



CZECH REPUBLIC
DEVELOPMENT COOPERATION

DEVELOPMENT COOPERATION PROGRAMME

BOSNIA AND HERZEGOVINA

2011-2017



Ministry of Foreign Affairs
of the Czech Republic

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1. Introduction

Development cooperation constitutes an integral part of the Czech Republic's foreign policy. It is through this development cooperation that the Czech Republic endorses international development commitments as well as the Millennium Development Goals. Via its development activities, the Czech Republic "contributes to eradication of poverty as well as to economic and social development and environmental protection, while promoting democracy, human rights and good governance in partner countries"¹. Cross-cutting commitments, basic principles as well as priority territories and sectors subject to Czech Republic's development cooperation are anchored in the **Development Cooperation Strategy of the Czech Republic 2010-2017** (hereinafter the "Strategy") that was approved by the Czech government in May 2010². As its priority areas in development cooperation, the Strategy focuses on cooperation programmes between the Czech Republic and priority countries that are to be implemented particularly via bilateral development projects.

Bosnia and Herzegovina has been among the long-term priorities of the Czech Republic and as such, has been included within the Strategy among programme priority countries for development cooperation. Bosnia and Herzegovina equally enjoys this position due to the historically friendly relations and the results of development cooperation with the Czech Republic to date. Over the current programme period, removal of hindrances on Bosnia and Herzegovina's path toward EU membership will remain an area of focus. Generally, development cooperation of the Czech Republic will be aimed at the following sectors: agriculture; environmental protection; water supply and sanitation; public administration and civil society; energy and health. The projects should also take advantage of the Czech Republic's experience with transition processes and EU accession, thus bringing additional value added.

Bosnia and Herzegovina remains among the least developed countries of Europe and the Western Balkans. Gross National Income (GNI) per capita in 2009 stood at 4,700 USD, i.e. 30% of the EU average. Based on the OECD/DAC classification, Bosnia and Herzegovina belongs among low and middle income countries (LMIC). It currently ranks no. 68 (out of 169 countries) in the UNDP Human Development Index (HDI)³ and 14% of its inhabitants live below the poverty level (1.25 USD/day). The majority of the Millennium Development Goals (MDGs) have not been met so far and they are equally unlikely to have been met by 2015.

The present Development Cooperation Programme for the period of 2011 to 2017 has been drafted in light of the development cooperation results to date and also considers Bosnia and Herzegovina's effort to achieve EU accession. Its principal aim is to improve the economic and social standing of Bosnia and Herzegovina and to support the country's integration within the EU. Czech development cooperation in Bosnia and Herzegovina will therefore increasingly focus on the transfer of knowledge and provision of assistance in building the administrative capacities that are necessary for EU membership as well as on approximation of legislation and provision of technical assistance.

¹ Act on development cooperation and humanitarian assistance to foreign countries and on amending related legislation no. 151/2010 Coll., effective 1 July 2010

² Government Resolution no. 366 on the Development Cooperation Strategy of the Czech Republic 2010-2017 of 24 May 2010

³ <http://hdr.undp.org/en>

2. Development priorities of Bosnia and Herzegovina

Nationwide development priorities were officially defined in the “Mid-term Development Strategy of Bosnia and Herzegovina 2004-2007. Poverty Reduction Strategy Paper” in 2004. The following goals were identified as key for the country’s development:

- **Create conditions for sustainable and balanced economic development**
- **Reduce poverty**
- **Accelerate EU integrations (EU accession)**
- **Implement sectoral reforms**

Three strategic development documents, including the “Strategy of Development of Bosnia and Herzegovina”, drafted by the Directorate for Economic Planning, the “Social Inclusion Strategy”, and “Public Investment Programme“ prepared by the Ministry of Finance and Treasury“ - are currently awaiting their approval by the Council of Ministers (the government of Bosnia and Herzegovina). Other relevant documents include “Progress towards the Realisation of the Millennium Development Goals in Bosnia and Herzegovina 2010”, prepared by the Ministry of Finance of Bosnia and Herzegovina and a UN team in 2010 as well as the “Bosnia and Herzegovina 2010 Progress Report”, regularly prepared by the EU. Other priority sectors have been defined in strategies drafted by some ministries (on both nationwide and entity-specific level) as well as regions and municipalities.

The current strategic goals of Bosnia and Herzegovina are as follows (with their specific order being based on the “Strategy of Development of Bosnia and Herzegovina”):

1. **Macro-economic stability** (the goal is divided into selected priorities in the external sector, public finances and development of financial market);
2. **Competitiveness** (including but not limited to development of modern scientific, technological and business infrastructure; technical standards in accordance with EU legislation; improved economic infrastructure; improved business environment, including conditions for existing and new SMEs; increased mobility of goods and people; development of all types of transport in accordance with EU standards and requirements; functional institutional capacities for agriculture and rural development; increased competitiveness, quality and safety across production, processing and commerce; protection of natural resources; improved living conditions and higher diversification of income in rural areas);
3. **Employment** (including but not limited to development of institutions and systems of education; harmonisation of education with the needs of competitive economy; using the skills and knowledge of the diaspora; improved partnership between science and the private sector; improved labour market flexsecurity; prevention of long-term and structural unemployment; development of entrepreneurial culture; secondary and vocational education reform; improved social inclusion in education and healthcare, with special focus on families with children and persons with disabilities);
4. **Sustainable development** (including but not limited to building environmental infrastructure; improved integration/coherence of environmental policies; stimuli for development of the energy sector, including development of renewable sources of energy);
5. **EU integration** (strategic road of Bosnia and Herzegovina as well as a challenge of further association into the EU; *acquis communautaire* needs to be adopted and implemented);

6. **Social inclusion** (six specific goals – social policy aimed at employment; families with children; education; health protection; pension policy; and improved position of persons with disabilities);

In December 2009, the government of Bosnia and Herzegovina acceded to the Paris Declaration on Aid Effectiveness⁴, thus endorsing its key principles that include ownership of the development process, harmonisation of donor activities when preparing programmes and assessing effectiveness, alignment of aid with partner countries' priorities, mutual accountability and managing for results. The Czech Republic will endeavour to provide Bosnia and Herzegovina with maximum support in this respect.

3. Donor community in Bosnia and Herzegovina

In 2009, Bosnia and Herzegovina accepted Official Development Assistance (ODA) totalling 415 million USD (given that the average for two preceding years stood at 467 million USD, this meant a substantial decrease), with 73% of the amount provided on bilateral basis. The share of ODA in gross national income was 2.4%, with gross national income per capita amounting to 4,700 USD in 2009 (based on the Atlas calculation - see www.oecd.org/dac). The highest share of ODA was invested in social sectors (including education and health) and economic infrastructure and services.

The donor community in Bosnia and Herzegovina is relatively numerous. In 2008-2009, the most significant donors included the European Commission, Spain, Germany, Austria, Sweden and the United States. Some donors however limit their activities in Bosnia and Herzegovina or leave the country completely.

3.1. Donor coordination

In December 2005, 17 principal development agencies founded the Donor Coordination Forum (DCF) in Bosnia and Herzegovina, laying the ground for donor coordination. Currently the CDF has more than 20 members who meet on quarterly basis, with the Czech Republic having participated since 2010. Bosnia and Herzegovina is represented by the Ministry of Finance and Treasury (MoFT) that has taken over the responsibility from UNDP for the overall coordination of the Forum. The MoFT regularly publishes Donor Mapping Report (with the last one covering the period of 2009-2010).

Besides the MoFT, EU donors and EU funds (IPA) are equally coordinated by the Directorate for European Integration (DEI), a body reporting directly to the Council of Ministers of Bosnia and Herzegovina. The DEI aims to coordinate activities of the EU member states as they support Bosnia and Herzegovina in its approximation to the EU. Given the existing donor structure and the relatively wide scope of activities, the DEI responsibility involves a substantial part of development cooperation in Bosnia and Herzegovina.

The Czech Republic will promote direct coordination and cooperation (e.g. joint programming, project implementation or evaluation) with selected donors so as to maximise the potential of development cooperation of the Czech Republic. In this respect, the SIDA and USAID, whose position is exceptional due to the amount of provided ODA and the U.S. role in the recent history of Bosnia and Herzegovina, will be the main strategic partners of the

⁴ See the Paris Declaration on Aid Effectiveness, (2005) and Accra Agenda for Action (2008)

Czech Republic. Participation in FARMA or FIRMA, projects jointly managed by USAID and the SIDA, present an opportunity for participation on the part of the Czech Republic and its development cooperation activities. Coordination with the Delegation of the EU in Sarajevo will also be strengthened, including option to establish link to IPA funds, whether independently or in jointly with other EU member states.

Subject to its limited capacity, the Czech Republic will be actively involved in donor coordination via the DCF, MoFT, and DEI or through any other relevant platforms, following the priorities defined by the present programme.

3.2. Cooperation with the European Union

Cooperation with the EU as the country strives for EU accession is the top political priority of Bosnia and Herzegovina. Almost 70% of incoming ODA originates either from multilateral EU funds (including especially the Instrument of Pre-Accession Assistance, IPA) or from bilateral assistance provided by the EU member states. The total for all EU programmes in 1995 to 2010 amounted to approximately 2.8 billion EUR – the estimate is based on the European Commission’s “Multi-annual Indicative Planning Document (MIPD) 2009-2011 for Bosnia and Herzegovina.”⁵

The main goals of EU assistance in Bosnia and Herzegovina are as follows:

- Supporting Bosnia and Herzegovina in the Stabilisation and Association Process (SAP);
- Setting up and supporting functional state institutions; rule of law and good governance; economic and social reforms – transition to market economy; environment; cooperation with other countries in the region (within the SAP);
- Achieving full EU integration.

Two components of the IPA are relevant to Bosnia and Herzegovina: I) transition assistance and institution building and II) cross-border cooperation. Particularly the former receives the vast majority of funding and is in line with the development cooperation priorities of the Czech Republic. So far, Czech organisations have not been very successful in IPA tenders. The Delegation of the EU (DEU) has identified the following IPA priorities for the period of 2011-2013 - justice and home affairs, public administration reform, private sector development, transport, environment and climate change, social development, acquis related and other interventions (agriculture and rural development, demining, cultural heritage, energy, and support to central bank).

The Division of Labour initiative, including the anticipated roles of individual EU states as the leading and supporting coordinators, which was included in the Conclusions of the EU Council of 5 November 2009 on the Operational Framework on Aid Effectiveness, does not mention Bosnia and Herzegovina explicitly. In this respect, the EU Delegation, Germany and Sweden may be merely considered unofficial “Lead Facilitators” of the EU in Bosnia and Herzegovina.

⁵ http://ec.europa.eu/enlargement/pdf/mipd_bosnia_herzegovina_2009_2011_en.pdf

4. Development cooperation between Bosnia and Herzegovina and the Czech Republic

4.1. Cooperation focus and achievements to date

Bosnia and Herzegovina perceives the Czech Republic as an important and stable development cooperation partner that is beneficial not only due to its cultural proximity and the partially shared history under the communist rule, but most notably due to its transition experience and the relatively recent EU integration. In 2007-2009, the Czech Republic invested 11 million USD in its development cooperation activities in Bosnia and Herzegovina. The individual projects were carried out with the help from several dozen Czech entities (including companies, non-governmental organisations, universities etc.).

Recent examples of development cooperation include the following projects: complete refurbishment of tramways in Sarajevo, technology supplies for the introduction of an integrated waste treatment system in the Una-Sana Canton, provision of expert, technical and material capacities for vascular surgery in the hospitals of Sarajevo, Tuzla and Mostar, preservation of the genetics fund and improvement of characteristics of cattle, modernisation and implementation of controlling systems in the mine of PK Dubrave, introduction of environmentally friendly methods of bee breeding, waste-water treatment in Kiseljak or support of cooperative and private farming. In terms of ODA totals, economic development and agriculture were the prevailing sectors.

An increasing number of government scholarships have been provided to Bosnia and Herzegovina as a part of development cooperation over the recent years. In 2010, 19 Bosnian students were enrolled within the government-sponsored programme, with other 70 students pursuing their studies based on other scholarships provided from different funds, usually the respective universities. Bosnian students as well as local state authorities highly recognise these scholarships and the term “Prague student” has even entered the common usage. While this programme further contributes to developing the excellent mutual relations and understanding between the two countries, it is equally beneficial for the development of human resources in Bosnia and Herzegovina. Currently a new scholarship strategy is discussed, including, among other things, the topic of language preparation for scholarship holders from Bosnia and Herzegovina.

When deciding on continuing development cooperation with Bosnia and Herzegovina at the programme level in May 2010 (thus confirming its status as a programme country), the government of the Czech Republic considered not only the traditionally excellent relations between Bosnia and Herzegovina and the Czech Republic but also the relatively significant need (within Europe) for development aid, satisfactory preparedness of the country to pursue it and the relatively good standing of the Czech Republic compared to the other donors, also taking into account the strategic importance of the economic and social development of Bosnia and Herzegovina for the stability of the region as well as its geographic proximity.

4.2. Priority sectors of the future cooperation

Czech development cooperation is based on partnership and follows the needs of the partner country. The selection of priority sectors subject to Czech development cooperation in Bosnia and Herzegovina is based on the Strategy (the names of the priority areas have been adjusted to follow the OECD/DAC terminology) and considers comparative advantages of the Czech Republic. With respect to the available financial and human resources and the experience as a transitioning and EU-acceding country, the Czech Republic focuses on the

synergic effects among individual sectors. The priority areas will include primarily the sharing of knowledge and provision of assistance required in order to create capacities instrumental within EU accession negotiations and the subsequent EU membership, as well as in the approximation of legislation and technical assistance. Sustainability will be central to all projects and needs to be considered within project preparation and implementation; sustainability should also be enhanced by increasing the level of project ownership on the part of Bosnia and Herzegovina (whether via project co-financing or otherwise).

Priority sectors in Bosnia and Herzegovina based on the Development Cooperation Strategy of the Czech Republic for 2010-2017	Priority sectors based on OECD/DAC terminology
Environment	Water supply and sanitation
	General environmental protection
Economic development (including energy)	Energy generation and supply
Social development (including education, social and healthcare services)	Government and civil society
	Health
Agriculture	Agriculture, forestry and fishing

4.2.1. Health

Improved health protection is one of the principal aims of the “Social Inclusion Strategy of Bosnia and Herzegovina; by the same token, the Development Strategy of the Czech Republic includes health as one of its priority areas in the “Social Development” sector.

As a part of its development cooperation in health, the Czech Republic may e.g. continue its successful project of vascular surgery that is insufficiently developed across Bosnia and Herzegovina, with only few specialists being available. This presents a suitable opportunity for continuing and expanding the cooperation in this as well as other areas. As an analysis of the health sector in Bosnia and Herzegovina has revealed, the main opportunity areas for donor activities in healthcare are as follows: investments in health infrastructure, equipment for intensive care units, renovation of microbiological and other laboratories and education of healthcare professionals.

The main goals of the Czech development cooperation in this sector include:

- Improving qualification of health professionals;
- Improving quality of health infrastructure;
- Overall improvement of health services.

4.2.2. Water supply and sanitation

Protection and exploitation of water resources, waste water treatment and drinking water supplies, including the necessary infrastructure, are among the key priorities of Bosnia and Herzegovina. The oftentimes unsuitable quality of water resources and the generally dated infrastructure, together with lack of funds for the treatment and distribution of drinking

water are the causes of the generally unfavourable situation in some municipal and, particularly, in rural areas.

The insufficient technical and technological capacities in water and waste management present a serious issue in sustainable development of Bosnia and Herzegovina, especially due to the narrow link between waste management and protection of the drinking water distribution network. The majority of waste water of communal and industrial character is left completely untreated, which makes it the most important pollutant of water resources.

The main goals of the Czech development cooperation in this sector include:

- Providing drinking water supplies and sanitation, with special focus on waste-water treatment facilities and sewage systems;
- Protecting, exploiting and monitoring quality of water resources;
- Alleviating environmental burdens and bringing waste management up to date (with special focus on communal, industrial and hazardous waste);
- Supporting enlargement of institutional capacities in air protection;
- Sharing transition experience and providing EU accession assistance.

4.2.3. Government and civil society

Development cooperation of the Czech Republic will focus on the reinforcement of government's capacity to carry out the necessary structural reforms while reducing the reform's costs as well as on knowledge transfer concerning economic and social transition and the reinforcement of the rule of law, creation of functional and stable civil society as well as support of community development that are all necessary for the future development of Bosnia and Herzegovina.

The improvement of capacities and skills of non-governmental non-profit organisations and civic initiatives is also desirable, as is the creation of favourable environment for their activities (improvement of the legal framework and increase in public involvement in the civil society etc.). Development cooperation of the Czech Republic is equally carried out via Transformation Financial and Economic Cooperation programme (administered by the Ministry of Finance of the Czech Republic) and Transition Cooperation programme (administered by the Department for Human Rights and Transition Policy, Ministry of Foreign Affairs of the Czech Republic).

The main goals of the Czech development cooperation in this sector include:

- Strengthening public administration capacities of Bosnia and Herzegovina, transferring knowledge concerning economic and social transition and reinforcing the rule of law on the way toward EU membership;
- Supporting efforts to create a functional and stable civil society and to strengthen the role of civic initiatives and non-governmental organisations;
- Supporting quality education and employment services and linking the education system to the needs of the emerging economy and job market; school desegregation;
- Fighting discrimination and supporting the position of women and other marginalised groups within the society;
- Integrating the disabled and socially excluded in the society, including creation of

suitable retraining programmes targeting particularly the unemployed, socially excluded and those whose employment prospects are limited;

- Supporting prevention programmes across different areas via non-governmental, non-profit organisations;
- Providing for more effective and faster community and regional development;

4.2.4. Energy generation and supply

Bosnia and Herzegovina wishes to create conditions for sustainable development by increasing the effectiveness of use of both renewable and non-renewable natural resources, improving its environmental infrastructure and stimulating development of the energy sector, with special focus on renewable sources of energy. Bosnia and Herzegovina has expressed its interest in obtaining assistance in building small water and wind power plants and in the general introduction of know-how and modern technologies complying with EU standards. The absorption capacity within the relevant funds also needs to be improved.

The main goals of the Czech development cooperation in this sector include:

- Cooperating in the use of renewable sources of energy;
- Cooperating in increasing effectiveness of the energy sector, including the improvement of energy efficiency of existing and new appliances and buildings;
- Supporting creation and implementation of necessary legislation and strategies so as to achieve Bosnia and Herzegovina's compliance with the applicable EU requirements;

4.2.5. Agriculture

Bosnia and Herzegovina has access to suitable natural resources (quality farming land and favourable climate). Possible issues include e.g. spread of contagious diseases in agricultural production or adverse development of livestock genetics fund.

Bosnia and Herzegovina has expressed its interest in food safety projects (especially with respect to marketability of its products on foreign markets) and in increasing quality and effectiveness of agricultural production and small farms across various parts of the country, particularly in the sector of beef cattle breeding and milk production. At the national level, these priorities will be completed with support of modern and quality agricultural research and education and the strengthening of institutional capacities of the relevant state organisations.

Development cooperation of the Czech Republic in Bosnia and Herzegovina may follow the tradition of successful agricultural projects. The Czech Republic will focus on projects that combine knowledge transfer with direct support of specific target groups via supplies of relevant technical equipment. Model projects with multiplication potential, used as show-case examples (e.g. including model agricultural centres), have proven especially effective in this respect.

The main goals of the Czech development cooperation in this sector include:

- Increasing food security through self-sufficiency and food safety (also with respect to marketability of Bosnian products on foreign markets);
- Supporting institutions as well as small and medium farms focusing on increasing production and quality of cattle breeding, potentially resulting in increased milk

production, as well as those focusing on other agricultural sectors subject to Bosnia and Herzegovina's needs;

- Approximating veterinary and phytosanitary standards to those applied in the EU;

4.2.6. General environmental protection

Both Bosnia and Herzegovina and the Czech Republic perceive the effective use of natural resources and preservation of quality environment as a factor that contributes to improved health and quality of life of the people. Adoption of EU's environmental *acquis* should contribute to sustainable development rather than burden the economy, i.e. it should boost competitiveness as opposed to reducing it.

Flood protection is one of the current needs of Bosnia and Herzegovina and also an area of expertise offered by the Czech Republic. From the long-term perspective, fighting the climate change is the priority focus.

The main goals of the Czech development cooperation in this sector include:

- Assisting in creation of environmental protection action plan;
- Implementing measures of flood protection;
- Assisting in fighting the climate change (transfer of modern environmental technologies, sharing experience in trade in CO₂ emission permits);
- Supporting introduction and harmonisation of EU standards, requirements and the "Natura 2000" programme.

4.2.7. Cross-cutting topics

Upon implementing projects in the above sectors, the following cross-cutting topics will equally be considered:

- Strengthening public administration capacities of Bosnia and Herzegovina, transferring knowledge concerning economic and social transition, using experience and knowledge acquired within joint working bodies and reinforcing the rule of law as the country progresses toward EU membership, approximation of legislation and technical assistance;
- Cooperating in transfer of EU standards and technologies, including expert training (e.g. in transport infrastructure);
- Supporting small and medium businesses (including microcredit and microgrant programmes, consultancy and retraining, especially those targeted at disadvantaged groups);
- Good governance and the rule of law;
- Fighting corruption;
- Supporting business and export capacities within the "Aid for Trade" programme administered by the Ministry of Industry and Trade of the Czech Republic;
- Supporting non-governmental organisations;

- Supporting gender equality within the society as well as the most vulnerable social groups, including women, youth, repatriates and those expelled, as well as the elderly and the Roma;⁶
- Applying sensible approach to the environment and climate;
- Cooperating and coordinating with other donors.

4.3. Geographical focus of the programme

The main precondition of development cooperation on the part of the Czech Republic is the requirement of geographical balance between both entities and the Brčko District as the constituent parts of Bosnia and Herzegovina. While the balance cannot be achieved within single projects, it is expected to be attained cumulatively within the envisaged three-year financial frame.

The Czech Republic does not preliminarily exclude any region from participating in development cooperation projects. Subject to individual project types and the needs of Bosnia and Herzegovina, the Czech Republic will continuously analyse their geographical focus. A number of activities will be targeted at building nationwide capacities and infrastructure.

5. Cooperation programme implementation

5.1. Principal actors

The Ministry of Foreign Affairs of the Czech Republic administers development cooperation on behalf of the Czech Republic by creating the Development Cooperation Strategy of the Czech Republic, including selection of priority countries and sectors subject to cooperation. The Ministry is also responsible for preparing cooperation programmes and for securing the funds necessary for the financing of development activities as well as for development cooperation assessment, and project evaluations.

The Ministry of Foreign Affairs is the founder of the Czech Development Agency that provides for the identification, drafting, implementation and monitoring of development cooperation projects in accordance with the approved development programme, working closely with the partner country.

The Embassy of the Czech Republic in Sarajevo participates in all phases of the project cycle, especially in identifying and monitoring development cooperation projects. The Embassy also represents the Czech Republic in the relevant coordinating bodies involved in development cooperation.

The main partner of the Ministry of Foreign Affairs of the Czech Republic is the Ministry of Finance and Treasury of Bosnia and Herzegovina with its responsibility for the coordination of international assistance to Bosnia and Herzegovina, except for the EU aid, identification of the basic development goals, and the preparation of the Public Investment

⁶ In accordance with the Strategy, the Czech Republic, besides considering the cross-cutting topics within all its projects, will also implement projects specifically focusing on women's issues. Given the post-conflict situation in Bosnia and Herzegovina, principles laid down in UN Security Council Resolutions no. 1325, 1820, 1888, 1889 need to be also considered in order to facilitate a more effective stabilisation and reconstruction of the country.

Programme. The Directorate for European Integration is another important partner and its aim is to coordinate the EU assistance.

5.2. Communication and coordination mechanisms

The Ministry of Finance and Treasury of Bosnia and Herzegovina, which is the main body of Bosnia and Herzegovina for coordination of donors and assessment of bilateral development coordination as well as for other activities, is the key partner of the Ministry of Foreign Affairs of the Czech Republic for the purposes of development cooperation. The Ministry of Finance and Treasury equally administers Public Investment Programme that facilitates the allocation of development funds, including those provided within development cooperation with the Czech Republic. The Directorate for European Integration, which is responsible for managing assistance from European funds, is another important partner. Due to the specific situation of Bosnia and Herzegovina, working directly with individual entity-specific ministries in charge of individual sectors may be preferred in some situations.

The Embassy of the Czech Republic represents the Czech Republic in the relevant coordination bodies of development cooperation and helps to identify suitable project proposals.

During the 1st quarter of the year preceding the expected project implementation, the Ministry of Foreign Affairs of the Czech Republic will submit via the Embassy in Sarajevo an overview of proposed sector topics to be reviewed and approved by the Ministry of Finance and Treasury of Bosnia and Herzegovina. The Ministry of Foreign Affairs of the Czech Republic is to ensure that the allocation of funds for the projects to be implemented the following year is approved by the end of the 2nd quarter.

The Czech Development Agency carries out identification missions whose aim is to work with partner institutions on the identification of specific project topics, based on which the Czech Development Agency drafts actual projects. These are implemented by project managers (recruited from among non-governmental organisations, universities, commercial entities, or individual experts) identified via selection procedures organised in cooperation with partner organisations.

5.3. Monitoring and evaluation

As a rule the Czech Development Agency, in cooperation with the Embassy, provides twice a year for the monitoring of the projects subject to implementation.

The Ministry of Foreign Affairs of the Czech Republic evaluates the selected projects (or a group of project from the same sector) and its development programmes. Should the need be, the Ministry will perform an *ex ante* evaluation prior to the commencement of development activities in a new geographical area or priority sector. The Ministry is also responsible for participating in evaluations performed by other donors as may be reasonably and purposefully required. The evaluation results are then considered by the Ministry within its new cooperation programmes as well as the actual development activities.

Half way through the programme period, i.e. in 2014, this Programme will be subject to an assessment. The results of the mid-term assessment will be considered within a document that will adjust and modify the mid-term development cooperation priorities in Bosnia and Herzegovina under the current programme until 2017. One of the results of this assessment can be also the reduction of number of priority sectors in Bosnia and Herzegovina.

5.4. *Implementation conditions*

Both the Czech Republic and Bosnia and Herzegovina will contribute to project implementation and programme fulfilment by providing adequate technical support and human resources.

As a rule, the Czech Development Agency enters into a Memorandum of Understanding with institutional partners for individual projects that defines the rights and obligations of the parties, including the payment (or the waiver thereof) of import duties, VAT and other fees linked to imports to Bosnia and Herzegovina and applying to all equipment supplied within project implementation under the present programme.

If several donors are involved in a project, coordination or management committees may be set up. Such coordination and management bodies are attended by representatives of the Czech Development Agency or the Embassy.

Summary

The Development Cooperation Strategy of the Czech Republic for the period of 2010-2017, approved by Resolution of the Government of the Czech Republic no. 366 of 24 May 2010, defined cooperation programmes with priority countries as the cornerstone of the Czech Republic's development cooperation.

Bosnia a Herzegovina is among the priority countries subject to cooperation programmes particularly due to the following reasons:

- Existing need for development cooperation and preparedness of the partner country to pursue it;
- Successful development cooperation to date;
- Existing link to other aspects of the Czech Republic's foreign policy (the Transition Cooperation programme; political support of the entire region of the Western Balkans).

The Czech Republic has a long track record of support of Bosnia and Herzegovina's efforts to integrate within the European structures; the Czech Republic has equally carried out development projects in Bosnia and Herzegovina since 1995. The cooperation activities to date have been highly recognised by the Bosnian partners as well as by the donor community. Within the following period, the project focus will centre on providing Bosnia and Herzegovina with Czech experience with political and economic transition and on supporting the country on its path towards the EU membership.

During the 2011-2017 period, Czech Republic's development cooperation in Bosnia and Herzegovina will focus on the following sectors:

1. Health
2. Water supply and sanitation
3. Government and civil society
4. Energy generation and supply
5. Agriculture
6. General environmental protection

The principal aim of the present programme is to improve the socio-economic situation prevalent in Bosnia and Herzegovina and to support the country in its effort to integrate within the EU. Czech development cooperation in Bosnia and Herzegovina will therefore focus on knowledge transfer and provision of assistance in building the administrative capacities that are necessary for EU membership, including approximation of legislation and technical assistance in selected sectors.

Appendix – list of abbreviations

CzDA/ČRA – Czech Development Agency
DCI – Development Cooperation Instrument
DEI – Directorate for European Integration
EBRD – European Bank for Reconstruction and Development
EDF – European Development Fund
EIB – European Investment Bank
EIDHR – European Instrument for Democracy and Human Rights
EU – European Union
FoRS – Czech Forum for Development Co-operation (Non-Governmental Organizations)
GNI – Gross National Income
IDA – International Development Association
IPA – Instrument of Pre-Accession Assistance
LMIC – Lower Middle Income Countries and Territories
LPTP – Department for Human Rights and Transition Policy of the Ministry of Foreign Affairs
MDGs – Millenium Development Goals
MIPD – Multi-annual Indicative Planning Document
SLP/MLP – Small Local Projects
MoFT – Ministry of Finance and Treasury of Bosnia and Herzegovina
MoFTER – Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina
MIT/MPO – Ministry of Industry and Trade of the Czech Republic
MFA/MZV – Ministry of Foreign Affairs of the Czech Republic
ODA – Official Development Assistance
OECD – Organisation for Economic Cooperation and Development
OECD/DAC – Development Assistance Committee of OECD
ORS – Department of Development Cooperation and Humanitarian Aid of the Ministry of Foreign Affairs
OSN – United Nations
PCD – Policy Coherence for Development
PRSP – Poverty Reduction Strategy Paper
SIDA – Swedish International Development Authority
UNDP – United Nations Development Programme
USAID – United States Agency for International Development