

DONOR COORDINATION FORUM (DCF)
MINUTES OF MEETING, DECEMBER 08TH, 2016

Participants

Ms Sezin Sinanoglu, United Nations Resident Coordinator in BiH, Ms Dusanka Basta, BiH MoFT/SCIA

(Meeting Chairs)

Donor/IFIs representatives:

Ms Victor Olsavszky, WHO
Mr Aris Seferovic, UNCT
Ms Normela Hodzic Zijadic, EUD
Mr Andrea Vera, EUD
Ms Barbara Datwayler Scheuer, Switzerland
Mr David Kramer, Switzerland
Ms Renata Abduzaimovic, EUD
Ms Sladana Curak, OSCE
Ms Gordana Zivkovic, OSCE
Ms Gabrijela Huskic, KfW
Ms Mario Vignjevic, Embassy of Sweden/SIDA
Ms Valentina Spina, Embassy of France
Ms Anesa Terza Vukovic, Embassy of the Czech Republic
Ms Olga Zdralkova, Embassy of the Czech Republic
Mr Yasuda Kunihiro, Embassy of Japan
Ms Lana Guberovic, Embassy of Japan
Ms Jasmina Mrkonja, IMF
Mr Borut Valencic, Embassy of Slovenia
Mr Alen Gagula, UNODC
Ms Johanne Engh, Embassy of Norway

Government representatives:

Ms Edina Topcagic, BiH MoFT/SCIA
Mr Zoran Danilovic, BiH MoFT/SCIA
Mr Igor Blagojevic, BiH MoFT/SCIA
Ms Bruna Kjuder, BiH MoFT/SCIA
Mr Toni Santic, BiH MoJ
Ms Iva Zovko Karacic, BiH MoJ
Mr Zdenko Milinovic, DEP

● Meeting Agenda

- Welcome and opening remarks
- Presentation prepared by the United Nations in Bosnia and Herzegovina – *Sustainable Development Goals*
- Presentation prepared by The Ministry of Finance and Treasury of BiH – *Donor Mapping Report 2015*
- *Tour de table* – general news from all participants of recent developments and activities including Floods update
- Closing remarks

● AD1: Welcome and opening remarks

Ms Basta, MoFT, on behalf of the Ministry welcomed all participants of the DCF meeting and welcomed the newcomers and then gave the floor the meeting co-chair, Ms Sezin Sinanoglu, UN Resident Coordinator in Bosnia and Herzegovina.

● AD2: Presentation prepared by the United Nations in Bosnia and Herzegovina – *Sustainable Development Goals*

Ms Sinanoglu, UN, greeted all meeting participants and thanked to MoFT for the opportunity to present the Sustainable Development Goals (SDGs) and discuss them with the development partners. Ms Sinanoglu briefly informed that the UN operates through 14 agencies based in the BiH, out of which 10 are resident and 4 non-resident agencies. All of their programmes are coordinated by UNRCO in order to achieve work coherency, speak as one voice and have real impact in the country. In September 2015, UN General Assembly agreed on 17 SDG goals that would form the basis of a Global Development Agenda. This Resolution was supported by most of the countries including the BiH. This Agenda was preceded by 8 MDG goals brought in 2000 with the

Millennium Declaration. Before the expiry of the MDGs in 2015, a global discussion was initiated as to what the post 2015 Agenda would be. Every country in the world contributed to these discussions enabling the Agenda to become a truly global, equally applicable to all countries, regardless of their level of development. The new Agenda has 17 Sustainable Development Goals and 167 indicators and is much more complex than previous one, with the focus on economic development, human rights, peace, justice and equality at its core. Ms Sinanoglu had emphasised the UN commitment to overall strong promotion and increasing the awareness on SDGs, seeking the active partnership and support from the DCF members in promoting these goals in BiH, adding that UN is prepared to provide necessary tools to its partners in order to achieve this endeavour. Finally, she introduced her colleagues, **Mr Seferovic** from the UNRCO and **Mr Olsavszky** from the WHO who is coordinating the UN work on Sustainable Development Goals in BiH to give their presentations.

Mr Seferovic, UNRCO, provided additional information on SDGs, primarily related to the status of SDGs implementation, challenges faced and current activities of the UNCT on SDGs awareness raising and establishing of national ownership in terms of SDGs implementation in Bosnia and Herzegovina. The new Global Agenda essentially connects 3 integral elements of sustainable development, i.e. economic development, social inclusion and environmental protection. Compared to 8 MDGs, the new Agenda is much more difficult to achieve considering that the world is currently facing far more complex challenges and issues. BiH has formally endorsed the Programme of Sustainable Development until 2030 and committed itself to realization of the Sustainable Development Goals. UN uses every opportunity to emphasise the importance of SDGs and the Agenda 2030, as an international obligation and valuable development framework for BiH. SDGs are global in character and applicable to all countries in the world regardless of their level of development, which is the message that the UN wishes to emphasise both to BiH authorities and donor community. Ideally, SDGs should be integrated into existing national planning processes, development strategies and plans, since the implementation of SDGs is very much complementary and supports the two current processes in BiH, both the Reform Agenda of BiH and the EU accession process.

UN has established the global mechanism for Reporting on the progress of SDGs at the High level political Forum on sustainable development, where every member state is obliged to report on the progress. In BiH, the SDGs were launched in October 2015 and the implementation started in January 2016. The UN launched the SDG Initiative 2030 and a number of activities, with the two primary objectives to raise awareness of the SDGs among counterparts in BiH and to promote ownership of BiH over the realization of SDGs long term objectives for development. Since BiH is new in this process and in order to advance the realization of the SDGs in the country, respective UN activities included developing SDG consultation tool for their localization in BiH, SDG workshops, online engagement (www.zamisli2030.ba, [Zamisli2030Facebook](https://www.facebook.com/Zamisli2030)) as well as the Rapid Integrated Assessment (mapping of the available BiH strategies and action plans and matching them with the specific SDGs goals and targets).

The main points of the United Nations presentation:

- Sustainable Development Goals (17 SDGs /169 targets)
- Importance of SDGs /Agenda 2030 in BiH
- Reporting on SDGs at High level political Forum on sustainable development
- Montenegro Report on the High level Forum in 2016
- SDGs in Bosnia and Herzegovina (SDGs activities, SDGs objectives)
- SDGs ownership, knowledge, system
- SDGs Triangle (Presidency /UNDAF Joint Steering Committee /SDG Technical Body)
- Proposed first steps, Engaging people and promoting SDGs, SDGs Consultation tool, SDGs Workshops, Online engagement, website: www.zamisli2030.ba, [Zamisli2030Facebook](https://www.facebook.com/Zamisli2030) page
- Linking SDGs with other key processes important for BiH
- Where BiH needs to be? What is lacking?
- Rapid Integrated Assessment/Mapping

For more details, please see the attached presentation.

Mr Olsavszky, WHO, illustrated the role of SDGs in the context of the WHO and how complex the task from the WHO perspective is. In this context, he noted that relevant SDG goal no. 3, *Good health and well-being* cannot stand alone, having many links with all other 16 goals, specifically with the SDG no. 14, *Life below water*. From the perspective of Health, we can have the best health services in the world, but this does not guarantee the improvement of the health of the population, due to social determinants of health such as education, environment, labour, labour environment, housing, etc., which aren't necessarily a part of the Health system. This is the reason why such a complex approach should be also focused on the mentioned determinants if any SDG goals are taken in consideration. As mentioned, once when SDG Technical body is nominated, UN will start monitoring the indicators. Currently these indicators are being refined at the UN HQ and need to be adapted to the local conditions. Ms Olsavszky concluded that from the UN perspective, these activities present a big project that needs to be realized in the next few months in a coherent way in Bosnia and Herzegovina.

Ms Basta thanked for the excellent presentation and noted that from the MoFT perspective, future realization of the SDG goals should be the common tasks between the BiH government on one side and donor countries on the other side. Then she opened the discussion on the SDGs presentation.

Ms Datwayler, Swiss, agreed that SDGs are very important and not only for developing countries. This Agenda is also important to Switzerland and to the overall donor community. UNDP tested this tool in the Swiss Embassy and they very much recommend it.

Mr Vera, EUD, thanked for very interesting presentation and noted that he very much supports SDGs matching with the EU *acquis* and the EU accession process, the activities which are all complementary to the SDGs. In the forthcoming period, EUD will be happy to accentuate these connections between SDGs and *acquis* chapters as well as other EUD work.

Ms Zdralkova, Czech, informed Czech Republic is under preparation of the new development cooperation programme for BiH for the next 6 years. This new programme is actually based on SDGs principles. Next year, Czech mission will come to BiH to have some meetings and discuss this matter with representatives from the MoFT and UN.

Mr Vignjevic, Sweden/Sida, noted that Sweden is about to start the mid-term review of the current Swedish strategy with BiH. So the UN presentation on SDGs will also serve as a good tool for Swedish government to review the existing strategy and identify the future channels and goals for the new strategy.

● **AD3: Presentation prepared by the Ministry of Finance and Treasury BiH – Donor Mapping Report 2015**

Ms Topcagic, MoFT/SCIA, announced that Donor Mapping Report (DMR) 2015 is today at the Agenda of the BiH Council of Ministers and that next week, the English version of DMR will be published at the official DCF web site. Donor mapping together with DCF meetings are the instruments for the improvement of mutual cooperation and partnership among and between donors and institutions in BiH, to have better insight in donor activities and priorities as well as to give opportunity to BiH to articulate its development priorities and ongoing reforms in the priority sectors. The Report provided an overview and analysis of ODA resources channelled by DCF members towards the socio-economic development and reform processes in Bosnia and Herzegovina, through 10 priority sectors defined and equal with IPA II (2014-2020) sectors. The international support in 2015 was focused to post floods reconstruction and recovery after the catastrophic 2014 floods which caused enormous damages and slowed down the economy. However, the support was not focused just on the reconstruction and recovery, but also on the revival of the economy and maintaining of the macro-economic stability and implementation of reforms, as preconditions for the EU integration.

Ms Topcagic used the opportunity and thanked to all DCF members as well as representatives from BiH institutions and the MoFT team for their overall active participation in the preparation of the DMR 2015.

The main highlights of the Ministry of Finance and Treasury presentation:

- Information on Donor Mapping Report (DMR) 2015
- Partnership building among donors and institutions in BiH
- ODA channelled to 10 priority sectors (EU IPA II)
- Main findings of the DMR 2015
- Emerging trends from the DMR 2015: Total ODA allocation /disbursement; Historical overview of ODA allocation/disbursement; Historical inflows of ODA allocations/disbursements and Sectoral ODA allocations/disbursements.
- The way forward

For more details, please see the attached presentation.

Ms Basta thanked for comprehensive presentations, opened the floor for discussion and then invited participants to take part at the *Tour de table*.

● **AD4: Tour de table including Floods update**

Ms Datwayler, Swiss, reminded that this summer Switzerland had the 20th anniversary of Swiss Cooperation in BiH. Since then, Swiss is in the process of developing the new cooperation strategy for the period 2017-2020. Ms Datwayler proposed to present the new Swiss cooperation strategy at the forthcoming DCF meeting.

Ms Zijadic - Hodzic, EUD, informed that numerous activities are ongoing in the past months related to programming and implementation of IPA assistance. In general terms, the questionnaire will be delivered tomorrow on December 09th to BiH from the EU to the Chairman of BiH CoM by the Commissioner Hahn. In terms of the assistance, in the past six months, the EU is programming IPA 2016 and 2017 programs almost in parallel. The programming of IPA 2016 was completed in spring while IPA 2017 programming is about to be finalized. The program of IPA 2016 amounted to EUR 47.00 m of EU contribution and it has been adopted by the EC IPA Committee on November 17th. The assistance is focused mainly on 4 sectors: Democracy and Governance, Rule of Law and Fundamental Rights, Competitiveness and Innovation (including follow up flood protection activities) as well as Education, Employment and Social Policies. EU expects that Financing agreement will be signed by the EC and BiH in May and June and it is envisaged that the implementation will start in June – July 2017. IPA 2017 programming is almost finished and the goal is that the EC decision is taken by the end 2017. The financial allocation for IPA 2017 will be EUR 44.00 m in total. However, since migration and refugee crisis influenced greatly to all EU assistance, 10% of all EU allocations will be immediately deducted for these and other purposes. After all deductions, amount of around EUR 35.00 m will be allocated within IPA 2017 assistance. Ms Zijadic – Hodzic concluded that according to IPA II regulation, EU is obliged to perform the mid-term review of IPA Indicative Strategy Papers in West Balkans region plus Turkey. In that regard, two rounds of consultations were already conducted with representatives of BiH institutions and representatives from the civil society. The idea of the mid-term review of IPA Indicative Strategy Papers is to

revise the priorities, to validate if the priorities are the same for BiH, to see if any new strategies are adopted at BiH level, in order to enable the EU to invest. The reason to mention this is that 4 sectors were previously deprived of EU assistance (Energy, Transport, Agriculture and Environment) due to the lack of the country-wide strategies in these sectors. The mid-term review is expected to be finalized by the colleagues from the HQ in June 2017 after consultations with the European Council and Parliament.

Mr Vera, EUD, gave an overview on floods activities and reminded that after the floods in 2014, the EU and donors has pledged EUR 85.00 m at the DK for flood support and recovery. This assistance was implemented in two packages; the first amounted to EUR 42.00 m (EU Flood Recovery Program) with the UN contribution of EUR 1.50 m. These activities are almost finalized and the assistance has been implemented relatively successfully and also evaluated. The second package (Special Measure on floods) has started and includes various activities on housing, grants to SCOs, support to civil protection, support to SMSs, etc. There is an active call for proposals with January 24th 2017 deadline for international organizations NGOs, etc., for follow up package support for housing (Housing 2) as well as there is an allocation in 2016, a follow up for flood recovery in the amount of EUR 5.00 m.

Ms Abduzaimovic, EUD, presented operational details on IPA 2014 Special Measure floods package. As previously mentioned, Environment sector is not benefiting from IPA assistance due to absence of the country-wide strategy. However, due to severe casualties and disaster caused by 2014 floods, the floods area was assessed as urgently needing recovery measures. Therefore, EU decided to support this area, based on the adopted Action plan for floods protection and water management as the basis to operate on. Action plan was adopted by the BiH CoM in January 2015, which identified a number of priorities which needed to be urgently addressed (under IPA 2014 Special Measures). This entailed envelopes allocated under the national program (EUR 15.00 m) and under the regional program BiH/Serbia (EUR 20.00 m), whereby the portion allocated to BiH amounted to EUR 10.00 m. Both packages include substantial amount of infrastructure interventions addressing the priority river sections as indicated in the Action plan (Sava river basin and its tributaries). It also includes the component of supporting the development of the Hydrological forecasting system entailing purchase of equipment, service technical assistance, etc. The infrastructure interventions to which the vast majority of funding is allocated comprises of number of infrastructure interventions. The EUD is currently in the process of procurement, whereby these activities involve a number of river sections, grouped to enable easier tendering. So there will be in total 5 tenders under the national program and 4 under the regional program, accompanied by the respective supervisory service contracts. Again, due to the urgent support in the floods area, further support based on the Action plan will be provided also in IPA 2016 assistance and for which the funding will be committed shortly, which covers two areas, with the objective to provide for further alignment with the floods directive and to address priorities from the Action plan for floods protection and water management. It will include the preparation for flood risk management plans in addition to the WBIF assistance in addressing the flood risk management and maps and it will address again the preparation of the technical design documentation for the remaining priorities to enable future investments.

Mr Vera, EUD, added that the EUD has recently completed the mapping of CSO organizations which is available on the EU web site.

Mr Vignjevic, Sweden/Sida, noted that the current Swedish strategy is already in line with the Reform Agenda, adopted by the BiH CoM. Swedish activities were focused on 3 sectors, with main result areas in economic development, the EU integration and the environment. Mr Vignjevic informed that Sweden is gradually coming to the country allocation amount they had before 2016, when due to the refugee crisis Sweden assistance was decreased for one third for country allocation to BiH. However, in 2017 the funds for development cooperation with BiH will be significantly increased (approx. more than EUR 16,5 m), providing the chance to continue the Swedish projects implemented so far in BiH as well as to open possible cooperation with other donors. Sweden is implementing projects in close cooperation with other bilateral donors as well as with IFIs. In 2017, Sweden will also focus on the environmental sector. Mr Vignjevic finally thanked to Ms Topcagic for good presentation of the DMR since Sweden initiated DMD database and contributed to development of such an excellent tool helpful to all donors.

Ms Huskic, KfW, reminded that on behalf of the German Government, KfW is implementing projects in financial cooperation. Last month, intergovernmental negotiations were held between the representatives of German and BiH Governments, where new commitments for this year for technical and financial cooperation were discussed. Also last month, project appraisal mission with German experts came to Zenica to discuss the construction of the new waste water treatment plant. After the appraisal report for this project is finalized, it will be forwarded to the German Government for consideration. In 2017, KfW is planning to implement the new credit line for EE buildings and to sign the financing agreement for the wind park Hrgud at the beginning of the year, as the first wind park in the RS.

Ms Engh, Norway, noted that Norway continues its long standing cooperation with HJPC on judicial efficiency and reform, provides contribution for demining through Norwegian Peoples Aid, support for BiH intelligence agency OSA in the field of security and intelligence, support to entrepreneurship and cooperation with business incubators Intera in Mostar and ICBL in Banja Luka. The Embassy also renewed the cooperation with the Atlantic initiative on preventing radicalization and violent extremism. In terms of gender equality, efforts are intensified with multi-year cooperation on eliminating gender based and other peer violence in schools in 3 cantons. Norway is also funding the gender agency activities on municipal gender equality action plans and supporting safe houses for survivors of gender based violence, while in term of flood relief, projects have been finalized.

Ms Zdralkova, Czech, noted that Czech Republic continues to work in four sectors, and is gradually closing the activities in the Agriculture sector. Currently, 25-30 projects are ongoing, including big bilateral projects and small local projects as well as the transition projects concentrated on human rights, particularly encouraging public society to fight for the rights in the Environment.

Mr Valencic, Slovenia, introduced himself as the newcomer in the Slovenian Embassy and commented he would have the full report on the Slovenian activities on the next DCF meeting.

Ms Spina, France, informed that French Embassy together with UNESCO continues the program activities in flood affected region, and announced that the reconstruction of cultural institutions has been completed, which are now functioning and open to the public, thus reinforcing the capacity of cultural actors. In terms of activities in the area of heritage, urbanism and tourism, French Embassy is cooperating with local authorities, both with FBiH authorities and RS, as well as with some towns. France is also active in the fight against illicit trafficking of cultural property, along with some training programs for local judges and it continues the work and projects on empowerment of youth and women in rural areas.

Mr Yasuda, Japan, introduced himself as the newcomer in the Japanese Embassy and briefly updated on Japanese assistance to BiH. Currently, in terms of economic development Japan continues supporting local primary schools and clinics and demining activities in the framework of *Japan's grant assistance for grassroots projects*, with priority on primary education, health and demining sectors, also including activities in areas affected by floods. Under *cultural grant projects*, Mostar sports centre reconstruction project has been successfully completed in October in cooperation with UNDP. This project aims at promoting community reconciliation while nurturing friendship among children from different ethnic groups. It also supported the reconstruction of the football ground field and the club house building of the sports centre. Also, there are 2 projects within *Non-project grant aid program*. The first will be initiated soon and is providing hydro meteorological equipment, water purification system and water bags for floods, etc., produced by Japanese SMEs (YEN 200.00 m will be granted to BiH). Another project implies provision of total of 120 Japanese so-called next generation vehicles for local social and welfare institutions of BiH, out of which 40 Japanese clean diesel Toyota cars were officially handed over to the Ministry of Civil Affairs in October, and other 80 vehicles/hybrid cars will arrive in spring 2017 and some of these vehicles will also go to the municipalities affected by floods.

JICA projects are also in progress, the first is a new 3 years project for confidence building, ethnic reconciliation through sports education (Mostar), and the second is a follow-up to the project from early 2000, when Japan provided the grant for construction of 11 primary schools buildings in BiH, which need further renovation. The schools have been reconstructed in late October 2016.

Ms Curak, OSCE, used the opportunity to thank to the donors who supported the OSCE in its political work in summer 2016, particularly regarding problems they had in Jajce case, the language issue in Republika Srpska, etc.

Mr Gagula, UNODC, informed that in the forthcoming period his office will continue with already initiated projects, one in the field of organized crime and drug control program and regional program for SE Europe 2016 -2019. In terms of new activities, UNODC project will be focused on drug abuse prevention, which will, together with Lions Clubs International Foundation, be implemented in primary schools in both entities, FBiH and RS. There is also an ongoing program on money laundering and terrorist financing and there will be a new regional project implemented with the support EU - measuring and assessing of organized crime in the Western Balkans, with activities in BiH starting in spring 2017. UNODC is also engaged in activities related to illegal migrants, human trafficking, anti corruption and in the activity which started in 2016, addressing the specific organized crime in the area of wild life and forest crime.

Mr Milinovic, DEP, reminded DCF participants that two years ago DEP and MoFT started the multi-annual planning on the state level. Currently, the second phase of preparation is underway, i.e. preparing of the monitoring and reporting process for the first multi-annual plan of the Council of Ministers as well as organizing the subsequent training for the institutions.

Mr Santic, BiH MoJ, briefly informed on ongoing activities and some of the future key steps in the Justice sector. Justice Sector Reform Strategy was adopted earlier in 2016, and Ministerial conference meeting was held as a key element of the monitoring mechanism, but it did not devise the institutional mechanism for monitoring and evaluation of the Strategy. MoJ is currently in the phase of IPA II programming for 2017. The key next steps will be to review the financial plan that would be indication for donor assistance in the Justice sector, reflecting its strategic priorities.

Ms Zovko Karacic, MoJ, informed that as a part of donor coordination activities in the Justice sector, MoJ as the lead coordination institution in collaboration with partner sector institutions is currently drafting the monitoring and evaluation report on donor aid effectiveness in the Justice sector of BiH. This report aims to assess the current level of donor aid effectiveness which is provided to the Justice sector of BiH, and to provide the guidelines for the future work on the importance of donor aid effectiveness. MoJ is also drafting the Report on implementation of donor aid projects in the MoJ in 2016. This report aims to provide an overview of all projects to which the MoJ is the primary beneficiary and includes information on donor aid projects implemented in the previous period and throughout 2016 as well as the new projects that will start in the following period. MoJ is currently collecting the comments from institutions in the Justice sector, and will share these reports with the donor community and publish them.

Ms Mrkonja, IMF, reminded that in September 2016, the IMF Board has approved EUR 550.00 m program under the Extended Fund Facility (EFF). The program revolves around 3 key pillars - business environment; improving the quality of public expenditure and reducing the size of government and preserving the stability in financial sector. IMF is happy to be able to reinforce the efforts of BiH authorities to implement a number of key reforms with the assistance of donor community. IMF works closely with the WB, EU, EBRD, USAID and many other agencies that basically support the work of the authorities to fulfil the IMF conditionality under the EFF program. On 22nd November, IMF mission conducted the first review necessary for disbursement of the second tranche (EUR 80.00 m). The next step would be to agree on supplementary Letter of intent included with prior actions and structural benchmarks going forward. It is expected that the IMF Board will decide on the disbursement of the second tranche by the end of January or in the first quarter of 2017.

Ms Sinanoglu, UNRC, added that UN has organized last week the two-day consultations with authorities at all levels (state, entity, cantonal) as well as with specific agencies on its joint by-annual work plans, covering 2017/2018. Four separate meetings were held for the four outcome areas in UN cooperation with the government. The meetings were successful with great turnout of partners from all levels and now they have 3 weeks deadline to send their comments to the UN, which will be incorporated into the work plans. UN has just taken a decision that once those work plans are endorsed by the Joint Steering Committee in February, UN will post them online so everyone can see them, while the results for 2016 will be posted online in January. Ms Sinanoglu also noted that she brought copies of a new document that UN presented the previous day at the Committee on human rights within the BiH Parliament. The document is a brief overview and a compilation of recommendation of the UN human rights mechanisms and their implementation in BiH. So whatever human rights recommendations have been given to this country, have now been compiled in a Report. This document presents an executive summary of this report, however all information can be found on the UN web site.

Ms Basta thanked to all participants for their attendance, wished Season's Greetings to everyone and closed the DCF meeting.

The meeting was closed at 13:00 hrs.