

On the basis of the Article 17, 27a, 27b. and 29, Law on Council of Ministers of Bosnia and Herzegovina ("Official Gazette BiH", No. 30/03, 42/03, 81/06, 76/07, 81/07, 94/07 and 24/08) and the Article 5a. Law on Financing of Institutions of BiH („Official Gazette of BiH“, No. 61/04, 49/09, 42/12, 87/12 and 32/13), based on the proposal of Ministry of Finance and Treasury of BiH, Council of Ministers of Bosnia and Herzegovina, on 105th session held on the 23rd of July 2014 has brought up the

DECISION

ON THE MEDIUM TERM PLANNING, MONITORING AND REPORTING PROCESS IN THE INSTITUTIONS OF BOSNIA AND HERZEGOVINA

PART I – GENERAL PROVISIONS

Article 1 (Subject and objective)

- (1) By this Decision, Medium Term Planning, Monitoring and Reporting Process in Institutions of Bosnia and Herzegovina is prescribed in accordance with the authorities of Council of Ministers of Bosnia and Herzegovina (hereinafter: Council of Ministers) and Bosnia and Herzegovina Institutions defined by the Constitution, Laws and other regulations of Bosnia and Herzegovina.
- (2) Overall objective in making the Decision is the assurance of planning basis for quality management of development in compliance with the authorities of Council of Minister and Institutions of BiH.
- (3) Specific objectives in making the Decision are harmonization and coordination of planning process in the Council of Ministers and Institutions of BiH, optimal allocation of the resources to priority tasks and projects, as well as improvement of the plans and programmes monitoring process and reporting of its realization.

Article 2 (Definition)

- 1) Terms used in this Decision have the following meaning:
 - a) **Strategic framework** comprises all documents of strategic importance on which BiH institutions prepare their programmes or plans, including: long term and medium term planning documents, international obligations, and obligations related to the integration of Bosnia and Herzegovina (hereinafter: BiH) into the European Union (hereinafter: EU), policies established by the Council of Ministers, guidelines, opinions or other documents to develop policy brought by the Presidency of Bosnia and Herzegovina (hereinafter: the Presidency) and the Parliamentary Assembly of Bosnia and Herzegovina (hereinafter: the Parliamentary Assembly);
 - b) **Medium term objective** is the description of the condition expected in certain domain of economy or society itself within three years period for whose realization Council of Ministers is fully responsible, jointly with all other participants involved in implementation of that objective;
 - c) **Medium Term Work Programme of the Council of Ministers** is a set of all medium term objectives, and thus effectiveness indicators achieved by the Councils of Ministers in the three year period, based on the Strategic Framework which comprises approximate deadlines, allocation of roles and responsibilities between Institutions of BiH and other participants;
 - d) **Medium Term Work Plan of the Institution of BiH** is a set of all medium-term objectives for whose accomplishment individual institution of Bosnia and Herzegovina is responsible for a period of three years, resulting from Medium Term Work Programme of the Council of

Ministers i.e. relevant Strategic Framework and is thus harmonized with Strategic Framework, and it comprises general plan of activities of organizational units of the Institution of Bosnia and Herzegovina, with effectiveness indicators, deadlines, defined roles and responsibilities, as well as instruments for implementation and monitoring of implementation;

e) **Programme** is a set of related projects jointly contributing realization of the Plan objectives. Program can comprise one or a number of projects;

f) **Project** is a set of related activities jointly contributing realization of Plan objectives. Project can comprise one or a number of activities;

g) **Programme in Budget Framework Paper (BFP)** is the group of budget costs and incomes for the period of three years which are necessary for the accomplishment of one or a number of concrete medium term objectives of the Council of Ministers;

h) **PIMIS** is information system for management of public/development investments that enables all budget users - institutions of Bosnia and Herzegovina network access for planning and monitoring of all projects / programs that are defined in the Strategic Framework and medium term and annual plans, and contribute to the realization of development goals;

i) **BPMIS** is information system for planning and management of the budget that enables all budget users – institutions of Bosnia and Herzegovina network access for budget preparation;

j) **Annual Work Programme of the Council of Ministers** is a set of annual results that Council of Ministers plans to realize for the period of one year, on the basis of their Medium Term Work Program;

k) **Annual Work Plan in the Institution of Bosnia and Herzegovina** is a set of annual results being responsibility of the Institution of Bosnia and Herzegovina for the period of one year, on the basis of its own Medium Term Work Plan and Annual Work Programme of the Council of Ministers;

l) **Monitoring** is the process that controls implementation of plans and programs based on the degree of its realisation and is used as a basis for introduction of corrective measures, i.e. activities that change allocation or content of certain activities without significant change of the Plan itself;

m) **Evaluation** is the process that analyses accomplishment of the objective, and thus its efficiency and validity;

n) **Consultations** are the process of harmonization of positions, opinions, monitoring, needs, priorities and objectives that support decision making process and assure its legitimacy.

Article 3 **(Holders of activity)**

(1) Main holders of activities in Medium Term Planning, Monitoring and Reporting are:

a) Council of Ministers:

- 1) Coordinates preparation of all plan documents and reports prescribed by this Decision through permanent and periodical mechanisms and established procedures;
- 2) Determinates priorities of the policies on medium term basis within the frame of its authorities;
- 3) Considers and adopts Medium Term Work Programme of the Council of Ministers.

b) Institutions of Bosnia and Herzegovina:

- 1) Prepare and adopt its Medium Term Work Plan in accordance with Medium Term Work Programme of the Council of Ministers;
- 2) Institutions of Bosnia and Herzegovina whose Strategic plan is not harmonized with Medium Term Work Programme of the Council of Ministers, harmonizes its Medium term Work Plan with relevant Strategic Framework;
- 3) Monitor implementation and evaluate Medium Term Work Plan of its Institution;

(2) Main holders of activities are supported by the Institution of BiH as follows:

a) Ministry of Finance and Treasury

- 1) Expert support to the Institutions of Bosnia and Herzegovina in making its Medium Term Work Plan and harmonization with Medium Term Work Programme of the Council of Ministers;
- 2) Estimates the availability of funding sources for the Medium Term Work Programme of the Council of Ministers;
- 3) Expert support for identification, registration and monitoring of the project/programme in PIMIS, in accordance with Methodology for management of public/development investments.

b) Directorate for Economic Planning

- 1) Preparation of the Draft of Medium Term Work Programme of the Council of Ministers in accordance with the documents from Strategic Framework;
- 2) Monitoring implementation of Medium Term Work Programme of the Council of Ministers;
- 3) Making annual reports on implementation of Medium Term Work Programme of the Council of Ministers.

c) Directorate for European Integration

- 1) Harmonization of Medium Term Work Programme of the Council of Ministers and Medium Term Work Plans of Institutions of Bosnia and Herzegovina with liabilities and priorities in process of integration of Bosnia and Herzegovina into European Union, and liabilities and priorities related to use of Instruments of pre-accession assistance of European Union defined in international agreements and other relevant documents.

d) Office of the Coordinator for Public Administration Reform

- 1) Harmonization of Medium Term Work Programme of the Council of Ministers and Medium Term Work Plans of Institutions of Bosnia and Herzegovina with Public Administration Reform Strategy and appropriate Action Plan.

PART TWO – MEDIUM TERM PLANNING

Article 4

(Medium Term Work Programme of the Council of Ministers)

- (1) Medium Term Work Programme of the Council of Ministers is the basis for preparation of the Budget Framework Paper (BFP);
- (2) Medium Term Work Programme of the Council of Ministers presents the basis for preparation of Medium Term Work Plans in the Institutions of Bosnia and Herzegovina;
- (3) Instructions for preparing Medium Term Work Programme of the Council of Ministers will be prescribed by the Methodology of Medium Term Planning, Monitoring and Reporting Process in the Institutions of Bosnia and Herzegovina from the Article 9. of this Decision (hereinafter: Methodology);
- (4) Medium Term Work Programme of the Council of Ministers is being prepared every year for the next three years;
- (5) Medium Term Work Programme of the Council of Ministers is implemented through Annual work programmes of the Council of Ministers and Institutions of Bosnia and Herzegovina;
- (6) Monitoring and reporting on realization of Medium Term Work Programme of the Council of Ministers is performed annually, by the end of a one mid term period;
- (7) Evaluation of Medium Term Work Programme of the Council of Ministers is performed once in three years;
- (8) During preparation of Medium Term Work Programme of the Council of Ministers for the next period, the evaluation results of Medium Term Work Programme of the Council of Ministers from previous period are taken, in accordance with the Methodology.

Article 5
(Process and deadlines for preparation of Medium Term Work Programme of the Council of Ministers)

- (1) Preparation of Medium Term Work Programme of the Council of Ministers is initiated by Directorate for Economic Planning sending an Instruction for making Medium Term Work Programme of the Council of Ministers to Institutions of Bosnia and Herzegovina, not later than **31th of January of current year**;
- (2) Instruction from paragraph (1) of this Article, which is integral part of the Methodology, at least contains the following:
 - a) Proposal of medium term objectives which will be included in Medium Term Work Plan of the Institution of Bosnia and Herzegovina within its competence, with a proposal of indicators for monitoring and evaluation, expected period of implementation, and expected results for each year;
 - b) Proposal of legal and other regulations planned for preparation in medium term period within its competence, with expected deadline for preparation;
 - c) Through PIMIS, all planned public / development investment project/ programmes that contribute realisation of objectives.
- (3) On the basis of the Instruction from the paragraph (1) of this article, Institutions of Bosnia and Herzegovina will submit the elements for preparation of Medium Term Work Programme of the Council of Ministers to the Directorate for Economic Planning, not later than **15th of March of current year**;
- (4) Ministry of Finance and Treasury will submit data on Financial framework for implementation of Medium Term Work Programme of the Council of Ministers to the Directorate for Economic Planning in accordance with valid BFP, and estimation of availability of other funding sources not later than **15th of March of current year**;
- (5) The Draft of Medium Term Work Programme of the Council of Ministers comprises:
 - a) Medium Term Work Programme by strategic goals, which are derived from Strategic Framework;
 - b) Expected results by strategic objectives for every year of implementation;
 - c) Indicators for implementation monitoring of Medium Term Work Programme.
- (6) Detailed Instructions for making Medium Term Work Programme of the Council of Ministers will be prescribed by Methodology;
- (7) On the basis of the elements from the paragraphs (3) and (4) of this Article, Directorate for Economic Planning prepares Draft of Medium Term Work Programme of the Council of Ministers, not later than **30th of April of current year** and puts it on its web site;
- (8) The Draft of Medium Term Work Programme of the Council of Ministers is submitted for adoption to the Council of Ministers by Directorate for Economic Planning not later than **31th May of current year**;
- (9) Council of Ministers adopts Medium Term Work Programme of the Council of Ministers not later than **30th of June of current year** and publishes it on its web site.

Article 6
(Medium Term Work Plan of the Institution of Bosnia and Herzegovina)

- (1) Medium Term Work Plan of the Institution of Bosnia and Herzegovina is based on Medium Term Work Programme of the Council of Ministers i.e. relevant Strategic Framework;
- (2) Elements and formats for making of Medium Term Work Plan of the Institution of Bosnia and Herzegovina will be prescribed by Methodology;
- (3) For the definition and monitoring of program and projects realisation of Medium Term Work Plan of the Institution of Bosnia and Herzegovina, Information Systems PIMIS and BPMIS will be used.;

- (4) Expert support for preparation of Medium Term Work Plan of the Institutions of Bosnia and Herzegovina will be given by Ministry of Finance and Treasury in accordance with Methodology;
- (5) Medium Term Work Plan of the Institution of Bosnia and Herzegovina is prepared every year for the next three years;
- (6) Medium Term Work Plan of the Institution of Bosnia and Herzegovina is executed through Annual programmes of the Institution of Bosnia and Herzegovina;
- (7) Regular monitoring and reporting on realisation of Medium Term Work Plan of the Institution of Bosnia and Herzegovina is performed annually;
- (8) Institution of Bosnia and Herzegovina may make changes in its Medium Term Work Plan and change medium term objectives for which it is responsible, only if amendments to the Medium Term Work Programme of the Council of Ministers have been already approved.

Article 7

(Process and deadlines for preparation of Medium Term Work Plan of the Institution of Bosnia and Herzegovina)

- (1) Institution of Bosnia and Herzegovina elaborates the parts of Medium Term Work Programme of the Council of Ministers which relates to its mandate;
- (2) In that process, the Institution of Bosnia and Herzegovina is obligated to put up the Draft of Medium Term Work Plan of the Institution on its web site and if necessary, to organize consultations with all partners whose participation is expected in implementation of the Plan;
- (3) After the completion of consultations and obtaining opinions from the Ministry of Finance and Treasury, Head of the Institution of Bosnia and Herzegovina adopts the Medium Term Work Plan not later than **30th of September of current year** and publish it on its web site.

PART THREE – INSTRUMENTS AND PRINCIPLES OF INTER- INSTITUTIONAL COORDINATION AND QUALITY CONTROL PROCESS

Article 8

(Basic instruments and principles of inter-institutional coordination)

- (1) Basic instruments and principles of inter-institutional coordination for the need of making and monitoring of implementation of Medium Term Work Programme of the Council of Ministers and Medium Term Work Plan of the Institutions of Bosnia and Herzegovina are:
 - a) Planning, monitoring and reporting is coordinated by medium term objectives and areas to be agreed with the budgetary programmes;
 - b) Institution of Bosnia and Herzegovina, which is by the adopted Medium Term Work Programme of the Council of Ministers dominant holder of programme tasks from certain area, is obligated to assure harmonization with other institutions and partners involved in that area, and if there is a need to organize consultative meetings;
 - c) Ministry of Finance and Treasury, Directorate for Economic Planning, Directorate for European Integrations and Office of the Coordinator for Public Administration Reform, in accordance with their roles from the Article 3 of this Decision in the process of planning, monitoring, reporting and assurance of expert support, based on needs, organize consultations with representatives of authorized Institutions of Bosnia and Herzegovina, as well as with other interested partners.

PART FOUR – TRANSITIONAL AND FINAL PROVISIONS

Article 9 (Adoption of implementing regulations)

For the purpose of implementing this Decision, Ministry of Finance and Treasury in cooperation with the Directorate for Economic Planning will prepare Methodology of Medium Term Planning, Monitoring and Reporting Process in the Institutions of Bosnia and Herzegovina within 90 days of the entry into force of this Decision and submit it to the Council of Ministers for adoption.

Article 10 (Making and adoption of planning documents)

Medium Term Work Programme of the Council of Ministers and Medium Term Work Plan of the Institutions of Bosnia and Herzegovina are made in accordance with this Decision and adopted Methodology by the Council of Ministers, starting from 1 January 2015, for the period 2016 – 2018.

Article 11 (Monitoring and implementation assessment of the Decision)

Monitoring and implementation assessment of this Decision performs Council of Ministers, based on a three-year analysis of the implementation of Decision, which will be prepared by Ministry of Finance and Treasury in cooperation with Directorate for Economic Planning, and other Institutions of Bosnia and Herzegovina and submit it to the Council of Ministers.

Article 12 (Entry into force)

This Decision shall enter into force on the day following its publication in the “Official Gazette BiH”.

CoM no. _____/14
_____ 2014.
Sarajevo

CHAIRMAN
Council of Ministers
Vjekoslav Bevanda