



IPA 2009 Twinning Project "Strengthening the National Planning Process in Bosnia and Herzegovina"

The purpose of the project is to strengthen planning capacities of institutions and sectors at the BiH, entity and Brčko District level; to help meet requirements for making full use of EU pre-accession aid; and to promote capability to generate sound economic analysis and forecasting at BiH and entity plus BD level as basis for strategic planning and policy making.

The Project offers opportunity to strengthen capacities in 3 areas:

1) **Strategic framework** – Technical support to the strengthening of general planning at all levels of public administration. Training in this respect will continue to be offered to the institutions both at BiH and entity plus BD level. The EU 2020 Strategy for smart, sustainable, and inclusive growth will be a guiding document, as the future EU assistance will underpin the Europe 2020 strategy objectives and support compliance with EU technical requirements and standards.

2) The promotion of the **Sector-Wide Approach** is the component, where the project offers the largest proportion of its services. Strengthening the sector approach, with a more coherent longer-term planning process resulting in a strategic instrument for donor coordination and for steering private-sector investment is foreseen in the IPA II Regulation.

Gap assessment of BiH's public administration sectors for the application of the Sector-Wide Approach (SWAp), which is currently going on, is supposed to serve as input for fine-tuning a programme of strengthening familiarity with the conception and practical application of SWAp within sectors.

3) Strengthening capacities for **economic research and forecasting** – assistance in drafting of analytical texts and forecasting relevant to the formulation of medium- and long-term fiscal plans and economic policies. The project has already supported the development of econometric models, one in the field of foreign trade, and another one on fiscal policy analysis. It has also supported the development of an assessment tool for the sustainability of public and external debt. Additional efforts will follow.

Among perceived risks for the Project's implementation is the fact that IPA II support to BiH is conditional on an efficient coordination mechanism by the time of programming of IPA 2014, and any support to investments in the areas of socio-economic development (in particular transport and environment) is conditional on countrywide sector strategies.

Inefficiencies and shortcomings as for example regarding the linkage between strategies and budgets are the main reason why our projects and especially also their beneficiaries see value added from closer cooperation. Through this partnership approach, coherence between strategic objectives, sub-goals and public budget planning as well as policy driven budgets and public investment programming could be established.

