Abstract

This article is focused on significance and necessity to include Canton Sarajevo into development planning process in Bosnia and Herzegovina as a precondition for accession of our country to EU. Apart from significance and development planning process, special attention is being paid to the need to integrate and include, in organizational-management sense, all cantons in Federation as implementation units in that process. Present strategic planning process in Bosnia and Herzegovina has focused on state and entity level, while in future it is necessary also to include lower governmental levels, especially cantons in Federation of Bosnia and Herzegovina which represents a task of this article. In the article, present process issues and development planning results in BIH are being presented as well as the process of strategic development documents implementation, monitoring and canton level reporting. Additionally, legal framework is also being presented due to the fact that it establishes obligation to create action plans and establish implementation units at cantonal level. The aforementioned legal framework defines Federal Institute for Development Programming as the key coordinator of all activities. Canton Sarajevo’s Action Plan for Strategic Planning is structured in line with strategic development goals determined in state BIH development documents referring to the following areas: macro stability, competitiveness, employment, sustainable development and social inclusion. Significance of action planning is being emphasized in the conclusion but only as a first step in BIH development strategy assuming creation of other relevant development aspects (social, economic and environmental). Also, necessity to harmonize aforementioned aspects with spatial planning documents is being
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emphasized. Sarajevo Canton has been continuously focusing its activities on this segment for a longer time period.

Keywords: Development planning, Canton Sarajevo, Action plan, Development strategy.

Introduction

Strategic planning introduction, according to the modular principle which follows principles of open method coordination being applied in the European Union, represents preparation of development actors at all governmental levels in Bosnia and Herzegovina for implementation of EU joint development goals as well as for implementation of economic and cohesion policies once it becomes an obligation of the country as a full member of the Community. Development actor’s capacities for future implementation of pre-accession funds (especially IPA III, IV, V) and structural funds from the moment when BIH becomes a member of European Union are being built in the frame of the present development planning process at all governmental levels. Practice of all new EU members demonstrates that process of learning and adjustment of development planning to the principles of EU development policies is a long-term process which can lasts for years (7-10). Thus, it is necessary to start with those processes as soon as possible in order to timely build capacities for EU funds absorption. The first step in this process represents adoption of joint strategic development framework and introduction of open method of coordination that has been started in BIH based on preparation of BIH Development Strategy and BIH Social Inclusion Strategy 2010–2013.

Present strategic planning process in BIH has been focusing on state and entity levels while in future it is necessary to include lower governmental levels in this process, especially cantons in FBIH.

BIH Directorate for Economic Planning (DEP) is competent body for process coordination at state level and towards entities, while Federal Institute for Development Programming as an entity coordinator in FBIH, based on decision of Government of Federation of BIH, is also competent for coordination of process of cantonal level inclusion to the development planning process in BIH.

Process of inclusion of cantons in development planning of BIH is being financially supported by Swiss Agency for Development and Cooperation – SDC. The aim of the project of implementation of Development Strategy (DS) and Social Inclusion Strategy of BIH (SIS) that has been implemented in year 2012 is to establish a function of a coordinator for implementation of DS/SIS. This assumes creation of pilot action plans, training and qualifying for preparation of cantonal annual reports as well as education of staff included in working groups.
Overview of present development planning process and results in Bosnia and Herzegovina

Bosnia and Herzegovina has started with introduction of modular strategic development planning process, which is in line with EU methodology of open method of coordination (OMC)\(^1\), in order to introduce European standards at the mere beginning of BIH introduction process. Those standards will provide synchronized inclusion of all relevant development actors in BIH into the process of strategic planning and process of implementation of policies and activities in order to realize it. Due to the complex governmental structure in BIH which includes different decision making levels, it is necessary to include a large number of public actors and civil society actors at different governmental levels in order to realize successful implementation of strategic planning process. Thus, introduction of joint standards in the process of creation of development documents, creation of its implementation plan as well as monitoring and reporting represent a long-term process. Therefore, entire time period, from year 2010 to 2013, which refers to BIH Development Strategy and BIH Social Inclusion Strategy needs to be viewed as a period of learning and establishment of necessary infrastructure for development planning at existing BIH political system levels as well as time period for gradual adoption and implementation of joint EU relevant standards. (Anon. 2000; Anon. 2010a; Anon. 2010b)

BIH economic and social development strategies should enhance consensus in BIH community on necessary joint directions for economically effective, environmentally sustainable and socially fair development in the interest of the present and future generations. Additionally, those strategies should animate all key development actors to contribute to aforementioned directions in accordance to its competences and capabilities respecting the highest level of responsibility, transparency and searching for possible inter-synergies. Respecting of three dimensions is at core of the consensus: environmental dimension, economic and social that should be equally respected in the frame of local, and entity/cantonal sustainable development strategies as well as in the frame of the action plans for effective realization of defined BIH strategic development goals.

Existing strategies in BIH will serve as a base for preparation of strategic framework for implementation of EU IPA programme that would support realization of

\(^1\)In 2000, EU Council (made of all presidents of governments) adopted a new methodology of development programming coordination in EU called *Open Method of Coordination* – OMC as a key mechanism for successful coordination of development planning and implementation of jointly adopted strategic development priorities at EU level. According to OMC in order to realize jointly adopted strategic goals, each and every EU member country should clearly define bodies and institutions that would at different governmental level in each and every country and in different phases of strategic planning, provide the following: (1) political decisions and responsibility for the implementation, (2) those that would provide technical-administrative capacity for process conducting, as well as (3) mechanism of coordination with nongovernmental sector and social partners in all phases of development planning process.
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development priorities. Furthermore, implementation plan assumes that Bosnia and Herzegovina during the period of strategies implementation, will gain status of a EU candidate country thus undertaking obligation to prepare joint European directed strategic documents such as: Memorandum on social security development and improvement of social inclusion of vulnerable groups (JIM) as a joint EU and BIH strategic document and preparation of Strategic Coherence Framework – SCF\(^2\) as a framework for implementation of European development policies on national level and creation of operative programmes (OP)\(^3\) at state and entity level (including cantons in FBIH) in line with their competencies in the process of implementation of economic and social policies. Also, strategies represent framework for coordination and direction of development assistance by donors and international development institutions during the time of its implementation.

Entire process of introducing of strategic planning is professionally and financially supported by international community (DFID, ECD, ADA and SDC).

Process of implementation of strategic development documents, monitoring and reporting at cantonal level

Broader goals of BIH Development Strategy and BIH Social Inclusion Strategy have been adopted at all governmental levels (BIH, FBIH – including here representatives of cantons/RS/BD). In line with general modular approach, strategies represent joint direction for operative interventions that would be undertaken at each and every governmental level in accordance to the specific needs, possibilities and priorities.

Purpose of action planning is to operationalize jointly agreed goals and policies for the realization of development priorities. So, action plan (AP) should translate priorities and measures determined for each and every sub goal (or goal SIS) into specific, timely defined and financially planned activities that take local conditions into consideration (needs, resources and priorities). Action plan defines carriers of

\(^2\) National Strategic Coherence Framework – SCF represents a strategic document (in case of pre-accession funds for IPA funds components) and is being created based on national development strategy and multiyear indicative planning document (MIPD). The aim is to ensure consistency between IPA programme components and national and European priorities (especially Lisbon goals). SCF represents a framework for operative programmes that furthermore elaborate defined priorities.

\(^3\) Operative programmes (OP) represent operationalization of action programmes in the sense of financial support to the implementation. In the context of structural funds and instruments of cohesion policy, it represents a document that is made by member country and approved by Commission for implementation of Framework for Community support/ national strategic coherence framework. It contains consistent chain of priorities made by multi annual measures. It can be conducted by using of one or more funds, and by using of one or more financial instruments as well as via EIB. NOTE: OP contains measures requesting financing and different finance sources that support implementation of measures are being stated (domestic, donors, EU funds, private sources).
activities and points at institutional partners for conducting of activities. Due to the fact that strategic goals as defined in SD and SIS are of inter-sector nature, action planning includes a large number of actors at each and every level. Thus, here we speak about a complex venture that requires harmonized and checked methodology and efficient coordination.

Monitoring of implementation and regular reporting contributes to the transparency of conducting of adopted activities. In the area where key indicators of development trends are being followed for BIH, as a community (annual report on BIH development), for entity (annual report on development of FBIH, RS, BD) as well as for cantons (annual report on cantonal development) they show achieved results in the frame of strategic development goals. In this part, they should demonstrate clear picture of activities in all parts of BIH as well as development direction. Therefore, reports would serve as a professional/expert base and incentive to the work of the governments. Thorough guidelines for creation of system of monitoring and reporting at cantonal level will be elaborated in the frame of the second step upon finishing of action planning process.

In this phase, cantonal governments should prepare pilot versions of action plan (AP) of DS and AP of SIS for time period 2012–2013, when strategies’ duration officially ends. Purpose of entire process is primarily to build capacities and competences necessary for introduction of OMC method in BIH and to prepare synchronized approach for implementation of new iteration of development planning that should refer to the following time period 2014–2020. In order to successfully conclude first phase of introducing of cantons into the process, that is, in order to successfully conduct action planning for realization of DS and SIS at cantonal level, it is necessary to conduct following steps: (Anon. 2000)

• Establishment of a function of implementation coordination at cantonal level;
• Preparation of basis for working groups activities as well as training and education of working groups members;
• Creation of working groups for preparation of AP DS and AP SIS in each and every canton;
• Coordination of the preparation process regarding AP DS and AP SIS in each and every canton.

Methodology

Goal of the implementation of Development Strategy and Social Inclusion Strategy of BIH is to establish a function of a coordinator of implementation of DS/SIS in each and every canton. This assumes creation of action plans, training and qualifying for preparation of annual cantonal reports as well as training and education of the staff that would be included in working groups.
In accordance to the general modular approach⁴, BIH strategies represent a joint direction for operative interventions that would be undertaken at each and every governmental level in line with specific needs, possibilities and priorities.

Purpose of action planning is to operationalize jointly agreed goals and policies for realization of development priorities. Action plan (AP) should translate priorities and measures determined for each and every sub goal into specific, timely defined and financially planned activities that take local conditions into consideration (needs, resources and priorities). Action plan defines carriers of activities and points at institutional partners for conducting of activities. Due to the fact that strategic goals as defined in SD and SIS are of inter-sector nature, action planning includes a large number of actors at each and every level.

Purpose of entire process is primarily to build capacities and competences necessary for introduction of OMC method in BIH and to prepare synchronized approach for implementation of new iteration of development planning that should refer to the following time period 2014–2020.

Canton Sarajevo Action plan for strategic planning for year 2013 has been structured in line with strategic development goals determined by development documents of Bosnia and Herzegovina, which are:
- Macro stability;
- Competitiveness;
- Employment;
- Sustainable development and
- Social inclusion.

At the state and entity level, working groups have been based on strategic goals and sub goals of DS or SIS goals as shown in table below. Process coordinators have provided a moderator for each and every working group. Moderator’s task has been to professionally direct work and to define priorities and measures. Thus, 18 working groups have been established (as shown in table below) which performed a function of preparing of strategic documents.

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⁴ Modular approach in strategic planning process assumes that each and every governmental level in Bosnia and Herzegovina represents a separate module in the frame of development strategic planning system. In this regard, module is comprised of: BIH, Federation of Bosnia and Herzegovina (FBIH), Republic of Srpska (RS) and Brčko District (BD), while in the frame of FBIH there are cantons and local communities. Modular approach means that while creating development strategies starting points are: strategic documents of particular modules, defined joint goals, sub goals, priorities, measures and activities which refer to entire BIH, that is, to whole modules and specific measures and activities for particular modules.
### Table 1: Goals and sub goals of chosen action planning areas

<table>
<thead>
<tr>
<th>Goal</th>
<th>Sub goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macroeconomic stability</td>
<td>Public finance</td>
</tr>
<tr>
<td></td>
<td>External sector</td>
</tr>
<tr>
<td></td>
<td>Financial market development</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>Clusters</td>
</tr>
<tr>
<td></td>
<td>Human resource competences</td>
</tr>
<tr>
<td></td>
<td>Development of scientific/technological and business infrastructure</td>
</tr>
<tr>
<td></td>
<td>Single economic space</td>
</tr>
<tr>
<td>Sustainable development</td>
<td>Agriculture, food production and rural development</td>
</tr>
<tr>
<td></td>
<td>Ecology and energy potential development</td>
</tr>
<tr>
<td></td>
<td>Transport and communication</td>
</tr>
<tr>
<td>Employment</td>
<td>Development of SME and job creation</td>
</tr>
<tr>
<td></td>
<td>Labour market functioning and active employment measures</td>
</tr>
<tr>
<td></td>
<td>Improving of skills available at labour market, professional education and training</td>
</tr>
<tr>
<td>Social inclusion</td>
<td>Social policy in function of employment</td>
</tr>
<tr>
<td></td>
<td>To improve condition of families with children</td>
</tr>
<tr>
<td></td>
<td>To improve education</td>
</tr>
<tr>
<td></td>
<td>To improve health protection</td>
</tr>
<tr>
<td></td>
<td>To improve retirement policy</td>
</tr>
<tr>
<td></td>
<td>To improve condition of disabled persons</td>
</tr>
</tbody>
</table>

Source: Guidelines for establishment of units for process coordination and preparation of cantonal action plans to support realization of BIH Development strategy and Social inclusion strategy of BIH, BIH, Federation of Bosnia and Herzegovina, Federal Institute for development programming, Sarajevo November 2011 to November 2012.

Based on conclusion of Government of FBIH, cantonal governments are being for the first time included (in regulatory sense) in the process of strategic planning in BIH. Namely, at its regular 157. Session held on September 21 2010. Government of Federation of Bosnia and Herzegovina gave its support to the Development strategy of BIH (DS BIH) and Social inclusion Strategy BIH (SIS BIH) and passed decision to include cantons into this process by establishing of implementation units in cantons. (Anon. 2010a; Anon. 2010b) Government also appointed Federal Institute for development programming as a coordinator. Following activities should be conducted by cantons:
- To create its action plans where aforementioned strategies will be supported at cantonal and local level and
- To form implementation units that will perform monitoring, evaluation and reporting on conducted activities at annual level. Federal Institute for development programming must be informed on aforementioned activities.
Canton Sarajevo Government passed the Conclusion on determination of implementation unit as well as Decision on establishment of team for preparation and creation of Canton Sarajevo Action Plan for strategic planning (Anon. 2012c; Anon. 2012d).

Action Plan for strategic planning of Canton Sarajevo for the year 2013 represents a starting document of a unique strategic planning process that is being implemented in the entire territory of Bosnia and Herzegovina and whose implementation will be conducted until 2014. Action plan encompasses activities which Canton Sarajevo will be conducting in future in order to implement strategic development guidelines of Bosnia and Herzegovina.

Based on decision of Canton Sarajevo Government, Institute for Development Planning of Canton Sarajevo is defined as unit for implementation of the Action Plan for strategic planning of Canton Sarajevo. In this way, Canton Sarajevo entered into functional system of development planning in FBIH and BIH (Anon. 2012c).

Institute for Development Planning of Canton Sarajevo is in charge for preparation of methodology and method of coordination as well as for involvement of all governmental bodies, authority organizations and other institutions of Canton Sarajevo in the process of creation and implementation of Action Plan, that is, in the process of preparation of proposals for solutions on forming of Team for preparation and creation of action plan for strategic planning of Canton Sarajevo (Anon. 2012c).

Team for preparation and creation of Action Plan for strategic planning of Canton Sarajevo has been formed based on strategic goals determined by development guidelines of Bosnia and Herzegovina. Apart from a coordinator, it is being comprised of three working groups:
I  Working group for strategic goals: macro stability and competitiveness;
II Working group for strategic goals: employment and social inclusion;
III Working group for strategic goal: sustainable development.

Methodology and manner of involvement of all governmental bodies, authority organizations and other institutions of Canton Sarajevo, as well as of all external associates, is based on the following:
• Development Strategy of Bosnia and Herzegovina and Social Inclusion Strategy of Bosnia and Herzegovina,
• Determined strategic goals, sub goals, priorities and measures in Action Plan of Development Strategy of Bosnia and Herzegovina,
• Guidelines for establishment of units for process coordination and preparation of cantonal action plans in order to support realization of Development Strategy of BIH and Social Inclusion Strategy of BIH (Federal Institute for Development Programming);
• Canton Sarajevo’s competences defined by Constitution of Canton Sarajevo;
• Cantonal bodies’ competences (ministries and authorities), independent cantonal authority organizations defined by Law on Organization and Scope of Authority Bodies and Authority Organizations of Canton Sarajevo (Anon. 2012a).

Preparation and creation of working material “Canton Sarajevo Action Plan for strategic planning for the year 2013”, has been conducted through several key activities. Such specific activities are the following ones: (Anon. 2012f)
• Holding of workshops for entire team, organized by the coordinator – Federal Institute for Development Programming and external consultants for strategic planning (Creation of Action Plan for DS/SIS in Canton Sarajevo FBIH, April 24, 2012);
• Overview of conditions in the area of action plans creation, linking of AP to the budget planning, creation of report on DS/SIS implementation in Canton – November 19, 2012;
• Creation of wide Situation Analysis of Canton Sarajevo 2010–2011. as a base for preparation of Action Plan conducted by Institute for Development Planning of Canton Sarajevo in consultation with Federal Institute for Development Programming;
• Individual work of the Team members and joint work on PESTLE analysis;
• Constant contacting and holding of working and operative meetings with Team members and Institute for planning;
• Constant coordination with Federal Institute for Development Programming in regards to the providing of expert assistance.

Working material “Canton Sarajevo Action Plan for strategic planning for the year 2013” is a result of team work in course of several months of joint work. It is a result of the team work of the Team for preparation and creation of Canton Sarajevo Action Plan for strategic planning and Canton Sarajevo Institute for Development Planning with expert, professional consultant assistance from Federal Institute for Development Programming and its experts for strategic planning (Anon. 2012f).

AP passed procedure of draft creation and plan proposal. It was adopted by Canton Sarajevo Government.

In the following lines we will illustrate an example of relatively good strategy for strategic goal competitiveness, sub goal 1 – cluster development and priority 1 – constant improvement of enterprises productivity:
**Table 2: Example of relatively well defined activity**

**ACTION PLAN**

<table>
<thead>
<tr>
<th>STRATEGIC GOAL COMPETITIVENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub goal 1: Cluster development</td>
</tr>
<tr>
<td>PRIORITY 1: Constant improvement of productivity of enterprises</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MEASURE 1: TO SUPPORT BUSINESS MODERNIZATION AND STANDARDIZATION</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Activity</th>
<th>Type of activity</th>
<th>Source of activity</th>
<th>Goal and Expected activity results</th>
<th>Institution (Carrier of the activity)</th>
<th>Type of competence</th>
<th>Implementation period</th>
<th>Financing (YES/NO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To map key possible clusters of small and medium enterprises in the canton</td>
<td>S</td>
<td>A</td>
<td>To recognize which are the key clusters that require assistance in its further development and internationalization</td>
<td>Ministry of Economy</td>
<td>I</td>
<td>2013</td>
<td>Budget (will be provided in 2013)</td>
</tr>
<tr>
<td>To adopt multi annual programme for linking of scientific institutions and private sector through research projects and flexible programmes of lifelong education</td>
<td>S</td>
<td>AP</td>
<td>Adopted programme of linking of scientific institutions and private sector in the field of science and research</td>
<td>Ministry for Education, Science, Culture and Sport in cooperation with Ministry of Economy and other institutions at the federal level, University</td>
<td>KO, IO</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>To prepare a handbook for economic subjects and provide availability of all necessary expert assistance for plant modernization via introducing of ISO and CE standards</td>
<td>S</td>
<td>AP</td>
<td>Improvement of business quality as well as of product and service quality and increase of efficiency and business competitiveness in at least 30% of enterprises Introduced voucher for increase of availability of expert assistance to enterprises</td>
<td>Ministry for Education, Science, Culture and Sport, Ministry of Economy and other competent institution in the canton</td>
<td>KO, IO</td>
<td>2012, continuously</td>
<td></td>
</tr>
</tbody>
</table>
To adopt multiannual incentive programme for commercialization of scientific researches in order to link scientific and economic subjects as well as providing of financial and legal support in order to achieve enhanced inclusion of science in product and service market

<table>
<thead>
<tr>
<th>IO</th>
<th>Increase of investing in innovations, research and development, introducing of new technologies;</th>
</tr>
</thead>
<tbody>
<tr>
<td>KO, IO</td>
<td>Ministry of Economy; Ministry for Education, Science, Culture and Sport, Ministry of Finance, University</td>
</tr>
<tr>
<td>2012.</td>
<td></td>
</tr>
</tbody>
</table>


**Conclusion**

Special challenges, suggestions and solutions in the process of creation, monitoring and evaluation of AP are:

- Carriers of legislative power and executive authority, governments and cantonal assemblies, must primarily understand significance and necessity of strategic planning and development guiding not only because of development of Canton and better and more pleasant citizen’s life, but also because of creation of strategic commitments that result in concrete projects which tomorrow will create opportunities for application to EU funds (that is opportunities to withdraw significant means from EU funds);
- Establishment of real framework for realization of projects and programmes determined in the Action Plan, harmonized with DOB and cantonal budget;
- Suggestions and solutions laid down in AP for which no financial support is required should be placed in special priority and carriers of those guidelines should be specifically emphasized during the implementation process;
- Regarding projects that represent a base for application to EU funds, a fund at FBIH level should be established which would guarantee support in co-financing of projects accepted by EU side.

Hence, based on analysis on preparation and creation of cantonal Action Plan it can be concluded that it represents a huge step forward in introducing of strategic planning in cantons and its involvement in strategic planning system in Bosnia and
Herzegovina. However, the biggest problem is that there are no development strategies of cantons or they are created based on various methodologies. Based on development strategy and recognized priorities in development, canton can be positioned in FBIH and it can harmonize itself with development priorities of FBIH and BIH.

In the end, conclusion is that creation of action plan represents the first step in involvement of canton, especially of Canton Sarajevo, in strategic planning process. However, this document (AP) does not reflect development strategy but it is more focused on aspects of social inclusion of inhabitants into this process which gives a completely different dimension to the entire approach. Considering actual economic situation in the country and the Region this fact is emphasized even more. So this document even more represents instrument for “fire fighting” than a document with strategic dimensions. Besides, action plan is based on five strategic goals which do not encompass other relevant areas and competencies of Canton Sarajevo (culture and cultural heritage, sport, art, tourist potentials, demographic and land policy, security and utility area). In this sense, we believe and propose an urgent approach regarding creation of general, comprehensive development strategy of Canton Sarajevo which should encompass all relevant aspects, primarily economic, social and environmental ones. Of course, balanced approach to creation of aforementioned strategy is implied here. The strategy should also incorporate and harmonize aforementioned aspects with spatial development planning documents. Canton Sarajevo is continuously working on and improving those documents. Only in this way it is possible to expect faster and more qualitative development of Canton, Federation and Bosnia and Herzegovina as entire state.

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