


FURTHER SUPPORT TO PFM IN BOSNIA & HERZEGOVINA

DONNORS COORDINATION FORUM MEETING

TL: František Palko

30 November 2022

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- I. Introduction
 - II. Mission of the project and its beneficiaries
 - III. Project activities
 - IV. Preparation of the end of the project

1. INTRODUCTION



Team Leader

FRANTIŠEK PALKO

Education background

- University of Economics in Bratislava
- Comenius University (Doctor in Law)
- Comenius University (PhD.)

Main Experience

- State Secretary of the MoF of Slovakia
- State Secretary of the Ministry of Transport and Regional Development (SK)
- Tajikistan, Kyrgyzstan, Greece, Serbia (PFM projects)
- Professor in Economics



Company and Project Info

- **DAI** is a leading consulting company for technical assistance projects with portfolio of more than 50 EU projects in 75 countries all over the world.
- **Project Information:**
 - Name: Further Support to Public Finance Management in Bosnia and Herzegovina
 - Duration: 32 months, starting from 1st July 2020;

Team

Project Manager – Martin Zlatev

Team Leader & KE 1- Mr František Palko

KE 2 – Ms Brankica Lenić

KE 3 – Ms Jovanka Manić

Office Manager – Ira Djapic

Structure of the NKE Experts

For each Key expert will work

- 1 SNKE for the Component 1 (A1.1. – A1.6)
- 1 SNKE for the Component 2 (A2.1 – A2.3.)
- 1 JNKE for the Component 1
- 1 JNKE for the Component 2

For all Key experts will work:

- 1 SNKE for the Activity A1.7. and Activity A1.9. (IT budget support)
- 1 SNKE for the Activity A1.8. (IPSAS standards)

Objective, Purpose & Expected Results

- Project objective – improve public finance management in BiH by increasing expenditure effectiveness
- Project purpose – help BiH authorities to improve the budget planning process
- Results:
 - 1) Improved programme budgeting process and alignment with mid-term policy planning processes at all levels of government in BiH;
 - 2) Human resources capacities for programme budget planning have been improved at all levels of government in BiH.

2. MISSION OF THE PROJECT AND ITS BENEFICIARIES



Relevance of the project to BiH's reform efforts in the PFM area

- All levels of government approved the strategy for the management of public finances until 2025 at the level of governments. The first ever common strategy for the whole of Bosnia and Herzegovina was also approved
- This project is one of the key technical assistance projects for BiH authorities that will help in the fulfillment of this reform effort, because the objectives of the strategies in the area of program budgeting, its links with Medium-Term Budget Planning and Strategic Planning, as well as the continuation of the implementation of IPSAS standards and IT budget support are the contents of this project

Key Words of our Implementation Mission

- **Motivation**

Budget users must feel the meaning of the new budget approach and must make their work easier

- **Innovation**

The new budget approach will be based on modern approaches to good practice

- **Cooperation**

The beneficiaries will be the owners of new solutions proposed by experts in coordination with beneficiaries

Beneficiaries

The main target groups of the project are all levels of the government in BiH:

- BiH Institutions
- Federation of Bosnia and Herzegovina
- Republika Srpska
- District Brčko

The second relevant target groups are all budget users at all levels of the government in BiH

Beneficiaries

The Structure of the Budget Stakeholders

The fiscal system in BiH is highly decentralized.

There are 291 direct budget users at all governmental level:

- **BiH Institutions** (75)
- **FBiH** (67)
- **RS** (150)
- **DB** (2)

and 1200 indirect budget users:

- **FBiH** (950)
- **RS** (250)

and the stakeholder group contains also from:

10 cantons, 79 cities and municipalities and 25
Extras budget funds in FBiH
64 cities and municipalities and 2 Extras Budget
funds in RS

3. Project activities and deliverables during the Implementation Phase

Components/Results

Component 1:

Improved programme budgeting process and alignment with the mid-term policy planning process at all levels of government in BiH

Component 2:

Human resources capacities for programme budget planning have been improved at all levels of government in BiH

Types of the project activities

1. Type of activities: regulatory framework and methodology
2. Type of activities: implementation of the new budget approach and new methodology in the budget process of all budget users at all levels of the government in BiH
3. Type of activities: human resources capacity building at the level of the all ministries of finances and all budget users at all levels of the government in BiH and FDBD
4. Type of activities: related activities in the field of IT Budget Support and IPSAS standards

A1.1 Improving the Budget Framework Through Necessary Amendments to the Relevant Laws



- Gap analysis of primary legislation at all levels of the government in BiH;
- Draft amendments of primary legislation in the field of budget process at all levels of government in BiH

A.1.2 Preparing a Framework for a new Budget Approach

- Gap analysis of secondary legislation
- Update the PB Manual for BiH Institutions,
- Preparation of the new PB manuals for FBiH, RS and for BD BiH
- Update the Medium-Term Planning Manual for BiH Institutions,
- Preparation of the new Medium-Term Budget Framework Manuals for RS and for BD BiH

A1.3 Preparing a Public Policy-related Integrated Budget Planning System Methodology



- Gap Analysis on the Strategic Planning, MTBP and Budget Process, international best practices and recommendations at all levels of the government in BiH
- Draft suggestions for the Medium-Term Planning Decision of MoFT
- Draft of the Medium-Term Budget Framework Manual of RS
- Draft of the Medium-Term Budget Framework Manual of BD BiH
- Draft proposal of the new Decree on Interlinking Budget, Strategic, and Investment Planning in FBiH

A.1.4 Preparing and Implementing Action Plans on Defining a Budget Programme based on Policies and Service Providing Areas

- Actions Plans for the Medium-Term Work Plans of pilot budget users at all levels of government
- Performance monitoring reports at all levels of government on the implementation of action plans at all levels of government

A1.5 Assistance to Budget Users in Identifying Programmes and their Elements, in Analyzing Programmes and Programme Elements and their Final Processing

- New programme budget structures in line with the new budget approach and budget methodology are prepared of the budget for all budget users at all levels of the government in BiH

A.1.6 Drafting a Methodology for the Measurement of Performance and Assistance to Ministries of Finances in Implementing

- Methodology for performance measurement at
- Indicators passports for all budget users at all levels of the government in BiH

A1.7 Analysis of needs for Upgrading Budget Preparation Software (BPMIS) and Treasury System, Overview of Programme Structure and Implementing the Upgrade

- Gap Analysis of the IT Needs with recommendations for each level of the government in BiH
- Consolidated Gap Analysis of the IT Needs with recommendations for all beneficiaries

A.1.8 Gap Analysis of IPSAS Standards, Implementation, with Recommendations

- Gap analysis of IPSAS standards implementation with recommendations at all levels of the government in BiH completed
- The project team organized and held meetings with representatives of the Ministry of Finance at all levels of government and with accounting associations in order to prepare a GAP analysis.

A1.9 Roll out of PB MIS and Analysis of Possibilities for Removing Functional Defects of BPMIS in BDBiH



- The IT Gap Analysis with the recommendations for the new budget approach is presented at all levels of the government in BiH
- Joint Beneficiaries meeting on the IT Budget Support that was held on 23th May 2022

A.2.1 Defining Training Programmes and Implementation of Training for Lecturers/Trainers on Programme Budget and its Relation to Strategic mid-term Plans

- Training Need Analysis on strategic/mid-term planning and its link to PB
- Training plan on strategic/mid-term planning and its link to PB
- 15 training sessions for more than 130 trainers at all levels of the government in BiH
- Training reports on strategic/mid-term planning and its link to PB

A2.2 Training in Programme Budgeting Concepts and Methodology

- Training Need Analysis on PB concepts and methodology
- Training plan on PB concepts and methodology
- 50 training sessions for all budget users at all levels of the government in BiH (more than 800 participants and more than 350 budget users)
- Training reports on PB concepts and methodology

A2.3 Training of those Employed in Budget Sectors in Order to Enable Them to Provide Adequate Training to Other Budget Users

- Training Need Analysis on training skills
- 3 training sessions for 80 trainers at all levels of the government in BiH
- Training reports on training skills

4.2.4 Study Visits

- Study visit was held in Netherlands in October 2022
- Study visit report

4. Preparation of the end of the project

Completion Phase

Objective:

The Project completion is intended to ensure that the Project deliverables and achievements are summed up comprehensively for the beneficiary, the Contracting Authority and a wider audience of stakeholders; to ensure that steps have been taken to provide for maximum sustainability, and; to critically assess the “lessons learned” from Project implementation. Also, the approval of the Final Report and Final Invoice following expenditure verification – and the ending thereof.

Activities:

1. Project hand-over
2. Final visibility and closing event with EUD and beneficiaries
3. Final report

COMMUNICAITON STRATEGY

- The Communication Strategy is to contribute to the efficient implementation of the project by ensuring that information concerning the project, its objectives, results and achieved outputs are presented correctly and disseminated to the identified target groups, stakeholders and general public on a timely basis and by the most effective means.
- The objective of the Communication Plan is to increase the visibility and to present the achievements of the project to as wide an audience as possible
- Based on the objectives and messages to be addressed, we have identified the below key functions of the Communication and Visibility Plan:
 - Raising awareness on the issues to be addressed within the project
 - Promoting the project objectives, activities, outputs and achievements
 - Developing and disseminating information, related to the swift organisation of capacity building trainings/workshops
 - Publicising and making visible the EU's long-term role in the PFM sector of BiH and the project achievements of the Beneficiaries

Exit Strategy

- ✓ The strategic goal of the Exit Strategy is sustainability of the project.
- ✓ Factors for the ensure of the sustainability are:

Need

Workability

Capability

THANK YOU FOR ATTENTION

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