

Project Fiche - IPA Annual Action Programme 2007 for Bosnia and Herzegovina
Capacity Building in the field of Human Resource Management of the Central Bank of
Bosnia and Herzegovina

1. Basic information

1.1 CRIS Number:

1.2 Title: Capacity Building in the field of Human Resource Management of the Central Bank of Bosnia and Herzegovina

1.3 ELARG Statistical code: 03.09 -Economic and monetary policy

1.4. Location: Sarajevo, Bosnia and Herzegovina

Implementing arrangements:

1.5 Contracting Authority (EC): EC Delegation to Bosnia and Herzegovina

1.6 Implementing Agency: EC Delegation to Bosnia and Herzegovina

1.7 Beneficiary (including details of project manager):

Central Bank of Bosnia and Herzegovina

Ms. Ernadina Bajrovic / SPO

Marshala Tita Street No 25, Sarajevo

Tel.: 00387 33 278 238

Financing:

1.8 Overall cost: 250,000 EUR

1.9 EU contribution: 250,000 EUR (100%)

1.10 Final date for contracting: N+2

1.11 Final date for execution of contracts: N+4

1.12 Final date for disbursements: N+5

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Improvement of the institutional set up of the Central Bank of Bosnia and Herzegovina.

2.2 Project purpose:

Increasing efficiency of the human resource management in the Central Bank of Bosnia and Herzegovina

2.3 Link with AP/NPAA / EP/ SAA

The main policy documents for programming IPA setting strategic objectives of the pre-accession assistance for the CBBH are:

European Partnership: key priorities as set in European Partnership, consolidating key reforms required by the Stabilisation and Association Process, in particular:

Priority under EP-PSP 15.c. requiring production of sound and regular estimates of the Balance of Payments contributing to further development of state-level capacities in statistics. The Central Bank of BiH is responsible for compiling balance of payments of the country and the task of the CBBH is bringing Balance of Payments statistics in line with the EU standards and ECB requirements.

2.4 Link with MIPD

Multi-Annual Indicative Planning Document 2007-2009; chapter 2.2.3. European Standards, Internal Market, Single Economic Space:

Results to be achieved by the end of the first IPA programming cycle (2009):

The institutional set-up of the Central Bank of BiH will be improved through implementation of the assistance programme to the Central Bank of BiH.

2.5 Link with National Development Plan (where applicable)

Within the BiH Mid-term Development Strategy, one of the priorities is to maintain macroeconomic stability, by ensuring low level of inflation through continued actions of the Currency Board. (The Central Bank of Bosnia and Herzegovina)

EU Integration Strategy of BiH also supports the CBBH European direction.

2.6 Link with national/ sectoral investment plans(where applicable)

This activity has also been incorporated into the CBBH Management Strategic Plan.

3. Description of project

3.1 Background and justification:

The Central Bank of Bosnia and Herzegovina (CBBH) began operations in 1997 under a Currency Board arrangement. The CBBH is a state-level institution with the sole responsibility for monetary policy in the country. The key aspect of the Central Bank operations is the independence of the Central Bank ensured through the Central Bank Law. The Central Bank has maintained its independence and has successfully conducted its main task of preserving the stability of the domestic currency.

The Central Bank of Bosnia and Herzegovina plans to develop and improve its operations in accordance with the strategy of the CBBH management to move closer to European Central banking standards. In respect to this long term strategy one of the most important goals of the Central Bank of Bosnia and Herzegovina, as set by its Management, is the development of the CBBH's human capital. The CBBH believes that only with competent staff, will the CBBH be able to successfully implement the challenging tasks that lay ahead.

With the goal of establishing a modern system of human resource management in the CBBH in accordance with European standards and internationally recognized best practices, the Central Bank established a new Department for Human Resource Management (DoHRM). The DoHRM started its operations on January 1, 2007 and is responsible for all personnel issues of the 296 CBBH employees.

The new department has two sections: Section for methods of human resource management and Section for professional education and training.

The scope of work of those Sections as planned should include: activities related to personnel (employment, wages, compensations, working conditions), contracts, developing procedures, and flow charts of activities in the human resource, developing the job descriptions and systematization of job positions and reviewing, defining human resources annual plan, monitoring implementation of the plan and reporting on the implementation.

Section for professional education and training as it is planned is responsible for education and training, maintaining records, designing a career development strategy, development of a strategic planning for education and training.

The DoHRM should also develop a system of analytical and statistical reporting, data base, set up a process of employee evaluation, program orientation for new employees, improve and develop the operations of the human resource management and coordinate those activities with other departments within the CBBH.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

This activity will ensure that the staff within the human resource management are capable of conducting their tasks and responsibilities in support of the development of the human capital of the CBBH. This will resound in other departments of the CBBH, ensuring that qualified staff are attracted and are trained to meet the particular needs of each department. This activity will also develop procedures to ensure that transparent and efficient systems are in place for the processing of all personnel issues.

3.3 Results and measurable indicators:

- Result 1. Medium-term staff development plan prepared and HR Department staff trained to be capable to develop plans as recommended.
- Result 2. Efficient procedures recommended
- Result 3. Comprehensive inputs and outputs of the HR data base prepared and recommended
- Result 4. Human Resource manuals updated
- Result 5. Need assessment of the future needs in the HR in line with the best practice of a central bank, member of the European System of Central Banks.

Measurable indicators:

- Revised HR Manuals prepared
- A list of input and output in data base
- New, reviewed procedures prepared
- Plan prepared and training concluded
- Need Assessment Document Prepared

3.4 Activities:

1. Preparation and implementation of HR staff development and training strategies and plans
2. Process mapping and revision to selected procedures
3. Upgrading and revision of HR data bases
4. Updating of HR manuals
5. Alignment of CBBH HR department operations and practices with best practices of a central bank (member of the European Systems of Central Banks)

The planned activities will be executed through the Twinning Light contract (Contract 1).

3.5 Conditionality and sequencing:

All conditions have been filled. CBBH management and Governing Board agreed to start strengthening and modernizing the Human Resource management of the CBBH by establishing a new Department for HRM on January 1, 2007. This Department has been established and has 7 employees. All other steps in line with this decision are within the sole

competence of the CBBH and internal procedures made by the Management and the Governing Board of the CBBH

3.6 Linked activities

The European Central Bank and Member State National Banks of the Eurosystem as part of a CARDS 2006 funded project will conduct an assessment of the policies and procedures of the CBBH and benchmark them against those of a Member State National Bank. This assessment will be implemented from March –August 2007 and will produce a final report identifying the gaps of the CBBH policies and practice. This assessment will not review the Human Resource Management department.

3.7 Lessons learned

A previous project implemented by EUBAS supported staff development and was directed to education in banking for CBBH staff. Within this project there was a proposal for introduction of staff evaluations. However the evaluations were not properly developed and staff was not trained on how to conduct an evaluation and how to use the results of the evaluation. Therefore, it was never fully implemented and currently staff evaluations are not completed in the CBBH.

Given the experiences of this project, measures will be undertaken in the proposed IPA activity to ensure that staff is trained on how to undertake their tasks, thereby ensuring the sustainability of the results to be achieved.

4. Indicative Budget (amounts in €)

Activities	TOTAL COST	SOURCES OF FUNDING											
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE		
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *	
contract 1	250,000	250,000	0	250,000		0	0	0	0	0	0	0	0
TOTAL	250,000	250,000	0	250,000		0	0	0	0	0	0	0	0

* expressed in % of the Total Cost

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q1/2008	Q2/2008	Q4/2008

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity:

Equal opportunity for participation of men and women will be assured in all aspects of the project implementation

6.2 Environment:

The project will not have negative environmental effects.

6.3 Minorities:

Participation in the project activities will be guaranteed on the basis of racial or ethnic origin, religion or belief, disability, sex of sexual orientation.

Annexes 1- Log frame in Standard Format (you have to attach this)

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number: Capacity Building in the field of Human Resource Management of the Central Bank of Bosnia and Herzegovina	
	Contracting period expires	Disbursement period expires
	Total budget: 250,000 EUR	IPA budget: 250,000

Overall objective	Objectively verifiable indicators	Sources of Verification	
Improvement of the institutional set up of the Central Bank of Bosnia and Herzegovina	Positive assessment of the CBBH activities	EC Progress reports, Strategic documents, Annual reports of the Government of BH on CBBH performance and achieved results.	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
Increasing efficiency of the human resource management in the Central Bank of Bosnia and Herzegovina.	Assessment of the increased efficiency by experts	Project reports: Initial, Interim and Final report	
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
Medium-term staff development plan prepared and HR Department staff trained to be capable to develop plans as recommended. Efficient procedures recommended Comprehensive inputs and outputs of the HR data base prepared and recommended Human Resource manuals updated Need assessment of the future needs in	Plan prepared and training concluded New, reviewed procedures prepared A list of input and output in data base Revised HR Manuals prepared Need Assessment Document prepared	Plan accepted and number of training days for HR Department staff spent for the purpose of training Procedures accepted List approved Manuals accepted Document accepted	

the HR in line with the best practice of a central bank, member of the European System of Central Banks.			
Activities	Means	Costs	Assumptions
<ul style="list-style-type: none"> 1. Preparation and implementation of HR staff development and training strategies and plans 2. Process mapping and revision to selected procedures 3. Upgrading and revision of HR data bases 4. Updating of HR manuals 5. Alignment of CBBH HR department operations and practices with best practices of a central bank (member of the European Systems of Central Banks) 	Twinning light experts	250,000 EUR	

Pre-conditions

ANNEX III Reference to laws, regulations and strategic documents:

1. Law on the Central Bank of Bosnia and Herzegovina, Official Gazette BH, No.1/97, 29/02, 8/03, 13/03, 14/03, 9/05, 76/06.
2. Department for Human Resource Management formed based on the Decision by the Governing Board of the CBBH within Regulation on the organization No. 01- 962/06 from November 2, 2006 and new systematization of working positions of the CBBH No.01 - 963/06 from November 2, 2006.
3. By-law on work and conditions of work of the CBBH adopted by the Governing Board of the CBBH No. 121/05, and No 146/05.
4. By-law on education, training and specialization for work of CBH personnel adopted by the Governing Board of the CBBH No. 88/05 and 237/06 from November 30, 2006.

Reference to AP /NPAA / EP / SAA

European Partnership:

Priority under EP-PSP 15.c. requiring production of sound and regular estimates of the Balance of Payments contributing to further development of state-level capacities in statistics. The Central Bank of BiH is responsible for compiling balance of payments of the country and the task of the CBBH is bringing Balance of Payments statistics in line with the EU standards and ECB requirements.

Reference to MIPD

Multi-Annual Indicative Planning Document 2007-2009; chapter 2.2.3. European Standards, Internal Market, Single Economic Space, under results to be achieved by the end of the first IPA programming cycle (2009), it states that the institutional set-up of the Central Bank of BiH will be improved through implementation of the assistance programme to the Central Bank of BiH.

Reference to National Development Plan (Poverty Reduction Strategy paper)

Within the BiH Mid-term Development Strategy, one of the priorities is to maintain macroeconomic stability, by ensuring low level of inflation through continued actions of the Currency Board. (The Central Bank of Bosnia and Herzegovina)
EU Integration Strategy of BiH also supports the CBBH European direction.

ANNEX IV Details per EU funded contract (where applicable):

Twinning Light Contract (Contract 1) will include the following tasks:

Activity 1

- 1.1. Training need assessment completed
- 1.2. Multi-annual training strategy developed
- 1.3. The HR designated staff trained to ensure that they are able to develop training strategies in the future. Methodologies required in conducting staff training needs assessments and strategy developments will be transferred to the HR staff
- 1.4. Annual HR plan improved and system of developing the HR annual plan improved
- 1.5. Career development process created and recommended including motivation incentives
- 1.6. Personal profiles developed and interaction between staff analysed
- 1.7. Staff evaluation system created and recommended
- 1.8. Study tours conducted to National Banks of ECSB to gain first-hand insight of other HR Departments

Activity 2

- 2.1. Process mapping completed
- 2.2. A number of selected procedures streamlined and if required new procedures recommended

Activity 3

- 3.1. Review of the current database
- 3.2. New Forms and templates for HR statistical and analytical reports recommended

Activity 4

- 4.1. Current HR Manuals reviewed
- 4.2. HR manual updated and will include career development and staff evaluation processes.

Activity 5

- 5.1. Overall needs assessment of the HR Department operations and practice prepared in line with best practice of the needs in the CBBH practice of a central bank, member of the European System of Central Banks. This assessment will include Personal Data Protection requirements.

The profile of the Team Leader is as follows:

- Relevant university degree;
- At least ten years of general professional experience;
- at least five years of professional experience in the field of human resource management including development of training strategies, human resource manuals and staff evaluation systems;
- experience in management roles within human resource departments of national central banks;
- good knowledge of EU standards of national bank human resources policies and standards;
- Fluent in written and spoken English.

Additional qualifications:

- project management experience;
- good communication skills and previous experience in working with multi-disciplinary and multi-national team;

The Team Leader will define the duration of short-term experts' engagement during the project implementation. All short term experts will have at least the following qualifications:

- relevant university degree;
- a minimum of five years of professional working experience, three of which shall be in work explicitly related to the task for which they are deployed;
- A good command of the English language.

The Key short-term experts will include:

- 1) STE for processing mapping. This expert will need to demonstrate that she/he has at least three years in mapping administrative processes in a government institution and experience in streamlining such processes
- 2) STE for computer-based database development. Experience in developing databases for human resources is preferred.