

Pursuant to Article 21 of the Law on Development Planning and Management in the Federation of Bosnia and Herzegovina (Official Gazette of the FBiH, 32/17), in regard with Article 19, paragraph (1) of the Law on the Government of the FBiH (Official Gazette of the FBiH, 1/94, 8/95, 58/02, 19/03, 2/06 and 8/06), at the proposal of the FBiH Development Programming Institute, the FBiH Government at its \_\_\_\_\_ session held on \_\_\_\_\_ hereby adopts the following

**DECREE  
ON STRATEGIC DOCUMENTS DRAFTING IN THE FEDERATION OF BOSNIA AND  
HERZEGOVINA**

**I GENERAL PROVISIONS**

**Article 1  
(Subject Matter)**

This Decree, in consultation with the FBiH Ministry of Finance, other institutions at the level of the Federation of Bosnia and Herzegovina (hereinafter: the FBiH), cantons and the Association of Cities and Municipalities of the FBiH (hereinafter: the FBiH Association) regulates strategic documents drafting in the FBiH, institutional framework for drafting and adoption of the Development Strategy in the FBiH (hereinafter: the FBiH Development Strategy), cantonal development strategies, cantonal sector strategies and development strategies of local self-government units (hereinafter: strategic documents) and other issues significant for strategic documents drafting.

**Article 2  
(Institutional Framework for Drafting and Adoption of Strategic Documents in the  
FBiH)**

(1) Institutional framework for drafting and adoption of strategic documents in the FBiH is composed of: the Government of the Federation of Bosnia and Herzegovina (hereinafter: the FBiH Government), the FBiH ministries, the FBiH Development Programming Institute (hereinafter: the FBiH Institute), cantonal governments, cantonal ministries, bodies responsible for development planning and management in cantons at the level of cantons or in the local self-government units at their level (hereinafter: strategic documents drafter) as referred to in Article 5, paragraph (1) of the Law on the Development Planning and Management in the Federation of Bosnia and Herzegovina (Official Gazette of the FBiH, 32/17) (hereinafter: the Law).

(2) Institutional framework competent for initiating development planning in the FBiH is composed of: the FBiH Government, government of the canton and the municipal mayor, i.e. the mayor.

(3) Institutional framework competent for adopting strategic documents in the FBiH is composed of: the Parliament of the Federation of Bosnia and Herzegovina (hereinafter: the FBiH Parliament), the cantonal assembly and the municipal i.e. city council.

(4) Institutional framework for technical, professional support in coordinating strategic documents drafting is composed of: the FBiH Institute for the FBiH level, bodies responsible for development planning and management in cantons at the level of cantons or in the local self-government units at their levels as referred to in Article 5, paragraph (1) of the Law.

(5) The Council for Development Planning and Management of the Federation of Bosnia and Herzegovina (hereinafter: the FBiH Council) and the councils for development planning and management of the cantons (hereinafter: cantonal councils) shall be advisory bodies in drafting strategic documents in terms of provisions of Articles 11 and 13 of the Law.

(6) The FBiH ministry i.e. cantonal ministry competent for individual sectors in the FBiH i.e. canton shall coordinate and lead the process of drafting sector strategy for the level of the government in the FBiH for which the strategy is being drafted, with participation of the FBiH Institute for the FBiH level i.e. bodies responsible for development planning and management in cantons at the level of cantons.

## **II METHODS FOR STRATEGIC DOCUMENTS DRAFTING**

### **a) Principles of Strategic Documents Drafting in the FBiH**

#### **Article 3 (Key Principles of Strategic Documents Drafting in the FBiH)**

The principles of development planning and management as referred to in Article 4 of the Law shall apply in strategic documents drafting in the FBiH, and in particular:

- a) Open method of coordination (hereinafter: OMC);
- b) Gender equality and equal opportunities for the FBiH citizens;
- c) Horizontal and vertical coordination at all levels of the government in the FBiH;
- d) Partnership;
- e) Publicity and transparency.

#### **Article 4 (Open Method of Coordination)**

(1) OMC means consultations and agreement of all levels of government in the FBiH and stakeholders in creating shared development directions of strategic documents in the FBiH.

(2) OMC referred to in paragraph (1) of this Article shall be applied as well through an advisory role of the FBiH Council as defined in Articles 11 and 12 of the Law and cantonal councils as defined in Articles 13 and 14 of the Law.

#### **Article 5 (Gender Equality and Equal Opportunities for Citizens)**

(1) Gender equality means equal participation and representation of interests of men and women in strategic documents drafting processes and defining strategic objectives, priorities and measures so as to ensure balanced development effects and to create equal opportunities for all, especially for socially vulnerable groups of citizens.

(2) The strategic documents drafters shall ensure the equal representation of both genders in the processes specified including a minimum of 40% of representatives of less represented gender.

(3) The principle of equal opportunities for all citizens is particularly achieved through indirect /direct inclusion of socially vulnerable groups in the activities of working bodies established for the strategic documents drafting.

## **Article 6 (Horizontal and Vertical Coordination in Strategic Documents Drafting)**

(1) Horizontal coordination means coordinated action in the process of strategic documents drafting at the same level of government in the FBiH, cantons and local self-government units for the purpose of attaining common development objectives.

(2) Vertical coordination means a uniform and coordinated action in the process of drafting and aligning strategic documents at different levels of government in the FBiH, so as to ensure common development directions, and alignment with relevant BiH strategic documents, relevant documents in the EU integration process and with international global objectives of sustainable development.

(3) When drafting strategic documents at the FBiH level, it is obligatory to include cantons and local self-government units through the FBiH Association, especially at the stages of defining strategic objectives, priorities and measures, so that the development needs of all levels of government in the FBiH may be reflected in strategic documents.

(4) When drafting strategic documents at the cantonal level, cantons shall consider the development objectives and priorities of the FBiH level with the possibility of defining additional objectives and priorities of cantons. When drafting strategic documents at the cantonal level, it is obligatory to include local self-government units within cantons, especially at the stages of defining strategic objectives, priorities and measures, so that the development needs of local self-government units may be reflected in strategic documents at the cantonal level

(5) When drafting strategic documents at the level of local self-government units, these units shall be governed by development objectives and priorities of the cantonal level shall be considered, with the possibility of defining additional objectives and priorities of local self-government units.

## **Article 7 (Partnership)**

(1) Partnership means cooperation between all levels of government in the FBiH including cooperation with socio-economic partners in the strategic documents drafting.

(2) Partnership referred to in paragraph (1) of this Article shall be ensured through the representation and equality of partners in strategic documents drafting in the FBiH.

(3) Partnership referred to in paragraph (1) of this Article shall be implemented through the participation in the activities of advisory bodies referred to in Article 2, paragraph (4) of the Decree through activities of working bodies established for strategic documents drafting, as well as through other forms of partner consultations including thematic working meetings, electronic and public consultations and information exchange.

## **Article 8 (Publicity and Transparency)**

(1) Publicity and transparency mean continuously informing the public on strategic documents drafting as well as public activities of strategic documents drafters, which is characterised by openness and transparency to make the information on the strategic documents drafting and resulting data available to wider community.

(2) Publicity and transparency are achieved through regular publication of information on the website of the strategic documents drafters, public statements, as well as through using other appropriate information exchange instruments in the strategic documents drafting in the FBiH.

## **b) Structure and Process of Strategic Documents Drafting in the FBiH**

### **Article 9**

#### **(Initiating the Process of Strategic Documents Drafting and Deadlines for Strategic Documents Adoption in the FBiH)**

(1) The FBiH Government shall adopt a decision on drafting the FBiH Development Strategy for each planning cycle not later than two years prior to the beginning of the forthcoming planning cycle in the FBiH.

(2) Cantonal governments shall adopt a decision on drafting the cantonal development strategy for each planning cycle not later than one year prior to the beginning of the forthcoming planning cycle in the FBiH.

(3) Municipal mayors, i.e. mayors shall adopt a decision on drafting the development strategy of local self-government units for each planning cycle not later than one year prior to the beginning of the forthcoming planning cycle in the FBiH.

(4) The FBiH Government, i.e. cantonal government shall adopt a decision on drafting sector strategy at the FBiH level, i.e. cantonal level for the validity period of the FBiH Development strategy, i.e. cantonal development strategy.

(5) In derogation from the provision referred to in paragraph (4) of this Article, sector strategies at the FBiH level, i.e. cantonal level may be adopted for a period longer than the validity period of the FBiH Development Strategy i.e. cantonal development strategy.

(6) Minimum elements of decision under paragraphs (1), (2), (3) and (4) of this Article shall include: identifying strategic documents drafters, participants in drafting strategic documents (hereinafter: participants), methods for establishment of working bodies for strategic documents drafting, methods for vertical and horizontal coordination in accordance with Article 6 of the Decree, and financial resources necessary for the strategic documents drafting in the FBiH. The decision on drafting sector strategies shall specify the link with relevant development strategy in accordance with the provisions of Article 17, paragraph (2) and Article 19, paragraph (2) of the Law.

(7) The FBiH Government, cantonal governments, the municipal mayors, i.e. mayors of local self-government units in their acts may authorise strategic documents drafters to establish working bodies which shall participate in the strategic document drafting, taking into account the OMC, vertical and horizontal coordination principles, partnership, gender equality and equal opportunities for citizens.

### **Article 10**

#### **(Process Stages of Strategic Documents Drafting in the FBiH)**

The process of strategic documents drafting in the FBiH shall include the following stages:

- a) Strategic platform drafting;
- b) Identification of priorities and measures;
- c) Identification of strategic projects;
- d) Verification of mutual alignment of the strategic documents in the FBiH;
- e) Drafting indicative financial framework for strategic documents implementation;
- f) Identifying procedures for implementation, monitoring, reporting and evaluation of strategic documents;
- g) Adoption of strategic documents with the prior consultation process.

## **Article 11 (Strategic Platform Drafting)**

- (1) The strategic platform shall be drafted for each strategic document in the FBiH.
- (2) Strategic platform shall consist, at a minimum, of the following: situation analysis including the overview of situation and the alignment of appropriate spatial and planning documentation, development vision and strategic objectives with indicators.
- (3) The situation analysis shall be drafted by the strategic documents drafters and the participants as defined by the decision under Article 9, paragraph (6) of the Decree.
- (4) The situation analysis shall be made by collecting, processing and analysing data for a minimum of three years. The socio-economic partners shall be included in situation analysis drafting if necessary. The data relating to women and men shall be classified by gender and age structure, with a special emphasis on the socially vulnerable population. For the purpose of alignment the data collection process and in accordance with standard statistical practices, the strategic documents drafters shall identify the structure and format of data collection. The analysis shall identify the characteristics of development, problems and potentials in specific areas with a view to observing the state of play and dynamics in changes, uniformity levels of territorial/sector development, comparisons in the FBiH, the comparison of the FBiH with the average of BiH and the EU as well as other characteristics relevant to the development. The analysis shall provide the assessment of internal and external environment to identify the actual factors, potentials, constraints and obstacles for the development of specific area, i.e. sector.
- (5) The strategic directions for the development of area i.e. sector shall be identified on the basis of findings and conclusions in the analysis as referred to in paragraph (4) of this Article, including factors affecting the internal and external environment. The strategic documents drafters shall prepare a summary of situation analysis that is an integral part of strategic documents.
- (6) The development vision in a form of summary statement shall represent a common perception of desired changes in a long-term perspective with the contribution of development strategy. The vision shall be defined for all strategic documents and shall be based on the conclusions in situation analysis, and shall represent a basis for drafting strategic objectives. The strategic documents drafters and participants shall determine the development vision for the validity period of development strategy.
- (7) The strategic objectives shall reflect the objectives to be achieved in a validity period of strategic documents, i.e. areas in which the action is necessary. The strategic documents drafters and the participants shall identify strategic objectives, ensuring their alignment with strategic directions and objectives of the higher levels of government in the FBiH, and for sector strategies the alignment with development strategies of the same level of government. The

strategic objectives shall be clearly formulated, achievable over the validity period of strategic documents and measurable by using objectively verifiable indicators. Each strategic objective shall be marked with ordinal number, and their maximum number is five.

(8) The indicators shall measure the types and extent of changes achieved through the strategic objectives implementation. Indicators shall include baseline and target values. The strategic documents drafters and the participants shall identify a maximum of three indicators for each strategic objective. Apart from indicators defined at their level, the cantons and self-government units shall transpose the relevant indicators of the strategic objectives of the FBiH Development Strategy and FBiH sector strategies as well when drafting their strategic documents.

(9) Consultations on strategic platform shall take a minimum of 30 days and shall include the following: its publication on the website of the strategic documents drafters, the submission of strategic platform to competent institutions at lower, same or higher level of the government relevant for strategic documents, organisation of public presentations, and collection and consideration of proposals and suggestions.

## **Article 12 (Identification of Priorities and Measures)**

(1) Following the agreement on strategic platform, the priorities shall be identified as key areas and directions for the implementation of strategic objectives. Priorities shall be identified by the strategic documents drafters and participants, ensuring their alignment with strategic objectives. The priorities should be clearly formulated, achievable over the validity period of strategic documents, mutually aligned, measurable by using objectively verifiable indicators as well as socially and environmentally acceptable. Each priority shall be marked by a hierarchically lower ordinal number of the relevant strategic objective.

(2) Measures shall further elaborate the priorities. The strategic documents drafters and participants shall elaborate measures, ensuring their alignment with priorities. The measures should be clearly formulated, achievable over the validity period of strategic documents, mutually aligned and measurable by using objectively verifiable indicators. Each measure shall be marked by a hierarchically lower ordinal number of the relevant priority. Measures shall consist, at a minimum, of the following: a link with strategic objective and priority, name of the measure, description of the measure with framework action areas, indicators for monitoring measure results, development effect, measure contribution to priority implementation, indicative financial framework with financial resources, period of measure implementation, the institution responsible for coordination and measure implementation.

(3) The strategic documents drafters and participants shall define indicators with baseline and target values for each measure.

## **Article 13 (Identification of Strategic Projects)**

Strategic projects, as interventions of highest relevance in achievement of strategic objectives, may be defined for the strategic documents implementation. Strategic projects shall have a multiple effect on development and their implementation may serve as a basis for launching other projects. Results of strategic projects shall produce a positive impact on improving the quality of life of larger groups of citizens, especially socially vulnerable population and shall

enable sustainable growth and development. Strategic projects shall consist of a summary, expected effects and indicative financial framework.

**Article 14**  
**(Drafting of Indicative Financial Framework**  
**in Strategic Documents implementation)**

Indicative financial framework for the validity period of strategic documents shall be drafted on the basis of situation analysis and projections, as well as on the measures defined. Indicative financial framework shall be defined by the strategic documents drafters and participants and shall contain, at a minimum, the following: estimates of the budgetary financial resources necessary for implementation of strategic objectives, priorities and measures, as well as other funding sources including loans, the EU funds and other donations.

**Article 15**  
**(Defining Framework for Implementation, Monitoring,**  
**Reporting and Evaluation of Strategic Documents)**

The strategic documents drafters shall define the framework for implementation, monitoring, reporting and evaluation of strategic documents in accordance with legislation under Article 22, paragraph (2) and Article 30, paragraph (2) of the Law and it shall contain the following: description of responsibilities of the institutions competent for implementation, monitoring, reporting and evaluation of strategic documents in the FBiH, description of procedures, dynamics of monitoring, reporting and evaluation in relation to the progress in the strategic documents implementation.

**Article 16**  
**(Verification of Mutual Alignment of Strategic Documents)**

(1) The verification of mutual alignment of strategic documents in the FBiH means the compliance and provision of complementarity of development directions and strategic objectives with strategic objectives of the strategic documents at the same or higher level of government in the FBiH, including the strategic documents resulting from the European integration process and international global objectives of sustainable development.

(2) Mutual alignment of strategic documents in the FBiH, cantons and local self-government units shall be ensured by verification of alignment of development directions and strategic objectives of the FBiH Development strategy, cantonal development strategies and strategies of local self-government units, including the verification of alignment of the FBiH Development strategy and cantonal strategies with strategic directions and objectives of sector strategies at the same level.

(3) The verification of mutual alignment of strategic documents at the FBiH level shall be performed by the FBiH Institute, and at the level of cantons and local self-government units shall be performed by the authorities competent for development planning and management in cantons.

(4) Using the verification results under paragraph (3) of this Article, the FBiH Council i.e. cantonal councils shall consider and provide recommendations in accordance with Article 12 points b) and c) and Article 14 points b) and c) of the Law.

**Article 17**  
**(Consultations on Strategic Documents Drafting)**

The strategic documents drafters shall conduct consultations on strategic documents.

(2) The consultations shall start with the publication a notice on the website of the strategic documents drafters and its submission to competent institutions at lower, same or higher level of the government relevant for strategic document, as well as the organisation of public presentations, and the collection and consideration of proposals and suggestions. The consultations shall take a minimum of 30 days.

(3) All competent authorities acting as formal agents, individuals-citizens, stakeholders, NGOs, universities and other informal agents shall be included in the consultation process.

**Article 18**  
**(Adoption of Strategic Documents in the FBiH)**

The FBiH Parliament shall adopt the FBiH strategic documents at the FBiH Government proposal in accordance with Article 16, paragraph (5) and Article 17, paragraph (5) of the Law. The cantonal assemblies shall adopt the cantonal strategic documents at the cantonal government proposal in accordance with Article 18, paragraph (5) and Article 19, paragraph (5) of the Law.

The development strategy of the local self-government unit shall be adopted by municipal i.e. city councils at the proposal of municipal mayor, i.e. mayor in accordance with Article 20, paragraph (4) of the Law.

**Article 19**  
**(Action Plan for Strategic Documents Implementation)**

(1) An action plan shall be developed for the validity period of the strategic document for each strategy document at the FBiH level; exceptionally, action plans for strategic documents at the FBiH level may be developed for a period shorter than the validity period of the strategic document.

(2) The authority competent for development planning and management in cantons for cantonal level and in local self-government units for their level in accordance with principles under Article 3 of the Decree shall coordinate drafting action plan of each planning year on the 1+2 basis when drafting cantonal development strategy or development strategy of local self-government unit. The action plan shall contain, at a minimum, the following elements: name of strategic objective and priorities, names of the measures planned and strategic projects with results expected, implementing agents, framework financial value per year, and expected sources of funding. The process of drafting and adoption the Guidelines under Article 10 of the Decree on triennial and annual work planning, monitoring and reporting at the FBiH is aligned with the drafting of action plan.

(3) When drafting triennial and annual work plans, the FBiH administrative authorities, cantonal administrative authorities, i.e. municipal administrative authorities shall take over the projects and activities from the action plan for which the financial resources have been provided.



**Article 20**  
**(Structure of Strategic Documents in the FBiH)**

Minimum structure of the strategic documents in the FBiH is provided in Annex 1 of the Decree and it is an integral part thereof.

**III TRANSITIONAL AND FINAL PROVISIONS**

**Article 21**  
**(Transitional and final provision)**

(1) Strategic documents as referred to in Article 15, paragraph (1) of the Law shall not be drafted for the current planning cycle until the end of 2020.

(2) For existing strategic documents at the FBiH level, the implementation documents as referred to in Article 22, paragraph (1) to Article 26 of the Law, in accordance with provisions of regulation on triennial and annual work planning, monitoring and reporting as referred to in Article 22, paragraph 2 of the Law shall be drafted.

(3) For cantonal development strategies and sector strategic documents of cantons that are in force, the implementation documents as referred to in Article 22, paragraph (1) to Article 26 of the Law, in accordance with provisions of regulation on triennial and annual work planning, monitoring and reporting as referred to in Article 22 paragraph (2) of the Law shall be drafted.

(4) For development strategies and sector strategies of local self-government units that are in force, the implementation documents as referred to in Article 22, paragraph (1) to Article 26 of the Law shall be drafted by the end of 2020, and in accordance with provisions of regulation on triennial and annual work planning, monitoring and reporting under Article 22, paragraph (2) of the Law.

**Article 22**  
**(Entry into Force)**

This Decree shall enter into force on the eighth day following its publication in the Official Gazette of the Federation of BiH.

**PRIME MINISTER**

**Fadil Novalić, m.p.**

V Number: \_\_\_\_\_

Sarajevo, \_\_\_\_\_ 2019

## MINIMUM STRUCTURE OF STRATEGIC DOCUMENTS IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

- 1) Introduction (purpose and significance of strategic document, regulatory framework, summary on drafting and consultation process, alignment with other strategic documents resulting from the EU integration process and global objectives of sustainable development for the validity period of a strategy document);
- 2) Strategic platform (summary of situation analysis and projection, the overview on the situation and alignment with appropriate spatial and planning documentation, development vision and strategic objectives with indicators)
- 3) Priorities and measures, with indicators;
- 4) Strategic projects
- 5) Indicative financial framework.

<b>THE INDICATIVE FINANCIAL FRAMEWORK FOR THE VALIDITY PERIOD OF STRATEGIC DOCUMENT</b>					
Strategic objectives, priorities and measures	Structure of financing (in %)*	Total (BAM)	Budget of institution (BAM)	Other sources	
				(BAM)	Potential source
<b>1. Strategic objective:</b>	%				
1.1. Priority	%				
1.1.1. Measure					
1.1.2. Measure					
1.2. Priority	%				
1.2.1 Measure					
1.2.2 Measure					
<b>2. Strategic objective:</b>	%				
2.1. Priority	%				
2.1.1. Measure					
<b>Total from strategic document **</b>	<b>100%</b>				
<b>OVERVIEW PER SOURCES (amounts in BAM and percentages) align columns with planning</b>					
Budget funds		Loans		EU funds	
BAM		BAM		BAM	
%		%		%	
		Other donations			
		BAM			
		%			

\* Structure of participation in financing (in %) priorities and strategic objectives in the total amount of strategic document financing.

\*\* Structure of financing per financing sources.

Note: Strategic document financial resources are based on the projections of available and expected financial resources at the time the strategic document is drafted.

## 6) Strategic document overview

STRATEGIC DOCUMENT OVERVIEW				
Ordinal number and code	TITLE	Indicators and financial sources		
1. Strategic objective:		Indicators of strategic objective	Baseline values of indicator	Target values of indicator
		Budget (BAM)	Other sources (BAM)	TOTAL (BAM)
1.1. Priority		Indicators of priority	Baseline values of indicator	Target values of indicator
		Budget (BAM)	Other sources (BAM)	TOTAL (BAM)
1.1.1. Measure		Indicators of measure	Baseline values of indicator	Target values of indicator
		Budget (BAM)	Other sources (BAM)	TOTAL (BAM)

\* Column "Baseline values of indicator" refers to the year of strategic document drafting.

\*\* Column "Target values of indicator" usually refers to the last year of strategic document implementation.

7) Framework for implementation, monitoring, reporting and evaluation of strategic documents.

Annex to strategic document: A detailed overview of measures (for each measure according to the format bellow)

<b>Connection with strategic objective</b>	1.		
<b>Priority</b>	1.1.		
<b>Title of measure</b>	1.1.1.		
<b>Description of the measure with indicative areas of activity *</b>			
<b>Strategic projects</b>			
<b>Indicators for monitoring measure results</b>	<b>Indicators</b>	<b>Baseline values **</b>	<b>Target values ***</b>
	- -	-	-
<b>Development effects and the contribution of measure to priority implementation</b>	-		
<b>Indicative financial construction with financing sources</b>	Amount: Source:		
<b>Period for measure implementation</b>			
<b>Institution responsible for coordination of measure implementation</b>			
<b>Measure holders</b>			
<b>Target groups</b>			

\*If there is a defined strategic project for the measure, it is stated in the field named Description of the measure with indicative areas of activity

\* Column "Baseline values" refers to the year of strategic document drafting.

\*\* Column "Target values" usually refers to the last year of strategic document implementation.

# Justification

## I LEGAL BASIS FOR ADOPTION OF THE DECREE

Legal basis for adoption the Decree on strategic documents drafting in the FBiH is contained in Article 21 of the Law on the Development Planning and Management in the FBiH (Official Gazette of the FBiH, 32/17 - hereinafter: the Law), which regulated that the regulation on strategic documents drafting in the Federation of Bosnia and Herzegovina (hereinafter: the FBiH), including methods for drafting, structure, horizontal and vertical coordination and consultations, alignment with spatial and planning documentation and institutional responsibility, shall be adopted by the Government of the Federation of BiH (hereinafter: the FBiH Government, at the proposal of the FBiH Development Programming Institute (hereinafter: the FBiH Institute), in consultations with institutions at the level of the FBiH, cantons and the FBiH Association of Municipalities and Cities.

Legal basis is also contained in Article 19, paragraph (1) of the Law on the Government of the FBiH (Official Gazette of FBiH, 1/94, 8/95, 58/02, 19/03, 2/06 and 8/06), stipulating that the Decree defines the most important issues under the FBiH authority, relations concerning implementation of laws, establishment of technical and other services of the FBiH Government and principles for internal organisation of the FBiH administrative bodies.

## II REASONS TO ADOPT THE DECREE AND EXPLANATION OF CHOSEN POLICY

After the entry into force of the Law, the basis for establishment of the appropriate and harmonised system of development planning and management has been created, and it would coordinate and include all levels of authority in the FBiH. The Law contributes to creating the assumptions for faster and sustainable socio-economic development of the FBiH to respond effectively to the requirements of the EU in the EU integration process and the use of the EU pre-accession financial assistance.

The FBiH Institute and the FBiH Ministry of Justice, with support of the Swiss Government and United Nations Development Programme (UNDP) within Integrated Local Development Project (ILDLP) have been implementing activities since 2012 which resulted in the entry into force of the Law, including drafting of 10 cantonal development strategies, and integrated development strategies of the local self-government units in accordance with methodologies developed. The ILDP Project, financed jointly by the Swiss Government and the UNDP of BiH within the Phase III has continued to provide expertise and technical assistance in drafting five regulations provided by the Law that are proposed to the FBiH Government by the FBiH Institute (four regulations) and one regulation by the FBiH Ministry of Finance.

The obligation to draft regulations is defined under the Law, Article 35, paragraph (3), stipulating that the FBiH Government shall, at the proposal of the FBiH Institute, within six months from the effective date adopt acts under Articles 21,22, paragraph (2) and Article 30, paragraph (2) and (8).

In addition to the legally prescribed obligation, the reason for the adoption of this Decree is the need to align methods and structure of strategic documents drafting, as well as to create the conditions for drafting and coordination of strategic documents independently, thus, strategic documents would be better implemented.

The requirements of the sector approach within the IPA II process of the EU Delegation to BiH have been taken into account in the content of this regulation.

## ***I GENERAL PROVISIONS***

The Decree, in consultation with the FBiH Ministry of Finance, other institutions at the FBiH level, cantons and the Association of Cities and Municipalities of the FBiH, stipulates the strategic documents drafting in the FBiH, institutional framework for drafting and adoption of the Development Strategy of the Federation of BiH (hereinafter: the FBiH Development Strategy), development strategies of cantons, sector strategies of cantons and development strategies of local self-government units (hereinafter: strategic documents) and other issues significant for strategic documents drafting.

In addition to the subject-matter of the Decree, this Chapter defines institutional framework for initiation and implementation of strategic documents drafting at all levels of government in the FBiH. The institutional framework structure has been developed in accordance with Article 5, paragraph (1) of the Law that defines institutions responsible for development planning and development management in the FBiH. Considering the content of each of the stipulated provisions, the Decree regulates more closely the institutional framework for strategic documents drafting (the FBiH Government, the FBiH ministries, cantonal governments, cantonal ministries and local self-government units), initiating the planning process in the FBiH (the FBiH Government, cantonal governments, municipal mayor or mayor), adoption of strategic documents (the FBiH Parliament, cantonal assembly and city or municipal council), technical support, expert support and coordination in the process of strategic documents drafting (the FBiH Institute and bodies responsible for development planning and cantonal development management or local self-government units), the role of the Council for Development Planning and Management of the Federation of Bosnia and Herzegovina (hereinafter: the FBiH Council) and the councils for development planning and management of the cantons (hereinafter: cantonal councils) in strategic documents drafting being advisory bodies whose establishment is prescribed by provisions of Articles 11 and 13 of the Law.

## ***II METHODS FOR STRATEGIC DOCUMENTS DRAFTING***

The Article 4 (section a) of the Law prescribes the principles of development planning and development management in the FBiH as follows: a coordinated approach to the development planning, programming, financing and development management of all levels of authorities in the FBiH, accountability, effectiveness and efficiency of public institutions of all levels of government in the FBiH; open method of coordination (OMC) between all levels of government in the FBiH; gender equality and equal opportunities for all citizens of the FBiH; horizontal and vertical coordination of institutions in the FBiH and coherence of development priorities; complementarity, which implies that the development activities of different institutions and levels of government complement each other in order to multiply development effects; partnership, publicity and transparency.

Each of the principles should contribute to and facilitate continuous exchange of information, both at the same level and between different levels of government in the FBiH, respecting gender equality and equal opportunities for all citizens, through concrete partnerships and direct cooperation with socio-economic partners and continuously informing the public on the process of strategic documents drafting. All of the above principles should enable a clear formulation of the prescribed elements of strategic documents and finally the development of

the highest quality development strategy, i.e. sector strategy, which will enable concrete development of the area/territory for which it is made and the sector to which it is related.

Section b) prescribes the minimum structure of strategic documents in the FBiH, in accordance with Annex 1 of the Decree that is an integral part thereof. Elaborating the provisions under Article 27, the Law sets out deadlines for initiating planning at all levels of authorities in the FBiH.

This section identifies the basic elements of decisions by which the FBiH Government, the cantonal governments, or the municipal mayor/mayor initiate the planning process, so that decisions are uniform and contain sufficient elements necessary to initiate and monitor the implementation of strategic documents drafting in the FBiH.

The process of strategic documents drafting in the FBiH under the provisions of the Decree includes several stages: a strategic platform drafting (situation analysis and projections, including overview of the situation and alignment of spatial planning documents, vision and strategic objectives with indicators), prioritisation and measures, identification of strategic projects, verification of mutual alignment of strategic documents in the FBiH, drafting of an indicative financial framework for implementing strategic documents, defining manners of implementation, monitoring, reporting and evaluation of strategic documents, and finally the adoption of strategic documents with the prior consultation process. Each of the stages in the process of strategic documents drafting is elaborated throughout this section, including the definition of the specific conditions related to each of the stages. The proposed structure of strategic documents is the result of methodological tools used in the process of drafting cantonal development strategies and integrated strategies for the development of local self-government units.

The verification of the mutual alignment of strategic documents is carried out by the FBiH Institute for the FBiH, i.e. the competent bodies for development planning and development management in cantons and local self-government units for the level of cantons and local self-government units.

In drafting strategic documents, it is important to carry out the consultation process organised in different forms of public information, in order to make the strategic documents available to all stakeholders.

The Decree specifies that the FBiH strategic documents are adopted by the FBiH Parliament at the proposal of the FBiH Government, the cantonal strategic documents are adopted by the cantonal assemblies upon the proposal of the cantonal government, and the development strategy of the local self-government unit is adopted by the municipal council i.e. city council at the proposal of municipal mayor, i.e. mayor in accordance with the relevant provisions of the Law.

### ***III TRANSITIONAL AND FINAL PROVISIONS***

As part of the transitional and final provisions, it is specified that new development and sector strategies in the FBiH will not be developed for the current planning cycle until the end of 2020. Triennial work plans, annual work plans, annual work reports and development reports will be prepared for existing strategic documents at all levels of government in accordance with the provisions of the Decree on triennial and annual work planning, monitoring and reporting.

Due to the fact that a number of strategic documents is currently in force in the FBiH, the aim of this chapter is to clearly define that implementation documents will be prepared for all of them, so that institutions at all levels of government in the FBiH will be well prepared for the

new programming and planning cycle. The Decree shall enter into force on the eighth day following its publication in the Official Gazette of the FBiH.

#### **IV ALIGNMENT OF THE DECREE ON STRATEGIC DOCUMENTS DRAFTING IN THE FBiH WITH THE EU ACQUIS**

In accordance with provisions of the Decree on the procedure for aligning legislation of the Federation of Bosnia and Herzegovina with the EU acquis (Official Gazette of BiH, 98/16) and Articles 63 and 66 of the Rules and procedures for drafting laws and regulations in the FBiH (Official Gazette of the FBiH, 71/14 - hereinafter: the Rules), this Decree represents a category of legislation (NT) under which its provisions are not the subject to alignment with the acquis.

#### **V JUSTIFICATION OF FINANCIAL RESOURCES FOR IMPLEMENTATION OF THE DECREE AND FINANCIAL EFFECTS OF THE DECREE**

The Decree was accompanied by a Fiscal Assessment Statement Form in accordance with the provisions of the Rulebook on the procedure for drafting a statement on fiscal assessment of laws, regulations and planning acts relating to the budget (Official Gazette of the FBiH, 34/16, 15/18), of the FBiH Ministry of Finance.

It is important to emphasize that no financial implications on the FBiH, cantonal or local self-government units' budgets are expected in applying of the Decree.

Indirect financial implications are possible if a particular level of government decides to make its own strategic document (integral or sector strategy), whereby the drafter shall submit a separate fiscal assessment form for each strategic document.

#### **VI DESCRIPTION OF CONSULTATIONS**

Pursuant to Article 70 of the Rules, a broad consultation process was initiated by the publication of the Decree on the website of the FBiH Institute, with an invitation to stakeholders to submit their comments, suggestions and proposals within 15 days in accordance with the provisions of Articles 78 and 81 of the Rules. The Decree with an accompanying document was submitted to all relevant institutions in the FBiH and to the FBiH Association. The consultation process was also conducted at three workshops (closer consultations with representatives of local self-government units, cantons and representatives of the FBiH institutions were held in fourth quarter of 2017 and in May 2018, and in June 2018 a meeting of a broader working group composed of representatives of the FBiH, cantonal and institutions of local self-government units, and the FBiH Association). Remarks and comments were submitted by e-mail or presented orally to the drafter directly during meetings/consultations and by holding a series of internal meetings.

Institutions at the FBiH level were involved in the consultation process and all suggestions of the FBiH Gender Centre were incorporated into the text. There were no specific additional proposals, remarks and suggestions from the FBiH level.

Ministry of Economy of West Herzegovina Canton - Department for Management and Coordination of Funds for Development and the EU Integration process proposed a further refinement in Article 2, paragraph (2), by adding competent services for economy and development to existing institutions. Given that Article 2 of the Decree precisely defines the institutional framework, it is not necessary to further specify the individual organisational structures in the institutions.



The West Herzegovina Canton considers that a new principle of d) participation should be added. Including participation when drafting strategic documents, vertical and horizontal coordination should be adapted and aligned so that it functions optimally. The proposal is incorporated within the principles defined and prescribed by the Law.

It is suggested that the period for conducting consultations under Article 17, paragraph (2) should be reduced from the prescribed 30 to 15 days. The proposal was not accepted due to the fact that in line with the provision of Article 83 of the Rules (and it is a recommendation to apply the Rule to lower levels of government in the FBiH) the FBiH authority leaves a period of at least 30 days for the submission of comments, in case when the form of consultation allows written comments.

The West Herzegovina Canton - the EU Integration Office has proposed a more detailed formulation of vertical coordination, which would imply that lower levels of government are necessarily involved in the process of drafting higher-level documents under the principle of a bottom-up approach. The principle of a high level of participation should be applied. The proposal is appropriately incorporated into the text of the Decree noting that the process of drafting strategic documents is a two-way and participatory process.

The proposal of this canton is to strengthen the principle of partnership also through working groups that are formed for drafting the individual strategic documents and to implement the principle within the consultation process. The proposal is appropriately incorporated into the text of the Decree.

The proposal of this Canton is to underline the partnership in the operational process of strategic documents drafting and through working groups or teams that shall include all relevant representatives who would work independently or with expert guidance to develop a strategic document and operationally discuss and agree on directions, objectives and measures. The proposal is appropriately incorporated into the text of the Decree.

It is proposed that the validity of the development strategy should not be limited as referred to in Article 9, paragraphs (3), (7), (8) due to its specificity. E.g. a seven-year period is very short when it comes to the development of education or energy strategies. Such strategies should be adopted for a longer period as they are specific sectors. Sector strategies may also be adopted for a period of 10 years or more. The proposal is appropriately incorporated into the text of the Decree.

It is proposed that Article 11, paragraphs (1), (5), (8) should prescribe that each strategy has a strategic platform as a first phase. The maximum number of pages for socio-economic analysis should not be prescribed. The proposal was not accepted because the majority of participants in the consultation process expressed the view that the estimated number of recommended pages was more than sufficient. The proposal is appropriately incorporated into the text of the Decree. Obligation to transpose indicators is a limiting element for lower levels of government. It is suggested that the key indicators from the higher level strategic documents should be included in strategic documents of cantons and local self-government units at its minimum. The proposal is appropriately incorporated into the text of the Decree.

It is proposed that Article 12 allows identification of projects, so that programming could be easier later based on the indicatively identified projects necessary for implementation of the measure in the strategic document. Otherwise, the measure will remain general. The proposal is appropriately incorporated into the text of the Decree.

In Article 13, strategic projects should be identified through measures but should be agreed separately through a joint process and with the consensus of all stakeholders. All cantons should participate in the selection of strategic projects at the FBiH level, and all municipalities must participate at the cantonal level. This is crucial for the sustainability of planning and the

confidence of all relevant stakeholders. This issue will be solved in the action plans for the implementation of strategic documents.

It is argued that Article 16, paragraph (2) does not clearly explain the professional backgrounds involved. The proposal is appropriately incorporated into the text of the Decree.

It is proposed that the term adoption is used in Article 18 rather than enactment. The proposal was not accepted. Namely, the provision of Article 197 of the Rules of Procedure of the House of Representatives of the FBiH Parliament in c/b/s languages stipulates that laws and other acts are enacted when they adopted in both houses of the FBiH Parliament in the identical text. The view of the FBiH Government Office for Legislation is that the term "enactment" should be used.

The proposal of this canton is to position action plans as a key contribution to the implementation of strategic documents, which is accepted.

This Canton also proposed the principle of consensus in adopting strategic documents. This proposal is considered as non-acceptable because each level of government has the opportunity to adopt its own strategic document that will reflect the specificities of the institution adopting strategic document. Otherwise, it is believed that this principle would complicate and hinder the adoption of strategic documents in the FBiH, which is not the goal.

Department for Development and International Projects of Zenica-Doboj Canton proposed, in accordance with the provisions of the Law, to align the term "body for development planning and management in cantons at the cantonal level" as referred to in Article 2, paragraph (4), hence the provision of this paragraph was adjusted appropriately, in cooperation with the Department.

In addition, reference to the cantonal administrative authorities under Article 9, paragraph (1) of the Law, with their mandates as stipulated in Article 9, paragraph (2), items a), b), and c) that regulate the affairs of the cantonal administrative authorities in drafting strategic documents, is missing. This proposal is appropriately incorporated into the text of the Decree.

Institute for Development Planning of the Sarajevo Canton has suggested that the issue of action plans being drafted at the cantonal level for strategic documents should be taken into account and defined within the proposed decrees. The words "socio-economic analysis" should be replaced by the words "situation analysis". Also, the possibility to record the activities/projects of companies and other financed not only from the budget but also from other sources should be envisaged within triennial and annual work plans. These proposals are incorporated into the text of the Decree.

The Posavina Canton, Central Bosnia Canton and Bosnian Podrinje Canton support the comments of other participants in the consultation process and have no further comments.

The Una-Sana and Herzegovina-Neretva Canton did not comment on the text of the Decree.

In the consultation process, it was proposed to completely amend Article 9. Specifically, the deadlines proposed by this article allow for vacuum and may create confusion. The proposal is accepted and appropriately incorporated into the text of the Decree.

During the consultation process, representatives of the cantonal development institutions believe that due to the fact that all cantons have adopted development strategies for which triennial action plans are drawn up including annual reports on its implementation, this tool should be retained. This proposal is incorporated into the text of the Decree.

The municipality of Velika Kladuša believes that it is important to define vertical communication in the FBiH adequately in order to develop a more functional system. This municipality also raised a specific question, how to relate and act in a situation where there are strategic documents for the period, e.g. 2014-2023, since such documents should be subject to mid-

term evaluations. How to balance the dynamics of the plans as new EU 2021-2027 plans are arriving? Will a new strategic document drafting process be required in 2020 to align it with the EU planning period?

Upon the entry into force of this Decree, the FBiH Institute shall give written instructions to all participants in the process of drafting and implementation of strategic documents. The instructions shall clearly delineate the procedures in such situations, as well as situations with strategic documents, which will expire by the end of 2020.

The municipality of Tešanj considers that the deadline by 31 July for the annual work plan for the forthcoming year is not realistic. This part will not be able to be modified as the calendar for the preparation of annual plans should be aligned with the calendar for the preparation of the annual budget.

The municipalities of Sanski most, Kalesija, Breza, Gračanica, Bosanski Petrovac and the City of Bihać agreed with the Decree and did not have any proposals for amendment.

Other municipalities did not submit comments and suggestions.

On the basis of the consultation process and certain interventions in the text that followed its completion, this text of the Decree is proposed, and is largely in line with the objectives of this public policy.

## **VII REVIEW OF REGULATIONS**

The existing strategic documents at all levels in the FBiH and their structure will be analysed as priority for the purpose of effective implementation of the Decree. For the purpose of effective implementation of specific provisions, priority will be given to the development and adoption of new ones, i.e. amendments to the existing:

- Acts of competent governments regulating the method for selection of members and the manner of work of the Council referred to in Articles 12 and 14 of the Law;
- Acts of the competent administrative authorities and administrative organisations (rulebooks on internal organisation) at all levels of government in the FBiH with the aim of establishing an effective organisation of development planning and management within them;
- The acts of the cantonal governments and local self-government units, which organise the activities of development planning and development management at the cantonal and local self-government units levels, and regulate the process of triennial and annual work planning at these levels of government in the FBiH;
- Support tools - manuals that implement in a practical manner the methodologies in the Decree.