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Sida Decentralised Evaluation

Pier Ardeni

# Evaluation of the project “Capacity development at MoFTs at State and entity level for effective management of public investments PIP-DIP”

Final Report



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“Capacity development at MoFTs  
at State and entity level for  
effective management of public  
investments PIP-DIP”

**Final Report**  
**June 2015**

**Pier Ardeni**

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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# Abbreviations and Acronyms

BD	Brcko District
BiH	Bosnia and Herzegovina
DIP	Development Investment Programme
EC	European Commission
EU	European Union
DEP	Directorate for Economic Planning
FBIH	Federation of Bosnia Herzegovina
FIDP	Federal Institute for Development Planning
IMF	International Monetary Fund
IPA	Instrument for Pre-Accession Assistance
M&E	Monitoring and Evaluation
MERRC	Ministry for Economic Relations and Regional Cooperation
MoF	Ministry of Finance
MoFT	Ministry of Finance and Treasury
MoFTER	Ministry of Foreign Trade and Economic Relations
PAR	Public Administration Reform
PARCO	Public Administration Reform Coordination Office
PFM	Public Financial Management
PIP	Public Investment Programme
RS	Republika Srpska
SCIA	Sector for Coordination of International Aid
Sida	Swedish International Development Agency
TA	Technical Assistance
USAID	United States Agency for International Development

# Preface

This evaluation was contracted by Sida through the Framework Agreement for Sida Reviews, Evaluations and Advisory Services on Results Frameworks and conducted by FCG SIPU International.

The evaluation team comprised Mr Pier Giorgio Ardeni, as Evaluator, and Mrs Tamar Ivankovic, as interpreter.

The findings of the report are entirely the responsibility of the team and cannot be taken as expression of official Sida policies or viewpoints.

# Executive Summary

## INTRODUCTION

- The project aimed at increasing the capacity of MoFT, the RS Ministry of Finance (RS-MoF), the FBiH Ministry of Finance (FBiH-MoF), as well as other government bodies in management of public investment process. This would be achieved by designing and implementing integrated planning and budgeting systems that would functionally connect development strategies at State and Entity level and, within that context, the Public Investment Programme (PIP) preparation processes. In this way, a significant advance would be made in the implementation of the financial pillar of the PAR Strategy and the PAR Action Plan.
- The specific objectives of the project were to further improve PIP preparation process – in the broader context of Development Investment Programmes (DIP) – and to strengthen horizontal links between government institutions, to improve quality of project proposals and to develop extensive training and awareness support to PIP (DIP) preparation.
- The evaluation was carried out with desk research and assessment of the relevant background documentation, interviews in the field with relevant stakeholders and assessment of the relevant project reports.
- For an accurate quantitative assessment of the results achieved by the project, all objectively verifiable indicators should have been checked against the stated targets. However, in this case, no log-frame or performance management plan were prepared or attached to the project proposal, whereby progress indicators would be listed against given targets. Rather, a list of activities (inputs) and deliverable outputs was presented with the project proposal. It is on that basis, therefore, that the final project results are compared with the initially planned set of final deliverables against their specific objectives.

## OVERALL FINDINGS AND RESULTS

- The project was well designed: both the Project Proposal and the Inception Report took the original ToR and appropriately designed activities so as to achieve the specific and overall objectives within the time horizon of the project.
- Overall, the project was relevant, effective in achieving the specific objectives and had considerable impact. It was well managed by the project team which proved flexible and gained the full involvement of the key beneficiaries, manifested in their sense of ownership and commitment, a key to sustainability. Yet, for its overarching objective to be achieved, more support would be needed, particularly at the lower levels of government, by targeting a broader pool of beneficiaries.



## MAIN FINDINGS WITH REGARD TO THE EVALUATION CRITERIA

### Relevance

- Overall, relevance of the project seems to be evident and strong. Broadly speaking, the project was relevant to the stakeholders' needs: interviewees generally confirmed very positive opinions of the project.
- A logically valid means-end relationship between the **overall project objective** and the three **specific objectives** – reflected in the five expected **results** – has been established.
- Interviews with stakeholders and beneficiaries confirmed the importance and relevance of the chosen beneficiary institutions. The project was very relevant both in its overall objective, its scope and its specific objectives in addressing one fundamental issue of improved public finance management, that of public investment planning and its links with medium-term budgeting.
- The project was quite relevant to the key development processes ongoing in Bosnia and Herzegovina, including EU integration, as it was able to bring on the operational agenda of the Ministries of Finance, both in the State and the two Entities, the issue of public investment planning in its relationship with budget planning.
- Also, as confirmed in the reference to the ongoing PAR Strategy and some of the main recent PAR assessments, the project was relevant in addressing one key issue in PFM in its relationship to the overall public administration reform process, that of strategic and medium term planning and allocation of resources.
- Finally, by affecting and improving the government action in the area of budgeting and planning, the project was also relevant to other projects and government activities in the area of PFM.

### Effectiveness

- Overall, the project seems to have achieved its objectives, though participation and completion indicators are short of the desired value in some cases. Overall, project implementation was effective.
- Broadly speaking, the project was effective in the use of resources; it achieved the stated specific objectives and planned results: it contributed to further improvements of the PIP/DIP structure within the government; it contributed to strengthen the link between planning and budgeting of investment programmes, which will enable PIP/DIP to be used as a financial management product; it contributed to improvements in quality of the projects proposed to PIP/DIP.
- Result 1. PIP/DIP methodology and tool-kits to enable monitoring of financial implementation of projects and financial reporting on implementation of State and Entity strategic plans developed. – This was partially achieved and the activities planned to its achievement have been quite effective.
- Result 2. Key PIP/DIP management and stakeholders involved in public investment formulation and decision making processes trained in the use of PIP/DIP management tools. – This was certainly achieved and the activities planned to its achievement have been quite effective.

- Result 3. All public investment projects aligned with development objectives.-- This was only partially achieved and the activities planned to its achievement have been effective, but not sufficiently and more needs to be done.
- Result 4. Capital budget based on PIP/DIP – in line with State “Law on Financing of BiH Institutions” and equivalent Entity laws – developed. – This was only partially achieved. Activities planned to its achievement have been effective, but not sufficiently and more needs to be done.
- Result 5. Budget Users (BUs) at State and Entity level trained in preparation and reporting of quality public investment project proposals. – This was achieved only to a degree and the activities planned to its achievement have been effective, but more needs to be done.
- In sum, for a project that had – by design – quite a heavy emphasis on activities (i.e. inputs), and only some focus on outputs, we may say that it was quite, although not totally, effective, due to its quite ambitious objectives and to a large number of potential beneficiaries.
- The project has been somewhat effective in achieving its objectives and has achieved its expected results to a (rather good) extent. One reason is that both the objectives and the results were, possibly, slightly too ambitious. The project aimed at introducing new processes, new methods and even new concepts (to a degree), in quite a complex institutional setting. It is not surprising that in just two years only some progress has been made towards objectives that were ambitious.
- The project has gone a long way towards its aimed achievements and yet, more progress is needed to change habits, procedures and practices. It also appears that the project implementation has been following the agreed plans for activities, delivers quite well and rigorously, and adapts to the changing circumstances when needed, with flexibility and sense of responsibility.
- The key project stakeholders and beneficiaries have been generally fully responsible and prepared in fulfilling their expected role in the implementation. Yet, as the project involved a number of beneficiaries down the various levels of government, line ministries and agencies, not all have been as responsive and apt in their absorption capacity.
- A good point in favour of the project team is the extremely good coordination shown with the key stakeholders across Entities, which was acknowledged by all, in spite of the difficult political environment.
- In conclusion, being a capacity development project, good capacity has been developed in some key positions, the transfer of knowledge has been carried out and yet a lot remains to be done in this respect for the vast number of stakeholders and beneficiaries at large.

### Impact

- The project will have had a permanent visible impact, in as far as its results will be consolidated. The project has achieved strong results in the focal areas of software implementation and support to a coherent legislative and regulatory framework for strategic policy planning for all institutions involved. Individually and combined, the results can be assessed as contributing strongly to the overall project objective of designing and implementing separate but fully harmonised plan-

ning and budgeting systems at State and Entity levels and of functionally connecting sector and other development strategies and the PIP processes.

- The project has had visible impact on the key direct beneficiaries. And its impact on the beneficiaries as a whole might also be notable. The establishment of the PIP as an institutional programming tool encompassing the country's development priorities is a remarkable impact, as is the adoption of an unified management software for all Institutions and budget users for their investment project proposals.
- The capacity development at the key beneficiaries was quite high and we may thus expect that its impact on the other stakeholders is going to be quite relevant. On the other hand, impact on the overall institutional structure and the stakeholders at large seems to be more limited and more assistance is certainly needed in this area.
- In short, some of the direct impacts will certainly contribute to the overall objective of improved and harmonised planning and budgeting, while others appear to be only as pre-conditions for improvement. In particular, it is the connection between strategic planning and medium-term budgeting that still appears to be weak.

### Sustainability

- For the key beneficiaries, the project possibly gave impetus and strength beyond project duration. Local ownership of the project results was clearly established, particularly at the highest institutional level. Less so, it appears, ownership was felt at the lower institutional levels. And yet, that is crucial for effective policy implementation and regulation enforcement.
- The project support for such institutional partners was well valued. Nevertheless, many feel that, once the project ends, the necessary capacity development for the government at large will not be ensured: in many instances, there seems to still be a great need for support. Also, for the vast majority of those who benefited, participating in trainings and various form of technical assistance, sustainability is not so certain.
- The primary emphasis of the project, through its agreed design, was on achieving tangible results during the short life of the project, assuming that they would also have a longer-term positive impact.
- In sum, some of the project's direct or indirect results are certainly sustainable, as they impacted on the regulatory framework and the implied practices, like the Public Investment Committees. Have the conditions at the key beneficiaries been developed to sustain the project results? The answer is yes, with a caveat. The project outcomes will be sustainable, in as far as we limit our attention to their impact on the key direct beneficiaries only. Full sustainability of improved public investment planning and medium-term budgeting will be achieved only when all stakeholders and government institutions at large will be enabled to fully integrate their strategic planning capacity within one broader planning capacity for the country as a whole.

### Conclusions regarding the evaluation criteria

- The project appears to have been well designed, relevant, effective, with considerable impact and sustainable at least at the level of the key beneficiaries.

## MAIN RECOMMENDATIONS

- Support should certainly be continued. Many actions need further capacity development at the lower levels of government and for a broader number of budget users.
- The project should be replicated: a time horizon of two years is too short to accrue benefits.
- Complementarity with other projects and donor interventions and plans will be essential for the next phase, so as to maximize effectiveness.
- PIP should become an instrument for medium-term planning in all spheres of public expenditure. Medium-term budget planning and strategic planning should become interlinked, together with debt management and aid coordination. The next project should address these issues in a more encompassing way.

# 1 Introduction

Upon a request from BiH State Ministry of Finance and Treasury (MoFT), the Swedish International Development Cooperation Agency (Sida) has decided to fund a project called “Capacity development at MoFs at state and entity level for effective management of public investments” (hereafter “CD-PIP project”, for short). In this respect, a Specific Agreement between Sweden and Bosnia and Herzegovina was signed on 24 September 2012. The project was funded by Sida under the Agreement between Bosnia and Herzegovina and Sweden on Development Cooperation 2011-2014, for about 600,000 Euros. The implementation of the PIP project was awarded with a competitive tender process to Triple Line (a UK based company).

The project aimed at increasing the capacity of MoFT, the RS Ministry of Finance (RS-MoF), the FBiH Ministry of Finance (FBiH-MoF), as well as other government bodies in management of public investment process. This would be achieved by designing and implementing integrated planning and budgeting systems that would functionally connect development strategies at State and Entity level and, within that context, the Public Investment Programme (PIP) preparation processes. In this way, a significant advance would be made in the implementation of the financial pillar of the PAR Strategy and the PAR Action Plan.

The specific objectives of the project were to further improve PIP preparation process – in the broader context of Development Investment Programmes (DIP) – and to strengthen horizontal links between government institutions, to improve quality of project proposals and to develop extensive training and awareness support to PIP (DIP) preparation.

The report structure follows closely Sida’s guidelines for evaluation and responds to the original ToR. Following this introduction, Chapter 2 describes the evaluation: its rationale, its scope and the questions that will be investigated.

Chapter 3 describes the approach adopted (methodology), the selection of evaluation criteria of relevance, effectiveness, impact, sustainability and continuation of support.

Chapter 4 presents findings and conclusions about the assessment against the evaluation criteria listed above. It first illustrates the main results of the project vis-à-vis the overall and specific objectives. Then, it presents the findings in terms of the evaluation criteria.

Chapter 5 presents lessons learned and recommendations about actions that should be taken.

## 2 Rationale and purpose of the evaluation

### 2.1. SPECIFIC OBJECTIVES OF THE EVALUATION

Sida has contracted SIPU to conduct an independent evaluation of the CD-PIP project. As per the Terms of Reference (ToR) attached in Annex 1, the purpose of the evaluation was to:

- 1) Evaluate the quality of the project design;
- 2) Evaluate the planned and unintended project results against the project objectives;
- 3) Evaluate the impact of the activities added during the implementation on the achievement of the project objectives;
- 4) Make recommendations and share lessons learnt that will be useful for further planning and programming.

The evaluation was intended to provide Sida with an assessment of the progress achieved against the objectives, and to make conclusions about the future direction of the programme. This report provides the results of the evaluation.

### 2.2. EVALUATION OBJECT AND SCOPE

Sida, as funder of the CD-PIP project, has undertaken to perform an evaluation in order to assess i) the overall level of achievement of the objectives and results, ii) the effectiveness and impact achieved through the project, and iii) the quality of coordination and communication between the project stakeholders.

The evaluation should summarize obtained and expected results in relation to the ToR, and contain an analysis of any deviations. The evaluation should also identify results of the current intervention and assess possibilities for further interventions as well as suggestions for new complementary activities that can be undertaken in the future supporting Public Finance Management (PFM) activities in BiH.

As noted in the ToR, the evaluation approach is to be structured around the OECD/DAC evaluation criteria – endorsed in Sida's Evaluation Manual – of **relevance, effectiveness, impact, sustainability**, and in addition, **continuation of support**.

# 3 Methodology

The evaluation has been done in line with Sida's Evaluation Manual and has focused on the overall project, i.e. evaluation of the project as a whole.

The methodology used for this evaluation was to evaluate the stated objectives and expected results against actual outcomes and results. The project had no log-frame, no performance indicator framework. The actual project outputs were thus evaluated against the desired outcomes. This is explained below.

## 3.1. SELECTION AND APPLICATION OF EVALUATION CRITERIA

The evaluation was supposed to address, but not be limited to, some general questions, so as to compare both the original technical proposal and subsequent annual progress reports and the observations of the evaluation team.

The evaluation presented here addresses the following specific questions – as indicated in the ToR – with respect to each of the evaluation criteria:

- **Relevance:**
  1. To what extent was the intervention relevant to the BiH's key development processes including the EU integration?
  2. To what extent the project is relevant to the PAR process in the country?  
To what extent the project is relevant to other projects and government activities in the area of public finance management in BiH.
- **Effectiveness:**
  1. Has the project achieved its objectives and its planned results and to what extent?
  2. In case that deviations from the project plan are identified, what were the main reasons and circumstances?
  3. How well has the project implementation been following the agreed plans for activities and reporting?
  4. What has been the level of preparedness and response from the key project stakeholders to fulfil their expected roles in the implementation?  
How has the coordination between project staff and other relevant stakeholders worked?
- **Relevance:**
  1. To what extent was the intervention relevant to the BiH's key development processes including the EU integration?
  2. To what extent the project is relevant to the PAR process in the country?

To what extent the project is relevant to other projects and government activities in the area of public finance management in BiH.

**Sustainability:** Have the conditions at the respective ministries been developed to sustain the project results?

- **Impact:**
  1. What are the overall effects of the intervention, long term and short term, positive and negative?
  2. How is the Swedish support placed and perceived by the beneficiary in the framework of other international assistance programs and what are the comparative advantages and disadvantages of the Swedish support?  
Is there a specific approach identified for the Swedish program that can be followed also in the future?
- **Continuation of support:** How relevant would a Swedish continued support in PFM sector be, and what would be the priority areas?

The assessment of the evaluation criteria was mostly based on quantitative and qualitative data, namely desk research, consultations with the stakeholders and interviews with the beneficiaries. The desk review took a few days, to be followed by fieldwork visits over only 8 work days across BiH in Sarajevo and Banja Luka, conducted with a precise fieldwork plan and scheduled interviews. In total, 25 stakeholders and beneficiaries were visited and interviewed (see Annex 3).

For an accurate quantitative assessment of the results achieved by the project, all objectively verifiable indicators should have been checked against stated targets. However, in this case, no log-frame or performance management plan were prepared or attached to the project proposal, whereby progress indicators would be listed against given targets. Rather, a list of activities (inputs) and deliverable outputs was presented with the project proposal. It is on that basis, therefore, that the final project results will be compared with the initially planned set of final deliverables against their specific objectives.

## 3.2. LIMITATIONS

The most critical limitations to the evaluation, from the very beginning, were the short time and limited resources devoted to it by Sida, which make its scope necessarily very focused. The limited time on the field allowed only for a given number of appointments, interviews and consultations with stakeholders and beneficiaries.

An additional limitation was that among the hundreds of potential individual beneficiaries – individual staff members in organizations or institutions – only a few could be selected and contacted. The selection of interviewees was done with the assistance and suggestions of the Project Team.

Another important limitation to be kept in mind is that, in preparing this report, we could only rely on progress and monitoring data collected by the project itself. As with other capacity building projects where training, mentoring and coaching components are relevant, it is difficult to evaluate the project effectiveness or impact based only on the number of courses, the hours devoted to training or even the number of participants. The participants' evaluations are obviously an important indicator of



success, but they cannot be taken as indicators of good effectiveness or impact. As it is easily understandable, the project effectiveness in delivering the expected transfer of knowledge that underlies any capacity development through training and mentoring can only be grasped from the improved quality of the outcomes and performance of the training recipients, which goes beyond the scope of this evaluation.

## 4 Findings

### 4.1. THE PROJECT DESIGN

The complete background to the project was summarized and described in Triple Line's Project Proposal.<sup>1</sup> Important predecessors on which to build on for the CD-PIP project were identified in the DFID-funded project “Aid Coordination and Effectiveness Project (ACE)”, which ended in January 2011, in the Austrian-funded follow-up project and in the Dutch-funded project for the development of a management software for public investment programmes. All three projects addressed the issue of re-designing the public investment programme process so as to link, harmonize and even synchronize it with the design of the Country Development Strategy (CDS) and Social Inclusion Strategy (SIS) and their medium-term objectives. Several concurrent projects by other donors were also highlighted in the Project Proposal as important in the area of Public Financial Management.

The objectives of the PIP project were laid out in the ToR. An important step in the project design was the identification of those activities which would be more appropriate to achieve the expected results laid out in the ToR. A work and activity plan was thus proposed and approved by Sida after the submission of the Inception Report in October 2013.<sup>2</sup>

The overall objective, the specific objectives and results related to the problem identification were confirmed during the Inception Phase. The **overall objective** was defined as to design and implement a separate but fully harmonised planning and budgeting systems at State and Entity levels, to functionally connect sector and other development strategies with the PIP processes. In the approved Project Proposal, three **specific objectives** were re-defined in the Inception Report:

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<sup>1</sup> See Triple Line, “Capacity development Ministry of Finance and Treasury and State and Entity Level for Effective Management of Public Investments – PIP-DIP”, Project Proposal, January 2013.

<sup>2</sup> See Triple Line, “Capacity development Ministry of Finance and Treasury and State and Entity Level for Effective Management of Public Investments – PIP-DIP”, Inception Report, October 2013.

- **SO1:** To further improve the preparation process of Public Investment Programme (PIP) and its section related to Development Investment Programming (DIP) to enable financial monitoring of the full project cycle and support to financial implementation of CDS/SIS.
- **SO2:** To strengthen the link between key processes relevant for optimal allocation of resources, public investment planning, strategic planning, and budgeting at all levels of BiH government.
- **SO3:** To improve the quality of PIP/DIP project proposals developed by institutions at BiH and Entity level through training programmes.

In order to achieve the three specific objectives, five final expected **Results** were proposed and approved with the Inception Report (whereby some significant re-wording has occurred with respect to the original formulation in the ToR):

- **Result 1** (for SO1): PIP/DIP methodology and tool-kits to enable monitoring of financial implementation of projects and financial reporting on implementation of State and Entity strategic plans developed.
- **Result 2** (for SO1): Key PIP/DIP management and stakeholders involved in public investment formulation and decision making processes trained in the use of PIP/DIP management tools.
- **Result 3** (for SO2): All public investment projects aligned with development objectives.
- **Result 4** (for SO2): Capital budget based on PIP/DIP – in line with State “Law on Financing of BiH Institutions” and equivalent Entity laws – developed.
- **Result 5** (for SO3): Budget Users (BUs) at State and Entity level trained in preparation and reporting of quality public investment project proposals.

In the Project Proposal a number of **problem areas** were identified, together with a **methodology** on how to address them and respond to the ToR, thus achieving the final expected results. In that context, a number of **activities** were listed for each final expected Result, together with a number of planned **outputs** (“deliverables”).

**Activities** proposed to achieve **Result 1 [PIP/DIP methodology and tool-kits developed]**:

- A1.1. Design procedures for institutional communication and horizontal coordination of PIP/DIP development activities between State MoFT, the Ministries of Finance of FBiH and RS and the Finance Directorate of District Brcko.
- A1.2. Develop and apply project/programme prioritization criteria.
- A1.3. Develop a Rule-book for PIP development and management.
- A1.4. Support full introduction of PIMIS, especially by designing a financial reporting mechanism for projects for various levels of government in line with their reporting needs.
- A1.5. Design a pilot reporting mechanism on financial implementation of development strategies at State and Entity levels.

A1.6. Develop PIP/DIP instructions for budget users for State and Entity, Canton institutions and District Brcko.

A1.7. Design of the PIP/DIP evaluation and monitoring reports in line with needs at state and entity levels.

A1.8. Assist the annual preparation of PIP/DIP along the developed methodologies and PIP/DIP preparation calendar.

A1.9. Assist with conducting consultations with budget users about their proposed projects.

**Expected outputs** from these activities:

O1.1. PIP/DIP Development Plan

O1.2. Contribution to PIMIS Manual

O1.3. Projects and Programmes Prioritisation Mechanism

O1.4. PIP/DIP monitoring reports based on PIMIS customised for different levels of government

O1.5. Contributions to annual PIP-DIP preparation at state and entity level (Instruction for BU and other inputs required by MoFs).

**Activities** proposed to achieve **Result 2 [PIP/DIP management and key stakeholders trained in use of PIP/DIP tools]:**

A2.1. Develop training materials such as manuals, presentations, case studies etc

A2.2. Preparation of case studies of best practice in public investment management

A2.3. Organize trainings and consultations for MoFs and key stakeholders at State and Entity level.

A2.4. Organize study trips abroad.

**Expected outputs** from these activities:

O2.1. Training materials.

O2.2. Two workshops per year, two days each, delivered.

O2.3. Meetings/Workshops/training sessions on demand, as needed.

**Activities** proposed to achieve **Result 3 [All public investment projects aligned with development objectives]:**

A3.1. Design of methodology for linking PIP/DIP with capital budgeting process at State level.

A3.2. Propose draft legislation in line with the specific legal requirements of the users at State and Entity level

A3.4. Draft a Rule-book for PIP/DIP for entities in line with their budget laws.

A3.5. Assist MoFT and Entity MoFs in annual preparation of capital budget based on PIP/DIP.

A3.6. Preparation of proposals to link BMIS and PIMIS.

A3.7. Preparation of debt management plans using PIP-DIP tools

**Expected outputs** from these activities:

O3.1. Rulebooks for entities to harmonize PIP-DIP preparation and process and link with the capital budget.

O3.2. Draft legislation in line with the specific legal requirements of the users at State and Entity level.

O3.3. Draft capital budgets.

O3.4. Proposal for linking BMIS and PIMIS.

O3.5. Debt management plans.

O3.6. A framework for monitoring and evaluation of projects.

O3.7. Set of procedures for beneficiaries for proper closing of donor projects.

**Activities** proposed to achieve **Result 4 [Capital budget based on PIP/DIP developed]**:

A4.1. Developing a handbook for Planning and Budgeting of Investment Projects.

A4.2. Propose legislation at state and entity level to introduce investment planning methodology.

A4.3. Promotion of handbook and training of budget users at all levels.

A4.4. Contribute to IPA II and other instruments for financial planning based on PIP/DIP tools and methodologies

A4.5. Development of a financial framework for selected strategic documents at all levels of government

A4.6. Supporting strategic planning in line with budget and development priorities in the Ministries of Finance.

**Expected outputs** from these activities:

O4.1. Handbook for Planning and Budgeting of Investment Projects.

O4.2. PIP/DIP mechanism fully aligned with State, Entity and Canton strategic planning.

O4.3. EU-IPA projects and budgeting aligned with development objectives.

O4.4. Training sessions.

O4.5. Contribution to Agenda 2020, IPA II SWAP and sector planning.

O4.6. A financial framework for selected strategic documents at all levels of government.

**Activities proposed to achieve Result 5 [Budget users trained in preparation of quality project proposals]:**

- A5.1. Design training programmes on project preparation and development for different levels of government.
- A5.2. Train budget users at State and Entity level.
- A5.3. Design an awareness campaign targeted at major stakeholder groups (parliaments, key ministries, CoM and Entity governments, major donors and creditors, etc.).
- A5.4. Publish, promote and communicate (leaflets, newsletter, website, etc..).
- A5.5. Organize conferences.

**Expected outputs from these activities:**

- O5.1. Methodology and tool-kits for project identification and development introduced at State, Entity and Canton level.
- O5.2. Training programmes delivered for trainers and institutions in project identification and development in cooperation with civil service agencies and employment bureaus.
- O5.3. Project dedicated web-site with project development related content.
- O5.4. Two conferences on PIP/DIP.

Several **comments** and **remarks** are necessary here on the **project design** with regard to the project objectives, expected results and planned activities as proposed and approved in the Inception Report. As a general statement, we may say that the project was well designed: both the Project Proposal and the Inception Report took the original ToR and appropriately designed activities so as to achieve the specific and overall objectives within the time horizon of the project.

Specific Objective 1 aims at improving the public investment planning process by enabling financial monitoring of the “full project cycle” and the support of the financial (economic) implementation of CDS. What is meant, presumably, is the financial monitoring of the *whole* project cycle with special attention to investment projects. Yet, it is the overall monitoring that should be aimed at, not just the financial one. In passing, note that PIP is not a *section* of DIP, it may be a component, a part of. As a matter of fact, development planning is at the heart of a Country Development Strategy (the whole phrasing is thus a bit repetitive).

Specific Objective 2 actually aims at improving and strengthening the links between budgeting – both current and capital – and planning for the various institutional levels of BiH.

Specific Objective 3 aims clearly at a better quality for the project proposals provided by budget users to their institutions, to be achieved by training.

In order to achieve those objectives, a number of activities were proposed, targeted to two results for SO1, two results for SO2 and one result for SO3. Several **comments** and **remarks** can be made here.

- “Design procedures” (A1.1). This is limited to the Ministries of Finance of State and Entities. This is to be taken into account in evaluating overall impact. This might be limited, as it is the design procedures of all line ministries that, eventually, should be aimed at.
- “Develop and apply criteria” (A1.2). Where, in which context? This should have been specified.
- “PIP/DIP development plan” (O1.1). What type of output is this? It is not clear what a PIP *development* plan is. Does this refer to the *actual* Project Investment Plan?
- “Contribution to PIMIS manual” (O1.2). What type of output is this? Difficult to quantify and evaluate.
- The “Projects and Programmes Prioritisation Mechanism” (O1.3) is an actual output to be adopted by the key beneficiaries?
- “PIP/DIP monitoring reports based on PIMIS” (O1.4). Does this output mean a *template* provided by the Project Team or a *series* of monitoring reports?
- “Instructions for budget users” (O1.5). Are these going to be documented in a separate report or file? This might be difficult to quantify or evaluate.
- Training activities will be *delivered*, not simply organised (A2.3 and A2.4).
- It seems that activities 1, 4, 5, and 6 for R3 (all on capital budget) are actually meant for R4, while all activities listed for R4 are meant for R3.
- If that is true, it is difficult to see how activities A3.1 to A3.6 can lead to R3, which implies that *all* public investment projects are aligned with development objectives. None of the activities proposed actually emphasise that the very first criteria to have investment project aligned is that they are derived, inferred or simply taken from the development strategy. Also, it appears as a rather ambitious result to have *all* investment projects aligned.
- One of the activities currently designed for R3 – A3.3: “Draft a Rule-book for PIP/DIP for entities in line with their budget laws” (possibly meant for R4, as noted above), is very similar to one activity designed for R4 – A4.1: “Developing a handbook for Planning and Budgeting of Investment Projects”. These are difficult to evaluate as two separate products, unless the first is meant as a *legislative* guidebook and the second as a more technical one.
- In this sense, also activity A3.1 for R3 (which is possibly meant for R4), “design of methodology...”, is well within the scope of “developing a handbook...” mentioned above. These are very close activities, and it seems that the second *without* the first would be incomplete.
- The same holds true for activity 6 for R3. This should also go into the handbook. So, in the hand, the handbook should encompass all of these more specific issues.
- It is not indicated what kind of contribution the Project will provide to IPA II design and projects.
- It is not clear why the Project aims only at the *design* of training programmes (A5.1) as opposed to their *delivery*. Here, possibly, the emphasis is on tailor-made training programmes for specific budget users.
- It is not clear how activities designed for R4 are, in the end, supposed to contribute to stronger links between budgeting – both current and capital – and medium-term planning.

All of the questions and remarks above, therefore, are to be intended as caveats and limitations for a full-fledged effectiveness and impact of the project.

The activities conducted and the outputs delivered from the beginning of the project in March 2013 until March 2015 were summarized in the CD-PIP project 2014 Annual Report and in the 2015 (draft) Completion Report. The evaluation presented here is thus based on the actual project activities that were implemented and the results achieved by those activities, as of May 2015.

## 4.2. EVALUATING PROJECT RESULTS: RELEVANCE

Overall, relevance of project seems to be evident and strong. Broadly speaking: the project was relevant to the stakeholders' needs: interviewees generally confirmed very positive opinions of the project. The project design followed the previous donor-funded projects for improved PFM in BiH along the lines advocated by several reports and documents that in the recent past have addressed the issue, highlighting the need for improved PFM and, more specifically, of coherent public investment planning integrated with medium-term budgeting. The project design appears to have had a clear rationale, based on identification of priority needs for the chosen institutions and issues. We may therefore say that it was fully relevant.

The three **specific objectives** were more or less clearly defined. We may therefore state that a logically valid means-end relationship between the **overall project objective** and the three **specific objectives** – reflected in the five expected **results** – has been established.

The four key beneficiary institutions – the BiH State Ministry of Finance and Treasury (MoFT), the FBiH Ministry of Finance (FBiH-MoF), the RS Ministry of Finance (RS-MoF) and Brcko District Directorate for Finance (BD-DF) – were also appropriately chosen, as were accurately identified the relevant departments, sections and offices within them, like the Section for the Coordination of International Aid (SCIA) at MoFT. Other relevant stakeholders – Ministries, Agencies and Government bodies – that are involved as important partners in the PIP process and strategic planning were also appropriately identified. In this sense, interviews with stakeholders and beneficiaries confirmed the importance and relevance of the chosen beneficiary Institutions.

A number of projects and reports in the recent years have pointed to the need of improved PFM for BiH, integrated budget and planning processing, improved medium-term and strategic planning. Some of these were quoted in the Project Proposal as useful building blocks and fundamental steps to which the CD-PIP project could contribute. These include:

- The EC-funded project, “Strengthening Public Financial Management in BiH”, which had the two key objectives of strengthening PFM and facilitating the introduction of Public Internal Financial Control (PIFC) in public institutions in Bosnia and Herzegovina.



- The EC twinning project “Strengthening the National Planning Process in BiH”, which aimed at strengthening capacity for economic analysis targeted to strategic planning, using strategic planning methodologies and tools, and preparing sector planning.
- The EC-project “Capacity building for the compilation of accounting data within the scope of general government and public finance statistics”, targeted at enhancing the quality of PFM in Bosnia and Herzegovina and its transparency and accountability.
- The EC-funded project “Strengthening Public Debt Management Capacity in BiH”, which aimed at improving the efficiency, effectiveness and transparency in the expenditure of public funds through improved public debt management and therefore the capacity of PFM as a whole.
- The still on-going Integrated Local Development Project (ILDIP), as an integral pillar of the UNDP Rural and Regional Development Sector, which provides support to help strengthen local development planning and the realisation of local strategies in Bosnia and Herzegovina.

After the CD-PIP project began, more reports stressed the need for further interventions in the area. The EU 2014 Progress Report for Bosnia and Herzegovina stated (p. 11):

“A new public administration reform strategy after 2014 needs to be developed. The reforms necessary in public financial management need to be addressed in a more comprehensive manner.”

The SIGMA 2014 Assessment for Bosnia and Herzegovina pointed out (p.18, underlined text is ours):

“There is no overarching national development plan and the medium-term framework within which the annual budgets are formed is not a robust medium-term budgetary framework. It does not set out a path to achieving medium-term targets. There is an absence of costed strategies and planning documents and there is little linkage between the Global Framework on Fiscal Balance and Policies, the Medium-Term Expenditure Frameworks and sectoral/organisational strategic plans. There is no long term planning for capital investment.”

And on p. 20:

“There is no comprehensive Medium-Term Budgetary Framework to include revenue and current expenditure as well as capital expenditure for the country as a whole. The publications nearest in purpose to the MTBF are the Global Framework on Fiscal Balance and Policies and the Medium-Term Expenditure Frameworks. There is no long-term planning for capital investment.”

The 2014 WB PEFA assessment reported on p. xiv (underlined text is ours):

“The PEFA ratings and the justifications for them across BiH Institutions, FBiH, RS, and DB point to a number of issues that emerge as common themes across all four. While each of the four central government levels assessed has some particular weaknesses in its PFM system, for all of the four levels the process of preparing the budget and public investment programme is not well

integrated with the medium-term macroeconomic outlook and overall/sectoral strategic documents (which are in many cases missing or not properly costed). Credible and comprehensive medium-term macro-fiscal strategies are lacking at all levels.”

And on p. 41, on the same four levels of government:

“[...] even though all levels also produce public investment programs, the costing and feasibility of the projects included in these plans do not seem to be realistic, are not well integrated with the MTEFs, and do not pay enough attention to the recurrent costs of investment maintenance. [...]

The absence of fully integrated medium-term planning for capital investment projects within the medium-term and annual budgeting, and the general lack of strategic vision and credible longer-term perspective (beyond an annual perspective) within the budgeting process negatively affects not only the comprehensiveness of the medium-term budgeting process, but also the medium-term growth and development prospects of the country itself.”

In sum, we may certainly say that the project was very relevant both in its overall objective, its scope and its specific objectives in addressing one fundamental issue of improved public finance management, that of public investment planning and its links with medium-term budgeting.

We may also add that thanks to the CD-PIP project, the Public Investment Programme in BiH is undergoing a major transformation to become an important instrument for financial programming and monitoring of development strategies, programmes and projects. The improvements include the development of processes, instruments as well as a legislative framework to channel sources of funding for development priorities at different levels and develop tools for financial monitoring and reporting on project and programme implementation.

The CD-PIP project was highly relevant for several interlinked components of public finance management currently under development or improvement by different technical assistance projects. Such components include the process of strategic planning at all levels of government, the budget management process, debt management as well as the management of foreign aid. During its implementation, the project established a profitable cooperation with other TA projects – like the EC twinning project assisting DEP – in areas of mutual interest and brought together more key stakeholders from the BiH governments around the PIP project implementation and strategic planning framework.

However, how much a project devoted to capacity development only, with limited funds, would actually and substantially affect the current state of affairs was to be seen. Certainly, we may say that a crucial area was identified and one of the fundamental drawbacks – systematic and integrated PIP – was addressed. The relevance of a capacity building project can certainly be impaired if the transfer of knowledge cannot produce the desired effects, which can only be ensured by a functioning institutional framework and a proper institutional structure whereby tasks are performed to a precise and specific end. We will elaborate more on this in the Recommendations Section and the suggestions for future intervention.

It should be noted that, being a capacity development project in strategic planning and its interaction with medium-term budgeting, targeted at key beneficiaries like the Finance Ministries, its scope of improved public finance management was to be wholly framed within the most general area of public administration reform. This is an area where, according to various reports and documents, progress in the recent years has been slow in BiH. This has also been noted, in passing, by the recent evaluation of the PAR Fund, financed by Sida, as well as in the recent WB-PEFA, EU and SIGMA reports.<sup>3</sup>

In this respect, therefore, the project has been quite relevant in filling one of the gaps that were identified in the implementation of the PAR Strategy, due to the inefficiencies of the PAR Fund in bridging the gap between the activities undertaken and the ultimate goals of the PAR Strategy. The 2014 EU Progress reports stated that *no progress is made with regard to “policy development and coordination”*. The Report further recognised *the need for adequate planning of actual costs and sources of financing for implementation of the current public administration reform strategy*. This is a gap that this project has certainly tried to fill, from which comes its absolute relevance.

In sum, we may say that the CD-PIP project was quite relevant as it was able to put public investment planning in the core of the policy process for State and Entities, in its relation to medium-term budget and expenditure planning. Also, the CD-PIP project was relevant in addressing and reviving the importance of PFM in the PAR process, as confirmed by the appreciation and renewed interest of the partners involved.

### 4.3. EVALUATING PROJECT RESULTS: EFFECTIVENESS

Overall, the project seems to have achieved its objectives, although participation and completion indicators are short of the desired value in some cases. Overall, we may say that project implementation was effective, as we will see below.

Broadly speaking, the project was effective in the use of resources; it achieved the stated specific objectives and planned results: it contributed to further improvements of the PIP/DIP structure within the government; it contributed to strengthen the link between planning and budgeting of investment programmes, which will enable

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<sup>3</sup> See EU, *Bosnia and Herzegovina Progress Report 2014*; SIGMA, *Bosnia and Herzegovina Country Assessment*, April 2014; World Bank, *Bosnia and Herzegovina Public Expenditure and Financial Accountability Assessment (PEFA)*, May 2014.

PIP/DIP to be used as a financial management product; it contributed to improvements in quality of the projects proposed to PIP/DIP.

While the overall objective – to design and implement separate but fully harmonised planning and budgeting systems at entity and state levels and to functionally connect sector and other development strategies and the PIP processes – was overly ambitious for a two-year capacity development project with limited funding, we may say that the project was actually quite effective in nearing its stated specific objectives.

The project operated on three levels: enabling a legislative and regulatory framework for PIP; improving the quality of investment projects of the key beneficiaries; providing the tools for effective PIP with training and mentoring.

The project was implemented in parallel at the three key beneficiary institutions – MoFT, FBiH-MoF and RS-MoF, each with its own programme of activities, dedicated technical assistance support and a separate allocated budget for project activities. The project activities – in the words of all interviewees – were fundamental for creating the legislative and regulatory environment for achieving the project objectives, the training of budget users and assisting the PIP preparation process at the three key beneficiary institutions. In this respect, considerable attention was given to the approval of legislation and institutional arrangements for development planning and three-year strategic planning and budgeting.

Though the activities implemented in partnership with the key beneficiary institutions were only partly completed, we can say that the project was, overall, quite effective. In reaching this conclusion we will look at the results as they have been presented in the May 2015 draft Completion Report.

Of the nine activities planned for the achievement of Result 1 (A1.1 to A1.9) only two were completed (A1.1 and A1.7), while one completed only in FBiH (A1.2). A1.5 was cancelled (due to lack of adopted strategies), while the other five activities remain unfinished.

An important result, in this respect, is that obtained in FBiH whereby, in line with the objectives and requirements stipulated by the FBiH Law on budgets (FBiH Official Gazette 102/13 and 9/14), a new draft “Decision on preparation of the FBiH Public Investment Program” was developed by the PIP Project Team and consequently adopted by the FBiH government on 29 December 2014 (and published on the Official Gazette). A new Committee for Public Investment Programming is to be appointed. The new methodology described in the Decision explains the process of identification, formulation and submission of project proposals. New mechanisms for ranking projects, in line with the overall development objectives, are to be introduced through the FBiH Committee for PIP. The Committee, in its new role, will exercise the scoring system based on the general criteria deriving from the national and Entity development strategies and the action plans for their implementation. Furthermore, project monitoring and evaluation, and formation of project archives, for the duration of seven years, with the ministries responsible for project implementation, have been introduced as another novelty in the PIP process.

Another important result of activities A1.1 to A1.9 was the continued support of BiH MoFT-SCIA for a full introduction of the PIMIS software at all levels of government.

In this respect, additional efforts have been put in the assistance to FBiH, with great effectiveness. Likewise, the PIMIS software was installed in the RS-MoF and several other budget users in the RS. Instructions were drafted for the use PIP management in the context of medium-term planning and the use of PIMIS for all the institutional budget users.

Therefore, we may say that Result 1 was partially achieved, overall, and the activities planned to its achievement have been quite effective.

As for Result 2, three of the four activities planned – A2.1, A2.3 and A2.4 – were completed, while the fourth was never started and it is planned for in the months to come in a no-cost Project Extension. The core of activities planned for Result 2 consisted in training and study tour trips, which have all been carried out as planned. The degree of participation and the participants' satisfaction appears to have been very high, as confirmed by the evaluation participation sheets, as well as by all our interviews.

Thus, we may say that Result 2 was certainly achieved and the activities planned to its achievement have been quite effective.

As for Result 3, of the seven planned activities, four have been completed – A3.1, A3.2., A3.3 and A3.6 – one has been delayed (A3.7, due to a concurrent activity for the completion of the WB Debt Management project), while two more remain unfinished – the assistance to the Finance Ministries for their capital-based budget within PIP and the linking of BMIS to PIMIS.

It appears that in the case of Result 3, the transfer of knowledge through training and assistance has been effective, though work remains to be done. Methodologies have been drafted and transferred, the debt management and the budget departments in the Finance Ministries have both been involved in the joint exercises and activities with the departments dealing with PIP. Yet, more appears to be needed. This is an area where certainly more assistance will be needed in the future.

Thus, we may say that Result 3 was only partially achieved and the activities planned to its achievement have been effective but not sufficient and more needs to be done.

As for Result 4, the objective was to have all public investment projects aligned with the specific strategic development priorities at the State and the Entity level. Three of the five planned activities were completed – A4.1, A4.2 and A4.3 – while A4.4 was delayed (as development strategies had not been adopted) and A4.5 - Support strategic planning in line with budget and development priorities at MoFs – remains unfinished (training session are still ongoing).

Now, while we may say that all the pre-conditions have been put in place to link the annual budget process, the medium-term budget planning and the public investment planning processes, it appears that quite a bit remains to be done and more progress in this area is needed, according to several of the interviewees and the beneficiaries, as well as the Project Team Members.

Therefore, we may say that Result 4 was only partially achieved and the activities planned to its achievement have been effective but not sufficient and more needs to be done.

As for Result 5, all the planned activities have been completed. And yet, how much the quality of investment project proposals has improved remains to be seen. Certainly, both the introduction of the same software system for all Institutions as well as the adoption of the same methodologies has introduced an element of standardization and clarity that goes in the direction of a great, improved quality. Projects are now harmonised, transparent and clearer than before, and their quality is therefore much higher. There are still areas needing improvement, according to most beneficiaries and stakeholder, but big steps have been taken in that direction. More needs to be done in this case, too.

Thus, we may say that Result 5 was achieved only to a degree and the activities planned to its achievement have been effective but more needs to be done.

In sum, for a project that had – by design – quite a heavy emphasis on activities (i.e. inputs), and only some focus on outputs, we may say that it was quite, though non totally, effective, due to its quite ambitious objectives and directed to too large a number of potential beneficiaries.

However, the project was very effective with regard to, at least, two results: the establishment of a Public Investment Programme (PIP) at the State level – and, soon, at the Entity level, too – with its related regulatory and legislative framework and the adoption and implementation of the PIMIS software for the selection and management of investment project proposals.

The PIP is now an approved instrument for identification, formulation and monitoring of projects funded from or with participation of public funds – own budget, loans and grants. The PIP now has new functionalities such as the development and monitoring of implementation of long-term and medium-term plans of the Council of Ministers and Entity governments, the monitoring of projects funded from loans and credits through the public debt management system and the identification of priority projects for funding from IPA or other donor programmes. All this has been achieved by enabling synergies between strategic planning and budget management processes in the State and Entity Finance Ministries.

In sum, we may say that the CD-PIP project was quite effective. Our findings show that the project has delivered a lot – training activities, mentoring, software implementation – which is a key to effectiveness for the achievement of the objectives. Our findings show that project effects are felt by the beneficiaries in their practices, even though more progress is needed. Activities have been implemented according to plans, deliverables have been provided in time, beneficiaries have been responsive and the project team effective and coordinated with the stakeholders needs.

#### 4.4. EVALUATING PROJECT RESULTS: IMPACT

Making an assessment of impact is always difficult, particularly for a capacity development project whose emphasis was more on inputs (knowledge transfer, built capacity) than outputs. Impact normally refers to the net effects of the overall intervention assessed at global level, i.e. the totality of the effects. It should be a judgement about the extent to which the project has achieved its objectives, also considering the higher-level impact on the institutional conditions in the medium- to



long term. And it should also link back to the relevance and effectiveness of the intervention.

Here, we can present an very brief assessment of impact. It is true that several of the measurable results – such as strategic documents, software implementation or rules and decisions drafted or adopted – can be rightly claimed to have been the results of newly developed capacities of the direct beneficiaries. In this regard, support to strategic planning and medium-term budgeting and institutional reform and more effective decision making are complementary.

If all this is to be sustained, then the project will have had a permanent visible impact. The key beneficiaries – the Finance Ministries – are now *capable* of using the tools of selecting public investment project proposals, design overall strategies that account for public investment demands that come from the line ministries and other government agencies. Likewise, all institutional partners agree that capacity had been built and progress had been made towards better prioritization with the support of the project and that the outcomes will have long-term positive impact. How much this capacity has also been developed at the level of the line ministries and agencies – the budget users – remains to be seen. The number of involved institutions and beneficiaries was certainly high. And, yet, their involvement in the actual implementation of the procedures aimed at achieving the stated objectives remains to be seen.

As we have argued above, with no doubt the project has achieved strong results in the focal areas of software implementation and support to a coherent legislative and regulatory framework for strategic policy planning for all institutions involved. Individually and combined, the results can be assessed as contributing strongly to the overall project objective of designing and implementing separate but fully harmonised planning and budgeting systems at State and Entity levels and of functionally connecting sector and other development strategies and the PIP processes.

In sum, our findings indicate that the CD-PIP project has had good and visible impact, as some practices have already shown change in habits, new policies and new legislation implemented.

As we said, impact on the other non-key beneficiaries and stakeholders is more difficult to gauge and appears to have been necessarily more limited. And yet, as the impact on the direct beneficiaries seems to have been relevant, this is going to be the building block for a broader strategic planning capacity of the whole government at large. By enabling the key beneficiaries to lead the process – both the PIP, strictly speaking, and overall strategic planning at large – the pre-conditions for coherent and effective strategic planning in BiH have been established. The capacity development at the key beneficiaries was quite high and we may thus expect that its impact on the other stakeholders is going to be quite relevant. On the other hand, impact on the overall institutional structure and the stakeholders at large seems to be more limited and more assistance is certainly needed in this area.

## 4.5. EVALUATING PROJECT RESULTS: SUSTAINABILITY

For the key beneficiaries, the project possibly gave impetus and strength beyond project duration. Local ownership of the project results was clearly established, particularly at the highest institutional level. Less so, it appears, ownership was felt at the lower institutional levels. And yet, that is crucial for effective policy implementation and regulation enforcement.

Some of the direct and indirect project results will have a permanent impact and they appear to be surely sustainable. Such is, for instance, the drafting and approval of key decisions and methodologies for strategic planning and related public investment programmes at State and Entity levels. Or the establishment of newly defined and appointed Public Investment Committees for the selection and approval of public investment proposals. Also, the adoption, installation and implementation of the PIMIS software appear to be surely sustainable, if adequate technical and maintenance assistance is guaranteed.

All the key partner Institutions regard the project's intervention and support highly: the project support for such institutional partners was well valued. Nevertheless, many feel that, once the project ends, the necessary capacity development for the government at large will not be ensured: in many instances, there seems to be still a great need for support.

Also, for the vast majority of those who benefited, participating in trainings and various form of technical assistance, sustainability is not so sure. Training and capacity strengthening had certainly good impact, so that their effects will stay. New software and technical arrangements may also stay, but for how long?

From a sustainability perspective, the project should be viewed as successful if a significantly greater proportion of those whose needs could be provided for by the BiH administration than was the case before the project started. For this to happen, the capacity of the relevant actors needs to be built with the support of the project and other on going complementary national and international interventions. The primary emphasis of the project, through its agreed design, was on achieving tangible results during the short life of the project, assuming that they would also have a longer-term positive impact.

Generally speaking, several interviewees have expressed concern that after the project ends the quality of strategic planning and drafting of investment project proposals will drop significantly and that there will be no facility providing for technical assistance or help in improving their capacity.

Building sustainable capacity among all stakeholders at large, taking due account of project resource limitations, has been one of the Project Team's constant concerns. This effort will prove sustainable in as much as all BiH institutions have developed their own strategies and medium-term budgets and adequately provide resources for them to meet future needs. In this respect, it appears that more capacity development is absolutely needed to make the intervention sustainable in the long run. This can surely be achieved through cooperation with other international assistance projects or



EU-IPA funding, as it was already done with this project, and yet more assistance will be needed down the line to ensure sustainability and success.

In sum, our findings show that the sustainability of the project can be ensured as some of the key project results have already been put into practice and their impact has already affected the policy process, as it was desired.

### 4.6. EVALUATING PROJECT RESULTS: CONTINUATION OF SUPPORT

As an additional issue of our evaluation assessment, we may want to ask whether support should be continued and how relevant would the Swedish continued support in PFM be, and what would be the priority areas to address.

As we have seen above, there are several area in which the effects of the project intervention were felt but have not necessarily been taken to their full maturity, while other areas have only been briefly and superficially been affected.

So, first and most importantly, it appears that the support should be continued. In addition to that, it should be noted that the Swedish support is very well placed and perceived by the beneficiaries in the framework of other international assistance programmes. This is also because some of the previous projects in the area of PFM and the PAR process appear to have worn out their initial momentum and impact, while the Sida-funded CD-PIP project was quite effective and specifically targeted.

Second, there are at least three lines along which continued support is highly needed: the linkage between medium-term budget planning and strategic planning; the adoption of medium-term planning horizons by the Cantons and the Local Governments; the capacity to draft and integrate strategic planning at all levels with sectoral planning and with realistic and coherent macroeconomic, social and institutional scenarios.

Further developments of the PIP within the BiH institutional structure will be directed towards building of a harmonised system supporting result-based medium-term planning and monitoring of the financial implementation of plans and strategies – at the State level, to start with. The PIP will shortly include all medium-term projects and expenditures that are using or planning to use public funds at all levels of government and to enable quality prioritization of projects and optimal allocation of funds.

So, this will be a line of development which will need further support: the linkages (and their interplay) between medium-term budget planning and strategic planning, starting with the State and down to the Entities and the Cantons up to the Municipal Governments.

The recent progress in the legislative and regulatory setting for strategic planning gained through the CD-PIP project is putting the PIP process and the use of PIMIS at the centre of the government's action – thus allowing to improve PFM enormously and giving a definite push to a PAR process that had recently slowed down –, in the government's planning and financial monitoring functions. The new legislation has been followed by a detailed strategic planning methodology that will effectively link

planning, budgeting and M&E of development plans and strategies. A new PIMIS software has been developed to support management of the processes.

Such progress is also creating long-term sustainability of the strategic planning process by establishing the capacity for technical assistance at the MoFT, with newly defined functions for its SCIA office. All institutions in BiH will be assisted in drafting and updating their strategic plans, entering their planned projects into the PIMIS system and monitoring their implementation.

## 5 Conclusions on the findings

In summarizing the conclusions on our findings, we may briefly point out the factors of success (or lack of) of the CD-PIP project, paying attention to the intended and unintended results and impacts, and more generally to any other strength or weakness.

The Project was designed with the key stakeholders, built on previous technical assistance projects, in line with Sida's priorities.<sup>4</sup>

The objectives of the PIP project were laid out in the ToR. An important step in the project design was the identification of those activities which would be more appropriate to achieve the expected results laid out in the ToR: such activities were presented in a work plan attached to the Inception Report.

Overall, interviewees confirmed very positive opinions. We may say that the general level of satisfaction of beneficiaries with the project was high.

On the whole, the operational structures put in place by the Contractor – with three experts in each of the three key beneficiaries – seems to have been appropriate. The means-end relationship – i.e. the intervention logic – was good. Engagement and complementarity with other donors has also been quite good, with good examples of synergies with other projects.

In sum, we may certainly say that the project was very **relevant** both in its overall objective, its scope and its specific objectives in addressing one fundamental issue of improved public finance management, that of public investment planning and its links with medium-term budgeting. In addition to that, the project has been quite relevant in filling one of the gaps in the implementation of the PAR Strategy, regarding the need for adequate planning of actual costs and sources of financing for implementation of the current PAR strategy and – more generally – addressing the link between planning and budgeting with efficient PFM.

The project was quite relevant to the key development processes ongoing in Bosnia and Herzegovina, including EU integration, it was relevant in addressing one key

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<sup>4</sup> See Sida Results strategy for Sweden's Cooperation with Eastern Europe, the Western Balkans and Turkey, 2014-2020.

issue in PFM in its relationship to the overall PAR process and, by affecting and improving the government action in the area of budgeting and planning, it was also relevant to other projects and government activities in the area of PFM.

Overall, the project seems to have achieved its objectives, though completion indicators are short of the desired value in some cases. Overall, we may say that project implementation was effective. Broadly speaking, the project was effective in the use of resources; it achieved the stated specific objectives and planned results: it contributed to further improvements of the PIP/DIP structure; it contributed to strengthen the link between planning and budgeting of investment programmes, which will enable PIP/DIP to be used as a financial management product; it contributed to improvements in quality of the projects proposed to PIP/DIP.

The project operated on three levels: enabling a legislative and regulatory framework for PIP; improving the quality of investment projects of the key beneficiaries; providing the tools for effective PIP with training and mentoring. While the overall objective was overly ambitious for a two-year capacity development project with limited funding, we may say that the project was actually quite effective in nearing its stated specific objectives.

Result 1 – PIP/DIP methodology and tool-kits to enable monitoring of financial implementation of projects and financial reporting on implementation of State and Entity strategic plans developed – was partially achieved, overall, and the activities planned to its achievement have been quite effective.

Result 2 – Key PIP/DIP management and stakeholders involved in public investment formulation and decision making processes trained in the use of PIP/DIP management tools – was certainly achieved and the activities planned to its achievement have been quite effective. Results 1 and 2 were targeted to Specific Objective 1.

Result 3 – All public investment projects aligned with development objectives – was only partially achieved and the activities planned to its achievement have been effective but not sufficient and more needs to be done.

Result 4 – Capital budget based on PIP/DIP – in line with State “Law on Financing of BiH Institutions” and equivalent Entity laws – developed – was only partially achieved and the activities planned to its achievement have been effective but not sufficient and more needs to be done. Results 3 and 4 were targeted to Specific Objective 2.

Result 5, targeted to Specific Objective 3 – Budget Users (BUs) at State and Entity level trained in preparation and reporting of quality public investment project proposals – was achieved only to a degree and the activities planned to its achievement have been effective but more needs to be done.

In sum, the project has been quite effective in achieving its objectives and has achieved its expected results to a (rather good) extent.

The project has gone a long way towards its aimed achievements and yet, more progress is needed to change habits, procedures and practices. In any case, it appears that the project implementation has been following the agreed plans for activities and delivering quite well and rigorously, adapting to the changing circumstances when

needed, with flexibility and sense of responsibility. The key project stakeholders and beneficiaries has been generally fully responsible and prepared in fulfilling their expected role in the implementation. Yet, as the project involved a number of beneficiaries down the various levels of government, line ministries and agencies, not all have been as responsive and apt in their absorption capacity. A good point in favour of the project team is the extremely good coordination shown with the key stakeholders across Entities, which was acknowledged by all, in spite of the difficult political environment. In conclusion, we may say that, being a capacity development project, good capacity has been developed in some key positions, the transfer of knowledge has been carried out and yet a lot remains to be done in this respect for the vast number of stakeholders and beneficiaries at large.

The project has had visible **impact** on the key direct beneficiaries. If all this is to be sustained, then the project will have had a permanent visible impact. The project has achieved strong results in the focal areas of software implementation and support to a coherent legislative and regulatory framework for strategic policy planning. The establishment of the PIP as an institutional programming tool encompassing the country's development priorities is a remarkable impact, as is the adoption of a unified management software for all Institutions and budget users for their investment project proposals.

For the key beneficiaries, the project possibly gave impetus and strength beyond project duration. Local **ownership** of the project results was clearly established, particularly at the highest institutional level and less so, it appears, at the lower levels. And yet, that is crucial for effective policy implementation and regulation enforcement.

Some of the project's direct or indirect results are certainly **sustainable**, as they impacted on the regulatory framework and the implied practices, like e.g. the Public Investment Committees. Have the conditions at the key beneficiaries been developed to sustain the project results? The answer is yes, with a caveat. The project outcomes will be sustainable, in as far as we limit our attention to their impact on the key direct beneficiaries only. Full sustainability of improved public investment planning and medium-term budgeting will be achieved only when all stakeholders and government institutions at large will be enabled to fully integrate their strategic planning capacity within one broader planning capacity for the country as a whole.

If we ask whether support should be continued and how relevant would be the Swedish continued support in PFM and what would be the priority areas to address, the answer is that there are several area in which the effects of the project intervention were felt but have not necessarily been taken to their full maturity, while other areas have only been briefly and superficially been affected.

Therefore, support should be certainly continued. The Swedish support, in particular, is very well placed and perceived by the beneficiaries in the framework of other international assistance programmes. This is also because some of the previous projects in the area of PFM and the PAR process appear to have worn out their initial momentum and impact and this Sida project was quite effective and specifically targeted.

If support is to be continued, there are at least three lines along which continued support is highly needed: the linkage between medium-term budget planning and strategic planning; the adoption of medium-term planning horizons by the Cantons and the Local Governments; the capacity to draft and integrate strategic planning at all levels with sectoral planning and with realistic and coherent macroeconomic, social and institutional scenarios.

## 6 Recommendations and suggestions for future interventions

In an evaluation, recommendations are proposals aimed at enhancing the effectiveness, quality, or efficiency of a development intervention; at redesigning the objectives; or at the reallocation of resources. Based on the conclusions of our findings reached above, we will briefly formulate here the following recommendations on the way ahead.

In light of the positive results the project should be replicated: a time horizon of two years is too short to accrue benefits. Many actions need further support to reach a degree of “maturity” as well as an increasing absorption capacity by the beneficiaries. A follow-up to the CD-PIP project could thus capitalize on the previous project, by enlarging the pool of beneficiaries, replicating good practices and best examples, and building on the factors of success: flexibility in adapting to the conditions on the ground, attention to the needs of beneficiaries involved, good-sized grant and sub-contract components; targeted training activities and support actions, availability of staff to beneficiaries' demands.

Thus, Sida should plan for and approve a follow-up project with appropriate funding resources to further capitalize on the PIP project's achievements. The PIP project was a fairly simply and specific intervention project in a complex development environment: a new project with a broader time horizon will thus give a whole longer time-window for the intervention to have a permanent and enduring impact. There will be considerable merit in extending this project for an additional 3 or 4 years.

If replication is out of question, the question might be the filling of the gaps left open and how these could be corrected in the next project phase. An extension should be based on a thorough analysis of options for targeting assistance to maximize performance in response to priority needs, paying special attention to the fine-tuning and calibration of **objectives** and **targets**. In particular, objectives should be defined so as to appear more focused and realistic.

The CD-PIP project was **relevant**, as it targeted the heart of the planning process, and it was moderately **effective** in building capacity for the recipients to achieve that first objective. But for the PIP project to be fully effective and have a permanent **impact**, it should extend to a wider pool of recipients and broaden in scope by encompassing medium-term budget planning and strategic planning, including investment planning. If that is done, then not only the intervention will have achieved a deep impact, but it will be **sustainable**, as it will put BiH institutions on a higher and more virtuous path to development.

Identifying the specific recipients whom to target the assistance and support to, is going to be crucial. By keeping the now strengthened strategic planning units in the Finance Ministries at the core, the next project should extend in three directions, in terms of beneficiaries: the budget offices at the Finance Ministries; the line Ministries that are at the core of the government strategic planning – like agriculture, industry,

trade, transport and communications, etc.; the Entity governments, the Cantons and the Municipalities. Only by having all institutions “on board” in the medium-term budget process and in its linkages with the strategic planning process the intervention will be able to display its full-fledged effects.

Complementarity with other projects and donor interventions and plans will be essential for the next phase, so as to maximize effectiveness. In this respect, the most critical area of intervention and technical assistance with which coordination will be essential appears to be that of PAR support. Any CD-PIP follow-up project should account for and connect with the PFM and the strategic planning components of the PAR support, and specifically the SPPD project.

The envisaged new functions of government strategic planning will need assistance, and the results of the CD-PIP project in this area naturally call for further support.

Starting from PIP as an instrument for public investments programming, whereby PIP serves only as an instrument for programming of public investments, but where other types of public spending are not included in the programme. Linkages between PIP and the budgeting process have been established, albeit only for relatively small portions of the overall public spending devoted to investment and not to current expenditure. In the near future, PIP should become an instrument for medium-term planning in all spheres of public expenditure. The use of this model is already mandatory for BiH State Institutions in accordance with the approved Decision of the CoM on medium-term planning, monitoring and reporting. The August 2014 Decision establishes that the PIP and PIMIS became the main instruments for development and monitoring medium-term plans and programmes at the State level.

New functions developed in the PIP framework will include medium-term planning, credit planning and the prioritisation of donor assistance. According to the Decision, BiH MoFT – with its expertise within the SCIA office – is mandated to provide expert assistance to State institutions for the drafting of their medium-term plans using systems developed for public investments management. PIMIS is designated as the official information management tool for the medium-term planning, as it provides all budget users with templates, data entering interfaces and automatic reports in a networked environment and in this way enables consistent and effective planning and monitoring process.

It thus goes without saying that more support will be needed along these lines. All institutions and budget users down the various levels of government will need assistance in building the technical capacity to respond to such new demands from the government.

Medium-term planning – in both budget and strategic terms – requires the design of policy scenarios, data forecasts and the estimation of impact and outcomes. All of this requires technical capacity and expertise at the various levels and with a degree of specificity that pertains to the level of government and policy realm to which it is supposed to serve. Nowadays, in BiH there is one office that is mandated for such a role – the Directorate for Economic Planning, which serves the BiH Council of Ministers. In the two Entities, there are government institutes for development planning or something equivalent either outside or within the Ministries. All of these institutions have limited capacity and resources. If the medium-term budget and



strategic planning is going to be effective, that is an area where further support must be provided.

In passing, an effective CD-PIP follow-up should also address three issues: linking and giving new impetus to the PAR strategy; addressing a larger number of recipients, possibly including DEP, the Federal Institute for Development Planning (FIDP) and the RS Ministry for Economic Relations and Regional Cooperation (MERRC) (at least its department for planning), MoFT as well as various line ministries and budget users; providing better equipment for all budget users that need to be linked through the PIMIS and BMIS systems. In a way, all of the three issues call for a larger support than that provided by the first CD-PIP project. It will be up to the donors and the beneficiaries to reach an agreement on the priorities and how to afford them.

Some of the key beneficiaries have already manifested the intention to expand activities finalised to the establishment of the PIP process as a systematic strategic policy tool, including budget and debt management with policy assistance. In order to implement these activities, they would need to develop the instruments and tools for public expenditure management, like the development of new PIMIS functionalities covering extensions to planning and Public Expenditure Management Systems.

The CD-PIP project delivered quite significant results – good value for the money spent – and started a complex but necessary process that needs to be finalised and put fully in use. The adoption of PIMIS and the underlying methodology could be a useful tool for IPA project formulation and as well as other initiatives such as Compact for Growth or cooperation with National Investment Committee on Western Balkan Infrastructure Framework. Medium-term planning, once implemented at all levels, will serve as the framework for prioritisation of projects and more effective resource allocation.

This will certainly require a stronger involvement of key stakeholder institutions and that will probably require more funds and initially envisaged. But this is to be negotiated between the donors and the BIH governments.

# Annex 1 – ToR

## **Terms of Reference for the evaluation of the project “Capacity development at MoFTs at State and entity level for effective management of public investments PIP-DIP”**

Date: 30 March 2015

Case number: UF 2011/76152

### **1. Background**

Stimulating growth, reducing poverty and ensuring adequate social protection for excluded and vulnerable groups in BiH is an extremely demanding task. This challenge is deteriorated by both capacity and institutional constraints in government(s) which slows down the reform process. However, the appropriate government policy, supported by planning and budgeting systems is slowly emerging. Long term process that would enable quality decision making and implementation across different levels of BiH governments is not fully established. This is particularly evident in case of decisions made on public investments that are often made without sufficient analysis of alternatives, results and availability of finance.

While quality of governance in public finance is still under development, various programmes have been implemented in BiH in order to establish systems that would improve fiscal discipline, strategic prioritisation of expenditures, operational efficiency in use of resources and fiscal transparency. In the context of EU integration, efficient public finance management (PFM) becomes one of the important drivers for increasing capacity of BiH for the absorption of IPA funds.

Currently in the public finance sector, the budget process is a driving force for resource allocation in BiH, rather than development planning processes. In the absence of clearly defined strategic development framework, at all levels of the governments and coherent strategies in most sectors, budgets are prepared based on the perceived needs of different budget users. However, with the increasing commitments and opportunities for BiH to adhere to the EU integration process, as well as the need to better prioritise and use available funds from all sources, there is a growing demand for the budget process to be put in function of the implementation of the state, entity and sector plans and strategies.

Further improvements in several areas of public finance, particularly in public investment management, budget management process, debt management, management of foreign aid and strategic planning, are needed. There is a realistic expectation that the programmes currently implemented under leadership of Ministries of finance and other stakeholders could quickly capitalise on previous results and deliver tangible improvements. This is particularly relevant for improving allocation of public funds on development objectives and providing better management and higher transparency of public investments and public spending in general.

In the past, the importance of PIP development was recognized by the BiH development partners who provided significant support through technical assistance (DFID-UK and Austrian Development Agency) and software development - PIMIS (Kingdom of the Netherlands).

Of the utmost importance is the current financial support provided by the Embassy of Sweden- Sida through the project “Capacity Development at MoFTs at State and Entity level for Effective Management of Public Investments PIP-DIP”. The Project is focusing on transformation of BiH Public Investment Programme to become an important instrument for financial programming and monitoring of development strategies, programmes and projects. The improvements include development of processes, instruments and legislative framework with the aim to establish link between development priorities at all government levels in BiH with sources of financing, as well as to develop tools for financial monitoring and reporting on project and programme implementation. New PIMIS software was developed to support management of the processes.

### 1.1 Project background

The **overall objective** of the project “Capacity Development at MoFTs at State and Entity level for Effective Management of Public Investments PIP-DIP” is to design and implement separate, but fully harmonised planning and budgeting systems at entity and state levels, to functionally connect the PIP processes with the planning and financing framework.

The **specific objectives** of the project are:

- To further improve the preparation process of PIP and its section related to DIP to enable financial monitoring of projects and support to financial implementation of CDS/SIS and other strategic documents
- To strengthen the link between the key processes relevant for optimal allocation of public investment planning resources, strategic planning and budgeting at all levels of Bosnia and Herzegovina government
- To further improve the quality of project proposals submitted by institutions for financing from budget, loans and donor funds including IPA

The achieved **results** against specific objectives of the project are:

- Developed PIP-DIP methodology and toolkits
- PIP-DIP management and key stakeholders trained in using PIP-DIP tools
- Majority of public investment projects are aligned with development objectives
- Developed capital budget and debt management tools
- Budget users are trained in preparation of quality projects and proposal

**Key areas** in public investment management process supported by the project are:

- Inputs to PIP-DIP preparation process
- PIP-DIP Public Investment Management Information System (PIMIS)
- Use of PIP-DIP PIMIS products for planning and decision making.

In addition to these originally planned activities, there was a need to extend the activities to support introduction of medium-term planning at the level of BiH institutions, introducing PIMIS to the cantonal level in Federation of BiH, as well as in municipalities in Republika Srpska.

An important step in putting the results achieved by PIP development in practical use was enabled by the Decision of the Council of Ministers of BiH (CoM BiH) on the process of medium-term planning, monitoring and reporting in the Institutions of BiH. Official implementation for the Decision started in 2015. This Decision and the accompanying methodology were developed with the assistance of the Project. The medium-term planning in line with this methodology is now mandatory for the BiH institutions.

As a result, the PIP-DIP project developed initially as an instrument for identification, formulation and monitoring of projects, has been extended with the new functionalities to support monitoring of the implementation of medium-term programmes and plans of the BiH governments and institutions. This new concept and structure is enabling future development of additional modules for monitoring of projects funded from credits through the public debt management system and identification of priority projects for financing from IPA or other donor programmes. A continuous development and creating synergies between strategic planning and budget management processes in BiH are among the most important areas of project activities.

The further PIP development is directed towards building of harmonised system that supports development of result based medium-term plans and monitoring of the financial implementation of plans and strategies at all levels of the government.

Sweden supports the implementation of the PIP-DIP Project within the amount of 6MSEK (SEK 6 000 000).

Specific Agreement between Sweden and Bosnia and Herzegovina for financing the Project was signed on 24 September 2012. Project implementer is Triple Line, London UK. Project ends on 30 June 2015.

## **2. Evaluation Purpose and Objective**

The Evaluation shall summarize obtained and expected results in relation to the TOR, and contain an analysis of any deviations.

Sweden as a financier of the project, has undertaken to perform the evaluation of the project in order to assess the overall level of achievement of the objectives and results, effectiveness and impact achieved through the project, the quality of coordination and communication between the project stakeholders.

The evaluation should provide recommendations, based on the findings, for the possible continuation of Swedish support as well as suggestions for new complementary activities that can be undertaken in the future.

It is expected that the evaluation will:

- Evaluate quality of the project design
- Evaluate the planned and unintended project results against the project objectives
- Evaluate the impact of the activities added during the implementation on the achievement of the project objectives
- Make recommendations and share lessons learnt that will be useful for further planning and programming.

### **3. Organisation, Management and Stakeholders**

In line with the Subsidiary Agreement between Ministry of Finance and Treasury of BiH (MoFT) and Ministry of Finance of Republika Srpska (MoF RS) and Federal Ministry of Finance (MoF FBiH) on project implementation the project is implemented in parallel at the three ministries and in District Brcko. Each Ministry is responsible for its own plan of activities and is assisted by the Project team. The activities are coordinated by the MoFT and all three ministries are working in close coordination, harmonising methodologies and sharing experience.

All three Ministries are jointly responsible for implementation of the Project activities and efficient use of budget funds.

### **4. Evaluation Questions and Criteria**

The following evaluation criteria should be considered:

- **Effectiveness:** Has the project achieved its objectives and its planned results and to what extent? In case that deviations from the project plan are identified analyse and comment on the main reasons and circumstances? How well has the project implementation been following the agreed plans for activities and reporting? What has been the level of preparedness and response from the key project stakeholders to fulfil their expected roles in the implementation? How has the coordination between project staff and other relevant stakeholders worked?
- **Relevance:** To what extent was the intervention relevant to the BiH's key development processes including the EU integration? To what extent the project is relevant to the PAR process in the country? To what extent the project is relevant to other projects and government activities in the area of public finance management in BiH.

- **Sustainability:** Have the conditions at the respective ministries been developed to sustain the project results?
- **Impact:** What are the overall effects of the intervention, long term and short term, positive and negative? How the Swedish support is placed and perceived by the beneficiary in the framework of other international assistance programs and what are the comparative advantages and disadvantages of the Swedish support? Is there a specific approach identified for the Swedish program that can be followed also in the future?
- **Continuation of support:** How relevant would be Swedish continued support in PFM sector and what would be the priority areas?

## 5. Conclusions, Recommendation and Lessons Learned

The evaluator is expected to provide MoFT, MoF RS, MoF FBIH and Sweden-Sida with its conclusions, recommendations and lessons learned regarding the implementation of the project.

## 6. Approach and Methodology

### Evaluation tasks

The evaluator will be responsible for conducting the evaluation. He/she will report to the Embassy of Sweden in Sarajevo. He/she will also be responsible for the writing of the final evaluation report with an executive summary, major findings and conclusions, a description of the evaluation methodology and specific project recommendations.

### Task 1: Desk Review

This review shall include reading all relevant background materials (the evaluator should get acquainted with the background documentation before starting the field work in BiH).

### Task 2: Develop a Written Fieldwork Plan

Using the information gained from the desk review together with information provided in this ToR, the evaluator will develop a plan for conducting the fieldwork. The plan will be presented, discussed and agreed with the Embassy of Sweden in Sarajevo and the MoFT.

Tasks 1 and 2 will be carried out in April 2015.

### Task 3: Conduct a Field Evaluation

The evaluator will meet with the Embassy of Sweden and MoFT at the beginning of the field work as well as during the field work, at least once, to report about the work progress.

The evaluator will discuss the project with the MoFT, MoF RS, MoF FBIH and the Project Team Leader.

The field work will also include interviews with other stakeholders of the project. The list of stakeholders will be agreed with the respective ministries of finance and the Embassy of Sweden at the start of the evaluation.

The field work will be carried out in April/May 2015.

#### **Task 4: Debriefing**

At the end of the field work, a debriefing meeting will be held with the Embassy of Sweden and MoFT in order for the evaluator to present preliminary findings and recommendations.

### **7. Time Schedule**

<b>Work plan/ Tasks to be performed</b>	<b>Evaluator</b>
<b>Tasks to be performed</b>	<b>Senior International expert</b>
<i>Desk review and planning</i>	<i>3days</i>
<i>Evaluation incl. field trip</i>	<i>10 days</i>
<i>Draft evaluation report</i>	<i>4days</i>
<i>Finalization of the report</i>	<i>3 days</i>
<b>TOTAL</b>	<b>20 days</b>

### **8. Reporting and Communication**

#### **Deliverables**

- A. Written Fieldwork Plan** as described in Task 2 due before fieldwork commences.
- B. Draft Evaluation Report** due within 10 calendar days following completion of fieldwork. Draft evaluation report shall be presented to Sweden and MoFT for their comments. After receiving the comments the draft final evaluation report will be presented to Sweden and used for the workshop with stakeholders.
- C. Workshop with stakeholders**

After the final draft written report has been presented, a one-day Workshop should be held in Sarajevo to present the conclusions, recommendations and lessons learned for in-depth discussions and comments. Relevant comments and suggestions shall be incorporated in the Final Evaluation Report.
- D. Final Evaluation Report** due not more than 7 calendar days after the Workshop with stakeholders. The Final Evaluation Report will include, at minimum, an executive summary; major findings and conclusions; a description of the evaluation methodology; analysis of the effectiveness, relevance, sustainability and impact, conclusions and specific recommendations. The Final Evaluation

Report will be submitted to Mario Vignjevic, Programme Officer responsible for PIP-DIP project in the Embassy of Sweden in Sarajevo in electronic format within 5 business days.

All deliverables must be in English.

## **9. Resources**

Budget ceiling for the assignment is 300 000 SEK.

Payment will be due after Sweden have approved the Final Evaluation Report and received an invoice from the evaluator. The evaluation shall be paid from the overall project budget.

## **10. Evaluator Qualification**

Evaluator – Senior International expert should have:

- Advanced academic degree (minimum master or equivalent) in the area relevant to the person's role within the services.
- At least 10 year of relevant professional experience in evaluation of projects and programmes;
- Specific work experience related to evaluation of the public finance management projects;
- Excellent analytical skills
- Should be familiar with the Balkans region (preferably BiH)

## **11. References**

- Project Terms of Reference, dated 19 Jan2012
- Project Annual Report for the period March 2013-March 2014, dated 5 April, 2014
- Publication "Strategic Planning and Monitoring of Public Expenditures"



## Annex 2 – Documents and references

**Bosnia and Herzegovina Council of Ministers - Ministry Of Finance And Treasury**, *Strategic Planning and Monitoring of Public Expenditures: Methodology, development and implementation of Public Investment Programme*, October 2014

**European Commission Delegation to Bosnia and Herzegovina (contractor)**, *Capacity Building for the compilation of accounting data within the scope of General Government and Public Finance Statistics- Final Report*, December 2014.

**Sida**, *Specific Agreement between Sweden and Bosnia and Herzegovina for financing the Project “Capacity development at MoFT at State and Entity level for Effective Management of Public Investments”*, signed, 24 September 2012.

**Sida**, *Evaluation of the Public Administration Reform Fund in Bosnia and Herzegovina – Final report (draft)*, April 2015

**Sida**, *Looking Back Moving Forward*, evaluation manual.

**Sida**, *Results strategy for Sweden's Cooperation with Eastern Europe, the Western Balkans and Turkey*, 2014-2020.

**SIGMA**, *Bosnia and Herzegovina Country Assessment*, April 2014.

**UNDP BiH SPPD Project**, *Strategic Planning Manual*, 2010.

**UNDP BiH**, *Strengthening Capacities for Strategic Planning and Policy Development in BiH (SPPD) – Final Report*, July 2011.

**World Bank**, *Bosnia and Herzegovina Public Expenditure and Financial Accountability Assessment (PEFA)*, May 2014.

## Annex 3 – List of interviewees

Marie Bergström, Head of Development Cooperation, Embassy of Sweden, Sarajevo

Mario Vignjevic, Program Officer, Embassy of Sweden, Sarajevo

Mladen Milanovic, PIP project team leader

Aleksandra Radić, PIP project local expert

Tatjana Muhic, PIP project local expert

Dusanka Basta, BiH MoFT, Head of Strategic Planning department

Zlika Boljanovic, BiH MoFT, Strategic Planning department, advisor

Ranko Šakota, BiH MoFT, Head of Central Harmonization Unit

Gorica Bilak, RS Ministry of Family, Youth and Sports, Head of Sports Department

Radmila Mihic, RS Ministry of Finance

Milanka Sopin, RS Ministry of Administration and Local Self-Government, Head

Novka Blagojevic, RS Ministry of Administration and Local Self-Government, Advisor

Samir Bakic, FBiH MoF Assistant Minister and Head of Debt Management Division

Jasna Vukasovic, FBiH MoF, Head of Analyses and Reporting Section, Debt Management Division

Fahrija Delalic, FBiH MoF, PIP Advisor, Analyses and Reporting Section, Debt Management Division

Niko Grubesić, BiH Ministry of Justice, Assistant Minister

Edin Salihagić, BiH Ministry of Civil Affairs, Assistant Minister

Sanja Alatović, BD Coordinator at the BiH CoM

Nedzib Delic, PARCO acting Head

Tihana Gašević, Federal Agency for the Adriatic Basin, Engineer

Ljiljana Misiraca, Institute for Development Planning of Canton Sarajevo, Director of Strategic Planning section

Lamija Marijanovic, World Bank, Public Finance Specialist

Ljerka Maric, Directorate for Economic Planning, Director

Zdenko Milinovic, Directorate for Economic Planning, Deputy Director and Head of

Strategic Planning section

Normela Hodzic-Zijadic, European Commission Delegation, Program Manager

Rijad Kovac, FBiH Institute for Development Programming, Deputy Director

Fahrudin Memic, FBiH Institute for Development Programming, Advisor

Vera Blagojević, BiH Ministry of Transport and Communication

Marina Dimova UNDP BiH, Program Manager

Mirela Ćosić, Directorate for European Integration, Head of Director's Cabinet



## Evaluation of the project “Capacity development at MoFTs at State and entity level for effective management of public investments PIP-DIP”

This report contains the findings, conclusions and recommendations from an evaluation of the project “Capacity development at MoFTs at State and entity level for effective management of public investments PIP-DIP”. Sida commissioned SIPU to undertake this evaluation in order to assess of the progress achieved against stated objectives and to make conclusions about the future direction of the programme.

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