

## Round Table Meeting “Public Finance Management in BiH - Strategic Planning, Budgeting and Public Investments”: inputs by the Integrated Local Development Project (ILDLP)

**About the ILDP:** The primary goal of the project is consolidation of the strategic planning system in Bosnia and Herzegovina by vertical integration of the local level into immediate higher government levels` strategic and financial frameworks and horizontal up-scaling of systemic local development planning. Within its policy component, the project, together with key institutional partners, launched participatory formulation of vision for establishment of coherent development planning and management system, respectively in each entity of Bosnia and Herzegovina. In parallel, the project works on the creation of a harmonised approach to cantonal development planning, which was successfully piloted within 2 FBiH cantons. Moreover, the ILDP supported harmonised local development planning in 40 local governments country-wide and will, in its future work, shift efforts towards strengthening capacities and administrative environment enabling systemic implementation of adopted local strategies.

**Key products related to strategic planning, aligned with the aspect of public finances (budget and public investment planning):**

**Concepts for harmonised development planning systems in the FBiH and in the RS** (developed in early 2013 via legitimate participatory process engaging a wide spectrum of institutions from entity, cantonal and local government levels): Main features within both concepts are: i) *vertically aligned and complementary strategic priorities across the government levels* (as opposed to multi-directional and spilled-over development objectives, which ultimately result in scattered development results); ii) *allocation of development priorities via strategies according to competencies/responsibilities of different levels of government*, pursuing a “whole-sale” coherent development effect (as opposed to fragmented strategic planning at different government levels); iii) *concentration and complementarity of available scarce public financial resources by linking strategic priorities to budgets and public investment programmes at local, cantonal and entity levels* (as opposed to piecemeal funding of priorities by each government level, which results in doubling of efforts, incoherence of development effects and spilling-over of resources); iv) *clear definition of institutional responsibilities for strategic planning at local, cantonal and entity levels* (compared to at present inexistent or informal development planning and management function).



Vizija\_FBiH.docx



Koncept planiranja  
razvoja u RS.pdf

**Law-drafting process related to development planning and management in the FBiH:** The public dialogue facilitated by the project, particularly in the entity of the FBiH, resulted in the unambiguous commitment of responsible institutions at entity, cantonal and local levels to head towards creation of a legal act regulating strategic planning and management in the FBiH. The emerging legal act aims to harmonise development planning in the FBiH and ultimately bring in concrete development results based on effective and efficient development planning and management at all government levels (local, cantonal and entity). It is expected that the Law will be submitted for public consultations and adoption procedure in early 2014. *Linkage between strategies at all government levels and budget and PIP processes is obligatory.*



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**Harmonised approach to development planning at the FBiH cantonal level:** In late November, 2013, as a result of a participatory policy-discussion process, a standardised methodology for cantonal development planning was adopted by the Working Group and recommended for further use by all cantons in the FBiH. The methodology was successfully piloted within 2 cantons, whose integrated development strategies will be adopted by the end of 2013. The Working Group also recommended that the Methodology will be embedded as by-law within the emerging Law on Development Planning and Management in the FBiH (together with harmonised planning methodologies for local and FBiH levels). *Linkage between strategic priorities and programmes identified within the cantonal strategy and the cantonal budget and PIP is an integral principle of the methodology.*



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**Harmonised approach to local development planning in BiH:** In late 2009, a standardised methodology for local development planning was recommended to all municipalities by both entity Governments. *Linkage between strategic priorities and programmes identified within the local strategy and the local budget and PIP is an integral principle of the methodology.*

[http://www.undp.org/content/bosnia\\_and\\_herzegovina/bs/home/library/razvoj/metodologija-za-integrirano-planiranje-lokalnog-razvoja-u-bih-mipro/](http://www.undp.org/content/bosnia_and_herzegovina/bs/home/library/razvoj/metodologija-za-integrirano-planiranje-lokalnog-razvoja-u-bih-mipro/)

**Opportunities:** Upcoming additional intervention within the ILDP, which would target cantonal level in the FBiH, particularly with regard to development planning and management. Potentials could be explored towards channelling down to the cantonal level emerging tools and methodologies (originating from the policy or legal framework).