

DONOR COORDINATION FORUM

MINUTES OF THE MEETING OF 16TH FEBRUARY 2010

Participants

Mr. Boris Iarochévitch, the European Union Delegation (**Meeting Chair**)

Donor representatives

Ms. Dominika Skubida, EC
Ms. Kristina Milošević, ADA
Mr. Damir Hadžić, DFID
Ms. Sabina Đapo, British Embassy
Ms. Edina Čubela, GTZ
Mr. Florian Valat, French Embassy
Ms. Kazumi Homma, JICA
Mr. Taku Aramaki, Embassy of Japan
Mr. Giulio Moreno, EBRD
Mr. Josip Polić, EBRD
Mr. Csaba Felegyházi, Hungarian Embassy
Ms. Narcisa Poturak-Dönuez, KfW
Ms. Garijela Huskić, KfW
Ms. Christiane Heinze, German Embassy
Ms. Leila Fetahagić, Embassy of the Kingdom of the Netherlands
Ms. Rose-Marie Henny, SDC
Ms. Cristina Gutierrez, AECID, Spanish Cooperation
Mr. Eric Illes, SIDA
Mr. Mario Vignjević, SIDA
Mr. Armin Sirčo, UNDP
Mr. Peter van Ruyseveldt, UNDP
Ms. Emily Hill, UNHCR
Ms. Kristine Herrmann-DeLuca, USAID
Mr. Goran Tinjić, the World Bank

Government representatives:

Ms. Dušanka Basta, Sector for Coordination of International Economic Aid, Ministry of Finance and Treasury BiH
Ms. Ljerka Marić, Directorate for Economic Planning BiH
Mr. Midhat Džemić, Directorate for European Integration BiH
Ms. Selma Kasumagić, Directorate for European Integration BiH
Ms. Aneta Raić, PARCO
Mr. Suad Musić, PARCO

ACE project staff in attendance:

Ms. Jasminka Joldić
Ms. Meliha Zečević
Ms. Lejla Muminović

Meeting Agenda

- Welcome and Opening Remarks
- IPA 2010 Programme and preparation of MIPD 2011-2013
- BiH MoFT, SCIA, Aid Coordination and Effectiveness ongoing activities
- Tour de table
- Any other business

AD1: Introduction

The meeting was opened by the Chair who welcomed the attendees and thanked them for coming even though there was another meeting organized by the Office of the High Representative today at the same time. The Chair provided a brief overview of the proposed agenda of the meeting.

AD2: IPA 2010 Programme and preparation of MIPD 2011-2013

Mr. Boris Iarochévitch, Head of Operations of the European Union Delegation presented an update on the preparation of the IPA 2010 Programme for BiH and on the revision of the Multi-Annual Indicative Planning Document. He noted that the 2010 programme is still under preparation and will be submitted to EU Member States in June this year.

- The IPA 2010 National Programme for BiH is worth €98.2 and will cover Institution Building (€46.9m) and Anti-Crisis Measures (€51.6M)
- In addition IPA will provide funds for Tempus Programme (€2.4m) which will be implemented under the Multi-beneficiary Programme managed directly by EC HQ.
- Under the **Political Criteria** axis, the 2010 National IPA Programme for BiH will provide support to the Judiciary (€3M), ICMP (€2M); Law Enforcement (€8M) Anti-corruption (€2M), and construction of the State Prison (€51.5M). Social protection activities under this axis will specifically focus on children (€1.4). Public Administration Reform (PAR) support will include policy development, public financial management and information systems (€4.35M). Support to the Cultural heritage (the Town Hall in the municipality of Stari Grad) will be provided in the amount of €4M.
- Under **Economic Criteria** axis, the Programme will focus on the above motioned **Anti-Crisis measures**: transport, environment (infrastructure investments) and SMEs (support to the Export Credit Agency) (€51.6M).
- Under **European standards** axis, the focus will be on customs sector through the assistance to ITA (€2.25M), support for rural development (€3M) and animal health (animal vaccination programme) (€3.06M) .
- **Supporting programmes** will comprise Community Programmes (FP7) (€1.5M) and the Project Preparation Facility (€4.9M).
- A number of the above-mentioned initiatives will be implemented through various agreements with international organizations and IFIs : UNICEF, CEB, WB, EBRD, EIB, FAO, KfW;
- **Preparation for MIPD 2011-2013**: Presently there is little political or strategic progress in the key reforms. The economic crisis has severely affected the country. The Country Development Strategy and Social Inclusion Strategy are still not in place and there is limited progress in acquis alignment.
- Based on the assessment conducted the EC, it was decided that there will be no update of the MIPD for the period 2010-2012 and the MIPD 2009-2011 will be considered a reference document for IPA 2010.
- The revision of the MIPD will concern the years 2011-2013.
- The MIPD planning process will include the identification of 1 or 2 areas suitable for sector approach. The shift from a project towards the sector approach will be conducted in a gradual way.

The EC in cooperation with MoFT/SCIA will organise a Workshop on Sector Approaches in Sarajevo from 22 to 24 March 2010. The main objectives of this workshop will be identification of working methods for sector approach formulation and application in the enlargement context.

For more information please see the attached presentation.

In the discussion which followed the Chair pointed out that aid coordination mechanisms in BiH are used as a good example of successful donor coordination which has been highlighted at international conferences.

AD3: BiH MoFT, SCIA, Aid Coordination and Effectiveness ongoing activities

The Meeting Chair introduced the next subject and asked representative of the MoFT/SCIA to present the ongoing activities of **SCIA**.

Ms. Dusanka Basta, the Assistant Minister, MoFT/SCIA presented progress to date and planned future activities in this sector. Four major activities include: information on Paris Declaration endorsement, Baseline survey of Paris Declaration adherence, launch of the DMR 2009/10 and support for sector approaches.

Ms. Basta informed the participants that following endorsement of the Paris Declaration by the BiH Presidency and finalisation of all procedures, BiH has been formally added to the list of countries and territories that adhered to the Paris Declaration in January 2010. Subsequent to adherence to the Paris Declaration, in December 2009 MoFT/SCIA started the work on a baseline survey of adherence to Paris Declaration principles in BiH which will be used to monitor future progress. Ms. Basta used the opportunity to invite donors who did not respond on the questionnaire to do so by the end of March 2010 in order to prepare a valid and reliable baseline.

The next iteration of the Donor Mapping Report for 2009-2010 has been launched in mid February 2010 and the provisional time-frame for its preparation was shared with participants. Additionally, the meeting was informed of the Aid information System Review which was conducted in January-February 2010 in order to make proposals for a further upgrade of the current system, subject to the availability of funds.

Ms. Basta inform the Forum that BiH MoFT and European Commission Directorate General Enlargement are hosting a regional workshop on sector approaches in the context of EU integration in March 2010. Following the workshop it is anticipated that two to three sectors will be identified to pilot the use of sector approaches in 2010. SCIA intends to focus on the development of sector approaches during 2010, with the support of the DFID ACE Project and plans to pilot a **Sector Approach Modality** which will be used as a Road Map for the introduction of this approach in other sectors.

For more information please see the attached presentation.

In the follow-up discussion **Mr. Moreno**, EBRD informed MoFT/SCIA that EBRD would be able to provide data on contracts concluded by the end of February 2010 only since they do not have budgets earmarked by organization for some time.

Participants at the meeting were interested to learn more about the Workshop planned for March 22-24 in Sarajevo. In response **Ms. Basta** briefly presented the structure of the workshop.

Mr. Moreno (EBRD) was interested to receive a copy of the invitation to this workshop in order to follow up with EBRD headquarters.

Mr. Eric Illes (SIDA) asked about the best way to define the sectors and whether discussion was held on this issue in the preparatory phase of the workshop.

Ms. Basta responded that once provisional agreement is reached the first draft will be shared with donors as the counterparts in this exercise.

The Chair noted that next week a meeting will be held in Brussels and that a working meeting could also be organized in country with all interested parties in order to better prepare for the workshop.

Mr. Music (PARCO) wanted to know whether the Public administration reform (PAR) sector was considered as a possible partner in this exercise. He noted that the PAR sector is one which already meets a lot of the criteria for sector approaches. The PAR Funds serves as a

model for good governance practices and the paradox is that donors' interest in funding this sector is fading. The PAR Fund was supported by DFID, SIDA, Dutch, EC Delegation and the BiH Council of Ministers. Since some existing donors are pulling out of the country there is insecurity of funding for some of the projects that have been already approved. Therefore, PARCO representative again invited donors to assist the further development of this sector.

The Chair explained that definition of sectors is different from country to country and it is up to BiH to define which sectors are considered to be priorities.

Mr. Džemić, DEI noted that regarding sector approaches it is rather difficult to find sectors in BiH that could be isolated from others, and all of them are currently facing capacity problems.

The Chair responded that the current system is centralized and the EC Delegation to BiH is doing preparatory work in order to support IPA procurement to be decentralized. The appointment of key people in IPAC is needed as well as the building of the structure. Absorption capacity should be discussed at the workshop with a careful definition of sectors and funding resources. A certain percentage of IPA funding will be allocated for this purpose, but certainly not all.

Next Meeting

The Chair thanked the DCF Secretariat for a well organized meeting and informed attendees that the next DCF will be chaired by DFID, to be held in April or May 2010.

The meeting was closed at 12:30.

SCIA, March 2010