

BOSNIA AND HERZEGOVINA

ETF Country information note 2010

Background

Bosnia and Herzegovina currently has the status of potential candidate country for membership of the European Union and EU accession is identified as a top priority in all public statements and policy documents. The process of European integration is supposed to have catalyst effect the consolidation of a more systematic approach to strategic planning at state level. The Council of Ministers is continuously working on improving institutional capacity and functional strengthening of different bodies/institutions.

At its meeting of 7 December 2009, the Council of the European Union expressed concern about the development in the political situation and called on the country to urgently speed up key reforms and to meet the outstanding objectives and conditions for the closure of the Office of the High Representative, in line with the statement of the Peace Implementation Council on 18 and 19 November 2009.

As regards economic development, the trend of falling industrial production could be reversed as an annual increase of 0.5% was recorded in November 2009. However the picture is mixed when looking at the development in the two entities: while the Federation registered a drop of industrial production of 11.8% from January to November, it increased by 18.8% in Republika Srpska (RS). In the Federation production dropped in manufacturing (-16.7%) and in mining (-2.6%) and electricity, gas and water supply (-3.9%). The overall monthly drop of industrial production increased to 6.1% in November. In the RS, production in manufacturing increased by 34.9% and 9% in electricity, gas and water supply annually in the first eleven months of 2009, while it fell by 9.8% in mining. The overall monthly trend stood at +4.3% in November. IMF anticipates 2009 real GDP growth to fall by 3%.

The official rate of registered unemployment further increased in the third quarter of 2009 to 42.3% in October, up from 41.8% in July and 40.6% at the end of 2008, revealing the impact of the economic crisis on the formal labour market. Sectors with the highest growth of employment in the first ten months of 2009 were public administration, financial intermediation, fishing and education, while employment decreased in manufacturing, real estate, mining and construction. According to the final results of the Labour Force Survey 2009 following ILO methodology unemployment increased to 24.1% in 2009 from 23.4% in 2008, the activity rate fell slightly from 43.9% to 43.6% and the employment rate from 33.6% to 33.1%.

Since 1995 and according to the Dayton/Paris agreement, the state has been split into two political entities – the Federation of BiH and the Republika Srpska (RS). The Federation of BiH covers 51% of the territory and the Republika Srpska covers the remaining 49%. Each entity has its own political structure and administration. In addition, the Brčko District was established after an arbitration process undertaken by the High Representative in 1996.

The political structure of the Federation is divided into three levels: entity, canton and municipality. Each municipality has its own municipal council and administrative structures. The Republika Srpska is more centrally organised. The BiH state government consists of a

Parliamentary Assembly, which is divided into a House of Representatives and a House of Peoples, a rotating tripartite presidency (with one member from each of the constituent ethnic groups – Bosniak, Croat and Serb), and a Council of Ministers with nine ministries. The complex institutional arrangements with state institutions that have very limited mandates make the overall pace of reform slower than in other pre-accession countries. In order to meet EU accession requirements, Bosnia and Herzegovina has to create more effective and efficient institutions that take full responsibility for advancing the reform process aimed at socio-economic development, and ensuring democracy and the respect of human rights

Due to the absence of a recent census, the population can only be estimated (around 3.8 million).

In Republika Srpska, the Agency for the Development of SMEs was established and the Strategy for the Development of SMEs 2006-10 was adopted in April 2007. The grey economy is a persistent problem (estimated at between 30% and 45% of official GDP) particularly in service-providing activities.

Bosnia and Herzegovina (BiH) needs to invest further in improving the business environment, achieving a single economic space and overcoming labour market fragmentation, making the free movement of goods, capital, services and people easier in order to enhance job creation, increase employment growth and attract foreign direct investment. Thus, further socio-economic development depends heavily on the development of its human capital.

1. Key policy areas and strategies in human capital development

Since 2003 the Ministry of Civil Affairs in accordance with its competencies has promoted the adoption of five framework laws in the field of education at the state level:

- the Framework Law on Pre-School Education,
- the Framework Law on Primary and Secondary Education,
- the Framework Law on Vocational Education and Training,
- the Framework Law on Higher Education,
- the Law on the establishment of the Agency for Pre-school, Primary and Secondary Education.

In accordance with the new adopted legislation, three agencies for education have been established: the Agency for the Development of Higher Education and Quality Assurance, the Agency for Pre-school, Primary and Secondary Education and the Centre for Information and the Documents Recognition in the Field of Higher Education.

- Eight pedagogical institutes operate and they have jurisdiction in the professional monitoring of education institutions, which means: the development of curricula, the adoption of new approaches and methods of the educational process, the organisation of training for teachers, school directors as a whole and carrying out other activities in their jurisdiction.
- As the highest advisory bodies for the field of education, a Rectors Conference and the Conference of Ministers of Education have been established, as has a Council for General Education.
- As regards vocational education and training, the Development Strategy of Vocational Education and Training for the Period 2007-13 was adopted in April 2007 as well as the Strategic Directions of Education Development with the Implementation Plan for 2008-15. Both of these documents represent a set of guidelines for the sector and define the need

to work on the update and harmonisation vocational education and training with the global processes and dimension of integration process.

- As highlighted in the above mentioned strategic documents, key issues for human capital development include:
- *Ensuring access to quality education and training* implies the modernisation of teaching and learning at all levels of education, an improvement of learning and teaching quality, introducing a student-centred learning methodology, orientation towards learning outcomes and key competences. Special attention needs to be paid to the students with special needs and other specific groups.
- *Ensuring equality and equity in access to education* implies addressing the current segregation in education, in terms of the physical segregation and separate ethnically biased curricula. It will also require introducing early interventions for children/students with learning difficulties.
- *Improving links between education and the employment sector* through further VET reform with particular reference to (i) better strategic integrated planning, (ii) increasing the attractiveness of VET by engaging social partners in all VET topics, (iii) restructuring and modernising governance and management of vocational training system at all decision making levels, (iv) improving investments in VET, (v) developing education and training pathways to enable horizontal and vertical mobility and (vi) developing and delivering mechanisms to ease the transition from education to work for young graduates and adults.
- *Developing an adult learning system.* The present low educational attainment of the labour force, the needs of an economy that is rapidly changing and the existing social exclusion of many adults call for immediate intervention aimed at developing and implementing adult and continuing training. In this respect the following priorities have been identified in a study on adults learning that the ETF carried out in 2008: (i) an awareness raising campaign about the importance of adult training targeted at all key stakeholders, (ii) encouraging the development and support of institutions providing adult training, (iii) developing standards and accreditation procedures for training programmes and institutions, (iv) developing a system of recognition of non-formal learning and (v) ensuring the availability of appropriate financial resources for implementation of formal and non-formal adult education and training. All these areas require the involvement of and cooperation between the different actors in education and the labour market. Furthermore, social partners need to take a more proactive role in designing and implementing adult training at all levels. Adult training, like all types of vocational training, still has to become a topic of social dialogue in the country.
- *Improving institutional capacities and governance in human capital development* and improving cooperation between key education and employment policy stakeholders. This is particularly important in order to achieve a better implementation and monitoring of the already adopted state-level laws and strategies.

3. EU and other donor policy interventions

- Vocational Education and Training (VET) reforms have mainly been implemented under EC Obnova, Phare, and CARDS programmes since 1998 and have given priority to curriculum development and related teacher training as well as the promotion of a policy dialogue through the elaboration of key documents like the Green Paper and White Paper for VET. They also set up the first basis for further development of the State Qualifications Framework (SQF).

- CARDS VET III, which came to an end in March 2009, has supported the continuation of the reform of curricula, teachers training and also continued to provide equipment to VET schools. New programmes, whose implementation started at the beginning of 2010, will promote entrepreneurship in education and strengthening of higher education with a particular focus on academic recognition of diplomas, common standards and quality assurance procedures, in line with the Bologna process.
- IPA 2008, which is not expected to start before September 2010, will build upon the work done on the State Qualifications Framework (SQF) with particular focus on horizontal and vertical mobility between pathways. This work will be co-ordinated by the newly established Agency for Pre-primary, Primary and Secondary Education, which will support the finalisation of the curricula reform through a set of normative acts and by-laws in full compliance with the framework law on VET.
- IPA 2009, which probably will not start before beginning of 2011, will focus on adult training and aims at promoting a higher demand for training among priority groups and contributing to the adaptation and the diversification of supply. Increasing social partnership in VET will be also an objective of the project as a pre-condition for a successful design and implementation of the adult training strategy, based also on improved methods for the collection of statistical data. The Agency for Pre-primary, Primary and Secondary Education will be closely involved in this work.
- In 2003 German Technical Cooperation (GTZ) launched a six-year project to modernise curricula and improve students' practical skills in three fields.
- The World Bank supported the reform of general and vocational education and training through the education restructuring project. However, the new loan in secondary education aims at the following topics: (i) strategic planning, (ii) Education Management Information System (EMIS) and (iii) training for school directors has been recently cancelled.
- The World Bank also provides assistance to the labour market sector through the employment support programme and continuously supports the development of the social sector at local and regional levels.
- DFID provides substantial technical assistance to the stakeholders in social inclusion and poverty reduction policy, and to the Agency for Statistics.

4. ETF intervention strategy in the mid-term perspective 2010-13

In 2010 ETF work aims at consolidating and further developing relationships with key stakeholders in the field of human capital development. The objectives will therefore be: i) to continue to support the European Commission in the design, implementation and assessment of external assistance programmes financed in the field of vocational education, training and employment promotion; ii) to continue to provide assistance the authorities in the formulation and implementation of human capital development (HCD) policies within the perspective of making of education a fundamental tool for building unity in the country in accordance with the European Parliament Resolution of 24 April 2009.

The overall expected outcome of ETF support is that policy makers and key stakeholders will strengthen their capacities in human capital development policy and implementation, improve the potential for cooperation on cross-sectoral issues and be involved in the design of interventions envisaged in the EC Multi Indicative Planning Document 2008-10, which defines the priorities for IPA financed projects in education and training, employment and social cohesion

In 2010 Bosnia and Herzegovina will also continue to participate in regional capacity building activities in relation to entrepreneurship learning, social inclusion of ethnic groups in education and training and the mutual learning project. These are all issues that will be addressed in the framework of human capital development for innovation, competitiveness and growth.

The key policy areas of intervention, which represent a priority for ETF can be grouped in the following 3 main categories:

(a) Vocational education and training system modernisation

Bosnia and Herzegovina continues to make progress in reforming its vocational education and training system, but it remains fragmented with variable quality across the country. In recent years modernised, learning outcomes-based curricula have been introduced, mainly through the EU supported vocational training reform process. Evaluation of support for education sector from the EC was carried out in 2004 and it describes earlier VET projects as comprehensive and well planned. In 2010 an impact assessment will therefore be carried in close consultation with the EC Delegation and the Ministry of Civil Affairs and it will be based on a structured assessment of the system.

(b) Social inclusion in education

Bosnia and Herzegovina is involved in the ETF regional project on the social inclusion of ethnic groups in education and training from 2007. In the previous period the project focused on identifying and disseminating elements of good practice in this field in EU countries and in the Western Balkans Region. In the period 2010-11 the regional project will focus on teachers' competences for intercultural education.

ETF intervention in this field in 2009 aimed at contributing to the capacity building of stakeholders on the topic of intercultural education and the role and competences of teachers for performing in a multi-ethnic society in order to enhance awareness of the role of education and training in combating social exclusion and building a socially cohesive society and the development and implementation of inclusive education and training measures.

The activities have included: (i) establishing a core team of people (representatives of the MoCA, MoHRR, NGOs, universities) who have played a role in promoting the project activities in the country and who have also been involved in regional project activities (ii) facilitating the discussions on the role of teachers in intercultural education (including the seminar organised by the ETF on this topic), (iii) reviewing existing literature and collaborating on the study on teachers competences in intercultural education. The ETF has cooperated closely with the EC Delegation and other international organisations, particularly UNICEF.

In 2010 a cross-country study will be produced with key information on the country's experiences and presented at a corporate event to be organised in the second half of the year.

(c) Adaptability of enterprises and education-business partnerships

The ETF has continued to provide targeted assistance and capacity building measures for the education and training provisions of the European Charter for Small Enterprises (Chapters 1 and 4).

The 2010 project will build on the development of indicators supported by the ETF in 2008 involving 16 partner countries (IPA and ENPI) with the objective of determining the viability of a set of indicators designed to promote 'across-campus' entrepreneurship education in both ETF regions. The indicators were piloted in six countries (one university per country) in 2009 with the remaining eight participating countries completing the entrepreneurship in higher education initiative in 2010.

5. ETF intervention strategy in 2010

1. Vocational education and training system modernisation

	Title of the ETF intervention	Themes code	Expected results	Activities undertaken	Project outputs	Timetable for the activities
1.1	<p>The Torino Process - the ETF will launch a cycle of reviews of VET policies and systems to be carried out every two years in all its partner countries and territories.</p> <p>This exercise, aims to strengthen the capacities within the country to analyse the situation of the VET system, to assess its contribution to sustainable economic and social development and to identify priorities for future ETF actions and support.</p>	CRO 10	<p>Staff in the relevant institutions of the partner countries are involved in the process, become fully familiar with it and presenting it in the appropriate occasions and writing about it in related articles/documents:/reports</p> <p>The exercise becomes institutional task and staff has ownership of it.</p>	Meetings/round tables/visits to relevant institutions/desk and field researches.	<p>Good quality reviews, carried out in close cooperation with the relevant institutions within the partner countries. The reviews are considered as an important instrument for capacity development with the aim of becoming a valuable source for the monitoring of VET reform and informing both public and other institutions on the progress of VET reform.</p>	<p>January-February: starting of the consultation process with the countries</p> <p>March-April: starting of the activities in the country</p> <p>June-July preliminary results presented</p> <p>October-November: final results disseminated in the country and at cross-country level</p>

1.2	Impact assessment - ETF support will focus on the elaboration of an impact assessment of all EU assistance in the field of vocational education and training reform. The assessment, which will be done in parallel with the Torino process and build on the outcomes of the review, will look at the impact on policy development, the degree of implementation of proposed reform initiatives and their sustainability	IPA 1.3	The outcomes of the assessment will be used by the EC Delegation and the Ministry of Civil Affairs as background analysis for identifying future needs for EU assistance through IPA programmes.	The assessment will be done through research work, interviews, round tables, visit to schools/training providers Two to three localities/cantons will be selected in the country as study cases in relation to efficiency of VET networks and needs for optimisation.	A report will be elaborated and presented in 2 dissemination workshops.	April-October for carrying the field work November: Presentation to local stakeholders by the ETF of findings of the assessment.
1.3	Mutual learning programme - to encourage mutual learning to support relevant decisions making on issues related to quality of education and training, post-secondary systems and adults learning.	IPA 10	<p><u>(I) key results for Quality component include</u></p> <p>Concepts for quality and quality assurance have been developed by the community of practice (CoP) on quality and quality assurance for IPA region.</p> <p>Key quality indicators have identified for system and provider level.</p> <p>CoP participants have carried out analyses of the current situation in their countries in quality and quality assurance.</p> <p>Policy lessons and quality indicators have been elaborated and disseminated at country level.</p> <p>A debate has been launched with a wide range of national stakeholders about further developments in quality development and quality assurance.</p> <p><u>(ii) Key results of the post-secondary VET component include:</u></p> <p>Countries participants have taken stock of where they stand and analysed the potential demand in their respective country briefs for each of the topics agreed.</p> <p>The mutual learning will support the</p>	Seminars/study visits/ round tables at regional level with participants from all countries involved.	<p>Country briefs</p> <p>Regional analysis</p> <p>ETF staff mission reports</p> <p>Draft ETF policy briefing</p> <p>Event evaluations</p> <p>Opinion survey among CoP members</p>	January-December 2010

			<p>debate on the agreed topics with a wide range of national stakeholders about further developments of post-secondary education in relation to the most urgent economic needs/opportunities in their respective countries.</p> <p>An overview of the policy options has been developed in relation to the topics agreed.</p> <p>(iii) <u>Key results of the adult learning component include:</u></p> <p>Concept notes and brief country analyses on each of the subtopics have been drafted and developed further in the course of the project, as participants gain new or additional insights.</p> <p>Participants have analysed demand and supply-side issues, financing arrangements, as well as obstacles for participation in training and how these could be overcome. They have identified barriers to change and viable policy objectives and strategies and drawn up respective conclusions and recommendations for policy.</p>			
1.4	<p>Support and advice to EU Commission services - tThe activities mentioned at the previous points will be closely linked to the process of reform undertaken through the EU financial support for VET and employment. All actions will be carried out in close consultation and cooperation with the EU delegation.</p>	IPA 1.1	<p>Both EC Headquarters and the Delegation appreciate ETF contribution in ensuring synergy and complementarity to the various actions related to VET financed in the country</p>	<p>Comments provided to project documents, meetings in Brussels, in Sarajevo, participation in ETF events.</p>	<p>Project documents, mission reports, seminars, round tables</p>	<p>January – December 2010</p>

2. Social inclusion in education

	Title of the ETF intervention	Themes code	Expected results	Activities undertaken	Project outputs	Timetable for the activities
2.1	<p>Social inclusion through education and training - social inclusion remains a critical challenge in the Western Balkans and Turkey and is an important theme under the European Employment Strategy and also for European cooperation in education. In 2009, the ETF initiated a study on "Mapping policies and practices for the preparation of teachers for inclusive education in contexts of social and cultural diversity of the Western Balkan countries" to be concluded in 2010. the project provided also support to a regional policy network on social inclusion through education and training with the involvement of international partners. In 2010, this activity will lead to discussion and dissemination of the findings of the study at national and regional forum.</p> <p>The project covers Albania, Bosnia and Herzegovina, Croatia, Kosovo, former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey.</p>	IPA 10	<p>Teacher training for intercultural education is in the top of the reform agenda of all public institutions involved from the 7 Countries involved in the project</p> <p>Enhanced policy and research capacity in the Western Balkans</p> <p>- Increased involvement of the members of the ETF facilitated social inclusion Western Balkan Regional Policy/expert network to national, regional, EU and international meetings and networks</p>	<p>Dissemination of the outcomes of the country reports and later in the year the cross country report in country, regional, EU and international meetings/fora,</p> <p>Policy paper for ETF "Live and Learn Magazine" and other conference papers,</p> <p>- Organisation jointly with one of the partner countries of a regional conference focusing on the theme "Schools for inclusive education" in the Western Balkans and Turkey.</p> <p>Support and facilitate the participation of representatives of Western Balkan Regional Policy Network and/or of the countries recommended stakeholders in relevant events at European level, such as conferences, seminars, and peer learning activities organised by Roma Decade, European Network on Social Inclusion and Roma and Roma Education Fund et al.</p> <p>Support the research capacities in the Western Balkans</p> <p>Upon requests from ETF partner country teams, provide analysis, comments on the IPA countries' developments in the field of social inclusion through education and training</p>	<p>A cross country report which will analyse and synthesise the findings of the 7 country reports into a regional map of policies and practices. - The cross country report aims to critically analyse and synthesise the policies and practices in teacher preparation for inclusive education in contexts of social and cultural diversity in Western Balkans.</p>	January – December 2010

3. Adaptability of enterprises and education-business partnerships

	Title of the ETF intervention	Themes code	Expected results	Activities undertaken	Project outputs	Timetable for the activities
3.1	Business and education - The Torino process will include an in-depth survey into cooperation between the education and business sectors within the partner countries. This exercise, which was announced at the recent ETF Conference in Brussels 3-4 December 2009, derives from the importance of cooperation between the world of education and the world of work for addressing partners' development plans and related needs in terms of qualified labour force.	CRO -10°	The outcome of the study will constitute an inventory of practice, experience, constraints and challenges as well as recommendations drawn from a set of country, regional and cross-country reports.	Country focus groups and workshops, field research, interviews based on and analytical framework provided by the ETF. The outcomes of this survey will be presented and discussed with the relevant partners in the country.	A survey into cooperation between the education and business sectors within the partner countries is available..	January – September 2010
3.2	Entrepreneurship and enterprise skills	CRO 10	Further engagement with and contribution to the European Commission's policy developments in entrepreneurship education (DG Education), including new knowledge and networks established with EU27 and the EEA countries in the area.	International high-level reflection panel / workshop to determine the state of play and ways forward for entrepreneurship education (primary, secondary, vocational and tertiary education) in the EU pre-accession countries. The panel workshop meeting follows a four-part series of similar reflection panels on entrepreneurship education which has just been completed with the participation of EU Member States and countries of the European Economic Area. issues of high relevance for policy development were discussed, key areas to work on in the near future were identified and proposals for concrete actions were made.	High-Level Reflection Panel Workshop on Entrepreneurship Education (18-19 March 2010)	March 2010