>st</sup> Quarterly Review of Action Plan for Realisation of the European Partnership Priorities	BiH Council of Ministers, DEI	
Development of an Action Plan for implementation of the SAA	BiH Council of Ministers, DEI	2009

Title of document	Institution	Year
and Interim Agreement		
EU integration strategy of BiH	BiH Council of Ministers, DEI	2006
Social Inclusion Strategy for BiH	DEP	2010
Strategy of Development of BiH	DEP	2010
Report on the current state of implementation of the Interim Agreement and SAA	BiH Council of Ministers	2008
Enlargement Strategy and Main Challenges 2011-2012, COM(2011) 666	EC	2011
MIFF (IPA Revised Multi-Annual Indicative Financial Framework 2012-2013), COM(2011) 641	EC	2011
Council Decision of 30 January 2006 on the principles, priorities and conditions contained in the European Partnership with BiH and repealing Decision. 2004/515/EC	EC	2006
Council Decision <u>2008/211/EC</u> of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with BiH	EC	2008
BiH 2006 Progress Report	EC	2006
BiH 2007 Progress Report	EC	2007
BiH 2008 Progress Report	EC	2008
BiH 2009 Progress Report	EC	2009
BiH 2010 Progress Report	EC	2010
BiH 2011 Progress Report	EC	2011
Commission Decision on a Multiannual Indicative Planning Document, (MIPD) 2008-2010 for BiH	EC	
Council Regulation (EC) No 594/2008 of 16 June 2008 on certain procedures for applying the Stabilisation and Association Agreement between the European Communities and their Member States	EC	2008
IPA Multi-annual indicative Financial Framework 2008-2010 (Communication from the Commission to the Council and the European Parliament)	EC	
Commission Decision on Multi-annual Indicative Planning Document (MIPD) 2009-2011 for Bosnia and Hercegovina	EC	
Enlargement Strategy and Main Challenges 2011-2012 (Communication from the Commission to the European Parliament and the Council)	EC	
Action Plan for Implementation of the Interim Agreement/ Stabilisation and Association Agreement ( 01/01/2010-31/12/2011)	Council of Ministers of BiH	
<b>QUALITY INFRASTRUCTURE</b>		
A National Quality Infrastructure.	Sanetra & Marban	
The Conformity Assessment Toolbox	ISO/UNIDO	
Guide to implementation of directives based on the New Approach and the Global Approach	European Commission	2000
Annex Law on Metrology	Parliamentary assembly of BiH	2011
Strategic Plan of the National Metrology System of BiH for the	IMBIH	2011

Title of document	Institution	Year
period of 2010 to 2015		
QUESTIONNAIRE METROLOGY in BiH	Regional Quality Infrastructure Western Balkans and Turkey project - IPA 2011, IMBIH	2009
Strategy for the Development of Institute for Standardisation of BiH (BAS)	BAS	
The new Law on Market Surveillance	Council of Ministers of BiH	2011
Market surveillance strategy for non-food consumer products In BiH (2011 – 2015)	Market Surveillance Agency, BiH, Council of Ministers	2011
<b>STATISTICS</b>		
Discussion paper on EU-BiH sub committee on Economic and Financial issues and Statistics	BiH Council of Ministers	May 2011
Pilot Survey for Structural Business Statistics 2009	BHAS	Sept 2011
AGA of the National Statistical System of BiH	Eurostat	Sept 2011
<b>EDUCATION</b>		
Strategic Directions for the Development of Education in BiH, with the Implementation Plan, 2008-2015	Ministry of Civil Affairs	2007
Strategy for Entrepreneurial Learning In Education Systems in BiH For the period 2012 - 2015	A project implemented by ABU C on s u l t Berlin GmbH	2011
Framework Law on Higher Education in BiH, Official Gazette of BiH", No 59/07, 59/09	Parliamentary Assembly of BiH, Official Gazette	2009
Framework Law on Vocational Education and Training. Official Gazette of BiH", No. 63/08	Parliamentary Assembly of BiH, Official Gazette	2008
Strategy for Vocational Education and Training 2007-2013 (PHARE, EU VET II)	Ministry of Civil Affairs (MoCA)	2007
Strategy for Entrepreneurial Learning along with the action plan for the period 2012-2015	BiH, Council of Ministers	2012
National Action Plan for Recognition of Qualification in BiH (higher education) IPA	Government of BiH	2007
Strategy for education (2008-15). Strategic Directions for Development of Education in BiH with Implementation Plan 2008-2015	MoCA	2008
Analysis of Legislation and Practice in Recognition of Foreign Higher Education Qualifications in BiH	MoCA	2007
Road Map and the Action Plan for joining Life Long Learning and Youth in Action Programmes	MoCA	2008
Guidelines for Recognition of Foreign Higher Education Qualifications in BiH	MoCA	2011
Guidelines for improvement of integration process of Higher Education Institutions (IPA)	MoCA	2011
Standards and Guidelines for Quality Assurance in Higher Education in BiH	CoE, EU	2007
Users' Manual, Diploma Supplement Model for BiH	CoE	2007
Analysis of status of Higher Education;	CoE	2007

Title of document	Institution	Year
BiH Qualifications Framework	CoE	2011
Recommendations for Implementation of the Framework for Higher Education Qualifications in BiH	Council of Europe, EU	2007
The Framework for Higher Education Qualifications in BiH IPA	Council of Europe, EU	2007
Plan and Programme of Education and Professional Improvement of civil servants in BiH in the process of European integration	Directorate for European integration	2008
2004 Strategic Directions for Development of Preschool Upbringing and Education in BiH	MoCA	2004
BiH Strategy of Science Development and Action Plan for Implementation of the Strategy and Action Plan for Investments in Research	MoCA	2009
Road Map and Action Plan for Inclusion of BiH into EU Programmes for Lifelong Learning and Young People In Action	MoCA	
Document titled Analysis of the Position of Youth in BiH	MoCA	
2010 - 2014 Republika Srpska Education Development Strategy	Ministry of Education and Culture of RS	2010
New Strategy for Scientific and Technological Development of Republika Srpska by 2015	Ministry of Science and Technology of RS	Draft
2010-2015 Cultural Development Strategy of the Republika Srpska	Ministry of Education and Culture of RS	2010
2010-2015 Youth Policy of the Republika Srpska	Ministry of Family, Youth and Sports	2009
2008-2012 Sports Development Strategy of RS	Ministry of Family, Youth and Sports	2008
The strategy for the development of family in RS for the period 2009- 2014	Ministry of Family, Youth and Sports	2008
<b>EMPLOYMENT AND LABOUR</b>		
Employment Strategy in BiH 2010 – 2014	MoCA	2010
Republika Srpska Programme for Returnees Employment Support	RS Employment Institute	
RS Employment Strategy 2011-2015	Ministry of Labour & Veteran Protection of RS	2011
FBiH Employment Strategy (2009-13) and Action Plan for Implementing of the Strategy	Federal Ministrys of Labour and Social Policy	2009
FBiH Strategy for Pension System.( Draft, being designed)	Federal Ministry of Labour and Social Policy	Draft
FBiH Strategy for Strategy for Pension and Disability Insurance FBiH (Draft, being designed)	Federal Ministry of Labour and Social Policy	Draft
<b>SOCIAL PROTECTION AND INCLUSION (SPIS)</b>		
Guidelines for recognition of social excluded categories of children in BiH	Ministarstvo za ljudska prava i izbjeglice BiH	2012
izvještaj nvo-a o monitoringu prava djeteta na lokalnom nivou	MoCA	2010
Institucionalna analiza sistema socijalne zaštite i inkluzije djece i porodica s djecom u Bosni i Hercegovini	UNICEF	2010
2008-2013 BiH Social Inclusion Strategy	Directorate for Economic Planning	2009
2009-2014 Strategy for improving social protection for children without parental care	Ministry of Health and Social Protection of RS	
The SPIS Municipal Implementation Model	UNICEF BIH Sarajevo	2011

Title of document	Institution	Year
Strengthening Child-Sensitive Integrated Social Protection and Inclusion System at Municipal Level – Lessons Learnt from BiH. The SPIS Municipal Implementation Model	UNICEF BiH Sarajevo	2011
Action plan for children of BiH (2011. – 2014.)	BiH Council of Ministers	2011
Framework Policy for Early Childhood Development in BiH	Council of Ministers of BiH, the Government of the Federation of BiH, the Government of the Republic of Srpska, the Government of Brcko District of BiH, and UNICEF in BiH	2010
<b>PROJECT DOCUMENTATION</b>		
Project fiches, Summary project fiches, Inception Reports, Final Reports, other project documentation	EC, MoCA	2005-2012
Internal documents and notes related to IPA projects	EUD, BiH Ministries	2012
2004 Strategic Directions for Development of Preschool Upbringing and Education in BiH	MoCA	2004

## Annex 3 List of interviews

**Table 0.4 List of interviews**

Date	Name	Organisation & position	Topic
	<b>EUD / EC</b>		
W 6 June	Ms. Elena Georgieva	EC, DG Enlargement, Operational Audit & Evaluation, Evaluation officer	Overall
W 6 June	Mr. Johan Hesse	EUD, Head of Operations Section for Economic, Reform, Trade and Natural Resources	Overall
Tu 15 May + W6	Ms. Normela Hodzic	EUD, Evaluation officer	Overall
W 16 May + W 6	Ms. Dijana Sikima	EUD, Task manager	Statistics
W 16 May + W 6	Ms. Sanja Spaic	EUD, Task manager	Quality Infrastructure
Fr 8 June 12.30	Ms. SanjaTica	EUD, Task manager	Social policies
M 11 June	Ms. Jadranka Mihic	EUD, Task manager	Education & Health
Tu 5 June + W 6	Mr. Dzermal Hodzic	EUD, Task manager	Employment
	<b>NIPAC / DEI</b>		
Tu 15 May	Ms. Zara Halilovic	DEI, NIPAC, Division for Coordination of EU Assistance, Assistant Director, Head of Division for Coordination of EU Assistance	Overall
Tu 15 May	Ms. Angelina Pudar	DEI, NIPAC, Head of Department for Support of Participation in Community Programme	Overall
Tu 15 May	Mr. Rade Jevtic	DEI, NIPAC, Head of Department for the EU State Aid Programme to BiH	Overall
Tu 15 May	Mr. Midhat Dzemic	DEI, NIPAC, Head of Department for Bilateral EU Member States Assistance	Overall
Tu 15 May	Mr. Tarik Ceric	DEI, NIPAC, Head of Department for Monitoring & Evaluation	Overall
Tu 15 May	Ms. Nevena Marilovic	DEI, NIPAC, Department for Support of Participation in Community Programme, senior associate	Overall
Tu 15 May + W 6	Mr. Nebojsa Zecevic	DEI, NIPAC, Department for Monitoring & Evaluation, senior associate	Overall
Tu 15 May	Ms. Alma Kurtalic	DEI, NIPAC, Department for Monitoring & Evaluation, Expert associate	Overall
W 16 May + M 4 June	Ms. Nermina Saracevic	DEI, Division of EU Assistance Coordination, Council of Ministers, Expert advisor	Social
	<b>State level</b>		
W 6 + Th 14 June	Ms. Dragana Vujanovic	MoCA	Education
Th 14 June	Ms. Vesna Puratić	MoCA	Education, VET
Fr 8 June	Ms. Dr Draženka Malićbegović	MoCA, Department for Health, Assistant Minister	Health
Fr 8 June	Mr. Dalibor Pejović	MoCA, Head of Department for Health	Health
W 16 May + W 6 + F 8 June	Ms. Snježana Brčkalo	MoCA, Department for Health, Senior expert associate for projects	Health

Date	Name	Organisation & position	Topic
Tu 12 June	Ms. Šeherzada Hadžidedić	Agency for Medicines and Medical Devices of BiH, Deputy Director	Health
Tu 12 June	Ms. Margarita Melendro	Agency for Medicines and Medical Devices of BiH, Resident Twinning Advisor	Health
W 6 June	Ms. Dragiva Mandropa	Institute for Accreditation	Quality infrastructure
W 16 May	Ismet Buratagić	Institute for Accreditation (BATA), BiH, senior official	Quality infrastructure
W 16 May + W 6 June	Šejla Ališić	Institute for Metrology (was SPO before)	Quality infrastructure
W 16 May + Tu 5 June	Azra Ibrahimagić	Institute for Metrology BiH	Quality infrastructure
W 6 June	Mr. Tihomir Anđelić	Institute for Standardisation	Quality infrastructure
W 16 May	Jasmina Ljubunčić	Institute for Standardisation, Standardisation Department, expert	Quality infrastructure
W 16 May + W 6 June	Edin Čerimagić	Market surveillance Agency of BiH	Quality infrastructure
W 6 June	Ms. Azra Tabakovic Kedic	Market surveillance Agency of BiH, SPO	Quality infrastructure
W 6 June	Mr. Zoran Bilbija	MOFTER	Quality infrastructure
W 16 May	Radenko Čvoro	MOFTER, Ministry of Foreign Trade and Economic Relations of BiH	Quality infrastructure
Th 7 June	Mr. Damir Dizdarevic	MoCA	Social & Employment
W 16 May, Th 7 June + W 6	Ms. Slavica Vucic	MoCA, Chief of Department for work and employment, Sector for work, employment, social protection and pensions (swesp)	Social & Employment
Th 7 June	Ms. Lidija Markota	MoCA, Chief of Section for Social Protection and Pensions	Social protection
Th 7 June	Mr. Ermin Terko	MoCA, Section for Social Protection and Pensions, Senior officer	Social protection
Th 7 June	Ms. Dunja Šmitran	MOCA, SPIS expert	Social protection
W 16 May + W 6 June	Ms. Radojka Tesnovic	MoCA, expert associate for monitoring projects, swesp	Social & Employment
Th 14 June	Mr. Sinisa Veselinovic	Agency for Labour and Employment of BiH	Employment
Th 14 June	Mr. Edis Basic	Agency for Labour and Employment of BiH	Employment
Fr 8 June	Ms. Melisa Gazdic	EPRD, managing employment projects	Employment
M 4 June	Mrs. Saliha Džuderija	MHRR, Division of Human Rights, Assistant Minister	Social protection
M 4 June	Mr. Adnan Jasika	MHRR	Social protection
M 4 June	Mirza Puzic	MHRR	Social protection
Tu 5 June	Ms. Bente Dyrberg	Agency for Statistics of BiH (BHAS), Resident twinning advisor	Statistics
W 6 June	Ms. Ivana Mutavdzic	Agency for Statistics	Statistics
Th 17 May	Jasna Samardzic	Agency for Statistics, Department for international, Head of Department and project manager	Statistics

Date	Name	Organisation & position	Topic
Th 17 May	Selveta Hot	Agency for Statistics, Department for international	Statistics
W 6 June	Ms. Zibija Hozic	?	?
Tu 5 June	Ms Bente Dryberg	RTA, Statistics	Statistics
Mo 4 June	Mr Vladimir Ludvik	TL, Accreditation	Quality Infrastructure
<b>Federation BiH</b>			
Th 14 June	Haris Abaspahic	IPA coordinator for FBiH, Advisor to the Prime Minister, Office of the Prime Minister, Government of Federation of Bosnia and Herzegovina	Overall
Th 7 June	Mr. Dr Goran Čerkez, Assistant Minister	Federal Ministry of Health, Assistant Minister	Health
Th 7 June	Mr. Dr Aida Pilav, Assistant Minister	Federal Ministry of Health, Assistant Minister	Health
Th 14 June	Ms. Edmira Aščić, SPIS consultant	Ministry of labour and social policy FbiH, SPIS consultant	Social Protection
Th 14 June	Mr. Miroslav Mauhar, SPIS phase I and II	Ministry of labour and social policy FbiH, SPIS I & II	Social Protection
M 11 June	Mr. Hidajeta Bajramovic	Federal Institute for Statistics, Director	Statistics
M 11 June	Ms. Galiba Karacic	Federal Institute for Statistics	Statistics
F 15 June	Mr Zeljko Zovko	Federal Institute of Metrology	Quality Infrastructure
<b>Republika Srpska</b>			
W 13 June	Mr. Darko Telić, MSc	Department for European Integration, Ministry of Economic Relations and Regional Cooperation of RS, Head of Division for funds and Development Assistance of EU	Overall
W 13 June	Ms. Snežana Djordjević	Ministry of Education and Culture of RS	Education
W 13 June	Mr. Vlado Davidovic	Ministry of Education and Culture of RS	Education
W 13 June	Ms. Martina Tambur	Ministry of Health and Social protection of RS	Overall
W 13 June	Ms. Tatjana Gajic	Ministry of Health and Social protection of RS	SPIS
W 13 June	Ms. Jasminka	Ministry of Health and Social protection of RS	Health, PHI I
W 13 June	Mr. Alen Seranic	Ministry of Health and Social protection of RS	Health, PHI II
W 13 June	Mr. Nedeljko	Ministry of Health and Social protection of RS	Health, AR DRG
W 13 June	Ms. Vanda	Ministry of Health and Social protection of RS	Health, AMMD
W 13 June	Mr. Ljubo Lepir	Ministry of Health and Social protection of RS	Overall
W 13 June	Ms. Biljana Semiz	Ministry of Labour and Veterans of RS	Employment
W 13 June	Ms. Vladislava Tadic	Ministry of Labour and Veterans of RS	Employment
W 13 June	Mr. Cedo Kovacevic	Ministry of Labour and Veterans of RS	Employment
Tu 12 June	Mr Nikola Djukic	Institute for Standardisation and Metrology	Quality Infrastructure
W 13 June	Biljana Vuklisevic	RS Institute for Statistics	Statistics
W 13 June	Radmila Čičković	RS Institute for Statistics	Statistics
<b>Donors</b>			
W 6+Th 7 June	Ms. Florence Bauer	UNICEF	Social protection



Date	Name	Organisation & position	Topic
Th 7 June	Ms. Selma Kazic	UNICEF	Social protection
W 6 June	Ms. Catherine Constant	Embassy of France (dealing with IPA)	Overall
W 6 June	Mr. Libor Krkoska	EBRD	Overall
W 6 June	Ms. Azra Dzigal, Toribio de prado	Embassy of Spain	Overall
W 6 June	Mr. Slavonir Goga	Embassy of Czech Republic	Overall
W 6 June	Mr. Goran Tinjic	World Bank	Overall
W 6 June	Nedim Catovic	UNDP	Overall
W 6 June	Mr. Peter van Ruyseveldt	UNDP	Overall
W 6 June	Ms. Amira Omanovic	Embassy of Austria	Overall
W 6 June	Mr. David Brozina	Embassy of Slovenia	Overall
W 6 June	Mr. Pelle Persson	Embassy of Sweden	Overall
W 6 June	Ms. Mariam Naqvi	Embassy of Norway	Overall
W 6 June	Ms. Ellen van Reesch	Embassy of the Netherlands	Overall
W 6 June	Ms. Christiane Heinze	Embassy of Germany	Overall
W 6 June	Anne Macleod	Embassy of the United Kingdom	Overall
W 6 June	Ms. Ana maria david	Embassy of Romania	Overall
W 6 June	Ms. Aler Grubbs	USAID	Overall
W 6 June	Ms. Elma Jusic	USAID	Overall

## Annex 4 Sectoral Analysis

### *Introduction to Sectoral Assessment*

The sectoral assessment of impact is based around an evaluation matrix covering the constituent elements of the sectors and sub sectors, Accreditation, Metrology, Standardisation, Market Surveillance, Statistics, Education, Social Protection and Health. The baseline for the matrix - the objectives for the sectors – was defined from the European Partnership (EP) and the MIPDs at the time of programming the IPA 2007-09 in 2005-06. The situation at the time of programming was defined from the associated Progress Reports (PRs). The third column of the matrix consists of indicators of progress expected in the medium term – ie by 2010 or 2011 - taken from the medium term objectives of the 2005/06 EP and elaborated from other information in programming documents.

For the purpose of identifying and assessing sectoral change, information on the current state of each of sectors and sub sectors was derived by reviewing the most recent Progress Reports, Sector Strategies, Sector Studies, Discussion papers and other sources and was complemented by interviews with key sectoral stakeholders. Administrative reform impact has been assessed by its contributory components, divided into Institutional Structures; Human Resources and Systems and Tools.

### Quality infrastructure (QI) sector analysis

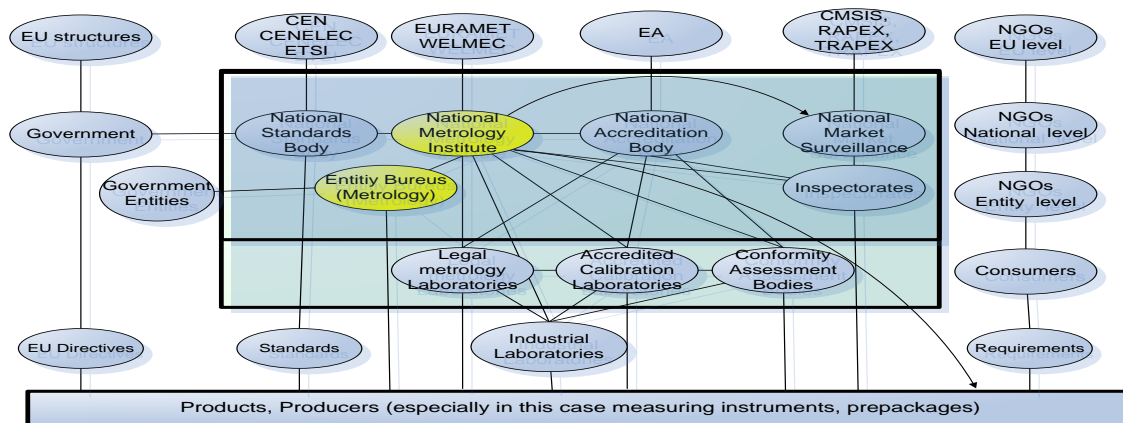
#### *Structure of the quality infrastructure sector*

Quality infrastructure (QI) covers five main components: Metrology, Standardisation, Accreditation and Certification and Testing. Consumer Protection is not included in IPA financing in BiH. State level institutions operate directly under the Council of Ministers and have a primarily co-ordination and international collaborative role. Entity level institutions, where they exist, have operational authority in line with the constitutional structure of the country. The main institutional framework is:

- **Metrology:** Institute of Metrology of BiH (IMBIH) – state level, Entity Bureau of Metrology of the Federation of BiH, Republic Bureau of Standardisation and Metrology of the Republic of Srpska;
- **Standardisation:** Institute for Standardisation of BiH (BAS) – state level, Republic Bureau of Standardisation and Metrology of the Republic of Srpska;
- **Accreditation:** Institute for Accreditation of BiH (BATA) – state level;
- **Market surveillance:** Market Surveillance Agency of BiH (MSA)- state level.

**The Ministry of Foreign Trade and Economic Relations of BiH (MOFTER)** is responsible for legislation harmonization throughout the sector. The relations between the main actors are as follows:

Figure 0.4 Relations in quality infrastructure sector in BiH and its international interlocutors



**Table 0.5 Evaluation Matrix for the sector: Quality infrastructure (covering: metrology, accreditation, Standardisation and market surveillance)**

2006/2007 European Partnership Objectives (actual)	Baseline in 2007 (defined from Progress Report 2006 and other.)	Indicators of progress by 2010/11 (defined from EP Objectives, MIPDs, SAA)	Achievement of progress	Contribution of IPA		
				None	Some	High
Continue the alignment of legislation in the areas of <b>standards, certification, metrology, accreditation and conformity assessment</b> with the acquis, and the transposition of new and global approach and old approach directives.  Establish certification bodies for the quality system and staff	No significant progress on conformity assessment and market surveillance, still largely based on mandatory standards and pre-market control.	Legislation underpinning conformity assessment is in force along with an appropriate state and entity level institution to provide authorizations.	Accreditation legislation is in place with BATA providing training and accreditation of CABs Relatively little progress has been made in transposing technical regulations despite substantial EU intervention			X
	Limited progress with technical regulations transposing the old and new approach directives into national legislation.  The Institute of Metrology has started to prepare a strategy for the development of the sector.  Institutional capacities for transposition of regulations in this area are only being built.	Locally manufactured products and imported products are authorized before being released onto the local markets  The Strategy should be in place  The legal framework for metrology accreditation and certification is in line with EU standards and best practices and is being implemented.	A draft Strategy was prepared but will not be approved  Draft primary and secondary legislation has been prepared but not yet passed		X	
Make further progress in <b>adopting European standards</b> and speed up efforts to become a full member of the European Committee for Standardisation, of the European Committee for Electro-technical Standardisation and the European Telecommunications Standards Institute.	The Institute for <b>Accreditation</b> is working in accordance with the EN and ISO/IEC series of standards and guidelines of the European cooperation for Accreditation.	The institutional, technical and professional capacity of the quality infrastructure institutions is improved.	Capacity of all institutions has been enhanced through training, but legislative and equipment are lacking			X
	Principle of voluntary standardisation is applied and the standards of the European standardisation organisations adopted. 6028 EN had been adopted by end 2005	BAS represents the country at CEN, CENELEC and ETSI as full member.	BAS is essentially ready for membership			X
	BAS is a partner to the CEN, affiliate of the CENELEC and full member of the ETSI but this may change with implementation of 2004 legislation dividing the institution.  Lack of human resources underpinning the capacity of the Institute	All EN standards are adopted  Human resources are significantly improved.	70% of EN standards are adopted  BAS functions as expected		X	
Establish a <b>market surveillance system</b> compliant with European standards	The Market Surveillance Agency is established, but not functional. The system is still largely based on mandatory standards and pre-market control. Capacity guaranteeing the safety and compliance of technical products in accordance with EU market surveillance good practice is not developed.	Product legislation is transposed.	Horizontal product safety legislation transposed. No progress on individual New Approach Directives			X
		BiH Accreditation Institute signed multi lateral agreement with the European Co-operation for Accreditation.	ECA MLA pre approval completed successfully			X
		MSA operational	MSA operational but still largely based on pre-market control.			X

Source: European Partnership and European Progress Reports for Bosnia and Herzegovina, SAA and MIPDs

## Overview of the situation and the achieved progress in the quality infrastructure sector

An overview of the current situation and progress achieved in the main four components of QI is provided below, with an analysis of the assessment categories of institutional structures; human resource development and systems and tools. Contributions from other donors to changes observed are also included.

### Metrology

#### *Progress and developments in the institutional structures*

Metrology is the main part of QI as the establishment and maintenance of national standards is the precondition for further realization of the other elements - Standardisation, testing, conformity assessment, certification, accreditation and market surveillance.

The current institutional structure of the metrology system of BiH consists of:

- The Institute of Metrology of Bosnia and Herzegovina (IMBIH), an institution established at state level under the Council of Ministers;
- Nominated metrological Laboratories and Bodies; (e.g. verification laboratories);
- The Entity Institutes of Metrology: Institute of Metrology of Federation BiH and Republic Institute of Standardisation and Metrology of Republic of Srpska;
- Conformity assessment bodies for measuring instruments;
- Calibration and testing laboratories.

There is a common understanding between entity and state institutions about the relevance of a distributed metrological system of laboratories for the country, but the process of implementation is disputed.

Since the Institute for Standardisation (BAS) and national accreditation service (BATA) both operate under the responsibility of the Council of Ministers of Bosnia and Herzegovina, they are also members of the Metrology Council. They also have their own councils.

The legislative base consists of three laws introduced in 2001 and 2004<sup>17</sup>. As with other parts of the BiH national legislative structure, the national metrology system has laws on both the state and entity levels that need to be in harmony. However, discrepancies in the legislative base of the metrology system (i.e. the entity legislation not being harmonized with state legislation, or the different interpretation of legislation by state and entity institutions) represent obstacles for further progress in this QI component.

According to the new draft Law on Metrology developed under IPA 2007 assistance, IMBIH is responsible for the distributed system of the National (and reference) standards and this is reflected in the current organisational structure of the Institute.<sup>18</sup> The IMBIH is implementing a geographically distributed metrology system which consists of its own laboratories as well as allowing other institutions to maintain national standards owned by the Institute. The development strategy for the metrology system and the new draft Law on metrology remain to be adopted and face substantial opposition from the entities.

Cooperation between other infrastructure institutions of Bosnia and Herzegovina (MOFTER, BATA, BAS, MSA and entity level institutions) is gradually being strengthened, but collaboration between

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<sup>17</sup> The Law of Metrology of Bosnia and Herzegovina (2001), The Law of Measurement Units of Bosnia and Herzegovina (2001) & The Law of Establishment of the Institute of Metrology of Bosnia and Herzegovina (2004)

<sup>18</sup> A detailed regulation is still needed on the national standards, for the purpose of which the establishment of the database of national and reference standards is essential.

the IMBIH and the metrology institutes of the Entities that would help to create harmonized competence criteria for laboratories dealing with verification is still very poor.<sup>19</sup>

Further issues affecting the metrology sector include:

- available national overview of the metrology system is limited and based on IMBIH and existing accredited and authorised laboratories;
- the distributed system of the national measurement system is not well developed and therefore not fully operational;
- there are no national measurement standards (no decision issued so far);
- traceability is available only in a few areas within BiH.

The “*Strategic Plan of the National Metrology System of Bosnia and Herzegovina for the period of 2010 to 2015*”, developed by external advisors and further elaborated in the framework of the IPA 2007 assistance created a vision of the development of a distributed metrology system in BiH. This would consist of laboratories of the Institute distributed geographically in BiH along with laboratories in the properties of other legal subjects with option to maintain state measurement standards owned by the Institute. However, because of the lack of support from the entities it has not been approved and appears unlikely to be approved in its current state.

The new draft Law on Metrology of Bosnia and Herzegovina is intended to replace the three previous laws as well as creating eight implementing regulations and is harmonized with the *acquis* and European best practice in metrology. As with the Strategy, the draft Law has been specifically rejected by the entities as they feel that it increases the role of the IMBIH beyond the constitutionally defined role of a state level institution. Whilst it has been proposed for discussion at the Metrology Council (which has only a consultative role), it appears extremely unlikely that it will be successfully passed into law. Due to the uncertainty as to when the new law will be adopted, the eight by-laws for the metrology component were revised by IMBIH to be based on the existing Law on Metrology of BiH.<sup>20</sup> Two draft regulations have been prepared based on the existing legislation for the precious metals field to be adopted on the entity level.<sup>21</sup> One of the issues in the legislative domain which is slowing down progress under this QI component stems from the fact that some legal metrology activities, in particular verification (except initial verification) and precious metal activities, are the legal responsibility of the entity level.

Co-operation with other QI institutions in neighbouring countries has been achieved through several recent and on-going projects. A bilateral project supported by the Government of the Republic of Slovenia was implemented in 2009 and 2010 aiming at the establishment of a number of laboratories (national standards for pressure (including vacuum) as well as laboratories for electrical quantities and time and frequency; testing of electromagnetic compatibility and of electricity meters. Further assistance was planned but not implemented due to the broader economic downturn affecting bilateral assistance in Slovenia, although operational collaboration continues.

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<sup>19</sup> According to the state law, entity institutions have to have calibrated instruments, and to fulfill all other requirements necessary to be nominated by IMBIH for their work in a specific field of metrology. Since this still does not appear to be the case (especially in the Federation which has very little equipment), this is one of the issues which will need particular attention in the forthcoming period and will need to be solved jointly with the entity institutions.

<sup>20</sup> IMBIH prepared drafts of the following regulations: Draft Regulation on National Measurement Standards; Draft Regulation on nomination of metrology laboratories; Draft Regulation on metrological supervision on measuring instruments and verification periods; Draft Regulation on Manner of Payment and Tariffs for Services Provided by the IMBIH; Draft Regulation on types and shapes of the verification marks and seals and on the content of verification certificate and the Draft Regulation on type examination and type approval.

<sup>21</sup> Draft Regulation on technical requirements for precious metals and the Draft Regulation on seals for conformity assessment of precious metals' products, both prepared by IMBIH.

In June 2011 IMBIH became an associate of BIPM<sup>22</sup>, the international organisation responsible for scientific metrology and a signatory of CIPM MRA (Mutual Recognition Agreement) enabling it to become an internationally approved and reliable part of metrology in the global community. In May 2011, BiH became an Associate of CGPM (General Conference of Weights and Measures International and diplomatic level) and has been granted full membership of the European Association of National Metrology Institutes (EURAMET).

#### *Development of human resources*

The main state level institution in the metrology component - IMBIH - remains understaffed due to budgetary constraints, although with highly qualified personnel<sup>23</sup> who have gained substantial recent experience in the EU approaches to metrology from IPA assistance and other international collaboration efforts. On the whole, IMBIH has general competence on the state level, particularly in scientific metrology. Even though experience and expertise in some metrology fields evidently exists, the number of the measurement standards and the experienced staff are still not sufficient and some organisational and performance weaknesses still prevail. This is because, firstly, the entity institutions are defined in the legal metrology system of the country but do not have a clear role according to the state law. Their activities are consequently not well supported by the IMBIH in the sense of metrological knowledge transfer. Secondly, the separation of the tasks of metrology inspection of measuring instruments is not clearly achieved between the institutions.

Nevertheless, central capacity building continues where possible.<sup>24</sup> IPA 2008 assistance<sup>25</sup> - along with other activities, enabled the upgrading of capacity through training and the realization of projects (seminars, study visits). The TAIEX instrument (Technical Assistance and Information Exchange - Unit of DG Enlargement) has also proved to be useful in providing short courses. Cooperation in with EURAMET has included numerous training, knowledge transfer and inter-comparison tests and other activities.

#### *Establishment of systems and tools*

At the end of 2010 IMBIH began the reconstruction of the laboratories which will be holders of the national measurement standards<sup>26</sup>. Further reconstruction and expansion in 2011 was curtailed due to budget restrictions.

In 2011 IMBIH completed the preparation of the laboratory quality management system in compliance with the requirements of ISO 9001:2008 and ISO/IEC 17025:2005 for the competence of testing and calibration laboratories. Currently requirements of the latter standard are fully implemented in the Laboratory for Mass, with the other laboratories in preparation.

The investment components of IPA 2007 and 2008 assistance represent the major external source of investment in metrology, along with the Slovenian contribution. The IPA projects were merged and tendered together based on specifications provided by the IPA 2007 project. Approximately half the equipment was contracted in July 2011 with the remainder retendered and expected to be contracted in July 2012. All equipped laboratories will be holders of specific national measurement standards located within IMBIH, and some will be a part of the distributed system.

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<sup>22</sup> (Bureau International des Poids et Mesures/ International Bureau of Weights and Measures)

<sup>23</sup> 34 out of the total of 53 civil servants have a university degree. There are 72 posts approved.

<sup>24</sup> For example, 2008 five IMBIH experts received Technical Assessors Certificate for EN ISO/IEC 17025 and EN ISO/IEC 17020 after completing the Training for Technical Assessor In the Accreditation Body BMWA in Vienna. IMBIH employees participated in training organized by Norwegian Accreditation for assessors in the field of calibration and testing according to standard EN ISO/IEC 17025. Some staff are members of technical committees established by the BATA.

<sup>25</sup> IPA 2008 Regional Quality Infrastructure in the Western Balkans and Turkey,

<sup>26</sup> IMBIH has currently 350 square meters of laboratory space in its possession which is properly equipped according to specific requirements for laboratories. It also rented 1100 square meters for offices and laboratories, archive, warehouses and now IMBIH is located on two nearby locations

In 2011 IMBIH equipped laboratories for a number of metrology areas<sup>27</sup> and further developed the capabilities of existing laboratories of mass, precious metals and reference materials, pressure and vacuum. Further procurement for Laboratory for Mass was realized in spring of 2011 through the IPA 2007 project.<sup>28</sup> The other established laboratories were also equipped through either IPA assistance or the bilateral project with Republic of Slovenia. IMBH is currently in the process of developing their procedures and performance in order to provide dissemination of the standards to other clients in BiH.

Currently in BiH there is no primary realization of any measurement unit. Measurement standards are at the secondary level and their traceability is achieved through other national metrology institutes, which have higher levels of measurement standards. The other auxiliary equipment ensures traceability through accredited laboratories, accredited by the Accreditation Body signatory of EA MLA. IMBIH actively participates in EURAMET projects and inter-comparisons.

Although there has been progress in creating the systems and tools for metrology, issues remain including the lack of equipment and specific expertise to operate it and the limited space for laboratories and offices for the National Measurement Standard, as well as gaps in calibration and conformity assessment services. The number of calibration laboratories is still insufficient, and, this is reflected in the low number of conformity assessment bodies for measuring instruments available for accreditation, conformity assessment based on EU directives is not applicable yet.

Along with being equipped through IPA funds the metrology sub-sector has also benefitted from equipment donations of the Republic of Slovenia to a value of M€1.100. With this equipment and measurement standards IMBIH realised units for five out of seven basic quantities and their SI units,<sup>29</sup> the unit for pressure and equipping of the laboratory for pressure and vacuum. On the whole, 10 laboratories of IMBIH (and associated private laboratories as part of the distributed metrology system) have been equipped by these sources – implying a substantial contribution to progress. However, financing the completed distributed metrology system of laboratories is estimated by the IMBIH in their draft strategy at three times their current budget. With no clear alternative to the already reduced government subsidy, it is unlikely that there will be any further substantial developments of the system in the near future.

#### *Other donors*

As noted above, the main other donor to metrology has been the **Republic of Slovenia** in 2009 (*Establishment of Laboratory for Pressure and Vacuum and establishment of electrical laboratories*) which included significant activities related to transfer of knowledge. Although now weaker due to resource limitations, bilateral relations between the IMBIH and the Metrology Institute of Slovenia have been strong in recent years and underpinned the development of the distributed metrology concept in BiH.

## **Standardisation**

### *Progress and developments in the institutional structures*

The standardisation component of QI in BiH consists of the state level Institute for Standardisation of BiH (BAS) and the Institute for Standardisation and Metrology of Republika Srpska. On the level of the Federation of BiH there is no institution specifically engaged in Standardisation. The BAS

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<sup>27</sup> The areas were the following: volume of water, temperature, length, time and frequency, electrical quantities, hardness, humidity, heat, density, viscosity, flow rate of air and other gases, a system for measuring volume and flow of liquids other than water.

<sup>28</sup> related to "E0" 1kg weights (two pieces) with traceability to LNE, new comparator up to 1 kg with better resolution, additional probes and additional measurement standards.

<sup>29</sup> The five quantities are: mass, length, temperature, time and electrical quantity.



became a self-sustained institution in 2007 and is under the responsibility of the Council of Ministers of BiH, with one of its main strategic goals being the promotion and development of BiH Standardisation to achieve the conditions for full membership of the International and European standards organizations.

The BAS adopted a further 2,695 European standards (ENs) as national standards, bringing the total to 12,306 ENs or approximately 70% of the total. The BAS performed the first annual check of its quality management system. However, a comprehensive strategy and an action plan for becoming a full member of the European Committee for Standardisation (CEN) and the European Committee for Electro-technical Standardisation (CENELEC) remain pending.<sup>30</sup>

BAS has been involved in the work of Expert Teams for the transposition of the new approach directives. So far, the following Directives have been adopted: **Personal Protective Equipment** (“Official Gazette of BiH” No. 75/10); **Safety of lifts** (“Official Gazette of BiH” No. 44/10); **Electromagnetic compatibility** (“Official Gazette of BiH” No. 44/10); **Safety of machinery** (“Official Gazette of BiH” No. 04/10); **Equipment under pressure** (“Official Gazette of BiH” No. 52/11).

The main progress so far achieved in standardisation includes:

- BAS represents the country in European standardisation organisations and it is a full member of ETSI (since 1997), is an affiliate to CEN (since 2008) and to CENELEC (since 1999);
- all harmonized EN standards are adopted (Standards which are related to New Approach Directives);
- BAS adopted approximately 70% of all European standards so far;
- BAS has Co-operation Agreements with standardisation bodies of Germany (DIN), Austria (ASI) and Great Britain (BSI), as well as with countries in the region: Croatia, Serbia, Macedonia, Albania, Monte Negro and Turkey.

The elaborated *Strategy for the Development of the Institute for Standardisation for the period 2007-2015* paves the way for further achieving progress in line with the long term objectives as defined in EP, MIPDs and SAA. However, it is a short, basic document and has not been formally adopted.

The Institute's cooperation with Public Authorities in BiH (on the state and entity levels) is well developed, which is important to develop and sustain the Enquiry and Contact Points that will be established by the current IPA twinning project.

#### *Development of human resources*

The level of human resources has been enhanced in the BAS, both through the recruitment of additional staff and training from IPA assistance. Among others, BAS was certified in accordance with the EN ISO 9001:2009 standard. BAS considers that it has sufficient technical staff and the Institute is fully operational. It has employed key personnel for standardisation work, with emphasis on IT personnel for the maintenance of the National Enquiry Point and distribution system for the sale of standards. Technical staff has been trained in areas of international and European Standardisation through numerous seminars, workshops and e-learning courses<sup>31</sup> and education is continuous.

<sup>30</sup> The Institute became Affiliate member of CEN-CENELEC in the beginning of 2008. It cannot apply for full membership until BiH becomes a candidate country but the BAS consider that they are compliant with the nine membership criteria.

<sup>31</sup> Primarily through the ongoing IPA assistance as well as in earlier 2007 Quality Infrastructure assistance.

### *Establishment of systems and tools*

BAS is well equipped with IT, both hardware and software. Equipment has been provided substantially from their own resources and they will further expand these systems from their M€0.300 contribution to the investment element of the ongoing IPA 2009 project<sup>32</sup>. In 2010 they had an Agreement on technical cooperation with UNDP, in the framework of which IT and other office equipment was provided.<sup>33</sup> With the impending procurement of the additional equipment, the BAS expects to have sufficient IT infrastructure to both operate the standards database system and equip workstations within host institutions of the Enquiry and Contact Points. BAS implemented, documented, applied and is maintaining Quality Management System according to the standard BAS EN ISO 9001 (since 2009).

### *Other donors*

**UNDP** provided technical co-operation, including computer/office equipment

### **Market surveillance**

#### *Progress and developments in the institutional structures*

The market surveillance system in BiH consists of:

- The Market Surveillance Agency (MSA) of Bosnia and Herzegovina, which is a state level institution responsible for coordination of surveillance activities, international cooperation, information exchange and development of inspection plans;
- Inspection and other administration authorities of the Federation of BiH, Republika Srpska and Brčko District, which are authorized, by specific laws and regulations, to carry out inspection and other duties relating to control of the safety of products placed on the market in BiH.

The MSA was established in 2006 and focuses on product safety. The inspectorates are established at the Entity level and undertake a wide range of inspections, including many outside of the remit of the MSA (including, for example, food safety). The agency is in charge of ensuring a systematic, harmonized and efficient market surveillance system in BiH and one of its main objectives is the developing of trans-national and international cooperation in the area of market surveillance, including integration of BiH into institutional and administrative structures of international cooperation.

The horizontal acquis on product safety has been transposed through the adoption of the *Law on General Product Safety*. A *Law Amending the Law on Market Surveillance* as well as *Implementing Decisions Restricting the Placing on the Market of Products Containing the Biocide Dimethylfumurate* were adopted.<sup>34</sup> However plans to adopt eleven New Approach Directives (NADs) under recently completed IPA assistance were not successful due to the lack of willingness of the entities to collaborate with state level institutions where they feel implementation responsibility should remain at the entity level.

The *Market Surveillance Strategy for Non-Food Consumer Products in Bosnia and Herzegovina for 2011-2015* was also adopted and is in its implementation phase<sup>35</sup>. This document is the first Strategy of Market Surveillance in the country, supported by the IPA 2007 assistance but substantially completed by the beneficiary. It is also the only national strategy to be successfully adopted in QI, due in part because the entity levels were included in its development and because the specific functions of the MSA are in line with the constitutional role of state level institutions. The

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<sup>32</sup> BAS purchased IT equipment for all departments and expanded the capacity of the servers.

<sup>33</sup> Including a colour photocopier, 3 GB network set-up and back-up system.

<sup>34</sup> including other relevant instructions and decisions on product safety (magnetic toys).

<sup>35</sup> "Official Gazette of BiH", no. 94/11.

MSA also holds an important co-ordination and information disseminating role that the inspectorates cannot perform, including the translation of regulations and other information into local languages. With the aim of implementing the Strategy, an Action plan is due to be designed with the support of the IPA 2009 twinning project that will start later in 2012. All nine short term strategic goals set in the Strategy (seven covering obligations of the MSA, a new rulebook<sup>36</sup> and systematisation of work) as well as the Dynamic Realisation Plan were implemented by MSA in 2011.

The Agency initiated the transposition of Regulation 765/08 into BiH legislation<sup>37</sup> with further activities on transposition being undertaken by MoFTER with TAIEX assistance. The expert workgroup produced the draft version of the above mentioned *Law on Market Surveillance in BiH* in May 2012.

A Coordination Board for the Implementation of the Strategy was established and includes representatives of the Agency and market inspectorates of the entities and Brčko District. The *BiH Annual Surveillance Plan for 2012*, which includes eleven surveillance projects as well as the auxiliary documents, was also prepared and agreed with inspectorates. Furthermore, a list of all New Approach Directives, which are not under the competences of the Agency, was defined and submitted to competent BiH bodies.

Cooperation and coordination between all actors in the market surveillance system in BiH has been improved and strengthened. In cooperation with inspection authorities of entities and the Brčko District, the MSA initiated and coordinated proactive and reactive market surveillance activities<sup>38</sup>, the results of which are expected to contribute to achieving further progress in this QI component. However, the market surveillance system still remains largely based on mandatory standards and pre-market control. Further, framework legislation is not based on the horizontal *acquis* for harmonized products. Thus, along with some visible achievements, the framework for non-harmonized products requires further improvement.

#### *Development of human resources*

The MS Agency is operational and has continuously been increasing staff since 2007, resulting in the current number of 19 employed. Inspectors at the entity level however are still insufficient as they have had little training in the application of the New Approach Directives and other product safety regulations. Little progress was made implementing the 'New and Global Approach' *acquis*. Although the Directives on non-automatic weighing instruments and pressure equipment were transposed, line ministries and institutions in charge of transposing and implementing directives do not have sufficient capacity to perform these tasks.

The Agency also participates in the work of the general assembly of PROSAFE<sup>39</sup> and appointed joint surveillance projects with EU member states and work of three Administrative Co-operative Groups under DG Enterprise and Industry - in the capacity of observer - which contributed to capacity building and professional improvement.

The support of other donors has also been relevant, particularly in the framework of IFC's three year International Technical Standards and Regulations (ITSR) Programme which started in 2006, financed by the Royal Norwegian Ministry of Foreign Affairs, focused on building awareness among companies about International technical standards and regulations and providing both companies

<sup>36</sup> The Rulebook was sent to CoM BiH for adoption on April 19th 2011.

<sup>37</sup> An expert workgroup was formed, which decided to transpose this Regulation through the Law on Market Surveillance in BiH.

<sup>38</sup> In 2011, five joint surveillance projects were realized as well as 13 cases of reactive surveillance.

<sup>39</sup> Product Safety Enforcement Force of Europe, organisation founded by European Market surveillance authorities.

and local business service providers with a range of topical training and consulting services relevant to specific industries. The ITSR programme aimed to introduce technical standards among companies operating in four targeted sectors in Bosnia and Herzegovina, namely: Food processing/Retail, Construction Materials, General Manufacturing and IT (software companies).

#### *Establishment of systems and tools*

A proposal for the IT equipment for networking of the Agency and the inspectorates has been prepared. The Inspection Management System (IMS), including adequate hardware and software for carrying out inspection surveillance, in accordance with the currently applicable regulations, is operational in the Inspectorate of Republika Srpska, while the informational system in the Inspectorates of Federation and Brčko District are currently being established. Despite the achievements made, the lack of basic on-site equipment for inspection of safety characteristics of products is notable, as well as insufficient laboratory capacity for product safety testing (including a lack of adequate testing equipment, inappropriate testing methods and insufficient number of accredited laboratories).

#### *Other donors*

**Norwegian** support to the IFC's ITSR Programme

#### **Accreditation**

##### *Progress and developments in the institutional structure of the sector*

The structure of the accreditation system in Bosnia and Herzegovina consists of an autonomous state level Accreditation Agency of BiH (BATA) under the Council of Ministers and 39 accredited conformity assessment bodies (CABs), mostly laboratories.

BATA was established in 2001. In June 2009 it became an associated member of the International Laboratory Accreditation Cooperation (ILAC) and in March 2010 it applied for the status of an EA-MLA signatory. Final pre-acceptance reviews were made in June 2012 and the Agency is expected to become a full signatory in 2013. With international acceptance of the certificates of its accredited CABs, BATA promotes trade and protects consumers and the environment and contributes to the development of technical competence

Although BATA has been substantially strengthened and its capacity to provide training and accreditations services has been enhanced, only limited progress can be observed related to policy support in recent years. The technical regulations in force in BiH are still weak and the international measurement standards are not internationally recognized. The lack of technical regulations on conformity assessment procedures and nomination of conformity assessment bodies for official control of compliance with technical regulations in line with current international rules remains thus as one of the main obstacles for a successful accreditation process.

The role of accreditation in authorising conformity assessment bodies at both State and Entity levels also need further consideration and a clear policy. There are in addition insufficient numbers of potential CABs available in the country.

##### *Development of human resources*

BATA still does not have sufficient staff to develop accreditation schemes in areas where it is not active. However, the IPA 2009 assistance is expected to build further on the training and training infrastructure established under earlier 2007 IPA to increase the number of accreditation schemes available in the country. One risk to the capacity building is the small number of CABs and their concentration in the laboratory sector and therefore the limited amount of practical experience that can be gained by assessors. BATA retains its own rented training premises.

Donor support in this segment included the framework of the SIDA/SWEDAC<sup>40</sup> project *Regulatory Infrastructure Development for Food Safety and Quality in Southeast Europe*, which supported establishing a common platform for regional co-operation in the field of food safety and trade in food and foodstuffs. The project supported BATA staff training in the area of food and was linked to the IPA 2007 support. Other substantial assistance from Norway and implemented by the Norwegian Accreditation body led to an improved accreditation system in the field of calibration laboratories; other laboratories as well as inspectorates. New assessors were trained, and basic theoretical knowledge gained in new fields of accreditation (Medicinal laboratories). The assistance was implemented in 2009 and 2011 and was complementary to assistance received through IPA.

#### *Establishment of systems and tools*

BATA's Information system was initially established by their own resources but has been reviewed and upgraded under the scope of IPA 2007 assistance. This included the updating of the Agency's website. The revised system is considered to be sufficient to meet the needs of the institution.

#### *Other donors*

**Norway** has been a significant donor supporting the establishment of certification services primarily in the oil industry where it has bilateral economic interests.

## Statistics sector analysis

### Structure of the statistics sector

The core statistical system of Bosnia and Herzegovina was constituted by establishing the Agency for Statistics of BiH (BHAS) at the end of 1998. The statistical system consists of:

- the state level Agency for Statistics of BiH;
- two entity level institutions (the Institute of Statistics of the Federation of Bosnia and Herzegovina (FIS) and the Institute of Statistics of the Republika Srpska (RSIS)).

The BHAS has the responsibility for providing statistics at the level of the state of Bosnia and Herzegovina, with the exception of the finance sector statistics, which are the responsibility of the Central Bank of BiH. It also has the role of coordinator and official proponent and negotiator for all projects.

On the basis of the Law on Statistics of BiH, the Statistical council of BiH is established as the advisory body regarding issues on the functioning and further development of statistics in BiH.

The statistical research in the Federation of BiH is conducted by the Cantonal departments and offices located in the headquarters of all ten Cantons, which collect, control and provide data to the respective departments at the main headquarters in Sarajevo. In the Republika Srpska, the Institute has six regional units which carry out the organisational preparation and conduct of statistical surveys in the area of their responsibility. Provision of data to the BiH Agency for Statistics is legally binding for both entity institutes for statistics. The Statistical Bureau of Brčko District operates as a branch office of the BHAS.

The existing statistical system reflects the complex institutional structure of the country. Each of the three independent institutions has its own legal framework within which it has to operate.

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<sup>40</sup> Swedish National Food Administration

IPA assistance to the statistics sector

Table 0.6 Analysis of the Statistics sector

2006/2007 EP Objectives (actual)	Baseline in 2007 (defined from Progress Report 2006)	Indicators of progress by 2010/11 (defined from EP Objectives)	Achievement of progress	Contribution of IPA			
				None	Some	High	
Develop <b>reliable economic statistics</b> and build up institutional capacity to produce and publish basic statistical data harmonised with European standards, in particular in the areas of national accounts, agricultural, macroeconomic and business statistics, and social statistics, including education, labour and health statistics.	The statistical system in Bosnia and Herzegovina remains weak and Cooperation between the federal (BHAS) and the two Entity statistical institutes not improved.	Clear evidence of strong inter institutional collaboration at both political and operational levels	Data collection is improved and whilst the three institutes co-operate on a practical level, real collaboration remains weak. All institutions have accepted the European Statistics Code of Practice.		X		
	No calculation of GDP at constant prices and quarterly accounts do not exist.	GDP calculated at constant prices and quarterly accounts created.	Quarterly accounts at the national level did not exist at the time of writing (published for the first time in 2013)		X		
	No state level statistics on transport, tourism and energy. Insufficient accuracy of external trade statistics.	State level statistics available on transport, energy and tourism. External trade statistics improved	New surveys planned for transport and tourism under current IPA assistance			X	
	Structural business statistics are still not based on business registers; almost no information available on state level on transport and tourism and progress in agriculture statistics is limited		Business statistics are produced to EU standards and directly feed into government policy decisions.	Lack of collaboration from the tax authorities impedes business statistics although the statistics business register is operational			X
			Extended Household Budget Survey completed and the results disseminated	Extended Household Budget Survey undertaken			X
	Human resource management and capacity is low.	Statistical Agency (-ies) well skilled and staffed.	All agencies remain substantially understaffed and this compromises their capacity despite individual		X		

2006/2007 EP Objectives (actual)	Baseline in 2007 (defined from Progress Report 2006)	Indicators of progress by 2010/11 (defined from EP Objectives)	Achievement of progress	Contribution of IPA		
				None	Some	High
			competencies being considered good			
Carry out the <b>population census</b> .	A concept paper has been prepared by UNFRA but has not been finally agreed.	The new population and housing Census is completed and information is made available in analysed form.	The Census was delayed due to lack of political agreements but should now be undertaken in 2013. Some preparations have been made with the pilot due in late 2012			X

Source: European Partnership and European Progress Reports for Bosnia and Herzegovina, SAA and MIPDs

## Overview of the situation and achieved progress in the Statistics sector

### *Progress and developments in the institutional structures*

BHAS and the entity Institutes of Statistics have entirely accepted the European Statistics Code of Practice and most of the recommendations are embedded into their legislation and other documents. The process of integration of the statistical system into the European Statistical System is also proceeding with the goal of further integration and achieving of compatibility and comparison of data. Recommendations from Eurostat report on Global Assessment of Statistical System in BiH will form the basis for further development in the sector.

The cooperation between the three statistical institutions in BiH is underpinned by the Agreement on Application of Unified Methodologies and Unified Standards in Development of Statistical Data in BiH. However, despite visible progress, cooperation between the BHAS and the Entity institutes for statistics is still unsatisfactory. Inter institutional collaboration at the state level varies, with the Indirect Taxation Authority refusing to provide the BHAS with administrative data but better cooperation between BHAS and the State Electricity Regulatory Commission which resulted with an increased data coverage transmitted to Eurostat.

The implementation of EU assistance (both through the IPA and CARDS programmes) has proved to be an important cohesive factor for the statistical system, strengthening cooperation through regular gatherings and meetings of statisticians from all the three institutions. Operationally therefore, if not politically, collaboration between institutional structures has improved. Further improvement of institutional collaboration can be expected from the finalisation of the long term Development Strategy currently under preparation by IPA 2008 assistance as long as there is sufficient ownership by the national authorities.

Due to the absence of a Census Law, the census planned for 2011 did not take place and will now be undertaken in autumn of 2013 after a pilot in the autumn of 2012. Political agreement could not be reached on the use of the census results for the composition of public bodies. It has also been observed that neither the State-level Statistics Law nor the Agreement on cooperation and coordination in the area of statistics are being implemented correctly.

The institutional structures for implementation of the census have been substantially supported by IPA assistance, including the development of the Law on the Census, definition of systems and training needed to implement it. There are two currently ongoing IPA projects supporting the census and these are expected to contribute significantly to its implementation, leading to progress which had initially been foreseen to take place by 2011.

Even though some progress has been made, national accounts, business and agricultural statistics still remain to be improved. Only limited progress is visible in the area of macroeconomic statistics, in the framework of which the annual GDP estimates for 2010 were published. The RSIS has been fully implementing the multi-annual master plan for developing national accounts but the 2012 Regular Report notes that quarterly national accounts cannot be developed until the relevant short-term indicators are produced and the cooperation between all parties involved is in place.

Field work for the household budget survey started and the labour force survey was implemented in 2011, with preliminary data published. Preparations for the agricultural census are also continuing and a pilot agricultural census was conducted. Quarterly surveys are also being conducted on input prices in agriculture. The quality of short-term statistics, construction industry statistics and structural business statistics has improved and progress is also observed in energy statistics.

In regard to business statistics, the issue of the Statistical Business Register (SBR) is still unresolved. There are still some differences in interpretation and application of the Law on Statistics, especially in regard to unconditional submission of necessary data, mainly the specific set of individual data from the Institute for Statistics of Republika Srpska to the state level Agency. These differences in interpretation have resulted in the submission of only consolidated data on the number of employees and turnover for business entities. Progress in further development of Business Statistics is expected and, more specifically, the improvement and development of the Statistical Business Register (SBR) as well as the Development of the Structural Business Statistics (SBS).<sup>41</sup> However, the necessary detailed data is not shared. Individual data from the Statistical Business Register (SBR) is needed by the BHAS and regular data delivery on the micro level from the entities (FIS and RSIS) to BHAS is required – although this is disputed by the RSIS who consider the submission of partially consolidated data sufficient.

In foreign trade statistics monthly releases are processed and published according to NACE Rev 2 statistical classification of economic activities, which was finalized and the classification is being applied.

Finally, the classification of statistic regions in BiH has also been defined, in line with the EC NUTS methodology.<sup>42</sup>

#### *Development of human resources*

BHAS had a total of 192 working positions in December 2011, out of which 93 are occupied (or 48%). Seven employees are from the branch of the Brčko District, which is an integral part of the BHAS. Due to the temporary financing connected to the lack of a state level government in the period October 2010 to February 2012, the Agency did not fulfil the plan for employment of new staff in 2011, in accordance with the employment plan which was approved by the BiH Council of Ministers. Further employment is expected to be realised in 2012, enabling thus the implementation of EU and donor funded projects as well as the census of population, household and dwellings.

<sup>41</sup> However, it is to be noted that if the data needed for the production of reliable business statistics which are also one of the basis for the macro-economic statistics, are not delivered to BHAS, the project will not lead to the results that are expected.

<sup>42</sup> according to Regulation (EC) 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS).



Whether this will be completed in time or be sufficient for these substantial increased demands on the institution remains to be seen. Entity statistical institutions are also substantially under staffed with staff numbers to be reduced (to 179 from 264 and 120 from 144 respectively) and this situation is not expected to improve in the near term.

Participation in donor funded projects is considered by the main actors in the sector to offer the best opportunities for staff capacity building. It also offers an important cohesive factor for the BiH statistical system by financing the joint development and implementation of surveys. The EC has delivered a series of capacity building assistance to the three beneficiary institutions and improving the quality of statistics. The sufficiency of staff and ensuring the retention of qualified individuals remain significant threats to the effective exploitation of donor assistance, especially when considering the substantial ongoing demands on these individuals.

IPA 2007 and 2008 projects supporting the Population and Housing Census will contribute to the building of institutional capacity in all the statistical institutes as well as in a cadre of specifically recruited enumerators.

#### *Establishment of systems and tools.*

The statistical institutions are relatively well equipped with the IT hardware and software. In accordance with the IT Strategy the Agency for Statistics will create preconditions for establishing the WAN/VPN network between statistical institutions in the upcoming period.

Dissemination of statistical data has improved by way of the new BHAS website, incorporating industrial production and consumer price indices.

Technical preparations for the population and household census and the pilot census advanced, including the preparation of technical specifications and procurement of IT equipment under IPA 2007 and 2009 programmes.

The *Standard Quality Report – Methodological Instructions for Drafting* was developed as a methodological frame for monitoring and measuring the quality of particular statistical research in order to harmonise regulations and best practice with the European Statistical System.

#### *Donor assistance to the sector*

There have been a wide range of other donors supporting the sector of statistics, including Swedish International Development Agency (Sida), IMF, DFID, ISTAT, World Bank, UNDP and OECD.

**Sida** has provided continuous support to the BiH statistics through Statistics Sweden and by contracting bilateral funds through the IPA implementing mechanism. The first phase started in January 2007 and the current third phase should be finished in December 2014. Sida covers those priority areas not included in EU projects (environmental statistics; statistical methodology; agriculture, forestry and fishery statistics, labour statistics; energy statistics; training of staff on survey methodology, gender statistics) as well as general capacity building. Three new components were added in 2009 with the purpose of bridging between two EU projects, related to the statistical business register, agro-monetary and business statistics.

Swedish assistance also complemented earlier CARDS twinning in 2007 by providing software and training to ensure continuous business register development. A Plan was drafted for successive development of SBS through a comprehensive framework that covered the business sector.

**Department for International Development, UK (DFID)** - has supported:

- delivery of the Living Standard Measurement Study Survey, (jointly with the World Bank and UNDP)
- the development of a sample framework (comprised of a listing of 39,000 households throughout BiH)
- the (ongoing) establishment and development of two entity level and a BiH level Data User Groups, which bring together the data supplying and data using communities to manage the development of statistics in BiH, as well as to encourage the use of statistics in policy making.

**The World Bank and DFID** funded the project *Pilot for Extended Household Budget Survey* with the aim of providing reliable information on social inclusion, migration, health status, health needs and utilisation of health care services of the BiH population based on analysis of data collected through a field study – household survey.

**The UN agencies** in BiH are still engaged in the implementation of the three-year project (2009-2012): “Youth Employment and Retention Project” (YERP) with the key goal of the project being the achieving of a satisfactory level of availability and harmonisation of data on migrations, which would enable decision makers at various levels of government in BiH to develop adequate policies based on such data.

**Istat (Italian NSI)** is present in BiH since 1999, providing direct support to the development of the Statistical System in the country. The Italian cooperation at the beginning contributed to the restructuring of the Statistical Offices, followed by the realisation of the first Household Budget Survey (HBS) in 2004 and a second one for 2007. The Surveys are conducted using the EU compliant methods, techniques and concepts, aiming at providing information on the expenses for consumption of households in BiH.

**The IMF provided**, for the period 2007-2009, a long-term resident statistical advisor to BiH to advise and assist governments and the Central Bank to develop and improve economic statistics, to provide advice on the organisation of the sector as well as its legislation, international statistical standards, policies and procedures, and to provide formal and on-the-job training, dedicated to the improvement of national accounts statistics. Currently, BiH is taking part in the regional IMF project, with all the three statistical offices included.

Donor support has been complementary to that provided through IPA but the wide range of assistance provided by a multitude of different agencies makes the disaggregation of the specific impacts of the IPA more difficult to define.

## Education sector analysis

### Structure of the Education sector

Education at the state level is administered by the Ministry of Civil Affairs (MoCA) whose primary function is to provide co-ordination of legislation and strategies at entity and sub-entity (Cantonal) levels, as well as to coordinate cooperation between international bodies and bodies at state, entity and sub-entity levels.

The Department for Education in MoCA has divisions for: Coordination of Education Policy, EU Integration and International Cooperation, and Statistics and IT. The General Education Council, established in 2010, is the expert and independent advisory body for decision-making related to policy action in the area of pre-school, primary and secondary education.

Three agencies for education were established at the state level in Bosnia and Herzegovina:

- Agency for higher education (HE) development and quality assurance;<sup>43</sup>
- Agency for pre-school, primary and secondary education;
- Centre for information and recognition of documents in the area of higher education (CIP).<sup>44</sup>

There are also nine Pedagogical Institutes in the country:

- The Pedagogical Institute of Republika Srpska;
- two Pedagogical Institutes in Herzegovina-Neretva Canton, and five Pedagogical Institutes in the other Cantons in Federation of BiH; and
- The Pedagogical Institute within the Department for Education of the Brčko District Government.

Pedagogical Institutes were established with the aim of carrying out professional and, partly, administrative duties in the field of education (pre-primary, primary and secondary education). Their organisation and activities are regulated by the entity and cantonal regulations in the field of education.<sup>45</sup>

Responsibility for the school system lies with the entities and cantons. Financing of schools is different in the FBiH. Schools are financed by the Education Ministries in the cantons and in the RS by the Education Ministry at entity level.

- In Republika Srpska (RS), the Ministry of Education and Culture is responsible for education policy, legislation, administration and financing of the education system within the entity. The Ministry also manages a single university system for this entity, with two public universities. The Institute for Adult Education of Republika Srpska, (operational since 2010) has been established by the Law on Republic Administration of the RS, as an administrative unit within the same Ministry.
- In the Federation, the Ministry of Education (in each canton) is responsible for administrative, expert and other tasks determined by law, related to coordination with Cantons regarding policy, planning and activities in the fields of pre-primary, primary, secondary and higher education. In accordance with their constitutional competencies in terms of education policy, financing education and passing laws, education in the Cantons is regulated by the relevant Cantonal laws and regulations. Responsibility for education resides with Cantonal Ministries of Education. Their size and capacity for carrying out the functions varies from one Canton to another.
- In Brčko District, the Department of Education in Brčko District is responsible for the organisation and functioning of the education system.
- On the municipality level, regulations in the education field apply differently to the local level. This relates to the organisation and financing of the education process, maintenance of school facilities, and participation in creating the part of curriculum important for the local community. Although some municipalities were granted a wider scope of competencies they quite often fail to implement them due to the lack of financial resources.

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<sup>43</sup> The Agency is responsible, among others, for setting the criteria for accreditation of HE institutions and norms of minimum standards in the field of higher education. The Agency is a full member of the International Network for Quality Assurance Agencies in Higher Education; associate member of European Association for Quality Assurance in Higher Education (ENQA) and, since 2010, a full member in Central and Eastern European Network of Quality Assurance Agencies in Higher Education (CEEN Network).

<sup>44</sup> CIP is responsible for information and recognition of higher education qualifications, in accordance with the Lisbon Recognition Convention, and as part of the international ENIC/NARIC network.

<sup>45</sup> Pedagogical Institutes carry out different types of activities: curricula development, introduction of new approaches and methods into the upbringing-educational process, teacher training, control and assessment of teachers' and schools' activities, etc. Professional supervision is the main focus of their work, whereas support to education quality development has been neglected. As the functions of the Pedagogical Institutes are not clearly defined, very often they overlap with those of the Ministries of Education.

**Table 0.7 Analysis of the Education sector**

2006/2007 EP Objectives (actual)	Baseline in 2007 (defined from Progress Report 2006)	Indicators of progress by 2010/11 (defined from EP Objectives)	Achievement of progress	Contribution of IPA		
				None	Some	High
Take measures to improve the education system, including primary education, and to create a modern vocational education and training system.	Reform of education system has been progressing only slowly. Higher education Law has been adopted. A package of other education laws, including VET is awaiting adoption. Efforts made to improve quality of VET and to establish closer link with labour market needs.	Framework legislation on VET is in place and necessary institutional infrastructure has been developed	5 laws were adopted on the state level: Framework Law on Vocational Education and Training; Framework Law on Higher Education in Bosnia and Herzegovina; Framework Law on Pre-school Upbringing and Education in BiH; Framework Law on Primary and Secondary Education; Law on Agency for pre-school, primary and secondary education; RS adopted the Law on Adult Education		X	
			Equipment provided for practical training in 36 VET schools	X		
			Operational network of BiH experts for quality assurance and the higher education was developed	X	X	
			Link established between the existing data bases in educational sector and sectors of labour and employment ( <i>EMIS, Gaudeamus</i> and LMIS -a new information system of employment)			X
			Development of a resource base of 60 mentors, trained as teacher trainers in curriculum development			X
			Capacity raised of 3000 teachers in BiH in new teaching methods and modular methodology conducted by mentors			X
			Capacity raised of staff in Agency for Higher Education Development and Quality Assurance and the Centre for Information and Recognition of Qualification in Higher Education			X
			Strengthened capacity of staff in the Agency for Pre-school, Primary and Secondary Education			X
Address the problem of fragmentation of the educational system and the overlap of functions between different levels of	There are 14 ministers responsible for education. Pupils are segregated along ethnic lines.	More rational and efficient utilisation of educational facilities by different entities.	Three state level agencies established: Agency for higher education development and quality assurance; Agency for pre-school, primary and secondary education; Centre for information and recognition of documents in the area of higher education (CIP)		X	
		Standards for primary, secondary and higher education	Standards, guidelines and procedures for internal and external quality assurance are being drawn up in compliance with the ENQA Standards		X	

2006/2007 EP	Baseline in 2007 (defined from	Indicators of progress by	Achievement of progress	Contribution of IPA		
organisations.		are adopted and implemented. The reform of the financing for primary, secondary and higher education is advanced.	and Guidelines for Quality Assurance in the European Higher Education Area			
		The institutional set-up is strengthened, academic information network is established and new modular curricula are developed	EMIS (Education Management Information System) was installed in all schools in the RS, some cantons and in the Department for Education of the Brčko District (WB)			
			Academic information network established	X		
			Modular curricula (common to all VET occupations) developed for 5 general subjects			X
			Agencies and ministries are staffed but still insufficiently	X		
		Development of a resource base of 60 mentors, trained as teacher trainers in curriculum development			X	
Strengthen policy development and strategic planning to improve quality of education	Enrolment rates for secondary and higher education remain low, although public spending is considerable.	Decreased early school-leaving rates, improved enrolment rates.	Framework legislation is in place at state level but transposition into entity legislation varies			
	Legislation is lacking.	Legal framework for primary and secondary education at state level is completed.	National action plan for recognition of qualifications in BiH"; Framework for Higher Education Qualifications in BiH and Recommendations for Implementation of the Framework for Higher Education Qualifications in BiH developed (EU and CoE support)		X	
	Bosnia meets its targets for both Lisbon Convention and Bologna Declaration	Strategy for Entrepreneurial Learning in Education Systems in BiH, with the action plan for the period 2012-2015 adopted				X
		Strategy for development of vocational education and training for 2007-2013 and Strategic Directions for Development of Education with the implementation plan for 2008-2015 are adopted				X
		Strategic Directions for the Development of Education in Bosnia and Herzegovina, with the Implementation Plan, 2008-2015 adopted				X
		Road Map and the Action Plan for joining Life Long Learning and Youth in Action Programme adopted				X
	Promote the regional cooperation in the		There is evidence of inter institutional collaboration with	Inter institutional collaboration with neighbouring countries is being developed.		X

2006/2007 EP	Baseline in 2007 (defined from	Indicators of progress by	Achievement of progress	Contribution of IPA		
field of higher education		neighbouring countries	Guidelines for improvement of integration process of Higher Education Institutions developed		X	
		EU requirements for the mutual recognition of diplomas are implemented.	Guidelines for Recognition of Foreign Higher Education Qualifications in BiH are prepared	X		

Source: European Partnership and European Progress Reports for Bosnia and Herzegovina, MIPDs and field observations.

## Overview of the situation and achieved progress in the sector

### *Progress and developments in the institutional structures - Legislative framework*

The legal framework for the education sector is now largely in place. However, framework laws have still not been adopted in all cantons. The following five framework laws have been adopted on the state level:

- Framework Law on Primary and Secondary Education (“Official Gazette of BiH”, No. 18/03);
- Framework Law on Vocational Education and Training (“Official Gazette of BiH”, No. 63/08);
- Law on Agency for pre-school, primary and secondary education (“Official Gazette of BiH”, No. 88/07);
- Framework Law on Higher Education in Bosnia and Herzegovina (“Official Gazette of BiH”, No. 59/07, 59/09);
- Framework Law on Preschool Upbringing and Education in Bosnia and Herzegovina (adopted in 2007).

On the basis of the Law on Higher Education, the BiH Rectors’ Conference has also been established as a representative and advisory body for representing common interests of all BiH universities and implementing the higher education reform process. The Rector’s Conference and the Conference of Ministers of Education are the highest advisory bodies in the area of education. The Conference of Ministers of Education was established in 2008 to improve coordination in the education sector both in the country and at the international level, as well as supporting the activities of all other authorities, institutions and bodies in the BiH education sector.

The institutional organisation of higher education (HE) in BiH remains complex and this is reflected in EU assistance to strengthen state level institutions in effectively coordinating and managing higher education reforms for the whole country. Among the outputs of the IPA 2007 assistance are recommendations for adapting legislation relevant to Quality Assurance and the Higher Education Qualifications Framework. Other assistance from the same year resulted in an Analysis of Legislation and Practice in Recognition of Foreign Higher Education Qualifications in BiH.

There have also been achievements in the legal and institutional framework for adult education. A further relevant institution in adult education is the Institute for Adult Education of RS<sup>46</sup> - the first and so far the only institution of this type in the country - responsible to follow up and develop an adult education system in the RS. However, there are no institutes for adult education in the Cantons in the Federation of BiH and in Brčko District.

On the entity level the RS adopted the Law on Adult Education in June 2009, enabling adult education to become an integral part of the entity education system and establishing the RS Institute for Adult Education within the Ministry in 2010. This law also envisages a range of institutions engaged in adult education and encompasses all forms of education: formal, informal and non-formal, and offers possibilities for school networking. The RS adopted a Law on Higher Education Institutions in 2010, which is not fully in line with the framework law and provides for Entity agencies to be set up in parallel with State institutions. A further law adopted by RS is the Law on Students Union in 2011.

In the Federation of BiH, eight out of ten Cantons harmonized their laws on pre-school education with the framework legislation. Sarajevo Canton introduced mandatory pre-school education.

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<sup>46</sup> Among other, the Institute performs professional, administrative and other activities in the field of adult education: analytical and development activities in the field of adult education; verification fulfilment of conditions and criteria for providing service of adult education as well as monitoring of work the institution-providers; proposing of publicly valid educational programmes for training, retraining, additional education, training, specialization of employed and unemployed persons etc.

However, no progress can be seen in harmonization of the laws on vocational education and training with the Framework Law as eight Cantons did not pass new legislation. State-level strategies and framework laws also remain to be implemented. There are no Framework laws on recognition of qualifications in line with the Lisbon Recognition Convention and adult education and no harmonized procedures in place to recognize qualifications obtained abroad. Implementation of the higher education qualifications framework remained at a pilot level. Two Cantons did not harmonize their laws with the Framework Law on higher education.

In the Federation of BiH there is also no law on adult education in the context of lifelong learning - this is regulated by cantonal laws pertaining to the area of secondary education. In the Cantons in the Federation as well as in Brčko District, adult education is regulated by existing laws on primary and secondary education. In Brčko District, the process of revising the existing legislation in the field of education, including the drafting and adoption of the law on adult education is dealt with by the on-going IPA 2009 “*Strengthening capacity in BiH for human resources development*”.

#### *Most relevant strategic documents*

EU funded VET projects created the *Green* and *White Paper* supporting the preparation of the strategy and action plan for VET 2007 - 2013 and draft framework law for VET. As a result of reforms in education and training, the following two strategies were adopted on the state level:

- Strategy for development of vocational education and training for the period 2007-2013<sup>47</sup> and the
- Strategic Directions for Development of Education with the implementation plan for 2008-2015<sup>48</sup>.

Furthermore, the VET III project resulted in a Qualification Framework developed from the *Baseline of the Qualifications Framework in BiH* developed by a working group under the MoCA, which was adopted by the Council of Ministers in March 2011. It is the first document in BiH dealing with the qualifications framework for all levels of education and requires further development over the coming years. The baseline is of particular importance for the country as qualifications and competences for certain work positions are poorly linked and BiH suffers from the lack of coherence in the systems of existing qualifications. It is in compliance with the European Qualifications Framework for Lifelong Learning.

Among other important achievements created without the support of the IPA is the modular IVET curricula which are in use for 62 professions as well as for general subjects. A new classification of occupations was also adopted reducing the listings from 500 detailed listings to 100 more general profession.

The following documents were also developed through EC and Council of Europe Assistance:

- National action plan for recognition of qualifications in higher education BiH;
- Framework for Higher Education Qualifications in BiH; and
- Recommendations for Implementation of the Framework for Higher Education Qualifications in BiH.

Strategic Directions for the Development of Education in Bosnia and Herzegovina, along with the Implementation Plan, 2008-2015 (ICBE) were also developed and adopted in 2008 and in the same year the Road Map and the Action Plan for joining Life Long Learning and Youth in Action

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<sup>47</sup> The Strategy defines general directions for the development of vocational education and training in the country, including the strategic directions and goals related lifelong learning and adult education

<sup>48</sup> The document provides the main directions for the development of education in the country by 2015. It is a basis for the development of adequate strategies and action plans in the field of education at the level of entities, Cantons and Brčko district, as well as a starting point for the development of education strategies that have not been designed so far.



Programme were adopted. IPA assistance (2007) also resulted in the development of the Strategy for Entrepreneurial Learning in Education Systems in BiH, along with the action plan for the period 2012-2015, adopted in 2012.

Finally, the Strategy for Pre School Education was also developed on the state level, as the only one of the four state level strategies not developed through IPA. At the entity level, the Adult Education Plan for 2011 was adopted by the Government of RS.

### *Institutions*

The Sector of Education within the MoCA was reorganised in the period 2006-2008 with EU assistance which also supported the establishment of the highest advisory bodies - the Conference of Ministers of Education in BiH and the Rectors' Conference in 2008. The Council for General Education, established with the aim of supporting general education, has also been operational since 2010.<sup>49</sup>

RS established the Agency for Accreditation in Higher Education in line with the Framework Law on higher education. However, the accreditation process did not start as mandated by the Law.

IPA 2007 assistance also contributed to the establishment of state level institutions as well as to the strengthening of their capacity for coordinating and managing higher education reforms for the whole country. This assistance also made the Agency for Development of Higher Education and Quality Assurance's Department for Quality Assurance (QA) operational.

### *Development of human resources*

A weakness in the current educational system is the lack of both practical experience and work placements. There is no cooperation between schools and the private sector and there are no internship or apprenticeship opportunities. Further education and training is offered for the most part internally in companies, predominantly in information and communication technology (ICT). Trade unions and organisations in BiH have not been in a position to respond to the need for further training so far. The chambers of commerce are also not very active in this respect. Further training opportunities are available through the private and the NGO sector, however many of these courses are not generally accepted by the ministries and lack a recognised certification system.

The number of teachers without adequate qualifications is steadily decreasing. However, there is a lack of teachers of specific professional subjects in some parts of the country. There is also a considerable lack of young assistant teachers in higher education institutions as well as that of full-time professors and assistants in the more recently established universities.

Furthermore, teacher training is not standardised. Teachers are not licensed systemically as professionals in their respective domains and there have been no financial or any other instruments developed to serve as incentives to encourage improvement in the competitiveness based quality of teachers' work. Although within any particular level of the education system teachers have the same tasks, their salaries vary across the country. Generally, teachers' salaries are lower than the salaries of other budget beneficiaries. Faculty teachers have very low wages which is why many accept positions at several faculties or universities simultaneously. All of these circumstances seriously affect the quality of teaching.

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<sup>49</sup> All three were established through support from the CARDS programme. In the period 2006-2008, as the result of a CARDS project, a new organisational setup of the Sector of Education within the Ministry of Civil Affairs, in line with EU requirements, was also established.

The education of adults is not being implemented widely and the list of providers of this kind of training is quite limited. Long term unemployed people, unemployed young people and others wanting training or re-training are not sufficiently informed about even these limited possibilities. However, some progress is visible, and partly related to IPA VET projects. These have contributed to the development of a resource base of 60 mentors, who have been trained as teacher trainers in curriculum development. In the framework of the same assistance, training was delivered to more than 3,000 teachers across the country in new teaching methods and modular methodology and conducted by the mentors.

Capacity was raised in the Agency for Higher Education Development and Quality Assurance and the Centre for Information and Recognition of Qualification in Higher Education. Capacity of staff in the Agency for Pre-school, Primary and Secondary Education were strengthened by *Quality Assurance in Education (CARDS 2006)*, *EU VET III*, *EU VET IV* (IPA 2008) as well as the Twinning project (IPA 2009). Achievements of *VET III* were particularly relevant for the continuation of the 2008 *VET IV* in building capacity for the development and management of VET on the state level. The MoCA Department staff was initially trained in general management then professionally in VET.

IPA assistance also contributed to human resource development through strengthening the efficiency and effectiveness of the education management and administration at all levels of decision-making.

Finally, there are still insufficient staff numbers in the recently established agencies. Despite a staff increase, the State-level Agency for Pre-school, Primary and Secondary Education is not fully operational, nor are the State-level Centre for Information and Recognition of Documents in the Field of Higher Education and the Republika Srpska Institute for Adult Education. Overall, capacity is still insufficiently developed both at canton and Federation level, particularly related to number of staff at canton level, whose administration is very small. The situation in RS is slightly more favourable.

#### *Establishment of systems and tools.*

*Guidelines for Recognition of Foreign Higher Education Qualifications in BiH* that were adopted in 2011. Due to the lack of consensus between the responsible education authorities this document was prepared instead of the Framework Law for recognition of foreign higher education qualifications. *Guidelines for improvement of integration process of Higher Education Institutions and Analysis of status of Higher Education* were also developed.

Guidelines and procedures for internal and external quality assurance were also drawn up with IPA support, enabling compliance with the ENQA Standards and Guidelines for Quality Assurance in the European Higher Education Area. Furthermore, an operational network of BiH experts for quality assurance and the higher education was developed.

Since technical differences in methods of data collection cause difficulties in data compilation at the state level, progress is seen in the EMIS (Education Management Information System) which was developed under a World Bank loan. It was installed in all schools in the RS, some cantons and in the Department for Education of the Brčko District. The intention was to expand the EMIS in the next phase to pre-school and secondary vocational training. However, it is not functioning as envisaged and Cantonal Ministries and schools do not always have the capacity and equipment necessary to use and maintain the system. Only the Tuzla Canton used the EMIS to transfer school data (in 121 schools) to the ministry. In this canton, EMIS is not only used for statistical purposes, but also for planning in the area of education.

During the implementation of the *VET III* project, a pilot programme for the web based statistical system (VETIS) was conducted. It established a link between the existing data bases in the educational sector and the sectors of labour and employment (*EMIS*, *Gaudeamus* and LMS - a new information system of employment). In technical terms VETIS is open for integration and development in the future when educational authorities decide to forward their data to VETIS. Until now, only the RS has expressed a readiness to do this. VETIS was tested in the end of March 2009.

Among other the contributions from EU funded VET projects under this element are the following:

- development and implementation of new curricula based on an agreed modular curriculum approach where focus is on learning outcomes rather than teaching inputs. The new curricula developed in EU supported VET projects covers 56 occupations (in addition to this GIZ developed modular curricula for 23 occupations);
- development of modular curricula for five general subjects common to all VET occupations;
- development of modules for the Entrepreneurship subject, which is obligatory for all occupations that follow the modular approach;
- development of new approaches to labour market needs analysis, training of employment service staff, and drafting of a manual which is being used on a regular basis in both entities;
- production of learning and teaching materials to be used with the new curricula was secured and new equipment specified. "*Guidelines for curriculum development*" were updated and expanded. "*Standards on modular curricula in BiH*", "*Methodology for the pilot testing of modular curricula*", and "*Concept on VET Teacher Training*" were prepared.

Progress is also seen in the State-level Agency for Development of Higher Education, with guidelines and standards drafted to accredit higher education institutions and trained experts.

A department of statistics and informatics was established within the MoCA with the task of contributing to statistical reporting on education in line with Eurostat standards. Achievements were also made through a two year project aiming at strengthening the capacity of MoCA in the field of higher education funded by the Austrian Development Agency, which resulted in the development of software for data entry.

In the area of statistical reporting - statistical institutions of RS, BiH Federation and the Department of Education District of Brčko compile statistical data on educational systems from pre-school to higher education level. Collection of data in District of Brčko does not include all data collected in the RS and the Federation. The collected data is forwarded to the Federal Statistical Office (BHAS) for processing. Progress is delayed in this segment as some information requested by international organizations cannot be provided because entities' statistical institutes and the BHAS do not collect some specific data. Statistics on research and development activities are also still lacking. No data exists on business, foreign and private non-profit funding and the Entities and cantons fund their specific policies through their own budgets.

The ICT situation in the education sector is not good. A relatively small number of schools have computerized classrooms with the adequate software support necessary for teaching. Higher education institutions are in the most unfavourable situation (lacking ICT equipment, labs, etc.), whilst teacher training colleges are best equipped. Equipment was delivered to schools in the framework of VET III and for practical training in 36 VET schools was delivered through IPA 2007 assistance. However, there are needs for further equipment.

### *Other achievements*

Some progress can be seen in the reduced number of divided schools. However, the separation of children within schools along ethnic lines and the existence of mono-ethnic schools remain as issues of concern.

Further progress has been made in the area of research. The number of successful projects under the 7th Research Framework programme (FP7) has increased and the administrative capacity was strengthened. A country-wide network of national contact points to provide information on research cooperation in FP7 and other research programmes (Cost, Eureka) has been established and nominations in the FP7 Committees made. The Framework Law on scientific and research activities was adopted, improving coordination of Entity-level research actions with the State-level research strategy. A science and development strategy for 2010-2015 and an action plan were adopted. The Science Council was appointed to assist the MoCA in the strategic development of science, research and innovation policy. However, investment in research is very limited.

The MoCA provided financial assistance for Entities preparing projects for FP7, COST and EUREKA. Some efforts were made to integrate into the European Research Area (ERA) and contribute to the Innovation Union (IU). The country joined the EURAXESS network aiming at mobility of researchers; the bridgehead organization coordinating the national EURAXESS network was established at the University Banja Luka. Republika Srpska and other Entities increased investment in research and development. However, overall, investment in research remained low, in particular by the private sector. As Entities and Cantons fund their policies through their budgets, it is difficult to streamline research policies and avoid fragmentation, one of the key ERA objectives. Accurate statistics on science and technology are missing.

### *Other donors*

Donor supported Programmes implemented in the area of higher education mainly targeted reform and modernisation of curricula, higher education management, quality assurance, qualifications framework, qualification recognition and academic mobility.

So far, the EUD and the Council of Europe (CoE) have implemented two significant joint projects aimed at strengthening higher education. In its first phase (2003-2005), the focus was on modernisation of university governance and management. The second phase (2005-2008) produced a range of planning documents establishing the framework for various elements within higher education. The CoE has also contributed to the creation of the Higher Education Coordination Board and the Conference of Education Ministers. It was the lead partner of the national authorities in the drafting of the Framework Law for Higher Education in BiH, which intends to develop the reform process of higher education. The CoE has also contributed to the implementation of a series of projects dealing with, amongst other, the assessment of both the management and academic state of the Faculties of Law, the improvement of the governance capacities in the Universities, the establishment and development of state level bodies such as the Rectors' Conference and the future BiH ENIC, as well as in developing country wide standards for quality assurance and a qualifications framework. It has also contributed to human resource development through a number of seminars and training-oriented activities related to the reform process.

**The Austrian Development Agency (ADA)** provided information to the MoCA on HE and procedures for the recognition of foreign higher education qualifications from 2005 to 2007. A further project is being prepared, aiming to support the MoCA in the field of HE, including activities in the Central European Exchange Programme for University Studies (CEEPUS). MoCA also concluded a Memorandum of Understanding with the Austrian Development Agency concerning the

financing of the project “Strengthening the capacities of MoCA for participation in the FP7, COST and EUREKA”. **Kultur-Kontakt**- Projects supported by the Government of Austria in the field of vocational education (secondary vocational schools) continuously support the development of virtual firms in economic schools in the country. A Manual for teachers - the company practice - was also developed. **WUS Austria** has contributed to the development of higher education in BiH by implementing different schemes of assistance focusing on students’ and professors’ mobility. The improvement of teaching and research at the universities (The Centres of Excellence Projects - CEP) aimed at the financial and logistical assistance of universities throughout the country in implementing development projects which have an important impact on both research and the teaching process.

**The Government of Liechtenstein and ADA**, in the framework of the TEMPUS project - *Strengthening Quality Assurance at BiH Universities (2004-2008)*,<sup>50</sup> supported the establishment of centres for quality assurance at all public universities. This activity was additionally supplemented and strengthened through the *Strategic and Structural development of quality assurance in BiH Higher education 2008-2010*.

The **World Bank** funded the project Restructuring Education in Bosnia. The project mainly relies on Entities and aimed to increase the number of entering students at four-year vocational schools and strengthening the general education and the funding model (2007-2009). It also funded the Sectoral study on education under the Poverty Reduction Strategy.

**The Swiss Agency for Development and Cooperation and the Austrian Development Agency** jointly financed (2008-2010) the *Youth Employment Project* which focused on the relationship between secondary and tertiary education systems.

The **Agency for Preschool, Primary and Secondary Education and UNICEF** at the end of 2010 started implementing the project *Development of an Inter-cultural Ethic Codex for Teachers, Schools and Students, and of a Plan for the Establishment of System of Monitoring Progress in the Improvement of Quality of Education*. The Instruments for Evaluation and Ethic Codex have been prepared, along with the Action Plan.

**GTZ, Germany**, supported the project *Vocational education and training in BiH* - within which a set of modular curricula were developed, and from 2010 onwards is supporting the development of adult education

The **Agency for Preschool, Primary and Secondary Education and UNICEF at the end of 2010** started implementing the project *Development of an Inter-cultural Ethic Codex for Teachers, Schools and Students, and of a Plan for the Establishment of System of Monitoring Progress in the Improvement of Quality of Education*. The Instruments for Evaluation and Ethic Codex have been prepared, along with the Action Plan.

**UNICEF** supported capacity building of the MoCA in the field of general education and **UNICEF, UNDP, UNV, UNFPA and IOM** also supported the *Millennium Development Goals*. The main objectives of the programme were, among other: to increase the capacity of the education system

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<sup>50</sup> Overall, traditional support through the Tempus programme is being upgraded importance in the fourth phase of the programmes, entirely directed to the strengthening of the universities role and potential for overall social-economic development of the country. The new type of Tempus projects have thus greater opportunities to contribute to Curriculum reform and Governance and Management. Stronger importance is given to the relation and interaction of Universities with Civil society. The current 7th EU Framework research programme provides also good opportunities for inclusion of BiH universities in the European Research Area. Ongoing EU supported projects on capacity building in science and research helps academics in improving capacity for better use of these new opportunities.

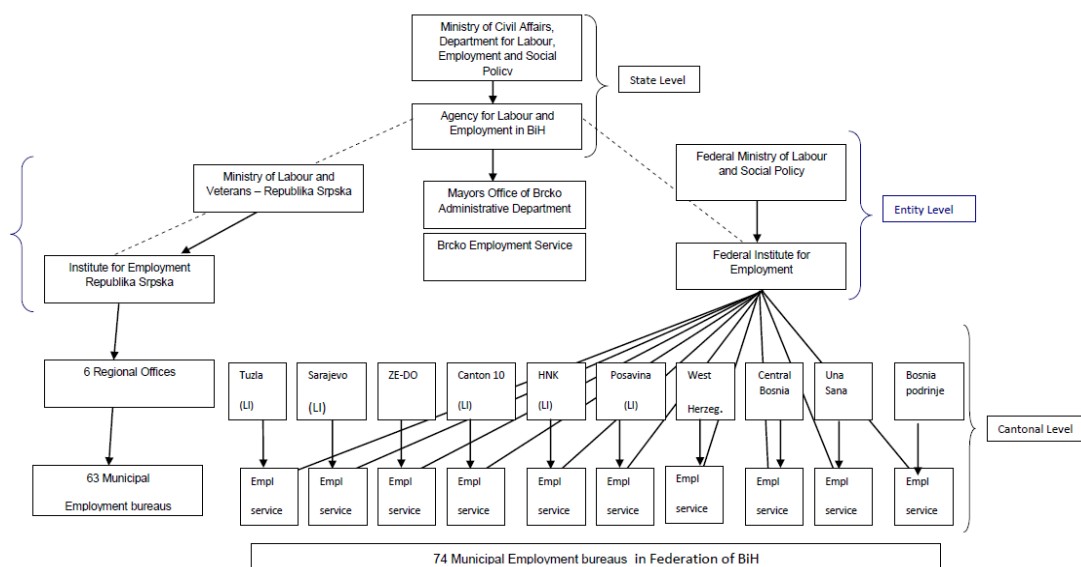
and local communities to improve youth employment; strengthening of the capacity of Public Employment and civil society for the development and implementation of integrated packages of measures for employment of young people and other.

## Employment, labour market and social protection and inclusion<sup>51</sup> sector analysis

### Structure of the sector

The main institutions on the state level in this sector are the MoCA and the Agency for Labour and Employment. On the entity level, in the RS, the main responsibility lies with the Ministry of Labour and Veterans and the Institute for Employment of RS with six regional offices and 63 municipal employment bureaus. In the Federation, the main responsible institution is the Federal Ministry of Labour and Social Policy, followed by the Federal Institute for Employment with its ten employment services on the cantonal level as well as 74 Employment bureaus. BD has a Mayor's Office of Brčko Administrative Department as well as the Brčko Employment Service. The complicated institutional structure is shown in the following diagram – although it is important to note that there is no hierarchical relationship between the state levels institutions of the MoCA and the ALE over the entity level as the Constitutionally defined responsibilities remain at the entity level.

Figure 0.1 Structure of the Employment institutions in BiH



Source: MoCA, internal document

The labour and employment sector in Bosnia and Herzegovina belongs to the exclusive jurisdiction of the entities and Brčko District. A clear institutional structure for the employment sub-sector has been developed through previous CARDS assistance and the finalised and current IPA projects have further built upon its results.

In the sub-sector of social protection, the Ministry of Civil Affairs of Bosnia and Herzegovina has a coordinating role<sup>52</sup> but the exclusive jurisdiction remains with the entities and Brčko District.

<sup>51</sup> Social protection and Inclusion Sector: SPIS.

<sup>52</sup> As defined under Article 15 of the Law on Ministries and Other Administrative Bodies of Bosnia and Herzegovina ("Official Gazette of BiH" No. 5/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09, 103/09).

**Table 0.8 Evaluation matrix for the Sector: Employment, Labour market and SPIS**

2006/2007 EP Objectives (actual)	Baseline in 2007 (defined from Progress Report 2006)	Indicators of progress by 2010/11 (defined from EP Objectives)	Achievement of Progress	Contribution of the IPA		
				None	Some	High
Implement policies aiming at reducing <b>unemployment</b> , in particular long-term unemployment	Low activity rate (44%), high unemployment rate (29%).	Employment figures improve (relative to the international economic situation).	Unemployment figures remain extremely high, exacerbated by the slow down in the local and regional economy.	X		
	Active labour market measures without much success.	Staff of labour offices strengthened	The rulebook on internal organization of the State-level Labour and Employment Agency was adopted			X
		Social partners (unions employers' associations) are strengthened in employment creating policies				
	No National Employment Action Plan (NEAP) or strategies.	Strategies have been prepared and approved and is under implementation				
A coordinated employment strategy is adopted, corresponding action plans are developed and implementation started throughout the country.		The RS adopted its Employment Strategy for 2011-2015 The Federation had adopted its Employment Strategy (2009-13)				
Improve coordination of employment agencies across the country and make efforts to reduce labour market fragmentation	Structural rigidities and fragmentation in labour market. Deficiencies in the employment administration, regulative framework and Institutions.	A clear institutional structure for employment is in place.	RS Employment Bureau was established as a public institution	X		
			two pilot bureaus were established (Zenica and Zvornik)			X
	Active labour market programmes fragmentary implemented, without focus on vulnerable categories of unemployed persons	Social dialogue is initiated between trade unions, employers' associations and (in a limited role) the state. Regional variations in employment policy have been diminished.				
Improve participation in the formal economy by reducing social contribution rates and	Social charges are high, veterans take a disproportionate amount of social payments, particularly	Pension system for veterans has been reformed to ensure its sustainability	Republika Srpska adopted a Pension System Reform Strategy in May 2010. Limited progress in the Federation due	X		

2006/2007 EP Objectives	Baseline in 2007 (defined from	Indicators of progress by 2010/11 (defined	Achievement of Progress	Contribution of the IPA		
reforming the <u>pension system</u> and facilitate the mobility of labour across the country	pensions and unemployment benefits vary regionally		to political protests			
Improve Social inclusion and protection and the support for vulnerable groups.		Social contribution rates have dropped to regional levels	Social Inclusion Strategy of BiH, was developed (but still not adopted)	X		
		Improved portability of rights in the pension and social insurance systems are contributing to improved labour market flexibility.				
		Development of a SPIS programme	Law on the professional rehabilitation, training and employment of disabled people was adopted by the Federation	X		
			Municipal Action Plans for social protection and inclusion of children (MAP) were developed by each target municipality		X	
			The Strategy for Improving Social Protection of Children without Parental Care in Republika Srpska for the Period 2009 – 2014, is being implemented		X	
			6 communication Hubs (models of social dialogue) have been established			X
			Early Childhood Policies were adopted both by RS and Federation		X	
			Both Entities and BD adopted programmes to promote employment and self employment of Roma		X	
			improved access to inclusive social protection services for around 40,000 children and their parents		X	
		Six Integrated Early Childhood		X		



2006/2007 EP Objectives	Baseline in 2007 (defined from	Indicators of progress by 2010/11 (defined	Achievement of Progress	Contribution of the IPA		
			Development Centres (IECDCs) were established in three municipalities			

Source: European Partnership and European Progress Reports for Bosnia and Herzegovina, SAA and MIPDs



## Overview of the situation and the achieved progress in the employment, labour market and social dialogue sector

### *Employment and the labour market*

Technical assistance to the employment and labour market sub-sector has been very complex due to the administrative structures in the country, the lack of both human and financial resources in the beneficiaries, as well as the extreme fragmentation of labour markets in the country. There are 13 markets (10 cantonal, 2 Entity and 1 District), in addition to the complex multi-level institutional setting consisting of 10 cantonal, 6 RS Regional and 1 District employment office, as well as 137 labour bureaus in the municipalities. The still insufficient institutional capacity and information network at state level further hinders the achievement of substantial progress. Along with the high fragmentation of the sub-sector as the consequence of legislative and executive functions being spread over the 13 different administrative units, additional drawbacks are also observed in the weak vertical and horizontal coordination between labour and employment agencies and social partners which makes the design, implementation and monitoring of policies difficult.

Progress on employment policy in alignment with European standards was not substantial. However, the adoption of the State-level *Employment Strategy 2010-2014*<sup>53</sup> can be considered as a significant step. Republika Srpska also adopted its *Employment Strategy for 2011-2015* in March 2011 and the Federation had adopted its *Employment Strategy of FBiH (2009-13)* in 2009.<sup>54</sup> The Entities finalised plans for implementing the Bosnia and Herzegovina Employment Strategy and action plans to implement strategic documents. However, no employment strategies exist in the Brčko District.

The Republika Srpska adopted a law on mediation in employment and entitlements during unemployment. A similar new Law, aiming at streamlining cantonal and Entity level employment services, remains to be adopted in the Federation. Most resources allocated to assisting the unemployed are currently spent on passive labour market measures.

No steps were taken to harmonise the labour laws of the Entities and Brčko District with the *acquis* and a labour law at the State-level remains to be adopted because the sectoral responsibilities remain at the entity level. Provisions regulating labour matters at cantonal-level are not aligned with the *acquis* and make for further fragmentation in the Federation.

Along with the adopted State-level employment strategy, corresponding action plans have been developed and implementation is starting throughout the country - processes to which IPA assistance contributed. Furthermore, the process of public employment services reform started through the IPA assistance, and more attention is now given to the counselling role of these institutions.

Six communication hubs have also been established, including one vertical hub for each entity given their different legal framework and organisational needs. The remaining four hubs are horizontal and include representatives of all relevant institutions from both entities and BD. The project is embedded in institutional structures at the State, Entities, Cantonal as well as Municipal levels, which is particularly relevant due to the complex circumstances in the country.

Despite the achievements in the sector, there is still a significant lack of institutional capacity for the reforms needed in the labour market, employment and social sectors. The high unemployment rate

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<sup>53</sup> The Institutions that would carry out the implementation of this strategy are the entity Governments and the Government of the Brčko District of BiH and their relevant institutions together with social partners.

<sup>54</sup> The FBiH Strategy was developed with the assistance of Cards 2006

and the large informal economy create additional obstacles to social and economic recovery of the country.

### *Social dialogue*

Despite its importance, the complex system of government and the fragmented legislation continue to hamper social dialogue in the country. The ratification of the revised European Social Charter was a positive step but the national legislation has not yet been fully aligned with it. Limited progress has been made in clarifying the rules for registration and recognition of trade unions and both entities have formed their own Economic and Social Councils (ESCs) with no agreement on the membership criteria for a State-level ESC. The legal framework is not in place and the rules for recognition and registration of social partners need to be clarified.

The Federation adopted legislation establishing the Agency for Peaceful Resolution of Collective Labour Disputes and RS adopted a law on peaceful resolution of labour disputes and its Agency for Mediation became operational. However, the State-level Law on social partners' representativeness remains to be adopted. Therefore little progress can be reported related to social dialogue.

Moderate improvement of the development of social dialogue and raised capacity of social partners contributed to the initiation of social dialogue between trade unions, employers' associations and (in a limited role) the state. However, the progress achieved was not significant due to complex circumstances in the country. The Minister of Civil Affairs did not support the kind of state-level ESC which had initially been agreed. The Association of Employers of BiH (APBiH) is not representative of the entire territory of Bosnia and Herzegovina, ie. in the Republika Srpska. Now there are the negotiations between the Association of Employers (APBiH) and Union of Employers of the Republika Srpska (UUPRS). Second, the Confederation of Trade Unions of Bosnia and Herzegovina (KSBiH) effectively functions, but it has not been registered in Bosnia and Herzegovina, in the Ministry of Justice of Bosnia and Herzegovina.

It appears that the Council of Ministers is not strongly motivated to develop any of the proposed mechanisms, possibly viewing them as requirements imposed by external agents rather than as being of value in themselves. Meanwhile, the trade union and employer organizations have formed a powerful alliance in favour of the model of social dialogue which was formally agreed in 2006, but subsequently rejected by the Council of Ministers and never implemented.

However there has been some limited success as six models for social dialogue have been created in addition to the original model, all of which are considered to be more or less realistic in the context of prevailing circumstances in BiH and which can be used as a basis for the further development of the sector.

### *Development of human resources*

Bureaucracy is a major problem affecting human resource development in the country. Because of the devolution of responsibilities for employment issues to the entities and BD (and in the Federation down to Cantonal level) there is an imbalance in staffing at the middle and top management levels compared to front line staff. This situation has led to a continuation of severe management stagnation at the middle levels. The employment services are also over legislated, with an emphasis on Rulebooks and other procedural formalities that remove necessary flexibility and decision taking from lower level staff. These circumstances have resulted in top heavy and old fashioned senior management structures, resistant to change, as well as poor management at middle and lower levels, including Bureaus. Further weaknesses are seen in the lack of understanding on how employers operate, which confirms the need to develop better understanding of their approach to recruiting staff and overall staffing requirements.

Related to this there are other factors which delay progress, including scarce retraining and up-skilling opportunities that result in an inflexible workforce with obsolete skills as well as rigid and unresponsive staffing structures, lacking objectives or any performance management. Further upgrading the capacity of Employment Services was carried out on all levels, raising capacity of senior management (cantonal directors, representatives of the main beneficiaries), middle management and job advisers in Bureaus – and included training of trainers, training in advisory skills for job advisers dealing with unemployed and employers, advisory skills for job advisers in small business and entrepreneurship support. Job advisers and Bureau staff were trained and encouraged to develop better and more coherent relationships with employers, both to understand the demand side of the local labour market and to motivate employers to provide vacancy information to the Bureaus. Capacity was raised through a wide range of training delivered in country-wide venues to enable access to training by all involved. Further, and related to above mentioned weaknesses, through capacity building exercises, senior management was made aware of the need for fundamental management change.<sup>55</sup>

The capacity was also raised of the staff of labour offices, particularly in defining, managing, evaluation and monitoring of active labour measures for staff working directly with unemployed. However, labour inspectorates are still understaffed and unable to monitor compliance with health and safety at work standards. Similarly, capacity of all public services and employment institutes in applying to IPA financed projects was also strengthened.

Further strengthening of the capacity of Public Employment Service employees to work as active intermediaries between potential employers and job seekers is expected as the result of ongoing external assistance. This will depend however on the availability of the bureaus to release more staff to conduct advisory services and employers' readiness to engage with the Public Employment Services (PESs). And, as pointed out in the IALM project, a comprehensive and inclusive human resources review and management re-structuring of the public employment services as a whole is also essential if they are to fulfill their roles as modern, responsive and efficient employment services.

A wide range of training was also delivered by donors in country-wide venues to facilitate involvement of stakeholders however retention of trained staff will now be a key issue. The capacity of employment services across the country still remains as a matter of particular concern, despite the positive outputs from aid projects..

#### *Establishment of systems and tools.*

Modest steps were taken to improve the functioning of employment services. The rulebook on internal organization of the State-level Labour and Employment Agency was adopted. Based on the Republika Srpska Law on mediation in employment and rights of unemployed persons, the RS Employment Bureau was established as a public institution as a first step towards the reform of the employment service. Several rulebooks were also adopted on mediation in employment and active job-seeking.

Handbooks, manuals and other materials have been provided through donors as well as other sources. However, unified standards and methods for data collection are still lacking and considerable efforts are needed to develop reliable labour market data, a prerequisite for developing labour market policy.

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<sup>55</sup> This took place both at senior level and throughout the PESs, in particular via a wide-ranging human resources review which would re-engineer both the management structure and the objectives of the PESs, with the establishment of performance appraisal, better recruitment practices and more staff flexibility.

There are significant weaknesses in the design and implementation of monitoring and evaluation of interventions in the labour market. The public employment services and the relevant Ministries do not have the staff capacity or resources to undertake any substantial monitoring and evaluation of ALMMs. The understaffed labour inspectorates are unable to monitor compliance with health and safety at work standards and reliable data on accidents at work is also not available. This is a particular problem in the Federation, where records are held at Canton level.

Management of the labour market institutions, as observed above, is weak and needs a strengthening of capacities at all levels. The enforcement of labour legislation presents a major challenge. Active policies and programmes of the labour market (APPLM) conducted by the Employment Institutes and Services in Bosnia and Herzegovina are mainly focused on co-financing of new employment, self-employment and training. Furthermore, APPLM has broad goals and is not reaching out to those clients that are most disadvantaged. There is an urgent need thus to assess the efficiency and effectiveness of active labour market policies (ALMP) as well as to establish a system of performance indicators, in order to monitor whether the programmes were properly designed, targeted, linked and implemented.

Extensive research and analysis was done on the current and future provision of IT services to promote better management of information on employment and related matters. Current data management systems were assessed and a review was prepared and recommendations provided on the management of data, as well as inputs provided into the specification of a new data management system being prepared and tendered, and the data management needs for redesigned registration procedures in the pilot model offices. Recommendations in this segment relate to the needs for introducing only one IT system implemented at all PES institutions, in line with personal data-protection requirements and providing real support both in job-matching (an indirect ALMM) and statistical information.

Finally, the infrastructure (buildings, equipment & communications) of the public employment services is generally poor. Institutions at different levels are generally insufficiently equipped to offer effective services. Although some bureaus and offices have benefited from external help to renovate and/or expand, the services cannot expect to rely solely on external help. Some (particularly smaller) offices are very inappropriate for their purpose, providing no privacy for individual consultations and no reasonable working environment for the staff (which in turn leads to demotivation and poor working practices).

Assistance to date has been focused on training of staff in employment services but the supply of equipment will be included in future programmes.

#### *Other achievements*

Levels of unemployment still remain very high. Registered unemployment reached 43.1% in June 2011, while according to the Labour Force Survey (LFS) conducted annually in April/May unemployment increased to 27.6 % in 2011 from 27.2% in 2010. It was particularly high among the young population (57.9% for people aged between 15 and 24). Despite the already large size of the public sector in the country, the number of employees in the public administration increased further, by 2.1% in the first six months of 2011. Average monthly nominal gross wages increased by 1.8% in 2010 and remained relatively stable in the first seven months of 2011. Structural rigidities such as the high rates of social contributions, poorly targeted social transfers and low labour mobility, are continuing to hamper job creation and the propensity to work.

Active labour market measures in BiH remain almost solely reliant on subsidising employers to provide additional working places, resulting in two negative effects. First, it creates a dependency between the private sector and the State, because employers wishing to take on staff will not have to bear all the costs of their employment, and will probably either seek substitute support at the end of the subsidy period, or simply let the employees go. The result however, even though only temporary, is a reduction in the real unemployment rate. The second effect is that employers are encouraged to depend on state subsidies, instead of allowing market forces to prevail. Although such support benefits unemployed people by improving their chances of getting a job, it penalises those without skills in demand or whose educational levels are not perceived as sufficiently high.

It is clear that active labour market measures can no longer consist almost entirely of subsidies to employers. In particular, there are very few opportunities for reskilling or upskilling, which affects in particular young people with high school education. Even with job subsidies, the longer-term effects are minimal since the economic situation dictates that without such subsidies the employers cannot continue employment after the subsidy ends.

The lack of political will at the highest level to reform the administration of health insurance and other non-employment-related benefits which remain within the remit of the Employment Sector further undermines active labour market measures. Between 40% and 50% of all registered unemployed persons are not active (real) job seekers, but they have the right to health insurance (passive job seekers) which is administered by the Employment Service. Half of the current administrative work for employment bureaus would be removed if they only concentrated on active labour market measures. Such a solution would positively influence further progress and impact.

Progress has also been limited in the field of education and training. The Council of Ministers adopted the concept of the Qualifications Framework (Baseline Qualifications Framework) in Bosnia and Herzegovina. However, the mismatch between the qualification needs of the labour market and the profile and number of graduates coming out of the vocational and educational training system adds to other structural weaknesses, such as low labour mobility, and remains a concern. There was no improvement in coordination between the education and labour market sectors to develop an education and training system that will meet the needs of the labour market. Furthermore, information on human capital endowment remains scarce. The State-level Law on vocational education and training is not being fully implemented and neither the Entities nor the Brčko District have a life-long learning concept.

#### *Other donors*

The main donors, apart from the EU, in the sub-sector were USAID, DFID, WB and UNDP. USAID was engaged on the Enabling Labour markets Mobility/ELMO project, and USAID – Sida were engaged in the sector on the FIRMA project, with the Federal Employment Institute involved on joint activities in the development of the labour force in BiH. Furthermore, the Swiss Agency for Development and Cooperation and the Austrian Development Corporation (ADC), in cooperation with the German consulting company GOPA and the public employment services opened the first Job Search Club in the FBiH. The establishment of the Club is part of the Youth Employment Programme in BiH (YEP). A related intervention was the YERP (Youth Employment and Retention Programme, UN) and the WB Employment Support Projects (SESP).

## Social inclusion and protection

### Structure of the sector

The Programme for 'Enhancing the Social Protection and Inclusion System for Children in Bosnia and Herzegovina' (SPIS Programme) is a multidisciplinary, three-year, multi-donor effort in strengthening the mechanisms and systems for social protection, social inclusion and protection of child rights. It was developed in close cooperation of all levels of the Government and UNICEF. The SPIS Model is designed to support the government authorities in the country to contribute to the eradication of social exclusion, child poverty, discrimination and inequality in accessing basic social protection services in local communities, and to meet international obligations related to child rights. The commitment of the SPIS Model is to apply a holistic and inter-sectoral approach to defining the priorities, policies and means of implementation of social protection and inclusion policies and services of high quality.

The implementation of the SPIS Model relates to ten municipalities in BiH<sup>56</sup> which served as pilots for the SPIS Programme during the period from 2008 to 2011.

### *Progress and developments in the institutional structures*

The SPIS sub-component of the sector is governed by specific laws of the Federation of BiH, the Republika Srpska and Brčko District, and in the Federation this area is further defined by Cantonal laws. The laws deal with financial transfers and provision of direct social support services to different groups of children. Due to differences between these laws, there is a lack of harmonization between the types of rights and their realization within the country, and, overall, the social protection system is fragmented and extremely complex. The complexity of the system calls for measures to harmonize both laws and practices in order to ensure a common approach for children's rights to social protection. An additional problem is the lack of budget resources to finance the basic forms of social and child protection (protection of families with children), as well as the lack of technical equipment, qualified staff and continuing education of staff.

However, significant progress in the sector was achieved by the SPIS project. The programme builds on results and lessons learned from previous UNICEF projects (1996-2008) focusing on community development, service delivery and policy development. The SPIS integrates the current legislation and policies in several relevant sectors - Social Welfare, Health, Education and Child Protection - with the aim of improving them in order to meet international standards on Children Rights. It contributed to the overall strengthening of the social protection and inclusion system both vertically (across governments) and horizontally (across social service providers). The SPIS Programme works at two levels:

- At the level of community – with local authorities, social protection institutions (institutions for education, health and social welfare), civil society and right holders – children and young people;
- At the level of development and policymaking (entity, state, cantonal ministries and institutions).

The SPIS Programme introduced an innovative model of enhancing the system of social protection and inclusion at the local level. The model can be defined as an integrated approach to strengthening the social protection and inclusion systems in local communities, through strengthening skills, evidence base, decision-making processes, and improvement of the integrated approach to social services for children and their families.

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<sup>56</sup> The target municipalities are: Visegrad, Novi Grad Sarajevo, Stolac, Laktasi, Bileca, Novi Travnik, Novi Grad RS, Kotor Varos, Livno and Sanski Most.



The work with higher levels of government has contributed to the development of stronger partnerships and linkages amongst sectors and the reform processes within sectors by clarifying and reinforcing the accountabilities, roles and forms of collaboration between different levels of governance at state, entity and cantonal levels. Simultaneously, it strengthened collaboration between different sectors - health, education, social welfare, finance, judiciary system, interior, labour and employment.

On the whole, the SPIS Model has achieved significant changes in the policies and approaches of the local government towards social protection and inclusion of children in their communities. Modelling new intersectoral approaches to social protection and inclusion policies and services has resulted in improved social protection and inclusion of children.

Each target municipality (their municipality executive or legislative branches) adopted a Municipal Action Plan for Social Protection and Inclusion of Children (MAP) which contributed to strengthened focus and governance mechanisms for protection and inclusion of children. The adoption of this document marked the beginning of the implementation of the Action plan. The Action Plans have become local strategies for social inclusion of children, since all ten Municipal Councils adopted them.

The existing strategic plan enabled the establishment of innovative social services for children and their families, such as the six Integrated Early Childhood Development Centre activities (IECD).<sup>57</sup> The IECD initiative and the centres represent a model of innovative social services that empower and support children from early childhood and are expected to be expanded into other communities.

SPIS support was also of key importance for the development and adoption of Early Childhood Development Policies in Republika Srpska and the Federation, confirmed through the adoption of the Early Childhood Policies by both Republika Srpska as well as the Federation in the first half of 2011.<sup>58</sup> The adoption of the Early Childhood Policies by RS and Federation created an effective framework for the Commissions for Social Protection and Inclusion of Children, the permanent inter-institutional structures operating at municipal level that have been created in the ten municipalities of SPIS.

Furtherore, the established Municipal Management Boards (MMB), PAR (Participatory Action Research) groups of children and adults<sup>59</sup> and the PAR Expert group have been excellent initiators of intersectoral cooperation, coordination and exchange between different actors and institutions within SPIS. At local level, SPIS fostered the ownership and participation by supporting the establishment of the mentioned ten Municipal Management Boards, now transformed into permanent Commissions for Social Protection and Inclusion of Children. These permanent Commissions enable local stakeholders to take full responsibility for the implementation and improvement of the measures indicated in the Municipal Action Plans for Social Protection and Inclusion of Children.

However, despite some very positive achievements with the SPIS programme, the implementation of framework legislation to reform social protection systems towards a needs-based approach did

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<sup>57</sup> Among its activities are: speech therapy and early identification of hearing disabilities in urban and rural areas; prevention of violence against and among children; strengthened referral mechanisms of coordination and communication between social service providers and relevant actors and similar.

<sup>58</sup> The Strategy for Improving Social Protection of Children without Parental Care in Republika Srpska for the Period 2009 – 2014, is also being implemented.

<sup>59</sup> PAR, among other, triggered the empowerment of children

not advance substantially. The legal framework still does not provide the most vulnerable categories with adequate assistance.

Both Entities did however adopt framework legislation to reform their social protection systems by moving towards a needs-based approach. Among the little progress to be seen is the Law on the professional rehabilitation, training and employment of disabled people, adopted by the Federation. Further, both Entities and the Brčko District adopted programmes to promote employment and self employment of Roma. Brčko District adopted a decision establishing a Social Inclusion Council to provide assistance to socially excluded persons. However, the social inclusion strategies of Republika Srpska and at State-level remain to be adopted. Implementation of the Republika Srpska Law on professional rehabilitation, training and employment remains low considering the number of employed persons with disabilities. No steps were taken to remedy the shortcomings of the Anti-Discrimination Law, notably the absence of age- and disability related provisions and the broad scope of the exceptions.

Means-testing for social benefits, including veterans' benefits, was introduced. However, Republika Srpska needs to put in place implementing legislation on means-testing as of 2011. In the Federation, objections from veterans prompted the government to dilute the corresponding implementing legislation. Social assistance and entitlement still varies considerably across the country and the existing discrepancies in social assistance, services and entitlements add to the widespread inequity. No steps were taken to end the disparities between Entity social protection systems and between Cantonal systems within the Federation. Some groups still continue to have privileged access to several social protections and assistance scheme based on their status, thus going against the needs based approach.

The Ombudsman of Bosnia and Herzegovina has presented special reports on pension rights, the situation of elderly people, persons with disabilities and the rights of children with special needs. However, most of the recommendations have not been implemented by the relevant authorities at State, Entity and Cantonal level, due to weak enforcement capacity and insufficient political will.

Substantial savings were envisaged to the public sector wage bill and in transfers due to the elimination of special unemployment benefits for demobilized soldiers, the implementation of eligibility audits for civil and war benefit recipients and strict control over pensions provided on favourable terms. The government approved a pension reform strategy which however was later withdrawn from parliamentary procedure. Eligibility audits of privileged pension and war disability benefit recipients started, however, progress is slow.

Republika Srpska adopted a Pension System Reform Strategy in May 2010<sup>60</sup> and adopted a new Pension System Law at the beginning of 2012. With the aim of implementing the Strategy, a new law on pension and disability insurance is being drafted. However, no progress towards pension system reform is seen in the Federation.

#### *Development of human resources*

The entire SPIS process was strongly supported by capacity development activities, particularly training and workshops that built awareness of the concept, methodology and values. It also contributed to progress in human resource development by:

- Strengthening governance mechanisms (supporting the establishment and functionality of

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<sup>60</sup> Among the basic goals of the system reform are: consolidation and stabilization of the existing system, fairer distribution of the available funds, provision of stable incomes and reduction of poverty in 65+ population, achieving of a long-term financial sustainability and a socially acceptable system, redefining of privileged rights, increase of individual responsibility and insurance risk and regaining of trust in the pension system.

Municipal Management Boards which promoted further institutional capacity development and sharing of innovative approaches to social protection and inclusion of children<sup>61</sup>);

- Developing capacity and knowledge of local civil servants and professionals (through a range of training, workshop and other events);
- Raising awareness, promoting best practices and sharing lessons learnt as strong advocacy tool for the need to protect child rights. This was realized through the Municipal Action Plans for social protection and inclusion of children (MAP) which were developed by each target municipality and have served as effective channels to promote good practice from municipalities as well as to raise awareness on social protection and inclusion in municipalities.

In the framework of the programme, capacity of civil society organizations was also raised with the aim of implementing the established monitoring process, based on the prepared Practical Guide on Child Rights Monitoring.

Overall, capacity, especially at local level, has been significantly enhanced and is considered to have reached a critical capacity to be able to maintain project benefits despite possible staff turnover. From a financial perspective, municipalities should have no difficulties in maintaining the SPIS model with present funds since its implementation does not necessarily require more resources, but aims at increasing the effectiveness of current resources.

#### *Establishment of systems and tools.*

Data base systems and institutional capacity development of local authorities and service providers through the SPIS programme delivered important contributions to the improvement of the evidence base on the needs and status of children in local communities, thus also contributing to enhancement of the statistics system in the country.

The programme also produced a manual to provide guidance to decision makers and practitioners on 'how to' aspects in designing and implementing the Municipal Implementation Model for Social Protection and Inclusion communities. The Manual draws on past experience of the pilot implementation of the SPIS Model and proposes a prototype set of procedures based on existing implementation modalities and documented experiences.

Besides collection of data lead by the MMBs, the SPIS Model also supports independent monitoring of the child rights, conducted by civil society organizations (CSO). The established monitoring process is based on the mentioned Practical Guide on Child Rights Monitoring.

#### *Other achievements*

The SPIS Model has also led to significant changes in mind-sets and approaches, particularly in relation to good governance, improvement of services and better coordination and synergies between service providers (Centres of Social Work, Health centres, Education institutions, Police and Judiciary) within the system for protection and inclusion of vulnerable groups. Furthermore, these changes are to be seen in the context of integrated social services with the objective of creating strong referral systems for child protection and inclusion in the communities. The establishment of PAR (Participatory Action Research) groups who develop local projects and initiatives lead by children and youth with support from adults which aims at ensuring participation and input from policy makers.

Intensive work with the government on introducing, discussing and learning about child-responsive budgeting has contributed to changing the understanding and attitudes of the local authorities

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<sup>61</sup> Institutional capacity building was also promoted through the mentioned PAR groups of children and adults and the PAR Expert group.

towards child responsive budgeting and resulted in developing budgets as integral parts of the Action Plans.

A number of positive indirect effects have also been derived from the Programme including interventions that have been identified in the Municipal Action Plans. The findings validate that the SPIS Programme introduced innovative services and reached out and included marginalized groups of children in the target communities, particularly children with special needs. The offered services have brought much needed support to families and offered space for exchange, discussion about challenges and ways how to deal with these challenges. Among such positive indirect effects are also the offered opportunities to have individual work with children, simultaneously offering children to socialise with others.

The so far achieved good impact is now oriented to the expansion of the SPIS model at the local level in the 20 municipalities as well as BD, where the SPIS Programme continues to operate.

Furthermore, reflecting the institutional complexity and UNICEF's attempt to ensure wide and equal participation from all entities, SPIS 1 has supported the establishment of Project Management Boards and numerous inter-institutional working groups in charge of orienting project implementation as well as assessing project outputs, feeding the policy development and reform process. This resulted, among others, in higher ownership of outputs.

#### *Donor assistance to the sector*

The SPIS programme was jointly funded by funds from the Department for International Development, UK (**DFID**), the European Union, and the Government of Norway. The activities supported by DFID and the Norwegian government compliment the activities which are being supported by the EC. DFID also supported the development of the Social Inclusion Strategy of BiH, which was prepared in cooperation with the Directorate for Economic Planning.

With the support of **Save the Children UK**, in 2009, the Ministry of Health and Social Protection of Republika Srpska prepared the standards (Standardized Services in the Area of Protection of Children and Families for a Better Quality of Life of Children and Youth in BiH) in a range of child protection areas. These were pilot tested in the period January - May 2010 and introduced to the social protection system.

**UNICEF** also supported the development of the Document on the Policy on Protection of Children without Parental Care and the Families in Risk of Separation in the Federation of Bosnia and Herzegovina (2006-2016) in the Federation of BiH, which was adopted in January 2008.

The **World Bank** financed the implementation of the Social Safety Nets & Employment Support Project (SSNESP). The project covers the period 2010-2014 and is being implemented by the Ministry of Health and Social Protection of Republika Srpska and the Ministry of Labour and Veterans and Invalids Protection of RS. The objectives of the project are (i) to support the financial transfers that do not originate from social insurance, for the poor and disabled (ii) to improve the efficiency and transparency of administration (iii) to support job mediation services for persons that actively search for job and who are ineligible to receive financial transfers or who belong to vulnerable groups.

## Annex 5 The evaluation methodology

The country level interim evaluations (and the MBP evaluation) will consist of two constituent and complementary elements – the evaluation of individual projects in the sample and the creation of a wider sectoral assessment. The interim evaluations follow the formats and methodology of the Commission's Evaluation Guide and the Project Cycle Management (PCM) Guide of EuropeAid. Each project included within the evaluation is assessed against the indicators in the project and programme documentation for efficiency, effectiveness, impact and sustainability and the results used to answer the Evaluation Questions established in the ToR.

With the focus of the evaluation on the measurement of impact, a sectoral approach is being used which requires a further level of assessment. The objective is to review how a particular sector in a country has evolved over time and assess the influence that the IPA has had on the changes that have been observed. This is undertaken by creating a picture of the sector and assessing how it has changed by identifying the initial sectoral objectives of the national authorities, determining what the situation was when the IPA assistance was planned and then measuring progress against impact level indicators. The evaluation questions, around which the evaluation report itself is also framed, fit into this sector focussed approach by building on the data gathered for the sectoral impact analysis.

The evaluation starts with a sampling process to reduce the overall population to a more manageable size whilst retaining sufficient scope to provide a credible evidence base for the conclusions and recommendations. Sectoral assessment matrices are developed based on programming documents to develop an understanding of the intervention logic of the programmes and ensure there are sufficient SMART<sup>62</sup> indicators, particularly at the impact level. Project evaluation forms are used to gather data on performance based on the indicators given in the project documents and made available from primary research and secondary information sources.

### Elaboration of the sectoral assessment methodology

#### *Creating the sectors*

In the 2007-09 programming period, the IPA was structured along 'priority axes' and therefore firstly, the sectors to be included in the evaluation should be defined by reallocating individual projects into the same sectors used in 2011 programming onwards. It should be noted that whilst the MIPD refers to grouping projects into sectors for the process of programming there is no common definition or consistent use of the term 'sector' in DG ELARG. For the purposes of this evaluation the term 'sector' is used to refer to groupings of projects along the same lines as in the MIPDs. For each sector in the sample the sectoral objectives and the baseline are identified from the Accession Partnership (s) and Progress Reports which underpin the assistance under review. From these sectoral objectives we can identify or define indicators of expected impact. The second stage is to describe the current status of these sectoral objectives and therefore understand what has changed. The third stage is to analyse how and whether IPA assistance contributed to the observed change in the sectoral objectives, or to what extent the changes can be attributed to IPA.

#### *Defining the baseline*

The European Partnership (EP) is a summary of the short and medium term objectives (described by the Copenhagen Criteria and the chapters of the *acquis*) agreed between the Commission and the beneficiary applicant state. It forms the basis for the programming of EC assistance but clearly its objectives are of a significantly broader scope than can be funded from the resources available solely from the EU. It is supported by an Action Plan prepared by the beneficiary country detailing the timetable for completion of the objectives of the EP. The EP is prepared in the year preceding

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<sup>62</sup> Specific, Measurable, Available, Relevant and Time bound – characteristics of good indicators.

the financing memorandum and thus the IPA 2007 programme is based on the EP of 2006 and the IPA 2008 on the EP of 2007<sup>63</sup>. For the purposes of the evaluation, the baseline is taken from the Progress Report and the sectoral policy objectives (and the indicators derived from them) from the medium term priorities of the EP – those which should be achieved within 3-4 years (ie, by 2010/2011).

### *Measuring progress*

The current status of the sector will be defined using information from the most recent progress report, sector strategies and sector studies, complemented by interviews with key sectoral stakeholders. Where necessary we can also bring in the services of external specialists to bring further clarity to the analysis. The final stage is to establish whether the IPA made a contribution to these observed changes.

### *Establishing contribution*

The objectives identified in the planning stages will be cross referenced against specific projects funded in the sector and used to determine the extent to which there could have *potentially* been an impact realised by IPA assistance. The indicators defined from the programme documents (EP, project fiches) will then be used to measure the extent to which the IPA assistance has contributed to the changes observed. This can be supplemented by a review of documents, ROM reports and interviews with key stakeholders and other experts in order to establish whether specific changes can be attributed to the IPA assistance or to other factors, or whether IPA has contributed to internal processes of change. If there are no observable changes – i.e. there has been no impact – the reasons behind this can also be determined by the analysis.

Where documentary evidence is not available the contribution of the IPA to observed change will be made using a public administration capacity systems analysis methodology. This approach identifies the type of effects generated by the assistance and the contribution this has made to the sectoral changes observed. Where indicators are lacking or insufficient, it offers an objective and logical explanation of how and whether impact could have been achieved by IPA assistance.

Disregarding externalities for a moment, any sectoral change can be defined within one or a combination of three categories: Institutional Structures, Human Resources or Systems and Tools. These features of administrative reform need to be visualized along a time line of sectoral policy development, with investment provided at appropriate times to effect the achievement of impact. For example, there is little point in investing in Information and Communications Technology (ICT) until the institutional structures have been established; the development of Human Resources must be a constant process.

*Institutional Structures* considers the changes to the structures of the institutions in the sector (state and Non Governmental Organisations (NGOs)) driven by the introduction of new policy. It can be disaggregated into a number of sub components, including organizational reform (such as restructuring or decentralization) and the legal framework (scope of responsibilities between ministries, introduction of commercial service delivery, creation of regulatory agencies).

*Human Resources* covers the changed behaviour and working methods of the individuals working within institutional structures and can consist of staffing (adequacy of numbers, limiting turnover), resources (existence of Human Resource (HR) policies and career paths, risk of brain drain) and competencies (completeness of required competencies, effectiveness of training).

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<sup>63</sup> Due to the changing constitutional nature of some of the beneficiaries of the region over the programme time period, some consolidation of objectives from different reports has been necessary

*Systems and Tools* consists of the delivery of those elements of technical or managerial infrastructure needed by institutional structures and human resources to effect change. It includes information and communication technology, infrastructural investment, management information systems or monitoring systems.

### The Evaluation Questions

The questions in this evaluation fall into two groups. Those addressing efficiency and effectiveness cover the project level environment and are essentially directly within the control of the implementing authorities and contractors. Those looking at impact and sustainability consider the effects the programmes will have on the wider environment and are both more difficult to objectively measure and less under the control of operational stakeholders.

- For the evaluation of questions covering efficiency and effectiveness we will be looking at systemic issues affecting the delivery of IPA assistance. The data for these evaluation questions will come from the analysis of project performance through the review of indicators and interviews with key stakeholders. Programme level evaluations do not consist of the sum of the performance of individual projects, but the analysis of individual projects does form the basis for the derivation of programme level conclusions;
- For the evaluation of questions covering impact and sustainability we will be looking at how the IPA assistance has contributed to changes observed at the sectoral level. The data for these evaluation questions will come from the analysis of how the sector as a whole has developed since the time of programming and disaggregates the specific impact of the IPA. This element of the research also looks at whether sectoral objectives not assisted by the IPA have been met and thus provides a counterfactual analysis. As well as measuring the expected versus actual impact indicators, interviews with key stakeholders will determine process and therefore lessons learned in achieving impact and sustainability.

### Evaluation of Efficiency and Effectiveness

There are three evaluation questions covering aspects of efficiency and effectiveness:

**Table 0.9 Assessment of efficiency and effectiveness**

Assessment of efficiency and effectiveness	
EQ 1	To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?
EQ 2	To what extent are interventions financed under IPA effective in delivering outputs and immediate results?
EQ 7	Are there potential actions which would improve the efficiency and effectiveness of the ongoing assistance?

This element of the evaluation will consist of the measurement of the extent that outputs have been delivered, at an appropriate quality level, and objectives achieved; the timeliness of their delivery and their cost. Questions considering efficiency seek to understand whether outputs were delivered on time and at a reasonable and expected cost. Effectiveness looks at what use has been made of the outputs delivered, or are likely to be delivered. At the same time, realistic alternatives should be identified which are likely to be more effective and/or efficient than the observed solutions.

In the context of this evaluation, efficiency focuses on the achievement of value for money for both outputs and objectives. To assess this we need to determine:

- whether the assistance has been, or is likely to be, delivered within the originally planned budget and time-frame; and
- whether the planning process took adequate consideration of other ways of delivering outputs or objectives and whether assistance could have been delivered in a more cost effective manner to achieve the same outputs or objectives.

In principle, the questions will be answered at the level of the sector concerned. This means that especially for impact and sustainability sector-specific indicators were developed. Capacity building and institutional strengthening has however also many common elements, which is why many indicators, especially for efficiency and effectiveness, can also be presented at a more general level (as is done in this section).

When analysing efficiency, it should be furthermore kept in mind that the emphasis of the evaluation is on impact and sustainability of the combined IPA effort on the relevant sectors. The evaluation will therefore not go in detail on individual examples of bad or poor performance in specific interventions (if at all, this will be done to illustrate common phenomena), but instead endeavour to identify embedded strengths or weaknesses in the system (procedures, modus operandi) which influence efficiency and overall value for money in terms of ‘impact for money.’

**EQ I To what extent are interventions financed under IPA efficient in terms of value for money when delivering outputs and immediate results?**

**Judgement criteria:**

The assistance has delivered the planned outputs and achieved project objectives in the most cost effective manner.

Planned outputs were normally delivered within the foreseen timespan

Procedures for programming and supervision are transparent and promote efficiency

Budget and timelines for the majority of interventions were realistic

IPA interventions normally do not result in excessive administrative burden for the beneficiary organisations

Generally a good mix of financial sources (incl. non-EU sources like IFIs etc.) was applied

Indicators/Descriptors	Data source
<ul style="list-style-type: none"> <li>All contracts were subject to competitive tender</li> </ul>	Project fiches, EUD/CFCU
<ul style="list-style-type: none"> <li>All tenders are contracted at least six months before the end of the commitment period thereby providing the Contracting Authority with sufficient time to cancel, redesign and re-tender if offers are unduly expensive</li> </ul>	Perseus reports, Implementation status report
<ul style="list-style-type: none"> <li>The beneficiary authorities provided the minimum required levels of co-financing in a timely fashion</li> </ul>	Perseus reports
<ul style="list-style-type: none"> <li>A comprehensive needs assessment, updated detailed design and commercial assessment by an appropriately qualified independent expert has been completed within one year of the launch of the tender</li> </ul>	ROM reports, CFCU Interviews
<ul style="list-style-type: none"> <li>Administrative capacity assessments are used on all institution building projects to scale assistance to beneficiary absorption capacity</li> </ul>	ROM Reports, CFCU Interviews
<ul style="list-style-type: none"> <li>The type of contract (works, supply, service, TA or Twinning) is appropriate for the objectives targeted</li> </ul>	Contracts / Project fiches
<ul style="list-style-type: none"> <li>Delay and performance clauses and other appropriate penalties have been included in contracts and is there clear evidence that that they have been enforced where necessary</li> </ul>	Sample contracts Interviews with NAO/CFCU
<ul style="list-style-type: none"> <li>For all infrastructure components, alternative sources of funding to IPA grant aid been considered at the planning stage (soft loan finance, government funds, municipal bonds, other EU financing).</li> </ul>	Project fiches Interviews with NIPAC/IFAs
<ul style="list-style-type: none"> <li>Resources have been leveraged with other donors/beneficiary budgets where possible</li> </ul>	MIPD
<ul style="list-style-type: none"> <li>Duplication of funding with other sources has been avoided</li> </ul>	NIPAC
<ul style="list-style-type: none"> <li>An effective aid co-ordination structure is in place to ensure no overlap and collaborative financing</li> </ul>	NIPAC co-ordination meetings
<ul style="list-style-type: none"> <li>The costs, including indirect and ongoing costs, to achieve the planned objectives have been clearly considered in programme design</li> </ul>	Project fiches
<ul style="list-style-type: none"> <li>There is good governance at all levels with sound financial management to ensure corruption is avoided</li> </ul>	Management systems
<ul style="list-style-type: none"> <li>Timely approval procedures for institution building outputs</li> </ul>	NAO/CFCU



<ul style="list-style-type: none"> <li>Timely preparation and mobilization of twinning contracts</li> </ul>	ROM reports,
<ul style="list-style-type: none"> <li>Generally, service providers deliver outputs within the foreseen timeframe</li> </ul>	progress and final reports
<ul style="list-style-type: none"> <li>Generally, beneficiary organisations make the required resources (space, human resources, translation services, IT etc) available in time</li> <li>Project outputs can be applied by beneficiary organisations without the need for unduly large investments or other costs.</li> </ul>	ROM reports, NIPAC
<ul style="list-style-type: none"> <li>Project outputs are timely absorbed by beneficiary organizations</li> </ul>	ROM reports, NIPAC

The evaluation question directed at effectiveness looks at the extent to which the outputs and objectives of the assistance have been successfully achieved (or are likely to be achieved) or if there were better ways of delivering outputs and objectives.

#### **EQ II To what extent are interventions financed under IPA effective in delivering outputs and immediate results?**

##### **Judgement Criteria:**

The assistance was effective with the planned outputs delivered, at the appropriate quality level  
Normally, appropriate service providers or twinning partners have been selected  
Procedures for programming and supervision are pro-active and promote quality and effectiveness  
Generally, outputs were relevant for the beneficiary organisations  
Generally, outputs have been taken up/used by the beneficiary organisations

<b>Indicators/Descriptors</b>	<b>Data source</b>
<ul style="list-style-type: none"> <li>The extent to which outputs have been delivered (or are on schedule to be delivered) as defined in programming and contract documents</li> </ul>	ROM reports, CFCU / Perseus
<ul style="list-style-type: none"> <li>The beneficiaries were included in the design and definition of objectives</li> </ul>	NIPAC
<ul style="list-style-type: none"> <li>Each project contains clear and convincing intervention logic with evidence and assumptions/conditionalities</li> </ul>	NIPAC
<ul style="list-style-type: none"> <li>Regular management meetings are held between contractors and all stakeholders at least quarterly (process)</li> </ul>	NIPAC / CFCU / EUD
<ul style="list-style-type: none"> <li>EUD Task Managers apply good management practices with at least quarterly internal management reviews of all projects (process)</li> </ul>	EUD management
<ul style="list-style-type: none"> <li>The risks to the achievement of the objectives are identified at appropriate intervals during the project duration (process)</li> </ul>	ROM reports NIPAC
<ul style="list-style-type: none"> <li>If risks were identified, generally appropriate action is taken by EUD or other relevant bodies</li> </ul>	EUD, NIPAC, progress reports
<ul style="list-style-type: none"> <li>Objectives or outputs are amended to take into account changing circumstances</li> </ul>	NIPAC
<ul style="list-style-type: none"> <li>Project outputs are generally at an appropriate quality level and relevant for the beneficiary organizations</li> </ul>	EUD, NIPAC, interviews with BOs
<ul style="list-style-type: none"> <li>Project outputs are generally accepted and implemented by the beneficiary organisations</li> </ul>	EUD, NIPAC, interviews with BOs

#### **EQ VII Are there any potential actions which would improve the efficiency and effectiveness of ongoing assistance?**

##### **Judgement Criteria:**

Is there a need for improvement in efficiency and/or effectiveness (answer delivered by EQ 1 and 2)?  
For most interventions in the design phase a conscious selection has been made between different delivery methods, with a view to maximizing efficiency and/or effectiveness  
Actions can be or cannot be defined that can improve the efficiency and effectiveness of the assistance

<b>Indicators/Descriptors</b>	<b>Data source</b>
<ul style="list-style-type: none"> <li>Corrective actions to improve systemic impediments to efficiency and effectiveness</li> </ul>	document review, field research interviews or institutional capacity analysis provided in the framework of Structures, Human Resource

	Management and Tools
<ul style="list-style-type: none"> <li>Extent to which beneficiaries/other actors involved identify possibilities for the improvement of efficiency</li> </ul>	Expert judgements (interviews, focus groups)
<ul style="list-style-type: none"> <li>Extent to which the “environmental” preconditions are available (e.g. political support, project fits in wider sector strategy, HR strategy, etc.)</li> </ul>	Expert judgements (interviews, focus groups)

### Evaluation of Impact and Sustainability

There are five evaluation questions covering impact and sustainability.

**Table 0.1 Assessment of impact and sustainability**

Assessment of impact and sustainability	
EQ 3	Are the outputs and immediate results delivered by the IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to the accession preparation? Are/can impacts be sufficiently identified/quantified?
EQ 4	Are there any additional impacts (both positive and negative)?
EQ 5	Are the identified impacts sustainable?
EQ 6	Are there any elements which could hamper the impact and/or sustainability of the assistance?
EQ 8	Are there actions which would improve the prospects for impact and sustainability of the on-going assistance?

### EQ III Are the outputs and immediate results delivered by IPA translated into the desired/expected impacts, namely in terms of achieving the strategic objectives/priorities linked to accession preparation? Are/can impacts be sufficiently identified/quantified

#### Judgement Criteria:

The assistance provided under the IPA is making, or can be expected to make, a visible contribution to the institution building objectives of the NPAA/SAA

All interventions fit logically into the wider objectives of IPA.

Generally, outputs have been taken up by the beneficiary organisations

Generally, the objectives of the programme have been met

Indicators/Descriptors	Data source
<ul style="list-style-type: none"> <li>Extent of progress on the fulfilment of the <i>acquis</i> and Copenhagen Criteria within the sector</li> </ul>	Project fiches, Perseus, Task Managers, annual reports on progress towards adoption of the <i>acquis</i>
<ul style="list-style-type: none"> <li>The interventions contribute directly to the requirements of the <i>acquis</i> as laid down in NPAA/SAA and Action Plan</li> </ul>	ROM reports, Questionnaire
<ul style="list-style-type: none"> <li>For earlier projects now in their later stages (FM 2007/2008) measurement of existing impact indicators must show at least some progress towards target</li> </ul>	ROM reports, Questionnaire
<ul style="list-style-type: none"> <li>Strategic programming documents (MIPD, national strategic plans) are clearly linked to the NPAA/SAA</li> </ul>	MIPD, NPAA/SAA Strategies
<ul style="list-style-type: none"> <li>There exist realistic but sufficiently ambitious national strategic plans</li> </ul>	NPAA/SAA strategies
<ul style="list-style-type: none"> <li>The suite of IPA funded project fits logically in the national strategic plans for institution building</li> </ul>	Project fiches, Strategies
<ul style="list-style-type: none"> <li>Pre-conditions for impact have been defined during programming (such as staff reinforcement, premises, equipment)</li> </ul>	Project fiches, EUD
<ul style="list-style-type: none"> <li>All conditionalities have been enforced prior to contracting</li> </ul>	Interviews with EUD
<ul style="list-style-type: none"> <li>Measurement of individual sector performance indicators against sectoral objectives and the baseline (given in detail in annex 4)</li> </ul>	EUD/NIPAC/document analysis
<ul style="list-style-type: none"> <li>Measurement mechanisms are in place to assess impact and implement corrective management actions as necessary</li> </ul>	NIPAC
<ul style="list-style-type: none"> <li>Qualitative progress is measured on strengthening of Structures (legislation, co-</li> </ul>	ROM reports,

operation, management)	Questionnaires, annual projects
• Qualitative progress is measured on strengthening Human Resources (competencies, staffing, resources)	ROM reports, Questionnaires
• Qualitative progress is measured on strengthening Systems and Tools (ICT, finance, M&E)	ROM reports, Questionnaires

#### EQ IV Are there any **additional impact** (both positive and negative)?

##### Judgement Criteria:

Unplanned impacts are identified in the interventions

There have been unplanned indirect positive effects of the interventions, which significantly augment the impact of IPA.

There have been unplanned indirect negative effects of the interventions, which significantly take away from the impact of IPA.

In hindsight, could these effects have been anticipated?

Indicators/Descriptors	Data source
• Mechanisms are in place to capture information on unplanned impacts and mitigate/promote them	NIPAC + questionnaire
• List unplanned impacts identified by the beneficiary authorities and management actions taken/planned	NIPAC + questionnaire
• Are these (unforeseen and/or indirect) effects of a significant size, to what extent do they augment the direct effects or take away from the latter (to be further specified in Annex 4)	NIPAC + questionnaire
• Does IPA in general contribute to the emergence of relations with relevant partner organisations within the EU (member states)	NIPAC + questionnaire

As with impact, sustainability can usually only be finally assessed once a project has been completed and thus the evaluation must focus on pre-conditions for sustainability. Much of the IPA consists of multi-annual interventions and the sustainability of earlier elements is sometimes a useful proxy for the sustainability of current actions.

#### EQ V Are the identified impacts **sustainable**?

##### Judgement criteria:

Long term institutional capacity building impacts will be sustained as they are a pre-requisite for membership of the European Union.

Beneficiary budget is sufficient to sustain the effects.

Beneficiary organisations are able to retain human resources necessary to implement the results of the IPA interventions

IPA enabled effects are logically embedded in beneficiary (new) structures.

Indicators/Descriptors	Data source
• For earlier projects in their later stages (FM 2007/2008) measurement of existing sustainability indicators show progress towards targets	ROM reports, Contractor interviews, Project reports, beneficiary interviews
• Identification of external factors such as staff turnover or political support that influence the sustainability of impact	ROM reports, Contractor interviews
• For investment projects, beneficiaries must have sufficient budgets for consumables, replacement and additional equipment	Beneficiary interviews
• For institution building projects, beneficiaries must have sufficient budget to effectively retain or recruit staff based on an administrative capacity plan approved by the budgetary authority	Beneficiary interviews
• Conditional legislation (especially secondary legislation) should be in place before the end of the associated assistance	Beneficiary interviews / NIPAC
• Existence of examples of the sustainability of any completed comparable interventions as a proxy for likely sustainability of assistance under evaluation	NIPAC / EUD

Given the programme level nature of the interim evaluations, the identification of issues which could hamper the achievement of impact and sustainability should concentrate on common rather project specific issues

**EQ VI Are there any elements which could hamper the impact and/or sustainability of the assistance?**

**Judgement Criteria:**

There are (no) systemic issues which reduce the impact or sustainability of assistance.

There are (no) embedded defects in the system in the partner country and/or beneficiary organisations which prevent adoption of the outputs of IPA interventions, e.g. excessive lack of staff, brain drain or lack of political will (either government or parliament) to adopt the changes),

Indicators/Descriptors	Data source
<ul style="list-style-type: none"> <li>Problems identified affecting impact and sustainability of <b>investment</b> projects such as: poor needs assessment &amp; specification, sufficiency for beneficiary needs and availability of additional financing (eg. To complete networks of laboratories for food testing), staffing of new facilities, funds for consumables &amp; replacements, rapid obsolescence of equipment due to legislative or institutional change, operating budgets, user costs &amp; cost recovery.</li> <li>Common problems on <b>institution building</b> projects include: involvement of the beneficiary in project design, adequacy of staff and facilities, retention of trained employees (private sector pull), maintenance of reform momentum, loss of reform champions,</li> </ul>	Beneficiary interviews, NIPAC, EUD interviews, ROM reports

The lack of focus of those charged with operational management of the IPA offers a substantial opportunity for evaluation to identify and develop institutional corrective actions to improve the potential for impact and sustainability of the programme.

**EQ VIII Are there any actions which would improve the prospects for impact and sustainability of the ongoing assistance?**

**Judgement Criteria:**

Actions can(not) be defined that can improve the impact and sustainability of the ongoing assistance.

Such actions (if at all) are not so expensive or invasive that their introduction would take away from impact or sustainability.

Indicators/Descriptors	Data source I
<ul style="list-style-type: none"> <li>Corrective actions to improve impact and sustainability identified in the institutional capacity analysis will be provided in the framework of Structures, Human Resource Management and Tools</li> </ul>	Same as for EQ III – VI
<ul style="list-style-type: none"> <li>Other identified actions based on the findings on factors that influence the sustainability negatively</li> </ul>	

**Debriefing table CPiE Bosnia and Herzegovina  
General conclusions and recommendations**

Conclusion	Recommendation	Debriefing reaction	
		Action by	Deadline
1. The relatively small size of the IPA budgets and the long term of the accession agenda have proved an insufficient incentive to overcome the increasing political intransigence between the state and entities. Planning of IPA is becoming hostage to the internal political conflicts in the country, leading to delays, politicized negotiation of funded projects and brinkmanship between the Commission and the national authorities. None of this contributes to efficient and effective use of resources	With the Sector Wide Approach concept only now being developed into a practical aid implementation methodology by the Commission Services it will be some time until this system becomes fully operational. In the meantime, the European Commission is invited to consider greater enforcement of preconditions for ownership:		
	1. Stakeholders at all levels should agree the role and scope of the state and entity level institutions in all future assistance at the programming stage through sectoral strategic plans formally endorsed by all parties.	NIPAC/Commission Services	Future programming
	2. Establishing clear programming timing deadlines and enforcing them. If projects cannot be agreed between all parties within the scheduled deadline, funding should be cancelled. For its part, the Commission Services should provide adequate time to enable consensus building from the BiH side during programming.	NIPAC/Commission Services	Future programming
	3. During implementation if projects are unreasonably delayed by a withdrawal of political support by any party, funding is cancelled and/or not extended	Commission Services	Immediate
2. Serious questions must be raised over the sustainability of the financing of the civil service, particularly in the light of the ongoing economic crisis in the country and more globally	4. Administrative capacity assessments should be undertaken for each of the potential beneficiaries included in future assistance financing to ensure that assistance has been appropriately scaled to their absorption capacities.	NIPAC	2013 programme

Conclusion	Recommendation	Debriefing reaction	
		Action by	Deadline
and the associated reduction in tax revenue. Most beneficiary institutions have suffered budgetary reductions at a time when they need to increase administrative capacity to take on new roles. This has led to headcount reductions, recruitment freezes and reductions in investment and operating budgets which will affect the overall impact of the IPA funded assistance	5. Strategic plans should contain clear indications of future financial requirements that will, whilst not yet part of a medium term financial planning policy, give all stakeholders an understanding of the resources required to support implementation of the assistance and sectoral change overall.	NIPAC	Next financial perspective
3. Legislation transposition has proved difficult in those areas that involve enforcement responsibilities not in line with the constitutionally defined structure of the country. It is clear that the financial support of the IPA and the political pressure of the EU are not sufficient to overcome these issues	6. Legislative risk analysis should be an integral part of the preparation of IPA assistance to identify any components that will be likely to cause implementation problems and develop mitigation strategies to address these.	Beneficiaries / NIPAC	2013 programme onwards

## Sector specific recommendations

### Quality Infrastructure and Statistics

Conclusion	Recommendation	Debriefing reaction	
		Action by	Deadline
<p>4. The requirement imposed by the EUD to create a broader QI strategy makes logical sense given the interconnected nature of the sector but would be difficult to achieve in any country let alone one as complex as BiH. There is broad agreement from the BiH side that such a document could be created and a promise of technical support from the EC, however given recent history in the sector this must be considered unlikely and thus further funds to QI should not be expected. Care must be taken not to lose the gains already made in the sector.</p>	<p>7. The NIPAC should lead the sectoral institutions in analysing the risks to sustainability of already achieved impacts in the QI sector if large scale future financing is not going to be provided. Smaller, more specifically directed, assistance packages should be made available to the sector as a whole for those areas where progress can be made (national standards certification at IMBiH, MSA, roll out of Enquiry Points).</p>	NIPAC / Beneficiaries	Immediate
	<p>8. The NIPAC should lead the sectoral institutions in developing ToR for advisory support in the development of a sectoral QI strategy</p>	NIPAC / Beneficiaries	
<p>5. There should be greater inclusion of the private sector in the development of strategic planning and associated assistance in both QI and statistics to improve the effectiveness, impact and sustainability of the IPA</p>	<p>9. In QI, the needs of the market for standards, conformity assessment and verification services should be analysed by the various institutes involved and included in any sectoral strategic plan(s)</p>	QI organisations	Ongoing
	<p>10. Whilst they cannot be direct beneficiaries of IPA assistance, any future assistance to the QI sector should include within its stakeholders representatives of chambers of commerce and industry to enable the sector to develop according to the needs of the economy.</p>	NIPAC/ Commission Services	2014 programme onwards
<p>6. 2009 Metrology was suspended at the time of the evaluation and subsequently cancelled, but there are a series of systemic issues which would improve the effectiveness and sustainability of completed assistance</p>	<p>11. Operational budgets are currently at zero and this affects the ability of the IMBiH to maintain and expand its laboratories for national standards. A clear indication of the financial commitments that will be needed into the medium term should be developed and at least an informal commitment to providing them received from the Council of Ministers.</p>	IMBiH / Council of Ministers	Immediate
<p>7. There remain significant differences in opinion between the entity and state institutions on</p>	<p>12. The IMBiH and the entity institutions need to re-engage with each other through the Metrology Council to define and agree</p>	IMBiH / entity metrology bodies	Immediate

Conclusion	Recommendation	Debriefing reaction	
		Action by	Deadline
the structure of the distributed metrology system and the operational responsibility for verification in each of the two entities. This situation needs to be resolved so that the investments and training provided under the IPA and Slovenian bilateral assistance can achieve the planned impact and a functional metrology system can begin to be put into operation.	those areas where they can effectively collaborate in establishing proper verification services in each entity and mutual recognition of each other's stamps.		
8. The Market Surveillance Agency does not have a formal role in the quality control of the work of the entity level inspectorates as they currently only report to the entity authorities. To oversee the annual market surveillance plan the MSA needs some authority to ensure that the numerous inspectorates submit appropriate data on their activities in a timely fashion.	13. The entity level inspectorates should submit data in an appropriate and timely fashion to the MSA so that the information system being developed under IPA 2009 is effective. The MSA is advised to report on this to NIPAC until such time as they are confident that sustained reporting has been achieved.	Entity inspectorates	



### Statistics

Conclusion	Recommendation	Debriefing reaction	
<p>9. Beneficiaries have in some instances had difficulties in absorbing the intensity of training missions under statistics twinning, both in terms of staffing and financial resources for supporting the attendance of their staff at training sessions.</p>	<p>14. Future planned support for the statistics sector should consider reducing the intensity of the assistance in line with the capacities of particularly the entity institutions. Although TA has not been successful on the census, it can act as a useful complement to twinning because it allows for the provision of operational funds. .</p>	<p>Commission Services</p>	<p>Immediate</p>
<p>10. Individual missions are developed by all beneficiaries together with the contractor but despite this and the establishment of working groups for each component, the entity institutions note that they are consulted only late in the process and with little time to make an effective contribution. This is disputed by BHAS.</p>	<p>15. To attend to the obvious sensitivities in communication and management between the three main beneficiary institutions, future contractors are encouraged to keep a clear record of communications between the parties on mission planning</p>	<p>BHAS / future contracting partners</p>	
<p>11. The Adapted Global Assessment makes a series of conclusions and recommendations on the state of the statistics system in BiH and the three institutions should seek to address these and report on progress made.</p>	<p>16. Most of these recommendations will directly affect the impact and sustainability of this and future IPA assistance and thus the EUD should include addressing these as a conditionality for future assistance.</p>	<p>BHAS / NIPAC / Commission Services</p>	<p>Immediate</p>

### **Employment and Social Policies**

Conclusion	Recommendation	Debriefing reaction	
<p>12. An integrated approach for social policies has been successful so far. However in the field of social dialogue there has been no progress due to the complex institutional structure of BiH. In the field of employment progress is being made. For an improved effectiveness and efficiency of employment and social policies the following actions are recommended</p>	<p>17. It is recommended to ensure that knowledge is shared with the permanent staff of the Ministries to enable them to continue operating the SPIS successfully once the temporary project funded staff leave.</p>	SPIS stakeholders	immediate
	<p>18. To enable a social dialogue first of all a solution needs to be found for social partners to recognize each other and cooperate. This should be resolved before any further assistance targeted at resolving the labour market problems</p>	Social partners / entities	immediate
	<p>19. Furthermore, legislative approximation remains to be intensified and social inclusion strategies adopted</p>	Entities	immediate
	<p>20. Further efforts need to be made on anti-discrimination and social protection.</p>		

### **Education**

Conclusion	Recommendation	Debriefing reaction	
<p>13. In the education sector there is a conference of Ministers of Education in BiH and also the Federation BiH conference of Ministers of Education. Having 14 Ministers of education in a small country as BiH risks fragmentation and makes a harmonised and joint approach rather difficult. It was unclear at the time of the evaluation whether the conferences would be retained</p>	<p>21. It is recommended that both the Conference of Ministers of Education in BiH and the Federation BiH Conference of Ministers of Education continue to exist so that there are proactive coordinating bodies for all higher education reform priorities and initiatives in BiH.</p>	CoM/Entities	immediate





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