

DONOR COORDINATION FORUM

MINUTES OF MEETING, APRIL 16TH, 2013

Participants

Mr. Holger Schroeder, Head of Operations, Delegation of the EU to Bosnia and Herzegovina (**Meeting Co-Chair**)

Donor/IFIs representatives:

Mr. David Brozina, Embassy of Slovenia
Ms. Maja Zaric, Swiss Cooperation/SDC/SECO
Ms. Simone Giger, Swiss Cooperation/SDC/SECO
Ms. Catherine Constant, French Embassy
Ms. Sabina Zunic, UNICEF
Ms. Olga Zdralkova, Embassy of the Czech Republic
Ms. Anesa Terza Vukovic, Embassy of the Czech Republic
Ms. Ellen van Reesch, Embassy of the Kingdom of the Netherlands
Mr. Florian Burkhardt, German Embassy
Mr. Pelle Persson, Embassy of Sweden/SIDA
Ms. Normela Hodzic Zijadic, EUD
Ms. Azra Dzgal, Embassy of the Kingdom of Spain/AECID
Mr. Steve Majors, USAID
Ms. Ella Challenger, USAID
Ms. Brigitte Heuel-Rolf, GIZ
Mr. Stephan Leudesdorff, KfW
Ms. Anne Macleod, UK Embassy
Ms. Slobodan Tadic, UNDP
Mr. Trefor Williams, OSCE

Government representatives:

Ms. Dusanka Basta, BiH MoFT/SCIA (Meeting Co-Chair)
Ms. Edina Topcagic, BiH MoFT/SCIA
Mr. Igor Blagojevic, BiH MoFT/SCIA
Mr. Zoran Danilovic, BiH MoFT/SCIA
Ms. Bruna Kjuder, BiH MoFT/SCIA
Ms. Natasa Krsman, BiH MoFT
Ms. Angelina Pudar, DEI
Ms. Miroslava Vidosavljevic, DEI
Ms. Nevenka Dalac, BiH MoFTER
Mr. Toni Santic, BiH MoJ

Meeting Agenda

- Welcome and Opening Remarks
- Presentation of activities of the Delegation of the European Union to BiH –
Update of IPA implementation and preparation for the future instrument of EU assistance - IPA II
- Presentations of the Ministry of Finance and Treasury of BiH - Donor Mapping Report 2011-2012 and Report on Progress on Adherence to the Principles of the Paris Declaration on Aid Effectiveness in BiH - 2011
- *Tour de table* - general news from all participants on current activities

AD1: Welcome and Opening Remarks

Ms. Basta, BiH MoFT/SCIA, welcomed all attendees to the regular DCF meeting and announced Mr. Schroeder, Head of Operations from the Delegation of the European Union to BiH will be co-chairing the meeting. She took the opportunity to express her satisfaction with the finalization of the PIMIS project, implemented with kind support of the Government of the Kingdom of the Netherlands, with the hope that the new DMD data base will soon become operational for data entry of new projects. In that regard, she reminded the participants that the presentation and training of the new DMD database will be held on Friday, April 19th, inviting them to the event.

Then Ms. Basta gave the floor to Mr. Schroeder, Head of Operations EUD, to address the meeting.

AD2: Presentation of activities of the Delegation of the European Union to BiH- Update of IPA implementation and preparation for the future instrument of EU assistance – IPA II

Mr. Schroeder thanked for the invitation and the opportunity to present the IPA programming, the IPA current and the future program. He pointed out to the substantial volume of financial assistance directed by the EU in the last 20 years, in the amount of € 3.2 billion, expressing strong EU dedication to BiH, which will continue until BiH joins the European Union. The nature of EU assistance has changed over the years, from the assistance intended for post war reconstruction it switched to support which is provided to the SAP process on the path towards the EU membership, through IPA program as an instrument of cooperation. Afterwards, Mr. Schroeder presented the budget of national IPA I program for the period 2007-2013, adding that BiH is also participating in the regional and multi beneficiary programmes. Since BiH is not yet a candidate country, it uses the assistance which includes only the IPA components I and II, while components such as preparation for structural funds, regional development, human resource development, preparation for future participation in EU agricultural policy are open only for candidate countries.

The main highlights of IPA I implementation and IPA II outline presentation:

- EU financial assistance programmes to BiH: Phare Programme, Obnova Programme, CARDS, IPA;
- IPA I: Legal Framework, Strategic and Programming Network (MIPD 2011-2013), Implementation;
- IPA I: MIPD priorities 2011-2013: Justice and Home Affairs, Public Administration Reform, Private Sector Development, Transport, Environment and Climate Change, Social Development;
- IPA I: Status of programming 2007-2012 (completed) and programming for 2013 (on-going);
- National IPA programme 2012 (84.8 billion €), Regional /Multi-beneficiary programme 2012 (17.9 billion €);
- Draft National IPA programme 2013 (87.1 billion €), Regional /Multi-beneficiary programme 2012 (16.4 billion €);
- New IPA II 2014-2020 (main elements and policy areas);
- IPA II priorities for Bosnia and Herzegovina;
- Conditionality for IPA II (functional EU coordination mechanisms, country wide sector strategies);
- Preparation of Country Strategy Paper (CSP).

For more details, please see the attached presentation.

Finally, Mr. Schroeder noted that the first consultation round was held at the beginning of the year and that another consultation round is planned at the end of May, with the hope that the same will be based on the first draft of the Country Strategy Paper for BiH, and then opened a discussion and invited all present to ask questions related to the subjects from the presentation.

Mr. Persson from the Swedish Embassy, thanked for the interesting presentation and reported that they just undergo the similar reform process related to planned assistance to BiH. He asked the question about linking IPA II to the progress achieved in the realisation of EU integration activities, and how EUD intends to set the linkage between promoting good actions of the country with the IPA II program. How these links would be designed, since the EU has the projects that can measure the success, but the overall process in BiH is more of a political issue, so are there any links between those two?

Mr. Schroeder demonstrated how such linkage could look like- the Environment sector as one of the most demanding sectors in which, as a precondition to enter the EU, a candidate country has to adopt and apply of numerous rules and regulations at the level of the EU, whereby heavy investments are required. In order to provide the assistance to this Sector, the condition is the existence of the so-called “Environmental approximation strategy”, as a joint vision for the entire BiH , regardless where the competencies lie for environmental Sector (at the entity level). Another important issue relates to the heavy investments, which need to be prioritized, and concluded that it needs to be planned in which order individual directives/guidelines should be implemented. Also, it is important to prioritize the pipeline projects in this area, considering the scarce public funds for this purpose should be focused on the right priorities. Mr. Schroeder asserted that this is a far reaching process, which will include the discussions with DG Enlargement IPA Program, regional programs that work together under the WBF, the IFIs active in this Sector, and with the Subcommittee in charge of the environmental policy. This is one example how to establish a close link between the accession and the general policy and financial assistance and it needs to be thought through specifically sector by sector.

Ms. van Reesch, from the Netherlands Embassy, thanked for the excellent presentation which addressed some very relevant points and dilemmas. She noted that it is very interesting to have this and the Paris Declaration presentations in one meeting, since PD indicators will give some sense of situation how and when to facilitate the sector support. Ms. van Reesch referred to the dilemmas whether the focus should be on the social economic development or to preparing the country for EU integration or EU *acquis*, pointing out that this is directly related to the question of external aid coordination to BiH, which is addressed by MoFT and DEI, she asked how the priorities are defined since there is no country development strategy. She added that in the absence of the strategy, the EU is discussing on program for IPA, and asked what is role of the MoFT in this process of deciding and the balance between the general development program and the IPA program, and what is the role of MoFT in terms of sector wide strategies that are linked to the budgets?

Ms. Basta pointed out that the roles are divided between MoFT, which has the mandate to coordinate all aid except EU aid, and DEI which carries out the IPA programming in cooperation with the EUD. MoFT is preparing the proposal which will be presented soon, on comprehensive representation of priority and development projects regardless of their sources of financing. It is expected that the new databases, developed within the Public Investment Information System Project – PIMIS, will include all finished, on-going and new priority projects in BiH. Two applications have been developed within the PIMIS system, for the data bases where the new PIP data base will include all current and new priority projects that require the financing from domestic or foreign sources, while the new DMD data base, filled by donors/IFIs-DCF members, already includes the data on around 1.800 projects, and will be updated with the new and on-going projects on a daily basis and will be publicly available. Ms. Basta also mentioned the new project of the MoFT which is realized with the support from Swedish Sida: *Capacity development in preparation and programming public investments*, implemented in the MoFT of BiH, MoF of FBiH and MoF of RS. This project involves the work on topics such as the setting of priorities, gradation of priorities and the way how the new priority projects should be prioritized. She agreed the most important thing is to have strategies (sectoral or the country strategies), since the strategy is the basis for the projects prioritization and measuring their contribution to development goals fulfillment.

Ms. van Reesch thanked for the reply and added that in the absence of the strategy it is very hard to explain why certain projects have the priority status, and while the EU is in the process of deciding on cooperation with all competent BiH stakeholders, the issue remains open what to base these decisions on.

Ms. Basta pointed out that the most important thing for the MoFT are strategic goals, which is the reason why it is very important to link projects with the strategic goals, to assess how implementation of the projects contribute to the realization of the strategic goals. She also noted that all stakeholders should focus on the program approach, to avoid overlapping or duplication of funds, in the circumstances where the resources are limited and which be even more limited in future.

Ms. Macleod, from the British Embassy referred to Mr. Schroeder's presentation on Decentralized implementation and asked him to say more from the EU side what needs to be prepared for that kind of mechanism to begin to work.

Mr. Schroeder replied that Decentralized Implementation System (DIS) needs to be established, the CFCU and other institutions, which will enable BiH authorities to do the tendering and contracting. He noticed this is complex process leading towards accreditation of a structure, required for the correct management of EU financial assistance, and added that there has been the discussion on establishment of this structure, but the agreement has not been reached on the political level. In terms of DIS, BiH institutions will also be in charge of the procedure, but before they act they have to get the green light from the Delegation. Currently, only in the fifth component on agricultural development, the only possible approach is to give the task to BiH institutions and after the job is done the checks are conducted if everything has been handled correctly (full decentralization). In regard to this, the Delegation has prepared the project that developed the proposal of a structure, the establishment of the so-called IPARD structure, the management and payment agencies that would carry out these tasks. Finally, he concluded that an agreement should be reached where these institutions should be located and that regarding this, there are differences in opinion on the state and entity levels, since in this area the actual constitutional responsibility lies on the level of the entities. However, in this case the EU requires one institution and not several institutions to carry out this task. In the end he asserted that these are all topics with the issues that should be directly discussed under the EU coordination mechanism.

Mr. Persson posed an additional question referring to conditionalities that relate to other types of support provided by the EU to BiH, in terms of the macroeconomic support (approx. in the same volume as the IPA funds), which are merely linked to conditionalities to fulfilling the IMF in connection to macroeconomic balance, and asked if there has been any discussion in the EC and the Delegation linking this kind of budgetary support to conditionalities or to accession steps taken by the country.

Mr. Schroeder replied that he would rather offer his personal view than the institutional view to this question, stating it is important to have a political consensus how to link the various cooperation tools available for the country, and to establish better coordination in application of various financing tools, than at present, concluding this should be the subject of discussion at the beginning of IPA II negotiations.

AD3: Presentation of the Ministry of Finance and Treasury of BiH - Donor Mapping Report 2011-2012 and Report on Progress on Adherence to the Principles of the Paris Declaration on Aid Effectiveness in BiH - 2011

Ms. Topcagic noted that she would have as short as possible presentations since more detailed information could be found on the *donormapping* and MoFT web sites and added she would go through the few key aspects of the *Donor Mapping Report 2011-2012*.

The main points of the DMR report for the period 2011 - 2012 were:

- DMR 2011-2012 is a result of *joint efforts* of domestic and international actors involving development activities in BiH. The previous editions of the Report were prepared with the support of donors (UNDP, DIFID, Sida), while this is the first Report conducted without the external support with the Ministry's capacities. The Report was adopted by the CoM of BiH;
- DMR 2011-2012: enhance cooperation for socio-economic development; improve coordination among donors and aid effectiveness and better transparency of ODA resources utilisation;
- Main findings of DMR 2011-2012: total allocations of DCF members from 2011 to July 31 2012; comparison of grants/loans;
- The structure of investments (ODA distributions) in the Sectors in the first seven months of 2012;
- DMR 2011-2012: The way forward- Conclusions of the CoM of BiH.

For more details on the specific results from the DMR Report, please see the attached presentation.

Ms. Topcagic also referred to the conclusions of the Council of Ministers of BiH with the instruction to continue the activities on further improvement of cooperation with DCF members, to facilitate the efficient use of official aid resources in line with the Paris Declaration on Aid Effectiveness as well as to include the new donors in the Donor Coordination Forum membership, to participate in exchange of information at the DCF meetings, to enable coordination among donors on joint activities and to achieve more comprehensive and transparent insight in the use of ODA resources in BiH.

Mr. Leudesdorff, from KfW thanked for the excellent presentation and had one remark concerning the presentation on the low share of ODA in Environmental protection sector (2% in the overall cake). Having in mind the huge amount that had been earmarked by EIB, EBRD, WB, KfW to this Sector, and which is not reflected by the 2%, he assumed that many of these loans/grants were summarized under infrastructure. Considering that all projects in the water/waste water sector in principle fall in environmental protection, there should be a much higher percentage.

Ms. Topcagic agreed with the remark but reminded as well that the reason for this lies in the limitations of the old DMD data base, with limited range of sectors/subsectors, which was used for drafting of the reports. The new DMD database is in the testing phase, and it will enable the correct representation of projects in adequate sectors in accordance with DAC/CRS classification. Finally, she thanked to all DCF members who actively participated in the preparation of DMR for their support and cooperation, since DMR would not be accomplished without that.

Ms. Topcagic then introduced the second presentation: *Report on Progress on Adherence to the Principles of the Paris Declaration on Aid Effectiveness in BiH – 2011*. In the last quarter of 2011, the Survey was undertaken regarding the adherence to the PD principles in BiH, in accordance to the obligation of BiH to monitor regularly the progress achieved in the improvement of aid efficiency in BiH.

The main points of the Report on Progress on Adherence to the Principles of the Paris Declaration were:

- Report on Paris Declaration on Aid Effectiveness in BiH-2011-
Background / Main findings of the Report: PD indicators / Conclusions;
- Report is prepared in cooperation with BiH institutions, donor agencies, DCF members in BiH;
- CoM of BiH was informed on the findings of the Report.

For more details, please see the attached presentation

General conclusion of the Report is that although certain progress in implementation of some of the PD principles has been achieved in BiH, BiH Institutions and donors should make additional efforts on implementation of the reform process, to enable further improvement of development aid efficiency and added, she hopes that both DCF members and BiH Institutions will cooperate even more closely, in the preparation of the next Report in order to achieve higher quality and objectiveness.

Ms. van Reesch had several remarks about the presentation, and said that much of the rationale of Paris agenda indicators is really meant for countries that are quite donor dependant on foreign aid. For BiH this is not so relevant, considering that the number of donors and the size of the programs are not that huge anymore, however more efforts should be made on coordination of donor activities. Also, it is of relevance what BiH has done to improve its own indicators, and added that since there is no development strategy, she considered 3,5 mark for financial assistance as questionable. From the perspective of donors, very few of them rely on public institutions and public finance due to weaknesses within the Audit function and nonexistence of the framework for result based monitoring. Comparing this to the previous presentation where CoM of BiH called on better cooperation between MoFT and donors based on the principles of the Paris agenda, she asked what is BiH going to do with PD indicators, is there anybody from BiH side interested and committed to improve existing situation, since if there is not, the improvement cannot be expected from the donors side, in terms of aligning more with the national systems. In relation to the IPA II intention to apply the sector wide approach, Netherlands as the EU member state definitely considers BiH should meet the certain criteria. She concluded that if the strategies are not endorsed by all stakeholders in BiH (not one strategy from RS and one from the FBiH) with joined priorities and the clear budget, then the requirements for sector budget support will not be met. The question really is who is going to follow up this process on the side of BiH?

Ms. Basta compared the Baseline with the Report for 2011 and asserted that although there was no improvement in the most important issues, it is important that some indicators are very good (more aid is predictable, aid is untied). However, the question is how reliable results are, considering that in 2011 research, donors did not respond to the questionnaires in the expected number. As seen in the table, the most important indicators on the side of BiH are not available and measurable, meaning that strategic planning should be developed for each individual sector, where a strategic plan should be a guideline for realisation and monitoring of the achieved results. Development strategy is the basis for monitoring of most PD indicators, so all stakeholders in BiH should work jointly on resolving of these issues.

Mr. Steven Majors from USAID followed up on Ms. van Reesch's comment and said that USAID is interested to focus on some of these issues, pointing out the commitment on improvement of donor coordination and their collaboration with the BiH authorities. He asked a rhetorical question how they can help to draft the development strategies for BiH. He said that USAID is interested to put together the results oriented framework asking how they can help in the framework preparation and added that performance of indicators can be measured to plan and move up on these issues next year. He concluded that they filled up the survey and that if they give the actual reason to people to fill up the survey, showing how they are moving up the needle, this could be a condition for better response.

Ms. Basta thanked for the offered support and said that they are not talking only about the BiH Institutions on the state level, but also about entities, entity ministries and the most important is that they all work together to find out the solution, which is actually the way out.

Mr. Schroeder referred to the WB assessment carried out on behalf of the EU on the situation in the West Balkans region. When it comes to the development strategies, the situation varies in the region, where each country has a certain set of strategies on different levels and capacities with different level of correlation with the government budget appropriations and monitoring of realization of strategies. All the countries from the region come with certain tradition that results in certain weaknesses, which makes the basic ingredients for the Paris agenda. In BiH, the political situation affected to many issues where the progress was not achieved. In his opinion, a positive step forward is that the EU for the first time placed this issue very high on its' agenda, which provides the opportunity to the role of the ministries of finance to realize their role. He pointed out that if they make the headway for the next years, it would be a process in the forthcoming period where ministries of finance would strengthen their role, considering that this involves the real sectors strategies of the country in which the donors can contribute. He concluded that the EUD, in cooperation with other donors in the country, has placed the issue of strategies on the EU agenda, which should be the proper benchmarks to jointly improve this process.

Ms. Basta shared the experience of the MoFT and how these issues could be done in the best way. She mentioned example of the PIMIS project, supported and financed by the Netherlands, where the money was transferred to the special account of the MoFT. The MoFT implemented the project physically and financially, so the entire process was done within the institutional framework. MoFT was responsible for carrying out the tender procedure, finalizing the project and achieved results. In this process, MoFT, RS MoF and FBiH MoF were working together and jointly achieved the successful result. She added that by using of the country public finance management systems, all aid coming to BiH is implemented through the official channels, where CoM of BiH and ministries are responsible for the realization. Another good example is the new Sida project where also the direct beneficiaries are MoFT, RS MoF and FBiH MoF. Sida gave the financial support to the MoFT, which was concluded by signing of the contract on behalf of BiH with Sida (and MoFT signed sub-agreements with ministries of finance in both entities), so three ministries are managing the financial resources and are responsible for the implementation of the project. She concluded that the most important thing for the achievement of the good results is the joint work and mutual cooperation among BiH institutions, which also is a way to take over the ownership over the BiH development.

Ms. van Reesch made a comment on the position of the MoFT, and proposed if necessary DCF members should meet with the entity representatives, although the DCF has a different function, it could be useful to interact with the entity representatives.

Ms. Basta asserted that the entity representatives are always invited to the DCF meetings, and then invited all participants to take part in the *Tour the table*.

AD4: *Tour de table* – News and current activities of all participants

Sweden: Mr. Persson briefly presented the Swedish program for development cooperation with BiH. He noted that they have the Country strategy for BiH which lasts to 2014, which has been cut in order to be harmonized with the EU IPA II process. In that regard, Sweden is preparing the 7 year strategy for the entire Region, with planned € 70 m resources on annual basis. He noted that in the past they have invested in BiH approx. € 20 m and that they will probably remain on the same level in the future. Sweden will be engaged in five areas similar to those of the EU: public administration, justice, economic development, democratic accountability and environment. He added that there will be more regional projects focused on results, gender and corruption. He concluded that the dilemmas and problems they are still facing is, how to link the development with the project level activities, how to coordinate them with the EU agenda as well as with other donors.

Germany: Mr. Burkhardt noted that Germany continued its bilateral development cooperation with BiH, along with the EU efforts which Germany fully supports as a member state. He added that two weeks ago they had their annual bilateral meetings with BiH Authorities, at state and entity levels, where they negotiated their further programs and investments. He concluded that German Delegation/ German Federal Government committed new means in the amount of € 56 m for projects contracted by GIZ and KfW. Besides, German Foreign Ministry and German Government will also provide the funds for NGOs (BiH Press Council, ICMP and several other organizations) as well funds for small-scale projects.

KfW: Mr. Leudesdorff reported on the projects related to the financial cooperation with the KfW and the volume of their assistance, and noted that on the political level, so far German Government made commitment to BiH in the amount of 650 m. Out of this amount, € 200 m are under implementation while the remaining € 450 m will be implemented after new projects have been selected. It is expected it will take at least half a decade to implement all resources committed at the political level. For the time being, the focus of the German aid is directed to: Sector of renewable energy, i.e. construction of wind farms or rehabilitation of the existing hydro power plants system or construction of new hydro power plants. The new resources were committed for this year, in the amount of € 50 m for development of hydro power plants.

GIZ: Ms. Heuel-Rolf introduced herself as the new GIZ country director for BiH as well as the regional director. On the Government negotiation, GIZ contracted the new investments for two on-going programs. The amount of € 2,5 m for the energy efficiency programs at the municipal level and in the amount of € 2 m for the local governance and local economic development program.

Additionally, GIZ contracted the new investments in the amount of € 8 m for Open Regional Funds which are operational in BiH and other countries in the region.

USAID: Mr. Majors commended the efforts of Ms. Topcagic's team for DMR Report preparation expressing USAID's willingness to support them in the future activities. USAID is preparing 3 new projects: *Local economic development project* in cooperation with GOLD and Sida, worth \$ 20-25 m, to be implemented over the next 5 years to support municipalities; *New civil society strengthening program* for the next 5 years period, worth \$ 8 m which will be fully locally implemented; and *Support the capacity building of Federation Government/Parliament* with project worth \$ 4-5 m. In the last few months USAID also launched the exchange program, where they welcomed the members of staff from GIZ and Czech Embassy to USAID in the one month period, for exchanging ideas, working on projects, thus strengthening the donor coordination as well.

UNICEF: Ms. Zunic reported UNICEF has just finished the mid-term review 2010-2014 where they identified 2 vulnerable groups they will focus in the next 2,5 years- Roma and children with disabilities, as well as their work within juvenile justice on the state and entity levels. UNICEF will continue the work in social protection on social inclusion program, in close cooperation with the EU and partners from BiH authorities, with aspiration to intensify the cooperation with the cantonal partners. Also, they will continue work in the education, particularly early childhood education and Roma inclusion in primary and secondary schools, early childhood development and identification of instabilities and delays at children in early age.

UNDP/UN Country Team: Mr. Tadic noted that UNDP is also trying to adjust the UNDP strategy and align it more with the EU planning period, in order to cover the same period for the strategic planning. In the forthcoming period UNDP will focus to the regional support and to the strategic planning. UNDP will mostly be engaged in the areas presented in the EU Strategies and IPA II programming. He concluded that UNDP will provide it's assistance in coordinated and continued manner in most of the mentioned sectors, over the next 3-5 years period, in the annual amount of \$30-50 m.

Ministry of Justice: Mr. Santic presented some key activities in the Justice sector and mentioned that the Structural dialogue between EU and the Justice sector in BiH was held in Brcko on April 8 and 9, which recommendations can be found on the EU and MoJ web sites. He pointed out that the implementation of the Justice Sector Reform Strategy 2008-2012/13 is in the final year. At the beginning of February, Ministerial conference was held as a steering mechanism for implementation of the Strategy, whereby the conclusions were brought on prolonged implementation of the existing strategy, *until* the new Strategy is prepared. Ministry of Justice is currently preparing the decision on strategic and legislative documents that will enable CoM of BiH to enhance its capacities in the strategic planning, in cooperation with PARCO, DEP, DEI as well as ministries of finance. Last year Ministry of Justice reached an agreement and signed Memorandum of Understanding with SDC, for a project which will assist the state Ministry of Justice as a central coordinating body, to establish the new strategy framework for the Justice sector. Currently, Ministry of Justice is in the phase of consultations and expect that the first strategic framework will be finalized by the next ministerial conference that will be held in July. Afterwards, an Action plan on development cooperation will be prepared in accordance with activities presented by the EUD. Also, Ministry of Justice in cooperation with USAID has devised the instruments for Joint Policy Forum, resulting in increased communication with the public and the foreign investments promotion program. Finally, Mr. Santic invited all present DCF members to provide support to the Justice sector in development of the sector strategy.

Slovenia: Mr. Brozina reported that for 2013, Slovenian funds planned for BiH will be around €250. 000. Within the technical cooperation, Slovenia will realize 3 projects: In the area of veterinary control, in the phytosanitary sector and in the statistics. He added they also work with the Institute for metrology and had secured the funds for this purpose, while the Institute itself is looking for other funds to round up the financing.

UK Embassy: Ms. Macleod noted that UK will continue to implement 2 programs in BiH: *Reuniting Europe program and Conflict prevention program*. For the coming year, the *Reuniting Europe program* will focus on support to the Parliament, on work on anti-corruption and support to the development of coordination mechanisms, in close cooperation with the EU. They will also provide the support to laboratories in cooperation with UNDP and Slovenian Embassy. Conflict prevention program covers two areas in the Justice and Security sector, with special focus on border security, anti-corruption, through the support provided to the Ministry of Security and the Ministry of Defence. Also, under this program, two new initiatives were launched: *Prevention of sexual violence*, involving support to the Justice sector to address impunity on these crimes and support to the victims, and the initiative that refers to the so-called *Alternative voices*, involving the range of actors which support the reforms and political accountability.

DEI: Ms. Pudar stated that the preparations for IPA II are the main activities conducted by the DEI. She reminded that they are all waiting for the first draft outline of the Country strategy paper for IPA II for BiH, to be finalized hopefully by the end of April, after which numerous activities could be expected within BiH and BiH Institutions at various levels. DEI, in close cooperation with EUD and EC, is preparing for formal consultations in regard to the draft outline paper, which are planned for the end of May. She noted that lots of important information were exchanged on these activities as well as the MoFT activities, and expressed her satisfaction with the donors interest and willingness to support the key requirements of IPA II, such as the existence of country wide sector strategic documents, where the line ministry in charge for each particular sector plays an important role in preparation of these documents. Still, there are challenges on who and how decides on priorities in terms of IPA support as well as which sectors will be supported. She noted that it is also good to see that there is willingness to support the introduction of the sector approach (characteristic for IPA II), where the line ministries have the important role in defining of priorities in their sectors, and coordinate among themselves in the group of line ministries. Finally, linking of the budgets, pre-accession funds and bilateral donor assistance are related to coordination and cooperation that will be established under the leadership of the lead institution, as they move over through all dimensions from the (EU) presentation and it's good that all from the donor community are supporting all these processes.

OSCE: Mr. Williams noted that OSCE is focusing on the following areas: 1) *Human Rights* - the support to BiH in implementing the strategy for the completion of Annex 7, specifically focusing on the provision of housing in cooperation with UNHCR, supporting the authorities to implement the regional housing project; 2) *In the domain of social protection*- ensuring equitable access to services. In that regard, OSCE will support institutional policy and legislative reform since it affects the discrimination, with the focus to the implementation of the Law on Prohibition of Discrimination and on the support to the Ombudsman organization; 3) *Justice sector*: OSCE will continue to align its work with the remainder of the current Justice Sector Strategy and the new JS strategy and work through the structured dialogue on justice. In addition, OSCE is focused on 3 areas: the main area is the war crimes processing, which would be financed from IPA funding in 2014, prevention and processing of hate crimes and on prevention of trafficking in human beings; 4) *In the area of Governance*, during the 2013, OSCE will merge the work with the local Authorities, with the focus on entity and BD Parliaments, leading to the work gradually focused on cantonal assemblies, and the municipal level, in the forthcoming years. Hereby, OSCE will also continue to support the capacities development of the Association of Towns and Municipalities as well as the entity ministries, to be able to take over this work.

SDC/SECO: Ms. Zaric noted that SDC adopted the Cooperation strategy for BiH 2013-2016, and announced they will soon organize the launching event of the Strategy, announcing that all present will receive an invitation to come and learn more about Swiss activities in BiH for the next 4 years. She briefly presented the current activities in BiH, noting that the support is focused to the following areas: local governance, municipal services, economy, employment and the health area. She concluded that SDC implements the Standalone program in judiciary and a special program on migration partnership between Switzerland and BiH, with special focus on migration and development, and the budget of CHF 69 m for the next 4 years.

France: Ms. Constant noted that France has limited finances in this year considering that major part of the resources goes to the EU, the reason why France is acting in a way to promote the EU values in BiH. She added, France is promoting the Lisbon Strategy, knowledge, employment, good standards of living in terms of environment, while in regard to the fight against a cultural goods trafficking, they just had the meeting. She concluded, France is promoting the values of Francophonie (democracy and development), they also work in the domain of justice, on the reducing the procedure for minor offences, as well as in the area of legal cooperation on issues related to minor offenders in jail, etc.

Spain: Ms. Dzgal noted that Spain has ended bilateral cooperation with BiH, three years ago. However, three programs financed through the Spanish fund / Millennium Development Goals (MDG) and still implementing by the UN agencies, will be finalized in the middle of this year. Thus all the development cooperation with BiH will be completed in 2013.

Ms. Basta then thanked to all participants and invited them to attend the Presentation of the PIMIS application for the new DMD database and training for data entry, which will be held on April 19TH.

The meeting was closed at 16:15 hrs.

SCIA, April 2013