



Human Resources Development in BiH: how to kick-start stagnant development

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Summary

Human resources development improve the quality of human capital through increased employment, higher level of income and social integration, which in turn provide higher living standards. At the moment BiH does not have a central authority on state or entity level, coherent mechanism, policies or strategies that deal with development of human resources adequately and there is a genuine possibility that BiH will remain underdeveloped country if it does not begin to consider human resources development as seriously as other European countries do. A good start to effectively remedy this issue is integration of human resources development is as part of new BiH Development Strategy at sector wide level that would include labour market and different types of education and training; BiH must create Strategy/Policy for Development of Human Resources at state-level and entity level, which would enable coherent and unified approach to overall social and economic development. At the same time Directorate for Human Resources Development next to Council of Ministers must be established. After that, the first challenge would be to integrate human resources development strategies and policies with economic strategies both at education and labour market (employment) levels. Simultaneously, both demand side (labour market) and supply side (education system) will have to undergo serious reforms and restructuring in order to develop competitive human capital able to respond challenges before the knowledge based economy.



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List of Acronyms:

- BD – Brcko District
- BiH – Bosnia and Herzegovina
- CoM – Council of Ministers
- DEI – Directorate for European Integrations
- DEP – Directorate for Economic Planning
- DPA – Dayton Peace Agreement
- EES – European Employment Strategy
- ESF – European Social Fund
- EU – European Union
- FBiH – Federation of Bosnia and Herzegovina
- GDP – gross domestic product
- HR – Human resources
- HRD – Human resources development
- NDP – National Development Plan
- IPA – Instrument for Pre-accession Assistance
- OHR – Office of High Representative
- PRSP – Poverty Reduction Strategy Paper
- RS – Republika Srpska
- SAA – Stabilization and Association Agreement
- SME – small and medium enterprise
- USAID – United States Agency for International Development
- UNDP – United Nations Development Program



1. Introduction

Bosnia and Herzegovina (BiH) is one of the most underdeveloped countries in Europe. Reasons are numerous. Lack of progress is certainly conducive to break-up of Yugoslavia that resulted in war and led to collapse of social and economic system. Since then, Dayton agreement of 1995 followed and it ensured peace. In this period, the main focus of policy in BiH has been ensuring and maintaining peace and initiating a process of state-building. Because of disproportionate focus onto these two issues, reforms regarding economy and governance have been on back burner. At the moment Macroeconomic situation is stable, but the structural problems of the economy in BiH remain substantial and serious. Further on, BiH comprises two entities, the Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS), and district Brčko. The Federation of Bosnia and Herzegovina has 10 mostly autonomous cantons. At the top of this 'Frankenstein' like arrangement Office of the High Representative (OHR) is superimposed as the final authority.

Since 1996, BiH has started the process of economic and social transformation into functioning democracy and market economy. As in other transition countries the transformation process has been difficult, and despite the progress made to date, major challenges still exist in all fields, including social and economic development. European Union (EU) integration process is moving at a snail's pace. BiH negotiations on a Stabilization and Association Agreement (SAA) commenced in November 2005, being one of the major pre-requisites for gaining a status of the candidate country for a full membership in EU. It was expected that negotiations will conclude by 2007 despite the negotiation's lethargic pace. However, BiH only managed to get initial signing of SAA in November 2007, rather than finalization of the process. There is still hope that addressing key priorities, notably police reform, ICTY co-operation, public broadcasting and public administration reform will be reached in timely manner and that SAA will be signed early next year. Given the scale and scope of these reforms that have to be yet implemented, it is not surprising that the other significant issues and tasks are neglected. One of the issues that is not adequately addressed is development of human resources.

Human resources are knowledge, skills, competences and other attributes of an individual that are important for his/her economic and social activities. Continuous professional and social development raises persons' human assets. Lifelong learning, education and training, is a prerequisite for adapting to conditions in the international and local environment, and they are major influence on overall socio-economic development of any country. Human resources development (HRD) improve the quality of human capital through increased employment, higher level of income and social integration, which in turn provide higher living standards. In essence, human resources development is investment in human capital which is, in fact, investment in people. European standards nourish development of human resources through investment in education and training, employment, small and medium enterprises and regional development.

Now, there is an opportunity for the development of human resources in BiH through the new EU assistance program called Instrument for Pre-accession Assistance (IPA) which replaced other pre-accession programmes (PHARE, ISPA, SAPARD, CARDS) with beginning of 2007. The IPA is an accession-driven instrument, created to support all accession requirements in terms of priorities, monitoring, and evaluation.

The IPA aims to simplify the procedures and coordination of external assistance. The major objective is to synchronize all pre-accession assistance programmes within a single framework. The IPA consists of five components:

- Transition Assistance and Institution Building (Component I);
- Regional and Cross-Border Cooperation (Component II);
- Regional Development (Component III);
- Human Resources Development (Component IV);
- Rural Development (Component V).

The first two components are available to potential candidate and candidate countries, the remaining three to candidate countries only. The purpose of the Component IV, which will be available to BiH as a candidate country, is to prepare countries for the programming, implementation and management of European Social Fund (ESF)¹, in the framework of the European Employment Strategy (EES).

¹ Hereby the objectives of EU are in the fields of social inclusion, education and training, and equality between men and women.

In order to effectively utilize the funds for human resourced development it is of the vital interest for BiH to ensure that it has policies and mechanisms in place that will effectively use the resources that are available by IPA. Further on, having this mechanism in place would enable BiH to gain experience and knowledge enabling it to draw on ESF resources effectively. Development of these policies and creating specific mechanisms will also help mobilise internal capacities for purpose of development.

Study is divided in five chapters and it begins with introduction where background information and key definitions are delineated. Second Chapter of study outlines why investment in human resources is crucial for development and what are major obstacles for this. Analysis of previous development strategies is elaborated in Third Chapter along with labour market and education as key determinants of human resources development as well as current practice of human resources development in BiH Fourth Chapter presents policy options and their justifications. Recommendations are presented in last portion of policy study.

Working hypothesis for policy research is that human resources development is the best way to achieve overall development. In order to illustrate the hypothesis research techniques were drawn both from primary and secondary research methods. Through secondary research methods relevant documents and policies regarding the human resources development in BiH were assessed as well as current state of labour market and education. Primary research methods include series of semi structured interviews with representatives or relevant organisations and decision-makers. Research mostly drew on qualitative analysis and data due to poor availability and quality of quantitative data. Also, a case study of countries in European Union with successful records was included.

This research argues that BiH has to move toward a national economic policy based upon human resourced development. Human resource development is an investment in capital that will account for larger share of BiH economic growth than investment in any other sector. BiH needs to intensify its efforts in order to succeed in the economic restructuring process and to ensure the necessary economic growth and social cohesion that will enable society to catch up with the EU. Given the contribution made by employment and productivity to economic growth, some of those efforts need to be directed towards the development and implementation of strategies and policies regarding human resources. In this context, BiH must put emphasis onto efforts for the development of an adaptable, entrepreneurial and well-skilled labour force through adequate investment in human capital.



2. Problem of human resources development in BiH

There are strong linkages between the availability and quality of human capital and the economic development. The capacity of the workforce for developing and consistently delivering increased value-added goods and services determines the ability of the country to generate the wealth and develop. All the European countries have undertaken, to a varying extent, to develop their workforce knowledge and skills in order to make their economies vibrant and growing. Human resources make excellent investment because it is investment with longest running return period; dividence pays of as long as that person lives.

2.1 Why invest in human resources?

The dedication and investment of European area countries to maintain and improve human resources are unprecedented in past two decades. Numerous studies have been conducted in order to understand how to maximise workforce potential and optimise investments in human resources. With regards to this, one of the most influential studies is a joint study of the current situations of human capital in EU, conducted by the Lisbon Council (the Brussels based think-tank) and Accenture consulting.² Study underlines that the move to a knowledge economy brings skills profiles demanding a mix of both enabling skills (such as technological, informational, problem solving, adaptability and team working) and specific knowledge (such as science and engineering, mathematics, languages and commercial knowledge). Study *Skills for the Future*³, stressed that while the individuals need to take personal responsibility for skills development, the businesses need to take on greater role in articulating the skills they require from individuals. The learning institutions need to move towards a position whereby education is approached as a continuous process of development that lasts a lifetime and policy and decision makers need to play the key role in supporting and stimulating these actions.

European Human Capital Index that looks at countries' ability to develop and deploy their human capital the Lisbon Council and Deutschland Denken!⁴ in 13 EU countries noticed that due to the different approaches to development and maintenance of human capital 'long-term potential economic growth could start to diverge sharply among European nations, with Scandinavia, Netherlands, UK and Austria replacing *old Europe* as the core of the new European economy'.⁵

This study also argues that by measuring human capital endowment EU states are able to adjust their policies in order to meet current and future demands. For example, based on human capital endowment measurements Sweden decided to invest twice as many resources in education (school, university, adult education, etc) than Italy or Spain.⁶ Other measurement, such as human capital utilization, clearly indicates that Sweden, Denmark and Portugal employ around 63% of the human capital available in their economy while Italy, Belgium and France employ only 53% of capital that is available, thus enabling them to adjust their policies.⁷ Human capital productivity index is used for purpose of identification of trends such as, for example, that France and Spain achieve 20% higher productivity of their human capital than Denmark or Netherlands allowing them to make adjustments to their labour markets.⁸

One of the best examples of positive effects of investment in human resources development is Ireland. Ireland was a net recipient of aid from wealthy nations three decades ago. Now, their GDP per capita is second highest in the EU, topped only by Luxembourg.⁹ Key to their success

² Lisbon Council and Accenture ed., *Skills for the Future*, 2007, available at web: <http://www.lisboncouncil.net/media//6086_skillsforthefuture_final.pdf>

³ *Ibid.*

⁴ Peer Eder, *Innovation at work: the European Human Capital Index*, the Lisbon Council in conjunction with Deutschland Denken!, 2006, available at web: <http://www.lisboncouncil.net/media/lisbon_council_european_human_capital_index.pdf>

⁵ Eder.

⁶ *Ibid.*

⁷ *Ibid.*

⁸ *Ibid.*

⁹ CIA, *The World fact Book 2007*, available at web: <<https://www.cia.gov/library/publications/the-world-factbook/geos/ei.html#Econ>>

is planned programming, implementation and management of investment in human resources. In its National Development Plan (NDP) Ireland recognized that an excellent track record in the area human resources development was crucial to its economic success.¹⁰ They underlined importance of continued high level of investment in the human resources development in order to maintain an educated, skilled and adaptable labour force. **Ireland decided to spend 25.8 billion euros in function of further improvement of human capital** for a period from 2007 to 2013.¹¹ Their investment regarding this development goal is divided into three categories:

- training and skills development
- school modernization and development
- higher education

The highest amount of investments is designated for higher education.

Similar to Ireland, other European states, regardless of their current level of development, realised that investment in human resources development makes their economies vibrant and growing. In their national development plans special attention is given to enhancing their work-force knowledge and skills (Please see Annex 1).

2.2. Lack of political will and complex governance structure

BiH does not have a coherent and structured approach to human resources development. Human resourced development, in context social and economic improvement (national development), is governed by *demand* for work force and *supply* of work force. However, both labour market and education, components of human resources development, are extremely politicised. Education part is particularly sensitive in current political setting. Therefore, there is **lack of political will** by decision-makers to create unified approach to solving this issue.

Secondly, **institutional arrangement is substantial hindrance** too. BiH governance structure is complex and it is difficult to come to consensus about anything. BiH is divided in two entities and Brcko District. At state level government consists of a rotating tripartite Presidency (Serbs, Croats and Bosniak member, on principle one from each of constitutive people), Parliamentary Assembly, which is divided in House of People and House of Representatives, and nine ministers in Council of Ministers, with presiding Prime Minister. Each entity has its own political structure and administration with its own central government. Political structure of entity FBiH is divided into three levels:

- Entity level - president, two vice presidents, two-house parliament (House of Representatives and House of People), and government under Prime Minister.
- Canton level - ten cantons with their own assemble and right to adopt laws and cantonal governments.
- Municipal level - municipalities with its own council and administrative structure.

RS shares same political structure as FBiH, but it does not have cantons. There are three constitutional courts, one in each entity and one on state-level.

Such a complex governance structure allows that entities and cantons produce different laws and legislations, different standards, variety of languages, different textbooks and curricula, different institutional arrangements and settings. In this context, any initiative regarding human resources development that would be universal throughout BiH must be discussed within

¹⁰ Government of Ireland, *Ireland National Development Plan 2007-2013: Transforming Ireland - A Better Quality of Life for All*, 2007, available at web: <<http://www.ndp.ie/documents/ndp2007-2013/NDP-2007-2013-English.pdf>>

¹¹ *Ibid.*



thirteen (13) ministries of education and thirteen (13) ministries of labour. Such fragmentation of regulatory and implementation bodies is a serious obstacle for any policy on the state-level. If this is coupled with slow progress in legislation due to political tensions, result is extremely slow process of policy making.

2.3 Action must take place now

However, in such constellation of competing competences, venue for advancing human resources development is presented through strategic development planning, meaning BiH Development Strategy. Council of Ministers BiH, through its Directorate for Economic Planning (DEP), is responsible for creating BiH Development Strategy where responsibility for implementation of strategy is shared by state-level and cantons authorities. Therefore, universal policy on human resources development could be adopted if imbedded in new BiH Development Strategy. According to methodology for creation of the development strategy, DEP is currently conducting situational analysis. It is expected that this portion of strategy will be concluded by spring of 2008. After that they will proceed to define key development priorities. These priorities will be defined through 4 to 6 sectors such as agriculture, tourism, road infrastructure or similar. **Prioritization of the key sectors for new BiH Development Strategy will be concluded by autumn 2008 and human resources development must be included as essential component of BiH Development Strategy.**

3. What is really going on?

Although it is of the highest importance for the prosperous development of BiH, it seems that currently there is no sufficient political will, interest or systematic government policies to support and invest in human resources development. Human resources development in BiH is seriously neglected because there is no overarching policy or strategy on state, entity, canton, or municipal level.¹² There are 12 documents in total, on state-level and entity level, that could be classified as strategic development documents (Annex 2). Out of those documents there are only two strategic documents that mention human resources development.

First document is Poverty Reduction Strategy Paper (PRSP) 2002-2007.¹³ Strategy clearly underlined importance of education and labour. On several occasions this strategy is mentioning necessity to 'connect employment and enhance links between human resources and labour market'.¹⁴ However, this strategy that is expiring at the end of 2007 had three main shortcomings:

- importance of human resources development is only seen if attached and in context of fight against poverty,
- in practice furthering cause of human resources development through addressing education and labour markets issues have not been successfully addressed or translated into operational plans,
- no link was established to real and stable sources of financing.

¹² There are five Regional Economic Development Strategies created by European Union as a part of EU Regional Development Project 2003-2005. They are excluded from policy study because they are established on regional level regardless of the country's administrative structure which rendered them without any administrative framework and support. As a consequence, strategies were never approved by decision-makers in BiH. They are available at web: <<http://www.eured-bih.org>>

¹³ Council of Ministers BiH, Ministry of Foreign Trade and Economic Relations – Office of BiH Coordination for PRSP, *BiH Medium Term Development Strategy – PRSP*, (Sarajevo, March 2002), available at web: <http://www.dep.ba/download/Revidirana%20SRS+AP_lokalna_latnica.pdf>

¹⁴ *Ibid.* 20.

¹⁵ Republika Srpska Government, Republika Srpska Development Plan 2007-2010, available at web: <<http://vladars.org>>

Second document is RS Development Plan which in essence is a plan how to spend financial resources amassed through selling several state owned corporations.¹⁵ Once PRSP expires this strategy will be the only strategy that addresses issue of human resources development. However, it shares shortcomings that are observed in PRSP with only difference that funds are available but cannot be effectively programmed due to the lack of policies and strategies for their effective programming.

¹⁶ Here state-level is only mentioned because entities are in much better position.

There is possibility that BiH will remain underdeveloped country if it does not begin to consider human resources development as seriously as other European countries do. Several decisive actions must be taken in order to put BiH on right track. First, BiH must create Strategy for Human Resources Development at state-level and entity level. After that, the first challenge would be to strengthen the state level institutions in charge of developing strategy policy and framework legislation.¹⁶ Second challenge would be to integrate human resources development strategies and policies with economic strategies both at education and labour market (employment) levels. Simultaneously, both demand side (labour market) and supply side (education system) will have to undergo serious reforms and restructuring in order to develop competitive human capital able to respond challenges before the knowledge based economy.

3.1 Labour market in context of human resources development

3.1.1 Key trends and issues in labour market

¹⁷ World Bank, *Bosnia and Herzegovina Labor Market in Postwar Bosnia and Herzegovina*, November 2002, available at web: <<http://www.worldbank.org>>

BiH had 4.4 million people prior to conflict.¹⁷ There are no official demographic statistics because last census was held in 1991. However, most of estimates speculates that population is between 3.6 and 4 million inhabitants.¹⁸ As a result of conflict the old economic structures have been severely altered. The total economic activity fell to less than 20% of its pre-war level.¹⁹ The gross domestic product (GDP) in 2001 amounted less than 50 % of the GDP in 1990.²⁰ According to estimates from the United Nations Development Program (UNDP), GDP currently still accounts for only 60% of pre-war level and to estimates from the World Bank suggest that it is about 75%.²¹ With such huge shifts in economic activity, labour market altered too, thus, changing patterns of employment as well.

¹⁸ Speculations about total number of inhabitants vary from institution to institution.

¹⁹ World Bank, *Bosnia and Herzegovina Country Economic Memorandum*, May 2005, 2. available at web: <<http://www.worldbank.org>>

BiH has transitory labour markets which are difficult to analyze using standard data sources but there are some estimates (Table 1). First problem is that data on employment established through surveys has limited value as it does not include the large informal economy; estimated by the United States Agency for International Development (USAID) and the Financial Services Volunteer Corps to be roughly one-third of official GDP. Second problem is that data does not provide adequate information on labour mobility. However, available data suggests two major labour market trends in BiH:²²

²⁰ World Bank, *Bosnia and Herzegovina Labor Market in Postwar Bosnia and Herzegovina*, November 2002, 3, available at web: <<http://www.worldbank.org>>

²¹ UNDP, *Sistem Ranog Upozoravanja, godišnji izvještaj 2004* (Early Warning System, yearly report 2004), 17, available at: <www.undp.ba> and World Bank, *Bosnia and Herzegovina Country Economic Memorandum*, 9.

²² Statistical Offices in Bosnia and Herzegovina, *Household Survey Panel Series (HSPS, 2001–04)*.

- first trend suggests that there has been a *recent increase in both activity rates* (from 48.4% in 2001 to 57% in 2004) and *employment rates* (from 40.6% in 2001 to 44.3% in 2004). However, these still remain much lower than in the Euro area and countries in the region,
- second trend indicates that registered *unemployment rates have been increasing and are relatively high* (40% and 22.1%) even for a country like BiH that is transition economy and economy recovering from recent war-induced setbacks. For the formal labour market data suggests that large differences exist in the employment rates for groups with different educational levels, which indicates that skills and knowledge are important in order to be employed.



	2001	2002	2004
Activity rate	48.4	53.2	57.0
Employment rate	40.6	42.0	44.3
Unemployment rate	16.1	21.1	22.1

Table 1:
Basic labour market indicators for BiH 2001–04 (based on the working-age population 15–64 years)²³

These trends suggest three following major problem of labour market in BiH:

- *Low level of job creation* in the formal economy. Overall restructuring of economy coupled with slow pace of privatisation can be identified as main culprits. The destruction of old industrial jobs in previously state-owned enterprises left BiH with relatively low base of economic activity that cannot be adequately addressed by increased job creation in growing and newly created enterprises. This trend of low level of job creation is likely to continue as substantial number of large enterprises is still undergoing privatisation; the pressure on the labour market is likely to increase further. Laid-off workers and new entries to labour market are absorbed by the informal economy and the agricultural sector and perhaps service sector also.²⁴ Generally, a large part of the growth in employment is a direct result of a growth of informal employment.
- *Attracting more people into the formal labour market* is also a challenge. Main issue is how to address weak attachment to the formal labour market on the part of a large proportion of the labour force. According to HSPS data, only 19.3% of the population had a formal job for all four years between 2001 and 2004.²⁵ The rest of the labour force moved between informal employment, formal employment, unemployment and inactivity. BiH has greater mobility of labour force than in many transition countries, but this is not an indication of a well-functioning labour market; it is a result of the scale of the informal economy, which is characterised by repeated irregular jobs.

²³ Table contents taken from European Training Foundation, *Labour Market Review of Bosnia and Herzegovina*, 2007.

²⁴ European Training Foundation, *Country Analysis: Bosnia and Herzegovina*, (Torino: 2006).

²⁵ Statistical Offices in Bosnia and Herzegovina, Household Survey Panel Series (HSPS, 2001–04).

3.1.2 Employment services

Employment services are established both entity and canton levels. In RS, there is a single Employment Service Agency, with six regional branch offices and 55 municipal offices. FBiH employment service is comprised of entity level Federal Employment Service and ten cantonal Employment Services with 79 municipal offices. On state level Employment Agency has been established also. Main function of state agency is compilation of country-wide employment statistics and representation of BiH in international and bilateral labour affairs.

Main functions of Employment Services is registration of unemployed, administration of unemployment insurance and provision of active labour market programs for the unemployed. However, these agencies are not involved with enhancing and improving state of labour market because:

- low numbers of active labour programs and if they are available they are emphasising only programs such as subsidized wages or credits,
- there is no initiative to create and implement simpler and more cost effective programs such as job counselling and basic job brokerage functions have been non-existent or seriously neglected,²⁶
- almost exclusive focus onto 'simple registration activities (that) are crowding out other activities such as job referral and counselling'.²⁷

All this problems render Employment Services in BiH, at all levels, as inadequate to promote employment or proactively participate in labour market improvement. In effect, **Employment Services are transformed into/ functioning as Social Services.**

²⁶ World Bank, *Bosnia and Herzegovina Country Economic Memorandum*, 125.

²⁷ *Ibid.* 126.

3.2. Education in context of human resources development

Education system in BiH lacks regulatory frameworks that would secure creation of high quality of human resources and create dynamic environment for the economic growth. Currently, the universities have become centres of ignorance and stagnation, rather than knowledge and research. Higher education funding hardly meets requirements for the salaries of the academic staff; due to very low salaries most of academic staff works at two or more academic institutions simultaneously. By large, working hours are spent on lecturing curricula that instructors learnt long time ago as they do not have time or resources to improve their lectures. Education system is such that it is not required for teaching staff to actively engage in the research and continuously work on improvement of their knowledge and skills.

There are no proper statistics regarding school attendance and most of the references refer to the census of 1991. The assumption is that the situation in respect to the education has not improved, but could only deteriorate. In 1991 there had been 9.9 % of the illiterate citizens.²⁸ There are some various estimates regarding education attainment levels in BiH. For example, according to European Training Foundation estimates are:

²⁸ Some estimates propose that this percentage has doubled by now.

Table 2:
Educational attainment levels for population aged 25–65 years for 2002 (%)²⁹

	Low	Medium	High
BiH Total	41.8	47.4	10.8
EU - 15	35	43	22
New Member States	19	66	15

²⁹ Table contents taken from European Training Foundation, *Labour Market Review of Bosnia and Herzegovina*, 2007.

Low: accomplished primary education or less (ISCED levels 0–2)

Medium: accomplished secondary or post-secondary non-tertiary education (ISCED levels 3 or 4)

High: accomplished tertiary education (ISCED levels 5 or 6)

According to the preliminary results collected by the Agency for Statistics of BiH in the survey conducted on work force in 2006 on the sample of 10.000 people, they produced following findings:

- 49% of the population has finished primary school (35,5% men and 58,8% of women),³⁰
- 44,5% of population has finished high school (53,4% of men and 36,2% of women)
- in 1991, the data showed that there has between 12-15% of population finished higher education, the data collected by the Agency for Statistics of BiH in 2006 shows that only 6,5% (8.% of men and 5% of women) have received higher level of education.

As already mentioned BiH lacks the legal frameworks:

- that would ensure qualitative education system, especially the higher education,
- that would secure functional science, technology and innovations sector and encourage research and development,
- that would secure good protection of intellectual property.

The public – private partnership (cooperation) in respect to development of education system is non-existent. The life long learning concept has not yet been adopted and there are only few adult friendly educational programs. The educational curriculum does not encourage creative individual who would be highly technologically educated and able to use existing and new technologies and would possess problem solving skills, be able to adapt to new circumstances quickly and be capable for variety of team-work tasks.



With respect to labour market demand, it is imperative that education system improve the quality of the supply side because educational attainment levels of the population aged 25–65 years is well behind those of the same age group in the European area; higher percentage of people with a low level of education and a lower percentage of people with higher education. With respect to number of persons with higher education, BiH is only better of than Moldavia. There is an evident brain-drain phenomenon where persons with higher education are leaving BiH and particularly young professionals. These trends are most likely to continue because there had been depletion of the skills of the population over recent years and because of a lack of employment and development opportunities due to the country's low level of economic activity. Substantial skill gaps do not yet exist. If it is not addressed, the weakness in the supply side will be a serious impediment for the economic restructuring and development of the country.³¹

Also, when it comes to the entrepreneurial culture, the innovation friendly environment and start-up of innovative small and medium enterprises (SMEs), BiH has no tradition to rely on. This component of education is essential for development of any country. The prevailing culture did not embrace entrepreneurship (especially in the sense of private entrepreneurial ventures) and was more oriented to products than to services. For this reason, the education system needs to attune more to the entrepreneurial ventures rather than 'teaching' students to expect safe jobs and to foster entrepreneurial attitudes, beliefs and skills.

According to the 2003 Implementation Report on EU Charter for SMEs, entrepreneurship was not a subject of study in any elementary school within BiH. Entrepreneurship was neither obligatory nor optional subject of study in secondary schools within FBiH or RS. In Brcko District (BD), as pursuant to the Curriculum for secondary economic schools, entrepreneurship was introduced as an obligatory subject in the 2nd and 3rd grade.³² According to the same report for 2005, some progress has been made in the secondary education. In high schools in FBiH, within the framework of related subjects, students are being introduced to the basic concepts of entrepreneurship through a certain number of hours in the lectures³³. Still it is neither a common practice nor obligatory subject in all schools. The situation differs when it comes to the RS where a new subject has been introduced by the new Curriculum and the program for the vocational schools, named *Basic Entrepreneurship* that will be studied in the third grade.³⁴ Brcko District has also made some progress due to inclusion of subjects dealing with entrepreneurship in the Curriculum for secondary economic schools as a compulsory subject. There also introduces related courses at the Faculty of Economics.

In respect to the informal education on entrepreneurship, BiH has undertaken some measures to promote informal entrepreneurship education rather through single initiatives such as web portal for starting a business,³⁵ case study competition 'Balkan Case Challenge 2007',³⁶ and Crossroad project³⁷. However, the informal education needs to be approached more systematically in order to be able to produce concrete results.

Hence, the current situation, with respect to education and labour market, is disorganized. Certain education and labour market reforms are underway and they have some success. For example, Law on Higher Education has been adopted. However, it does not accommodate needs of the labour market because it is not viewed through cross-sector lenses. As a matter of fact, **all reforms in the sectors of education and labour market are completely detached from each other.**

³¹ Statistical Offices in Bosnia and Herzegovina, Household Survey Panel Series (HSPS, 2001–04).

³² European Charter for SMEs, *Report of charter implementation*, 2003.

³³ European Charter for SMEs, *Report of charter implementation*, 2005.

³⁴ *Ibid.*

³⁵ Information available at web: <www.pokreniposao.ba>

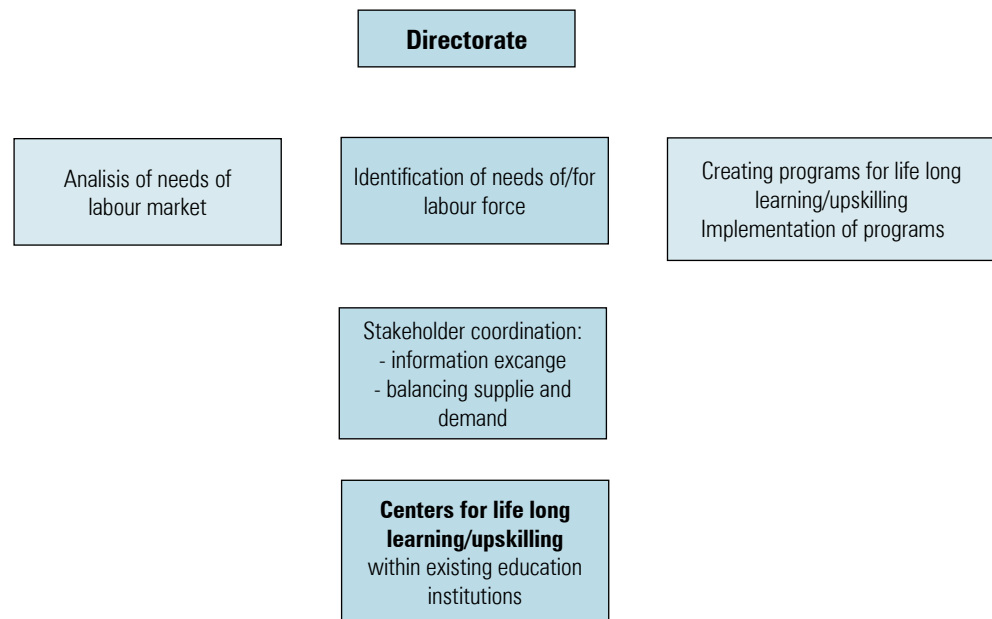
³⁶ Information available at web: <www.bc-challenge.org>

³⁷ The project Supported by Delegation of the European Commission in Bosnia and Herzegovina was intended as human resources incubator (for members of Sarajevo University's student population) for starting up new SME's, as well as contact point between students and business subjects they will be integrated into after finishing their studies.

Further on, **there is no single institution that has competences to deal with education and labour market simultaneously and holistically thus ensuring adequate balance of supply and demand side** for benefit of development of BiH. The Ministry of Civil Affairs of BiH has a unit that deals with Education, Culture and Sport but it does not come even close to what is required at the moment.

The possible solution would be a Directorate for Human Resources Development directly responsible to Council of Ministers (CoM) with similar competences that Directorate for European Integrations (DEI) or DEP have (Scheme 1).

Scheme 1:
Tasks and responsibilities
of Directorate for Human
Resources Development



3.3 Where, when and how human resources development happens in BiH?

There is no coherent planning or institution on state, entity or cantons level that is dealing with human resources development. Regardless of above mentioned impediments, BiH economy needs specific knowledge and skills that are not readily available, on daily basis. Only place where some activity regarding the human resources development happens in BiH is at municipal level (Box 1).

**Box 1: Examples of human resources development at municipal level in BiH**Mrkonjic Grad municipality

This municipality is relatively underdeveloped even for BiH terms. Economic activity is limited to service provision, agriculture and forestry. After the local elections new administration was put in place and they are trying to capitalise on development of SMEs. Single largest cluster of employment and revenue in municipality is provided by primary wood production and decision makers are trying to expand this activity even further. For these purposes they are giving various subsidies (one time grants, no registration fees, lower taxes) to wood processing business to expand their activities. They managed to increase wood processing activities through these actions in 2007. Need for 100 skilled wood mill workers were presented very early. The representatives of wood processing cluster contacted municipal authorities and explained that they need this profile of workers. Municipality contacted its local development agency asked them to organise training. After one month 100 persons were educated to work in wood processing industry.

Kozarska Dubica municipality

Main economic activity within this municipality is agriculture. Dairy and meat production predominates within the agricultural total output and it is in constant need of highly skilled workers. Veterinarians and food processing technicians are in high demand because industry is big and it is expanding. For example, 59 million litres of milk is produced in 2007, compared to 8 million litres that Zenica municipality produced, which is much bigger and more populous municipality. Only measure that decision makers are doing to supply these profiles of workers for local industry is through scholarships for students that decide to pursue these professions. At the moment they are procuring this kind of subsidy to 50 students taking courses in BiH, Croatia and Serbia.

Zenica municipality

It is second most populous municipality in FBiH. Their economic activity is diverse and municipal authorities are trying to increase outputs of existing businesses and stimulate introduction of new activities. The most successful activity, undertaken by them, is in their 'business incubator' for SMEs that are focused onto production rather than service industry. Businesses situated on premises of incubator are paying only utility bills for first two years. In some instances they are given one time grants for each employee that they hire (up to 2.200KM). In instances that business needs specific skilled workers they are not assisted to train them. For example, a new factory for Persian rug-making is opening and 10 persons are going Turkey to acquire this specific knowledge and be trained how to train others once they are back to BiH.

So, human resources development is happening at municipal level. However, it is dealt with almost exclusively at *ad hoc* basis. Further on, it occurs only providing that there are substantial incentives to private business. In addition to this, persons that acquire some sort of new knowledge and skills do not have certificates that can be used for their future employment because current education system does not deem them valid. For this reason these individuals are having much harder time to acquire jobs once unemployed or wishing to change place of work than persons that have 'official' diplomas or certificates regardless of their work experiences.

4. We can fix it and kick-start development

Following the analysis of the main constraints regarding the human resources development several scenarios for possible solutions presents itself. The criteria for solutions followed the identified main problems in previous analysis:

- a) Lack of single institution that has competences to deal with education and labour market simultaneously and holistically,
- b) Human resources development not integrated as part of BiH Development Strategy at sector wide level,
- c) Lack of policy or strategy for human resources development at state and entity levels.

Following policy options have been considered, with their expected results:

Policy option	Consequences
1. Status quo is nourished and human resources development remains neglected because there is no single institution dealing with issue, it is not included in new BiH Development Strategy and there is no policy or strategy at state and entity levels.	There is no real progress in development as economy remains stagnant. IPA and ESF funds are not spent sufficiently and BiH is not prepared for future absorption of these funds. Trend of low level of job creation continues as pressure on the labour market continues leaving economic activity at low base level. There is no coherent approach on how to develop a knowledge-based economy as all EU member states are doing.
2. Human resources development is integrated as part of new BiH Development Strategy at sector wide level (labour market, different types of education and training, SME development, higher education).	There is a consensus among top level decision makers that human resources development is important and integral part of development. A first decisive action is taken putting BiH development on right track. Planned approach to development. Mechanism for drawing IPA and ESF funds is established.
3. Directorate for Human Resourced Development is established at state level directly responsible to CoM, human resourced development is integrated as part of new BiH Development Strategy at sector wide level and there is Policy/Strategy for Human Resources Development at state and entity levels.	Planned approach to development is taking place as seriously as in other European countries. Several decisive actions must be taken in order to put BiH on right track. Institutions in charge are strengthened to develop strategy / policy and framework of legislations is in place. Integrate human resources development strategies and policies are initiated at education and labour market (employment) levels.
4. Directorate for Human Resourced Development is established at state level directly responsible to CoM, human resourced development is integrated as part of new BiH Development Strategy at sector wide level and there is Policy/Strategy for Human Resources Development at state and entity levels followed by comprehensive labour market reform and educational reform.	Competitive human capital is starting to be generated which is able to respond to challenges before the knowledge based economy paving the road to quick economic recovery due to removal of essential obstacles to development because both demand side (labour market) and supply side (education system) are being planned and programmed for the purposes of rapid development of whole society.

After the analysis **third policy option is recommended** as the best option due to following reasons:

- Firstly, **it is time efficient** because existing institutional arrangements can be effectively utilise to put this policy option in place. Directorate for Human Resources Development can be established following the procedures used for establishing DEI and DEP because they are also directly responsible to CoM; new Directorate can be organised in similar fashion as DEI and DEP.



- Secondly, **there will be limited political opposition** because administrative structures and competences at various levels will not be meddled with because Directorate would operate just as established once do (DEP and DEI).
- Thirdly, it will result that **human resources development at central level is synchronised with entity levels** thus making it a coherent state-wide approach. By establishing a Directorate a synergetic effect would be created with DEP (directly responsible for creating BiH development strategy) thus ensuring that human resources development is integrated as part of new BiH Development Strategy at sector wide level.
- Fourthly, it will address human resources at its core and **prepare ground works for next steps** which are reforms of labour market and education.

There are two possible shortcomings of this policy option First is that a policy recommendations or strategic priorities fail to be operationalised due to the lack of secured and steady sources of financing. However, this treat can be eliminated if Ministries of Finance and Treasury, at state and entity level, are involved through whole process and in charge of implementation, as experiences of EU countries with successful development track record are showing. Second threat is that establishing a Directorate becomes protracted affair due to political squabbles.

Second policy option could be considered on following ground:

- Firstly, it is most time efficient because it does not require establishment of any institution.
- Secondly, there will be almost no political opposition.

This policy option is easiest to implement. However, this policy option is not recommended as the optimal one due to the substantial number of shortcomings. These shortcomings are as follows:

- Firstly, there is a strong possibility that human resources development will be mentioned just to fulfil expected criteria as it was in previous instances.
- Secondly, it will result that human resources development strategy exists only at central level and that there is no connection with entity levels.
- Thirdly, it will fail to prepare human resources development at its core and prepare ground works for next steps which are reforms of labour market and education.
- Fourthly, policy recommendations or strategic priorities might fail to be operationalised due to the almost certain lack of secured and steady sources of financing.

Fourth policy option would be best for human resources development. However, it has two substantial shortcomings:

- Firstly, it is not time efficient because existing institutional arrangements must be enhanced in order to effectively utilise this policy option if labour market and education reforms are to take place.
- Secondly, there will be substantial political opposition because administrative structures and competences at various levels will be impeded due to the necessity of labour market and education reforms.

5. Recommendations

Considering current very substandard situation in BiH in respect to the human capital and its development it is of utmost importance for BiH to seriously approach this issue immediately. The government needs to become actively involved in the advocacy and promotion of, as well as development of the friendly conditions for, human resources development. For the adequate development of the human resources in BiH, the government needs to adopt the legal frameworks for development of universities that would adequately prepare human capital, encourage entrepreneurship and support innovations and of Science and Technology sector capable to meet the challenges of knowledge driven economy.

With respect to whole analysis recommendations are presented in several categories. First set of recommendations is targeting the possibilities of improvement of institutional setting:

1. It is advisable that a central authority on human resources development is established at state and entity levels. Ideally this central authority would be Directorate for Human Resources Development attached/responsible to CoM.
2. Achieve policy coherence, reduce operational costs and overcome the notion of separateness and fragmentation of the labour market and education; ensure that reforms in labour market and educations are interconnected and have cross-entity character.
3. Adopt necessary legal framework and ensure its qualitative implementation:
 - Higher education Law that would respect principles set by the Bologna process including ensuring of the adequate accreditation system, allowing for mobilization, securing the quality of education.
 - Amend Laws on Work with special attention to the voluntary work and internships regarding their work experience same as paid work experience.
 - Science, Technology and Innovation laws as recommended by ANUBiH Strategy that would secure proper management, development and financing of the Sector.
 - Law on Protection of Intellectual Property and ensure implementation of the Law on establishing the Institute for Intellectual Property of BiH and effective work of Institute.

Regarding the labour market in context of human resources development, following recommendations are put forward:

1. Attract more people to enter and remain in labour market
 - There is an urgent need to develop a coherent strategy for attracting people from informal and into the formal economy, with a clear implementation strategy including leadership arrangements.
 - Active labour market programmes must be rebalanced, with fewer resources allocated to grants and loans to employers, and more to basic employability training for unemployed people.
 - The functioning of the employment services must be improved by clearly identifying their purpose and priorities.
 - Improving the cost-efficiency of the employment services in the Federation by re-examining the institutional arrangements, reviewing operational procedures and processes, improving the services to unemployed people through a higher quality of information, counselling and guidance.
 - Revise the pay system in formal sector and increase role of the employer in process of negotiations.



2. Ensure the cooperation between private-public sectors:
 - Encourage investment in adults' education and upskilling by the private sector.
 - Encourage businesses to clearly articulate skills requirements and accordingly reorient education and training programs to fit with their demands.
 - Develop exchange scheme and allow for practical units to take place in the business institutions.
 - Organize secondments between private sector and educational institutions.
 - Develop links between academia and private sector to help develop new ideas and innovative concepts.

Regarding the education in context of human resources development, following recommendations are put forward:

1. Efforts must be continued to achieve better cooperation between the education and training sectors and the labour market at all levels.
2. Permanent upgrading of the skills of the population through short-term measures (for example, promoting the participation of adults in training within the framework of active labour market measures).
3. Development of strategic approaches to adult learning
4. Secure the maximum investments in education and research in such way as to:
 - Secure adequate public funding for educational and research institutions.
 - Secure private – public partnership (cooperation) in respect to financing of the research and development projects as well as providing the scholarships for high achievers.
 - Secure sufficient and adequate salaries for the academic and research staff working at the universities and public research institutions so in addition to lecturing they would have time and encouragement to dedicate their time to research.
 - Secure adequate space, technological equipment and infrastructure.
 - Ensure that research and development spending is focused on areas of high-growth potential
5. Ensure the Curricula that will include:
 - Dedication to creative individual with entrepreneurial capabilities and high technological knowledge, individual who would be able to take on a high level of personal responsibility for his/her own training and education and, in addition to formal, organized means of education, to look for new.
 - Quality trainings in new technologies.

More interaction with information and technology.

- Trainings that work on developing ability to learn new skills, work in diverse and virtual environments.
- Encourage the development of problem solving skills through use of logic or resources.
- Encourage the business education at the undergraduate level as well as management courses in non-business careers.
- Education institutions should focus on achieving excellence in specific subject rather than coverage.
- Increase re-training and assessments academic staff.
- Move towards a position whereby education is approached as a continuous process of development that lasts a lifetime whereas the academic institutions provide a continuum from pre-service training through induction to continuing professional development, adapting and rebalancing training programs as needed.

Country	Bulgaria	Estonia	Latvia
Document	National Development Plan of the Republic of Bulgaria	Estonian National Development Plan for the Implementation of the EU Structural Funds	National Development Plan
Implementation period	2007 - 2013	2004 - 2006	2007 - 2013
Vision	By 2013 Bulgaria should become a country with a high standard of living, based on a sustainable socioeconomic growth in the process of full integration in the European Union	Fast, socially and regionally balanced sustainable economic development.	People First
Strategic priorities	To achieve its vision, Bulgaria has to realise at two strategic medium-term goals: - To attain and maintain high economic growth by dynamic knowledge economy in accordance with the principles of sustainable development - To improve the quality of human capital and to achieve employment, income and social integration levels, which provide high living standards	The central objective of the strategy is to make better use of the learning capacity of the country's human resources and seize the opportunities presented by new technologies and expanding markets. Promoting innovation in the business sector shall do this and anticipating the risks that occur inevitably as cost-based competitive advantages will begin to decline.	<ol style="list-style-type: none"> 1. An educated and creative individual 2. Technological excellence and flexibility of companies 3. Development of the science and research 4. Development of the country and society 5. Favourable environment for business and living 6. Improvement of welfare
Structure of sub priorities	<ol style="list-style-type: none"> 1. Improvement of the competitiveness of the Bulgarian economy; 2. Development of human resources and improvement of the social infrastructure; 3. Improvement and development of the basic infrastructure; 4. Development of agriculture and rural areas; 5. Sustainable and balanced regional development 	<ol style="list-style-type: none"> 1. Human resource development 2. Competitiveness of enterprises 3. Agriculture, fisheries & rural development 4. Infrastructure and local development 5. Technical assistance 	<ol style="list-style-type: none"> 1.1. Qualitative and accessible primary and basic education, compulsory secondary and competitive higher education 1.2. Preparing the labour force to meet the demands of the labour market 1.3. Life-long learning for increasing a person's creative potential and the quality of life 1.4. Modernization of the educational infrastructure 2.1. Commercialisation of the results of applied science, innovation and technology transfer 2.2. Application of knowledge in boosting the competitiveness of companies 2.3. Creation of new competitive companies 2.4. Development of creative industries 2.5. Sustainable and efficient use of natural and energy resources 3.1. Excellence in basic science 3.2. Renewal and development of basic and applied science research potential 3.3. Modernisation of scientific infrastructure in scientific institutions 4.1. Good governance as a warrant for a sustainable development policy 4.2. A secure, unified and civil society 4.3. International dimension of Latvia's development 5.1. Regional development 5.2. Modern infrastructure and services 6.1. Healthy people in a sustainable society 6.2. Inclusive and steady labour market 6.3. Accessible housing and a civilized living area
Budget			
Financing	Bulgaria is aware that access to finance can be a difficult barrier, especially for SMEs. It is therefore developing a plan to draw in the EIB and EIF or other possible partners financial institutions to ensure that investment capital for good projects is available for EU structural funds private co-financing. The most important challenges facing the public finances concern the transition from a one-year, expense-oriented budget to a multi-year program budget wherein the revenues and expenses are motivated by the execution of long-term programs. The elaboration of a multi-year, program-oriented budget is a necessary prerequisite for the efficient implementation of the operational programs.	The Human Resource Development priority will be co-financed by the European Social Fund (ESF). The Competitiveness of Enterprises priority will be co-financed by the European Regional Development Fund (ERDF). The Agriculture, Fisheries and Rural Development priority will be co-financed by the Guidance section of the European Agricultural Guarantee and Guidance Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG). The Infrastructure and Local Development priority is co-financed under the European Regional Development Fund (ERDF) The Technical Assistance priority will be co-financed from all the Structural Funds in proportion to their contribution to SPD	The implementation of sectoral and regional development priorities of the NDP is financed by the state budget and that of local governments, by foreign financial aid, attracting private financial capital, as well as via the application of the instruments of the European Union policies

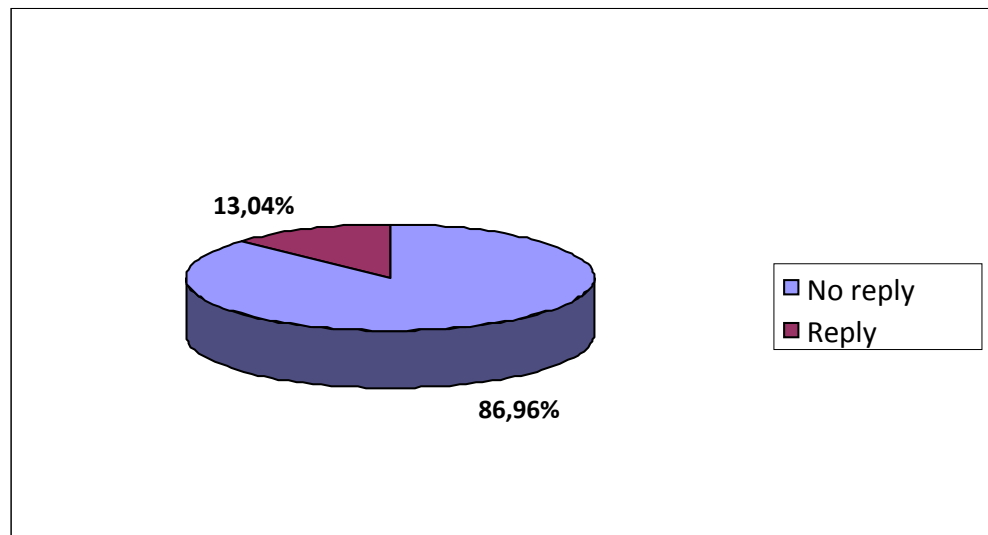
Romania	Poland	Ireland	Czech Republic
The National Plan for Research, Development and Innovation	National Development Plan	National Development Plan	National Strategic Reference Framework of the Czech Republic
2007 - 2013	2004 - 2006	2007 - 2013	2007 - 2013
Aiming at achieving three general objectives shall be performed according to a long term vision regarding the National RDI System and its role in society	Social solidarity, maintenance of cultural and environmental values as well as promotion of equal opportunities on labour market.	Transforming Ireland - A Better Quality of Life for All	The Czech Republic and its regions rank among the most developed countries and regions of Europe and the world.
NP II aims at achieving the three strategic objectives of the National RDI System, namely: 1. Creating knowledge, in the sense of achieving leading edge scientific and technological results, competitive at global level, in order to increase the international visibility of the Romanian research and to subsequently transfer the results in the socio-economic practice. 2. Increasing the competitiveness of the Romanian economy by innovation, with impact at the level of companies and by transferring knowledge in the economic practice. 3. Increasing the social quality, namely finding technical and scientific methods which support the social development and improve its human dimension.	The strategic goal of the National Development Plan is to develop the competitive economy based on the knowledge and entrepreneurship capable of long-term harmonized development to ensure employment growth and improvement of social, economic and spatial cohesion with the European Union at regional and national level.	Economic Infrastructure Enterprise, Science and Innovation Human Capital Social Infrastructure Social Inclusion	1. Competitive Czech economy 2. Open, Flexible and Cohesive society 3. Attractive environment 4. Balanced Development of Territory
I) Human resources II) Capacities III) Ideas IV) Partnerships in the main domains 1) Information and Communication Technology 2) Energy 3) Environment 4) Health 5) Agriculture, food safety and security 6) Biotechnologies 7) Innovative materials, processes and products 8) Space and security 9) Socio-economic and humanist research V) Innovation VI) Sustaining the institutional performance	Assistance in achieving and maintaining of high GDP long-term growth, increase in employment and education level , incorporation of Poland into European transport and information infrastructure networks, intensification of the process to increase the share of high-value-added sectors in the economy structure, development of the technology of information society , assistance in the participation of all regions and social groups in Poland in the development and modernization processes.	North/South co-operation in the full range of policy areas, including: - infrastructure provision; - science, technology and innovation projects; - enterprise and training; - tourism; - health services; - education; - environment; - energy; - agriculture and fisheries; - culture and heritage; - social inclusion; and - reconciliation projects.	1. Competitive business sector Support of R&D capacities Development of sustainable travel and tourism sector 2. Education Increasing employment and employability Strengthening of social cohesion Development of information society Smart Administration 3. Protection and improvement of the quality of environment Improving accessibility to transport 4. Balanced regional development Development of urban areas Regional competitiveness and employment - the Capital City of Prague Territorial cooperation
I) Human resources - 1350 million lei; II) Capacities – 2025 million lei; III) Ideas – 2700 million lei; IV) Partnerships in the main domains - 5400 million lei, of which: 1) Information and Communication Technology 10% 2) Energy 10% 3) Environment 14% 4) Health 14% 5) Agriculture, food safety and security 12% 6) Biotechnologies 7% 7) Innovative materials, processes and production 15% 8) Space and security 8% 9) Socio-economic and humanistic research 10% V) Innovation – 2025 million lei; VI) Sustaining the institutional performance - 1500 million lei; Total 15 000 million lei	Refer to NDP Poland, pg 140	Euro / billion Total Investment (Current Prices) Economic Infrastructure 54.7 Enterprise, Science and Innovation 20.0 Social Infrastructure 33.6 Social Inclusion 49.6 Total 183.7	For the new programming period, the Government of the CR approved the Methodology of financial flows and the control of programmes co-financed by the Structural Funds, the Cohesion Fund and the European Fisheries Fund for the programming period 2007 - 2013. All resources of SF and CF are integrated into the state budget. Public budgets of the CR will therefore have to expend at least EUR 4.7 billion in the period 2007- 2015, in order to utilise the maximum allocation that will be available for the 2007 - 2013 programming period.
	The total amount of public funds (structural funds, Cohesion Fund, national funds) for the implementation of the National Development Plan 2004-2006 will reach € 14891.5 million, of which € 11368.6 million (76,3 % of the total amount) will be the Community funds contribution. These funds will be utilised from 2004 to 2009, and in case of the Cohesion Fund even till 2010. From the total amount of € 11368.6 million being the Community contribution to the NDP implementation, € 7635.3 million (67.2 %) will be given as the structural funds (ERDF, ESF, EAGGF, FIFG) contribution. From this amount, € 7320.7 million will be utilised for the implementation of Community Support Framework (operational programmes), and € 314.6 million for the implementation of Community Initiatives (INTERREG, EQUAL). In order to implement the co-financed by structural funds development activities there will be given the public national funds contribution of € 2861.4 million. It means that the total amount of the public funds assigned for the implementation of the co-financed by structural funds programmes will amount to € 10496.7 million. The average level of the co-financing from the Community funds will reach 72.7%		

Annex 2 – Breakdown of the policies and strategies delivered upon request

For the purpose of the policy study request for delivery of information regarding the development strategies, policies, programmes and plans in sector of their home institutions was sent to addresses of 46 institutions in Bosnia and Herzegovina, invoking the Law on Access to Information on October 18th 2007. Queried institutions included ministries (both on the state and the entity level), various commissions, agencies, directorates, bureaus, offices etc. The letter was sent to contact persons in institutions using the letterhead of ACIPS Center for Policy Research. Letter contained brief description of activities and purpose of request.

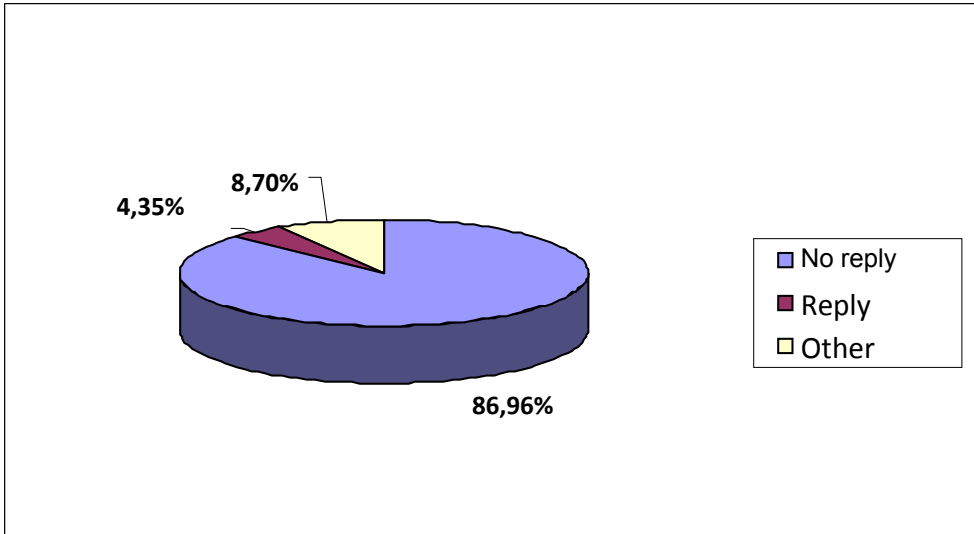
Upon this request, responses were received from six (13.04%) institutions in total (Scheme 1).

Scheme 1:
Reply vs. no reply for information delivery



Out of these six institutions that replied structure of responses was as follows (Scheme 2):

- two institutions (4.34% of all sent requests) have indeed sent their policies (seven documents altogether),
- one institution replied that creating development documents was not in their scope of activities,
- one institution replied that their policies and strategies are embodied in PRSP strategic planning,
- one institution mentioned existence of a document defining the strategic program of entity FBiH,
- one institution listed its sector strategies that are in process of preparation.



Scheme 2:
Number of documents sent

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Open
Society Fund
Bosnia & Herzegovina

A "Policy Development Fellowship Program" has been launched by the Open Society Fund BiH in early 2004 with the aim to improve BiH policy research and dialogue and to contribute to the development of a sound policy-making culture based on informative and empirically grounded policy options. The program provides an opportunity for selected fellows to collaborate with the Open Society Fund in conducting policy research and writing a policy study with the support of mentors and trainers during the whole process. Thirty eight fellowships have been granted in three cycles since the starting of the Program. All policy studies are available at www.soros.org.ba