SPPD

Strategic Planning and Policy Development
Strateško planiranje i razvoj javnih politika

STRATEGIC PLANNING MANUAL

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List of Acronyms and Abbreviations

BND/GDP	Gross Domestic Product
BiH	Bosnia and Herzegovina
CEFTA	Central European Free Trade Agreement
DOB/FBD	Framework Budget Document
EU	European Union
EZ JE/ECSEE	Energy Community of South East Europe
FBiH	Federation of Bosnia and Herzegovina
IT	Information Technology
M&E	Monitoring and Evaluation
MF	Ministry of Finance
OECD	Organisation for Economic Cooperation and Development
PAF	Performance Assessment Framework
PESTLE	A type of framework used to assess external trends and issues: political (P), economic (E), social (S), technological (T), legal (L) and environmental (E)
PKF	An international company
RS	Republika Srpska
SMART	Method used to define and test strategic goals: specific (S), measurable (M), achievable (A), realistic (R) and time bound (T)
SP	Strategic Planning
SPPD	Strategic Planning and Policy Development Capacities Strengthening
SWOT	Type of framework used to assess strengths (S), weakness (W), opportunities (O) and threats (T)
UNDP	United Nations Development Programme

Definitions

Situation analysis: is the initial step in the strategic planning process that consists of analysis and the establishment of the internal as well as the environmental organisational context. Situation analysis aims to establish an organisation's strengths and weaknesses, potential threats (hindrances the organisation faces that prevent it from achieving success) and opportunities (for the organisation's development or success) with which it is faced.

Strategic process stakeholders: these represent any group or individual that might have an impact upon the achievement of an organisation's goals or which may be affected by their realisation.

Performance cycle management: is a continuous process that in addition to the development of strategic and operational plans includes the monitoring of their implementation and an evaluation of these plans, as well as linking them to annual budgetary planning and execution monitoring processes.

Indicator: used in situations where there is a need to find a means to judge the performance achieved against a certain strategic goal or a programme that cannot be measured directly. Indicators need to be interpreted and are usually qualitative or "proxy" measures against which achieved performance can be assessed against a certain goal.

Mandate or jurisdiction of an organisation: is a list of matters that an organisation is responsible for performing. It may refer to formal obligations that derive from the law or the informal expectations of other stakeholders within the process.

Measure: applicable in cases where the progress made in terms of achievement of a certain goal or realisation of a programme is directly measureable. A measure is usually quantitative, directly relevant and comprehensible. All goals related to measures must be based on earlier performance (results) in order for them to be both attainable and challenging at the same time.

Mission: a general description of what an organisation is doing, with whom or for whom, what specific jurisdiction it covers and why an organisation is doing what it is doing.

Operational planning: the process for the development, monitoring and evaluation of annual plans directed towards the realisation of strategic goals defined within the strategic plan. An organisation should have operational plans that coincide with fiscal years for each of its larger organisational units.

Programme: a set of similar related activities that contribute to the realisation of set goals.

Project: an organisational form of limited duration used to assist in the realisation of one or several mutually related strategic plans, programmes or activities directed towards a common goal.

Strategic issues: these are problems or opportunities that an organisation has to manage in order to be able to fulfil its mandate and its mission.

Strategic goals: general statements on what an organisation is hoping to achieve over a three-year period. They are results-directed and qualitative.

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Strategic planning: a disciplined effort aimed at the adoption of basic decisions and the undertaking of basic activities that form and lead an organisation in what it does and defines the reasons for what it does focused on the future.

Strategic programme: is a specific activity or a line of activities that contribute to the implementation of a certain strategic goal. There can be several programmes within a single goal.

Vision: what an organisation will look like when developed to its full potential or a goal to be achieved.

Values: these are essential beliefs that underline how an organisation should behave and conduct its activities.

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1 Preface

This manual is intended for use by the ministries and other institutions of BiH, the entities and Brčko District as a contribution towards activities related to the launch of programme based strategic planning and budgeting.

The manual is based on generally accepted strategic planning methodologies and the experiences gained by the United Nations Development Programme SPPD Project team during a series of extremely inspirational workshops organised in 2009 with selected ministries from BiH and entity institutions. Many of the methodological solutions incorporated into this manual were developed through a process of detailed consultations with the civil servants responsible for the development of annual plans and budgetary planning within their institutions, namely ministerial secretaries and other managers within these institutions.

We hope that the use of this manual and the gradual introduction of strategic planning and budgeting into all relevant organisations will contribute towards significant progress in terms of the allocation of budgetary resources and other funding sources for development purposes in BiH.

2 Strategic Planning: An Introduction

2.1   Definition of Strategic Planning

The basic aim of strategic planning is to establish definitively the nature and character of an organisation and the sector that it represents and to manage its future development. Within the strategic planning process, a ministry establishes its goals, priorities and strategies and defines the measures needed to evaluate the success of these goals.

Accordingly, a strategic plan represents an integrated set of strategic goals and operational objectives and activities needed to achieve a desired result (often defined as an organisation's "mission" or "vision")[1].

A strategic plan is usually accompanied by the development of annual working plans that define the responsibilities in terms of its execution, deadlines and required resources in more detail. It may include the organisational and operational steps to be taken in order to achieve the goals defined by the plan.

2.2   Features

The characteristics of strategic planning are defined below.

- *It takes into account the environment in which an institution operates*
  Strategic planning relies largely on the results of an external analysis of the environmental in which an organisation operates and which the organisation has very little influence over. Different environmental factors, such as demographic trends, the macroeconomic situation, political trends, social tendencies, etc., may have a decisive impact on the organisation's results.

- *Provides a mid-term framework for the organisation's operations*
  The strategic plan is, amongst other things, developed in order to maintain the continuity and consistency of an organisation's activities. This leads to the development of a plan with the longest possible timeframe. At the same time, constant changes within the environment require flexibility, whereas long-term planning reduces the precision of a plan. Thus, three to five years represents a good option for a strategic plan timeframe.

- *It is a dynamic process*
  Due to the fact that the environment is ever changing and that it is very difficult to forecast future events, planning is a continuous process. Consequently, adjustment of the plan to new circumstances within the environment has to be done on an annual basis.

- *It is the basis for the allocation of resources*
  The strategic planning process has to be integrated within the budgetary planning process in order for a plan to be feasible. In this way, the final allocation of resources reflects a ministry's selected priorities that contribute to the development of the sector for which it is responsible.

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[1] Perspectives on Strategic Planning in the Public Sector, Richard D. Young,
Institute for Public Service and Policy Research at the University of South Carolina, 2003

2.3   Success Factors of the Strategic Planning Process

The quality of a strategic plan depends on the mode used to organise the strategic planning process within a ministry. Some of the key elements of such a process are:

- presence of strong leadership and vision amongst the organisation's management;
- an approach that presumes high levels of participation and consultation with a wide range of employees within the organisation and with external stakeholders that are part of the strategic process;
- a specifically developed approach that uses best practice examples, but adjusted to correspond to the specific needs of the organisation and the resources that it has at its disposal;
- collection of hard evidence used to inform the process of establishing strategic goals;
- a realistic assessment of resources and available human capacity;
- review of a wide range of views and priorities prior to taking decisions with the aim of reaching consensus;
- new ideas and continuity that ensure that the strategic plan, as well as the strategic planning process, is regularly analysed and revised.

2.4   Strategic Planning and the Efficiency of an Organisation

The introduction of a strategic planning system may result in significant improvement in business operations and the results achieved by an organisation, including:

- increased effectiveness through implementation of an organisation's mandate and mission;
- increased efficiency through better results achieved with the use of less resources;
- better understanding and ability to predict and adjust to changing circumstances;
- improved decision making;
- improved organisational abilities;
- improved communication through coordination and cooperation;
- enhanced transparency and responsibility through the establishment of a framework that can be used to assess the organisation's performance (results);
- the creation of a common purpose among internal and external stakeholders within the strategic process;
- development of a higher level of awareness and a better understanding of the operational environment.

3 Strategic Planning in 10 Steps

3.1   Strategic Planning Steps

The strategic planning process can be described through ten key steps[2].

1:	Strategic planning preparation: participants, organisation and communication
2:	Strategic framework
3:	Definition of the mandate, vision and mission
4:	Situation analysis
5:	Strategic issues and strategic goals
6:	Strategic programmes
7:	Determination of the costs and linking the strategic planning process to the budgeting process
8:	Monitoring and evaluation indicators
9:	Determining criteria to be used to define priority activities: prioritisation
10:	Developing action plans (three year and annual)

Strategic planning is a cyclic process and each of these steps is, to a certain extent, implemented on an annual basis (see Graph 1). This does not necessarily mean that all of the elements of the plan have to be changed each year. One example being that the mission and vision of a ministry mostly changes when there is a change in mandate. The mandate of a ministry changes very rarely, but it does happen i.e., due to organisational changes like mergers or partitions of ministries. Yet, if well defined, strategic goals can remain unchanged for several years. Programmes and activities may, during the course of a planning cycle, change partially as they are prone to the influence of different processes and this can impose change in the dynamics of their implementation, for example EU integration, the Central European Free Trade Agreement (CEFTA), regional policies, etc. In addition, criteria used to establish priorities could differ depending on policy changes, resources, etc.[3]
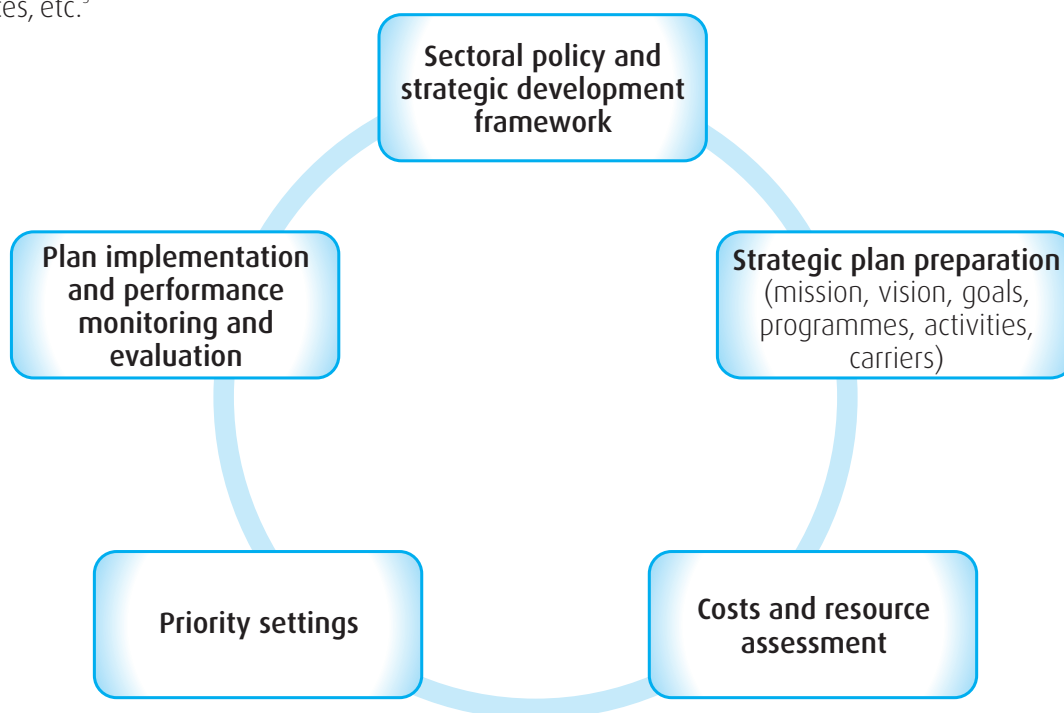
Graph 1: The planning process and its cyclic nature

3.2   Planning at the sector/division level and strategic plan of Ministry

Since the sectors/divisions and mandates of an organisation are specific the development process of strategic plan for an organisation is based on detailed plans that are developed for each key sector/division within this organization in line with ten steps mentioned under subsection 3.1. and further described in the following subsections. These plans are consolidated into strategic plan of the organization. Graph 2 represents relation between main categories in strategic plans of sectors/divisions and strategic plan of organization (ministry).

Ministry Mision/Vision	Ministry Strategic goals	Ministry Operation goals	Ministry core acivities
• Mision and visions of sectors/divisions	• Consolidated goals of sectors/divisions	• Strategic goals of sectors/divisions	• Programmes of sectors/divisions

Graph 2: Relation between Strategic plan of the Sectors/Divisons and Strategic plan of a Ministry

3.3   Aligning the Development and Review of the Strategic Plan to the Budgetary Cycle

The development of the strategic plan should be synchronised with the budgetary cycle in order to ensure that all inputs necessary for the process of the drafting and approval of the budget are ready in time. Graph 3 shows the deadlines for the development of individual parts of the strategic plan and the delivery of data needed for the budgeting process managed by the ministries of finance.

Step 1: The start of a new strategic planning cycle
The preparation for a new strategic planning cycle begins in February of the current year. Each new cycle includes each of the ten strategic planning steps. However, once the first strategic plan has been developed the process will be much faster.

When checking for possible changes within the strategic framework and confirming the institution's mission and vision the SWOT analysis must be reviewed. This should point to any possible changes in both the internal and external factors that influence the execution of the institution's mandate. The institution's strategic goals are either confirmed or changed based on the results of the SWOT analysis.

A review of strategic programmes and related activities from the previous planning cycle is conducted based on the SWOT analysis and the report on realised activities: products of an established results monitoring and evaluation function. Following this, new programmes are defined and the activities list changed or supplemented according to the recognised needs, which is accompanied by the respective data on implementers, deadlines and costs.

Prioritisation based on the new activities list will take place after the previously established prioritisation criteria have been confirmed or supplemented.

Step 2: Submission of budgetary priorities in line with the three-year strategic plan of the ministries of finance
A three-year strategic plan, including established priorities, represents a key reference document when it comes to the preparation of data required to complete Budget Instruction 1, as prescribed by the ministries of finance. This Instruction is delivered to all users of the budget annually in February, or another deadline set by the ministries of finance.

Step 3: Development of a preliminary annual work plan based on a three-year strategic plan
Development of a preliminary Annual Work Plan should be started immediately upon receipt of Budget Instruction 1. This plan presents a detailed set of programmes and activities that an organisation intends to implement in line with the needs and priorities defined in its strategic plan.

Step 4: Development of a Draft Annual Work Plan in accordance with the instructions of the ministries of finance on budget ceilings

Following the adoption of the Budget Framework Paper, the ministries of finance send Budget Instruction 2 to all budget users in July. This document already contains the initial budgetary limitations set for each user. Based on the prescribed budget ceiling and taking the confirmed priorities into account the preliminary Annual Work Plan is then revised.

Step 5: Budget requests delivered to the ministries of finance

An institution delivers the completed Budget Instruction 2 to its respective ministry of finance by mid August, or another deadline as set by the ministry of finance. Prior to the delivery of such a request the institution has to ensure that it is prepared for a constructive and meaningful discussion based on all of the programmes and activities related to the strategic goals determined within its strategic plan and the prioritisation criteria.

### Step 6: Consultations with the ministries of finance and other sources of funding

Following an analysis of the submitted budget requests the ministries of finance organise consultations with all of the institutions in September. These negotiations should result in a final list of programmes and activities to be financed through the budget and proposed to the Parliament for adoption. Each institution during this process should have available the best possible information on other potential sources of funding for its programmes and activities defined within its strategic plan.

Step 7: Delivery of the final version of the Annual Work Plan to the ministries of finance

After negotiating with its respective Ministry of Finance an institution has to submit its final Annual Work Plan proposal to the Ministry of Finance at the beginning of October, or another deadline as set by the Ministry of Finance.

Step 8: Adoption of the budgets by the Parliaments

The parliaments shall adopt the budgets proposal by the end of the current year.
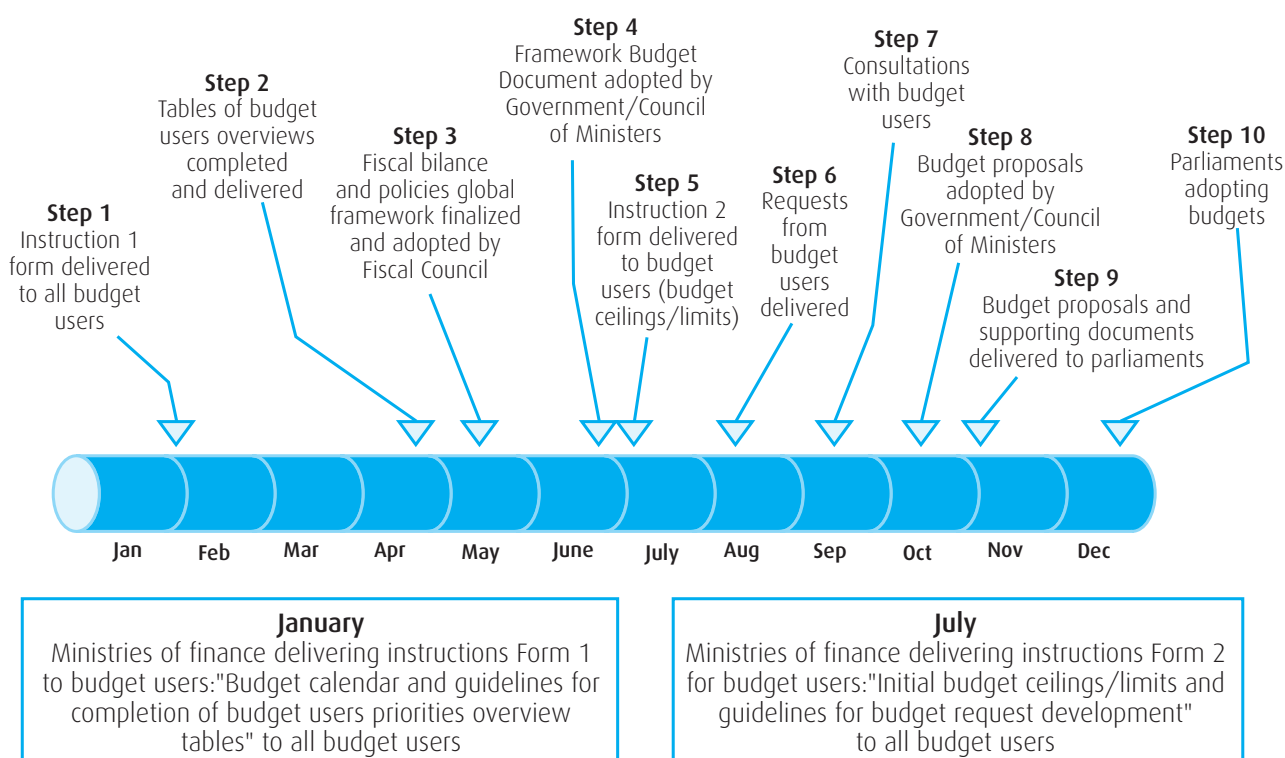
Graph 3: Mid-Term Planning and Budgeting Process in BiH (the 10 STEPS APPROACH) developed by the ministries of finance with the support of the PKF Strengthening Public Expenditure Management Project.

4 Preparation for Strategic Planning

The design and launch of the strategic plan development process represents a key initial step. It will require a meeting or a workshop with all of the ministries' staff, led by the person in charge of developing the strategic plan. The approach should be agreed during this meeting, including the methodology, the expected duration of the planning process, the coordination with the budgetary cycle, the definition of process participants (stakeholders) and the resources required for the development of the strategic plan.

4.1 Proposed Methodology

The methodology proposed to develop the strategic plan should include all of the principles of high quality strategic planning described under subsections 2.2 and 2.3. It should facilitate the development of the strategic plan within a defined timeframe and in accordance with the desired standard; it should also lead to the desired outcome. A desired outcome could for example be to stimulate support for the strategy development process and the strategy itself, which would require a methodology that allows a high level of inclusion and participation of relevant stakeholders.

This planning manual could be used as the basis for the ministries' officially accepted methodology for the development and monitoring of the implementation of the strategic plan.

4.2 Coordination: Horizontal and Vertical

It is necessary to define the manner in which the strategy development process will be managed, namely it should define the different roles and responsibilities of those involved in the process. It should also support the implementation of principles, such as clear leadership and ownership over the process, the participation of a large number of different stakeholders within the process (representing all of the key social groups and institutions mandated to protect their interests) and the establishment of a feeling of common purpose. Graph 4 shows an example of the development process for the management of the strategic plan.
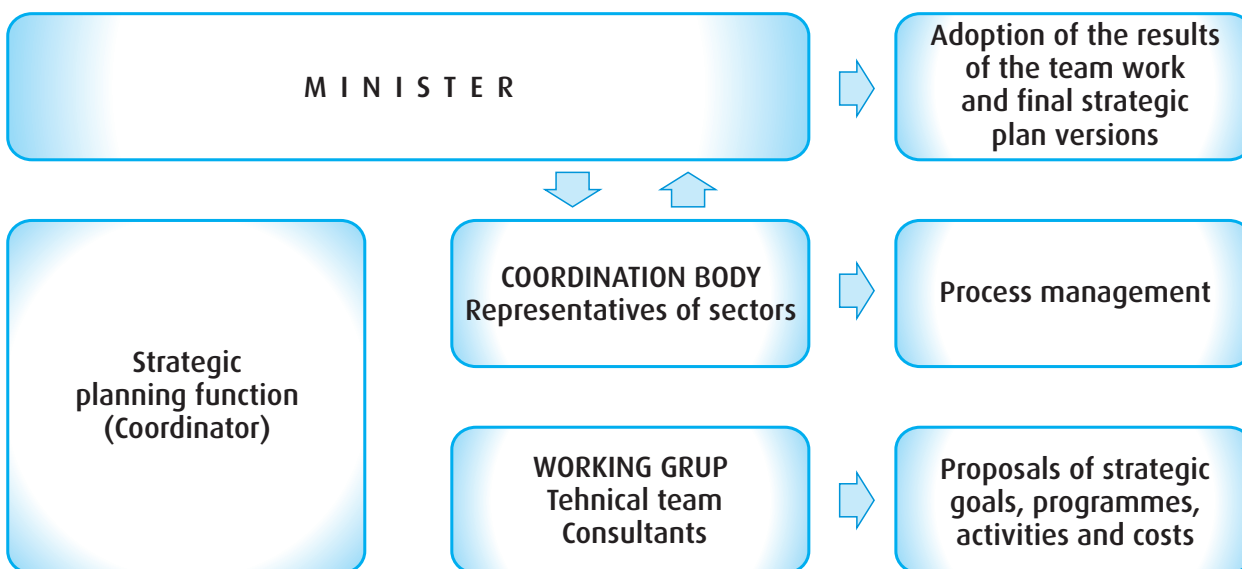
Graph 4: Development process management of the strategic plan

Strategic planning process is managed at the level of institution/ministry and strategic plan for the entire institution is developed as a whole. Detailed planning is done at the level of organisational units, usually sectors/divisions, in order to compile all parts of the institution mandate. Coordinator for strategic planning has a key role in organization and consolidation of strategic planning results of sectors/divisions into strategic plan of the institution.

4.3 Expected Length of the Planning Process and its Coordination with the Budgetary Cycle

Strategic planning is based on the so-called *rolling* principle in a continuous process and should be synchronised with the Budget Framework Paper (Dokument okvirnog budžeta - DOB) and the annual budget on a yearly basis.

Please note: the relationship between strategic planning and the budgetary processes is described in more detail under Chapter 11.

4.4 Stakeholders within an Organisation

Different stages of the strategic planning process call for the participation of all members of the organisation. Sector managers usually take part in the process of defining strategic goals by using detailed strategic plans of sectors/divisions, due to their strategic vision of their areas of responsibility within the context of the overall institution's mandate and development policy and priorities of BiH and the entities.

Experts that specialise in certain fields usually participate in the detailed definition of activities and programmes that contribute to the realisation of specific goals. Sector experts and budget specialists jointly define the costs related to the implementation of programmes and activities.

The horizontal coordination of this process should be secured through the introduction of the strategic planning function at the level of the organisation and by the gradual training and education of those planning specialists with specific skills and knowledge related to operations within the organisation's mandate.

The organisation should also ensure gender representation at all development and implementation stages of the strategic plan. A ministry, as a state and public institution, is bound to promote and, as much as possible, provide for the equal representation of both genders, thus providing the possibility for equal gender participation in all of its activities.

The ministries need to have persons that are responsible for issues related to gender equality or, in the absence of such staff, they can ask for support for gender mainstreaming from relevant bodies that deal with this issue.

The organisation's management adopts the final decision on the structure and content of the strategic plan. The minister, assistant ministers and ministrial secretaries should actively monitor the process of strategic planning and be involved in all of the important stages of decision making.

4.5 Determining the Form and Content of the Strategic Plan

In order to establish a firm structure around which the strategic plan can be developed preparations should include determining the initial format and content of the strategic plan. The timely definition of the content will facilitate the better division of duties and tasks among the team members and provide the initial structure needed to plan activities.

Typically, the plan consists of the following main chapters:
- description of the ministry and its jurisdiction;
- description of the environment in which the ministry is operating, features of the sector and internal conditions within the ministry;
- ministry vision and mission statement;
- list and description of the ministry's strategic goals;
- list and description of strategic programmes (related to strategic goals) and indicators for monitoring results at the programme level;
- estimated costs per activity and predicted sources of funding;
- list of criteria for the prioritisation of activities;
- description of the implementation, monitoring and evaluation processes;
- action plan (three-year and annual) including priorities, implementers and budget.

Please note: Annex 1 provides a proposal for the structure of the strategic plan with a short description of each of its chapters.

5   Strategic Framework

The strategic framework that is required to develop the strategic plan is based on key documents that define a ministry's operations and sectoral policies, strategic development documents and documents that entail international obligations that affect the work and development of the ministry and the sector.

Typically, a strategic framework used to develop the strategic plan includes, but is not limited to, the following documents:

- Constitution of BiH, Constitution of RS, Constitution of the FBiH and the relevant laws in BiH, RS and the FBiH;

- BiH Country Development Strategy;

- BiH Gender Action Plan;

- entity development strategies;

- sectoral strategies;

- Public Administration Reform Strategy (PAR)

- Partnership Agreement with the EU

- Stabilisation and Association Agreement with the EU;

- regional and international agreements.

The strategic planning team of the institution uses a detailed analysis of these documents to obtain the information needed for an accurate definition of the organisation's mandate, key development directions and limitations; this is also required to define the strategic goals, priorities and activities.

6 Mandate, Mission and Vision

6.1 Mandate

A mandate outlines the formal or informal expectations regarding the functions that a certain ministry is supposed to fulfil.

A formal mandate, or jurisdiction, refers to requests that must or should be realised in accordance with the Law, rulebooks and regulations.

An informal mandate results from the interpretation of a formal one by a ministry. A large number of functions set forth under a ministry's informal mandate indicate that its formal mandate has not been defined precisely.

An analysis of a ministry's mandate for developing a strategic plan includes an analysis of the mandate for each of the ministry's core functions.

Table 1 shows an example of such an analysis.

The execution of a ministry's mandate (example)	
Ministry's mandate	**To implement Government's energy policy**
Source of its mandate	The Law on Administration (2008), the Law on Energy (2009), the Law on Electric Energy (2008), the Law on Gas (2007), the Law on Petroleum and Petroleum Derivatives (2009), the Law on the Use of Natural Resources for Electric Energy Production (2003) and the Law on Concessions (2002 & 2006).
Do we fulfil our mandate?	Not completely: - the laws have not been aligned with the treaty that established the Energy Community; - sectoral laws have not been aligned with the Law on Energy; - problems exist in the implementation of the Law on Concessions.
Assessment regarding the fulfillment of the ministry's mandate in the future	The deadline regarding the alignment of the legislation with EU legislation is 2014; Opening of the energy market in 2015

Table 1: Analysis of the mandate execution

A detailed analysis of a ministry's mandate will support an improved definition of its mission and vision and a more realistic definition of its goals and programmes.

6.2   Mission Statement

A mission statement is a general, comprehensive but short statement based on the mandate that defines the purpose of a ministry's existence.[4]

The mission statement should be:
- clear and brief;
- logical and linked to the mandate;
- expressive and emotive and not bureaucratic or tiresome;
- understandable to everyone within the organisation and to all other process stakeholders;
- defined in relation to the basic purpose for which the organisation was established;
- provide a clear definition of the target group that the organisation was established for;
- take into consideration the expectations of other key stakeholders participating in the implementation of the organisation's mandate.

A typical mission statement consists of four components:
- name of the ministry;
- description of what the organisation intends to achieve;
- description of the target group that the organisation's mandate refers to (for whom is it working and with whom);
- description of the modalities through which the organisation will fulfil its mandate (standards and methodology).

> **Ministry Mission Statement**
>
> The Ministry of Energy creates the legal and institutional framework within the energy sector to ensure safe and high quality energy supply to all users under competitive energy market and sustainable development principles, along with the efficient use of energy and environmental protection.

6.3   Vision Statement

An organisation's vision describes how it will appear when it reaches its full potential.

When defining a vision it would be useful to take the three questions listed below into consideration[5].
- In what way would you like your ministry to improve the situation within the sector in the forthcoming planning period?
- What kind of role would the employees and the organisation have in the realisation of this vision, what resources are necessary and what requirements have to be met in order to do so?
- What would success look like?

A vision should not be comprised of more than one or two sentences and should be the result of a joint effort by employees from different parts of the ministry.

A useful method when developing a vision statement is for one or two group members to define an initial vision statement and to present it to the group. After a detailed discussion, it should be possible to modify the initial statements so that the vision fits the majority within the group and is acceptable to the ministry's management.

> **Ministry Vision Statement: Energy Sector**
>
> The Ministry of Energy is, through implementation of laws and regulations and their harmonisation with the EU acquis communautaire, policies and strategies within the energy sector and the fulfilment of obligations deriving from international agreements that BiH has signed and in cooperation with all stakeholders in this field, ensures safe and equal supply of energy to all users and the development of the energy sector.

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[4] The Resource Guide on Strategic Planning, Institutional Learning and Research Division (ILR) of SFCG, January 2004
[5] Instruction for Development of Strategic Plan, Ministry of Finance of Croatia, Zagreb, 2009

7 Situation Analysis

A situation analysis needs to be conducted in terms of data and trends that influence an organisation in order to describe the context within which a plan is being developed.

The analysis will help the team to take into consideration the following:

- impact of the external environment on the organisation, such as trends, events or initiatives that influence its ability to fulfil its mission, requests from outside the organisation, etc;

- potential that exists within the organisation, the organisation's strengths and weaknesses as well as the opportunities and threats with which it is faced.

A whole line of tools are used in order to develop a situation analysis and it would be recommendable to combine all of these tools in order to provide for a complete analysis as well as to ensure that all relevant internal and external factors are taken under consideration.

7.1 SWOT Analysis

The SWOT analysis is a key analysis framework that enables the integration of other methods, such as PESTLE, resource and results analysis and other.[6]

The SWOT analysis is used to determine opportunities and threats that influence an organisation as well as its strengths and weaknesses. In English, SWOT is an acronym that stands for four factors – Strengths, Weaknesses, Opportunities and Threats. One should take care that this analysis is as objective as possible and should concentrate, as much as possible, on the perspectives of the participants in the strategic process as well as those citizens influenced by the operations of the ministry.

Please note: Annex 2 provides detailed instruction on how to conduct a SWOT analysis

Internal factors	Strengths	Weaknesses
External factors	Opportunities	Threats

Table 2: The basic SWOT table structure

7.2 PESTLE

The "PESTLE" analysis is a tool used to analyse external trends and issues that influence a ministry's mission. "PESTLE" is an acronym that can serve as a checklist for the topics that need to be taken into consideration during the analysis itself. It refers to the following areas: political, economic, social, technological, legal and environmental. It can be used to determine the external factors that have an impact on an organisation, which are identified within the "opportunities and threats" part of the SWOT analysis.

Please note: **Annex 3** provides detailed instructions, while **Annex 3a** offers an integrated model of such an analysis.

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[6] Strategic Planning Manual 2005-2006, Eastern Kentucky University, The Office of Institutional Effectiveness, 2004

7.3 The Resource Analysis Method

Resource analysis is a tool used to determine the quality and quantity of resources available to a ministry. It can be used as a complement to the SWOT analysis.

Please note: detailed instructions regarding this type of analysis are given in **Annex 4**, while **Annex 3a** provides an integrated table containing a model of such an analysis.

	STRENGTHS	WEAKNESSES
Resources	High quality technical abilities and working conditions	Insufficient number of employees compared to the needs
Organisation	Good cooperation and communication with all public institutions and businesses	Insufficient cooperation with universities, NGOs and professional associations
Work results	Supply of petroleum products and electric energy provided	Lack of results monitoring and an evaluation system within the ministry
	OPPORTUNITIES	THREATS
Political	Treaty establishing the SEE EC	Lack of political consensus state/entities
Economic	Opportunity to access international funds intended to provide assistance to countries in transition	Insufficient inflow of budget funds (budget filling)
Social	Cooperation with professional associations and NGOs within the areas of energy and environmental protection	Population impoverishment as a result of economic crisis
Technological	Development of IT technologies and the fast inflow of information within government (eGovernment)	Outdated energy equipment and facilities
Legal	Defined legal and regulatory framework within the energy sector	Lack of alignment of legislation between the entities and the state ministry influences the energy sector
Environmental	Wind and solar potential	Destruction of natural resources due to pollution and lack of clear policies

Table 3: An abridged example of a combined SWOT/PESTLE/Resource Analysis within one ministry in the energy sector

7.4 Situation Analysis Development Methodo

A SWOT analysis is used as a framework through which to integrate different methods used for the situation analyses, such as PESTLE, Resource Analysis[7], etc (see Annex 3a). A group that includes representatives of the different sectors within a ministry (or divisions within the sectors) should develop a SWOT analysis. It should have three key stages **(see Graph 5)**.
1. During the initial phase, each of a ministry's sectors (divisions) should delegate "experts" for each of the four aspects of a SWOT analysis (strengths, weaknesses, opportunities and threats). These "Expert groups" should then prepare reports for their segments.

2. Then the "Experts" return to their core groups (sector/division) and report the results to each other. Each group would then have at least one "expert" for each of the parts of the SWOT analysis. Based on reports from all four experts, the ministry's group could then develop the first SWOT table.

3. The tables are then discussed in detail, consolidated and eventually the final SWOT table is defined.

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[7] Strategic Planning: An Inquiry Approach, CEDPA (The Centre for Development and Population Activities), 1999

EXPERTS STRENGHTS	EXPERTS WEAKNESSES	EXPERTS OPPORTUNITIES	EXPERTS THREATS
Sector 1/Division 1	Sector 1/Division 1	Sector 1/Division 1	Sector 1/Division 1
Sector 1/Division 2	Sector 1/Division 2	Sector 1/Division 2	Sector 1/Division 2
Sector 1/Division 3	Sector 1/Division 3	Sector 1/Division 3	Sector 1/Division 3

SECTOR 1/ DIVISION 1	SECTOR 2/ DIVISION 2	SECTOR 3/ DIVISION 3
Experts STRENGHTS	Experts STRENGHTS	Experts STRENGHTS
Experts WEAKNESSES	Experts WEAKNESSES	Experts WEAKNESSES
Experts OPPORTUNITIES	Experts OPPORTUNITIES	Experts OPPORTUNITIES
Experts THREATS	Experts THREATS	Experts THREATS

Graph 5: SWOT analysis methodology – group work

7.5   Performance (results) Review

As part of the preparation for the formulation of strategic goals, it is important to conduct a performance (results) review against existing strategic plans.

Please note: detailed instructions are given in **Annex 5**.

7.6   Data Collection Methods

Different methods can be used to collect relevant information during the situation analysis, including:
- desktop studies - analysis of relevant published documents as well as Internet sources;
- individual meetings with internal and external strategic planning process stakeholders;
- group meetings/workshops with relevant strategic planning process participants.

No matter what tools and methods have been selected, the final (direct) result should be an analysis that defines the internal and external context within which the ministry has to develop its strategic plan. The situation analysis provides essential information that is used while defining strategic issues and priorities, as described in the chapter that addresses the next stage in the strategic planning process.

Questions relevant to gender equality to be addressed during the collection of data for environmental analysis:
- What is the subject of the envisaged plan and does it affect men and women in different ways?
- Who are the decision makers and who are the stakeholders and do they include individuals or groups with a "gender perspective"?
- What key issues are addressed and how might they could affect men and women?
- Are there specific needs related to gender equality to which we need to pay attention?
- Is there a gender balance within all institutions and bodies involved and where is gender expertise available?
- What information do we have and what information is lacking that could provide a gender perspective within the strategic plan?

7.7   When do we Conduct a Situation Analysis?

The analysis of external and internal factors is a continuous process. The ministry has to establish a system of regular consultations with its information sources at different time intervals dependent upon the type of information. The collected information should be filed in an organised manner according to topics and turned into reports to be used when planning for the next period.

When developing the report on implemented activities it is advisable to conduct a new situation analysis each year, because these two documents represent key inputs for the new strategic and annual planning cycle.

8 Strategic Issues And Strategic Goals

The establishment of strategic issues and goals is directly linked to the results of the situation analysis that derives from the SWOT and or other similar internal and external factor analyses as well as from the ministry's mission and vision (see Graph 6).
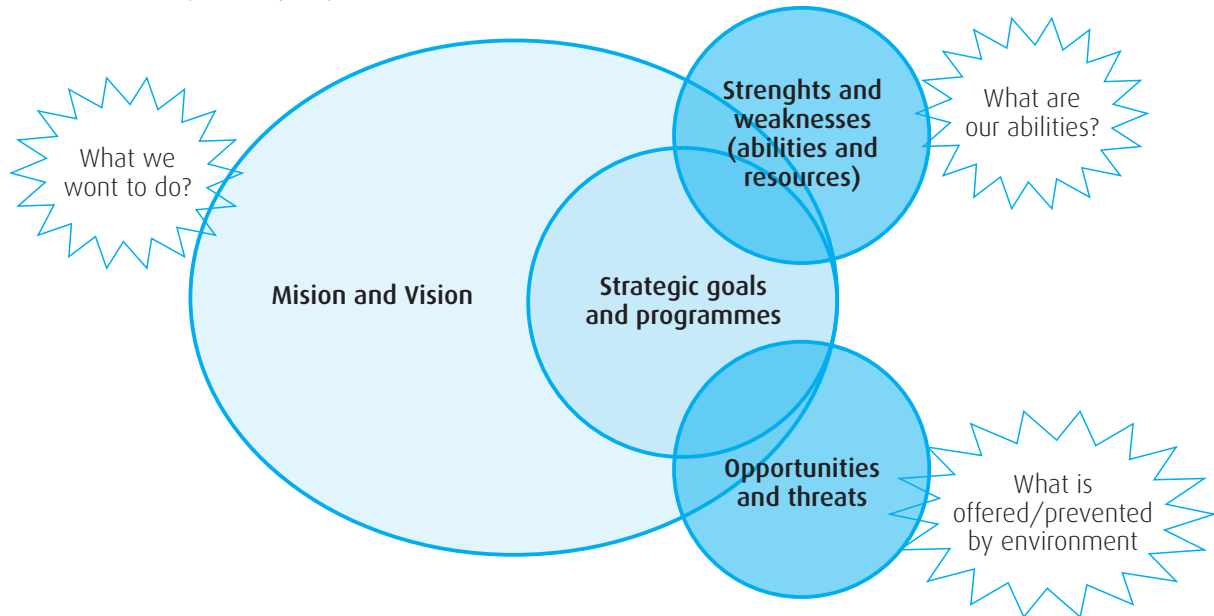
Graph 6: Mission, vision and SWOT within the context of strategic goals definition

The definition of strategic goals creates the preconditions to develop programmes and activities that can contribute to the realisation of the goals. With the limited availability of resources for the realisation of goals, it is necessary to develop prioritisation criteria for the selection of programmes and activities. The order of steps is described in the following graph **(Graph 7)**.
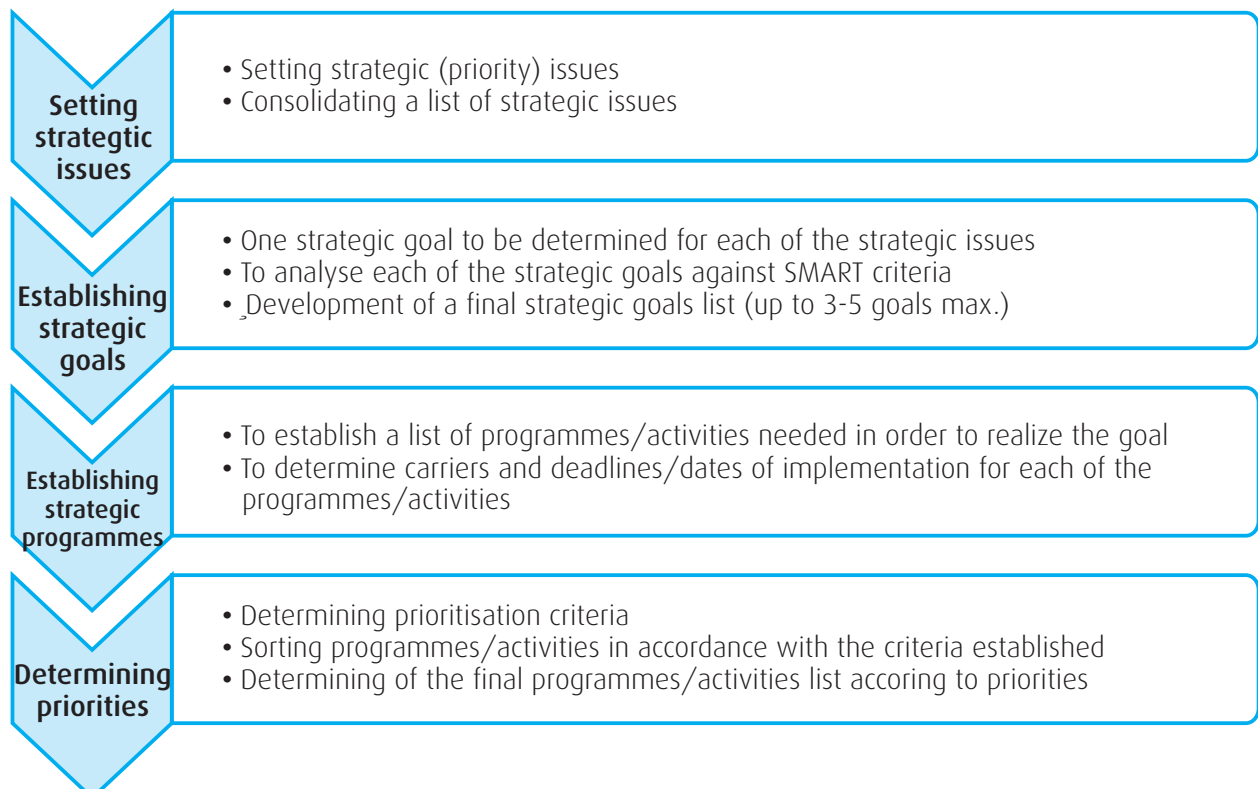
Graph 7: Process used to define strategic goals and programmes

8.1 Strategic Issues/Questions

A strategic issue/question is a key problem for the development of the sector and its institutions. Several phases are required in order to define a strategic issue:

- determine what results you would potentially like to realise through your mission and vision;
- use the list of weaknesses identified during the SWOT analysis in order to identify problems that may prevent the achievement of these results;
- generate as many strategic questions/problems as possible no matter whether they are higher or lower ranking ones;
- divide these issues into groups (by their similarity and give these groups a common name) set an initial strategic question;
- test if the defined question is really a strategic or an operational one;
- formulate the final strategic question.

It is sometimes difficult to determine if a question is a strategic or an operational one. The distinction between these two is not always clearly defined and sometimes certain operational questions will arise that have sufficient strategic features and importance to merit being placed in a strategic plan. In other words, just because a certain issue is operational does not mean that it should not be dealt with in a strategic plan: especially if it is an important and urgent question. Yet in general we should differentiate between these two types of questions.

The following example consist of a list of questions, both strategic and operational (see **Textbox 1**).

Box 1: Sample list of questions – energy sector

- Uncertain electric energy supply
- Low level of investment inflow into the energy sector
- Unused energy potential
- Low energy efficiency
- Insufficient number of employees within the ministry
- Unsatisfactory skills and education of ministry staff
- Lack of strategic planning methodology and capacities
- Disparity between the obligations regarding the development of the energy sector and institutional capacities for their implementation

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The following criteria can be used to categorise questions as operational or strategic:

- decision making level;
- time/period for their resolution;
- impact on operations (organisational, financial, legal and technological);
- impact in terms of relations with key partners;
- organisational complexity of solving the problem (issue);
- significance in relation to the performance of the ministry's key functions;
- sensitivity (political, cultural, religious and social).

Based on these criteria, a division was made separating strategic and operational issues as shown in the following example (**Textbox 2**).

Box 2: Strategic versus operational issues – energy sector

STRATEGIC ISSUES
- Uncertain electric energy supply
- Unused energy potential
- Low energy efficiency
- Disparity between the obligations in terms of the development of the
  energy sector and institutional capacities for their realisation

OPERATIONAL ISSUES
- Insufficient number of employees within the ministry
- Low level of investment inflow into the energy sector
- Unsatisfactory skills and education of ministry staff
- Lack of strategic planning methodology and capacities

The questionnaire attached under Annex 6 has been developed in order to help make a decision on whether a certain issue is strategic or operational.

8.2 Strategic Goals

Strategic goals are defined based on all of the previously mentioned analyses and are the key element of any strategic plan. The initial framework used to define strategic goals consists of strategic questions/issues that were determined within the previous step. The initial definition of a strategic goal[8] is obtained by turning the problem formulation into a positive formulation of a goal, as shown in the example below.

Strategic issue	Strategic goal
Uncertain electric energy supply	To increase the quality and security of energy supply by building new and upgrading existing capacities by 20% by 2012
Unused energy potential and low energy efficiency	To increase the use of renewable energy sources and energy efficiency by 10% on an annual basis: by exploring new potential and developing the legal framework
Disparity between the obligations regarding the development of the energy sector and institutional capacities for their realisation	To improve human resources management and quality by training and the introduction of new working methods

Strategic goals are defined in a general way and tested using the SMART methodology[9]. SMART in English stands for:

(S) - Specific
(M) - Measurable
(A) - Achievable
(R) - Realistic
(T) - Time bound

Specific goal

In order for a goal to be specific it must be concrete, detailed, focused and well defined and contribute directly to resolving a strategic issue. If the goal is sufficiently specific then it should be possible to answer the below questions:

- **What** do we want to do (manage, develop, build, plan, implement, close)?
- **Why** is it important?
- **Who** is involved in its realisation?
- **When** do we want it to be finished?
- **How** are we going to do that?

Measurable goal

A measurable goal can be expressed numerically and quantitatively in relation to a certain benchmark or period and thus it is possible to monitor its realisation. In other words, if we cannot measure a goal we will not be able to know if we actually achieved it.

Key questions to check if a goal is measurable or not are:

- **How** are we going to know if progress has been made?
- **Can** this information be obtained/calculated?

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[8] Hoshin Planning, The Developmental Approach, pp. 4-2 - 4-5. , King, R., Methuen, MA: Goal/QPC 1989
[9] 10 Steps to Setting SMART objectives, George Ambler, www.thepracticeofleadership.net, October 2006

Achievable goal

A goal is achievable if it can be realised in due time and through the support of concrete programmes/activities.

Key questions to check if a goal is measurable are:

- **Can we** reach the goal within the planned timeframe and can we **measure** the result (if the goal is not measurable then neither is it achievable)?
- Are we fully aware of the **limitations and barriers** that impede the realisation of the goal?
- Is it possible to achieve the goal with the **resources** we have at our disposal (available)?
- **Has someone else managed to** achieve the same or a similar goal?

Realistic goal

A goal is realistic if we have the necessary resources to achieve the goal already at our disposal or can obtain them.

Key questions used to check if a goal is realistic are:

- Do we have available the **resources** needed for the realisation of the goal?
- Do we need to define **new priorities** in order to realise the goal?

Time bound goal

A goal is time bound if its realisation can be defined within a specific period of time, meaning that it is possible to set deadlines for its realisation.

Key questions used to check if a goal is time bound are:

- **When** will the goal be achieved?
- Is it realistically possible to **set deadlines** for its realisation?

The following example provides an analysis of one of the strategic goals defined under Chapter 8.2 using SMART criteria **(see Textbox 3)**.

Relevant gender equality questions to be addressed when defining strategic goals:

- What do we want to achieve and does the goal address the needs and concerns of both women and men?
- Does the goal include a broader commitment to change in relation to the attitudes and or other factors that hamper gender equality within institutions?

Box 3: Strategic goal compared to the SMART framework – To increase the quality and certainty of energy supply by building new and upgrading the existing capacities by 20% by 2012.	
SMART criteria	**Description**
Specific	**What** do we want to do? -To increase the quality and certainty of energy supply **Why** is it important? -To satisfy the energy needs of all users (see the Mission Statement) **Who** is involved in its realisation? -The Ministry, the agencies in charge of energy related issues and the private sector **When** do we want it to be finished? -By 2012 **How** are we going to do that? -By building new and upgrading the existing capacities
Measurable	**How** are we going to know if progress has been made? -Using standard indicators for the installed capacity and electric energy, gas, liquid and solid fuels **Can this information** be obtained/calculated? The data presents part of internationally defined quantitative indicators
Reachable	**Can we** reach the goal within the planned timeframe and can we **measure** the result? -Yes, by finishing ongoing construction projects for hydro-power facilities Are we fully aware of the **limitations and barriers** in terms of the realisation of the goal? -Potentially, funding dynamics and environmental regulations Is it possible to achieve the goal with the **resources** we have at our disposal (available)? -With the approval of the EBRD/EIB loan **Has someone else managed to** achieve the same or a similar goal? Neighbouring countries
Realistic	Do we have available the **resources** needed for the realisation of the goal? -EBRD, EIB loans – ongoing negotiations Do we need to define **new priorities**? -No
Time bound	**When** will the goal be achieved? -By 2012 Is it possible to **realistically set deadlines** for its realisation? The plan will provide for a precise realization dynamics

9 Defining Strategic Programmes

9.1 Relation between Strategic Goals and Program

The definition of strategic programmes reflects the most appropriate means to resolve strategic issues and the corresponding strategic goals. Each programme will consist of a list of activities that will jointly contribute to its implementation (see **Graph 8**).

Graph 8: Strategic goals, programmes and activities

1.1 Identification Method for Strategic Programmes

There are several questions to be asked when making a decision on appropriate programmes for the implementation of strategic goals.

- What practical activities (or sets of activities) could we implement in order to achieve a desired outcome, in accordance with the issues listed within the strategic goal (to develop a new or improved policy, legislation, process, system, etc)?
- What barriers could prevent the implementation of these activities (management resistance, low level of skills, a poorly designed organisational structure, lack of resources, etc)?
- What initiatives could we pursue in order to implement activities and overcome barriers (initiatives in terms of policy development, reviews, working groups, organisational restructuring, etc)?
- How could we estimate the possible adverse consequences of strategic programmes as well as strategic goals?
  (It is important, during the initial stages of the development of the strategic plan, to explore how to prevent the occurrence of undesired, negative or discriminatory effects of programmes and or activities in order to prevent them i.e., by using methods such as the Gender Impact Assessment, Environmental Impact Assessment and or other similar methods)
- Who will be responsible (in charge) and what will be the deadline?

Textbox 4 provides an example of the development of strategic programmes for a defined strategic goal.

Box 4: Development of the strategic programmes of the Ministry – Energy Sector

Strategic goal: *To increase the quality and security of energy supply by building new and upgrading existing capacities by 20% by 2012.*

Q1: What practical activities (or sets of activities) could we implement to achieve the desired outcome in accordance with issues listed within the strategic goal?
- Develop a list of operators to monitor quality parameters
- Develop and adopt regulations related to the certainty of natural gas supply
- To initiate the adoption of a decision to amend the Decision on Petroleum and Petroleum Derivatives Quality
- Aligning regulations with the 2005/89, 2004/67 directives and regulations
- Develop an incentives programmes proposal
- Develop a concessions allocation plan
- Enhance legislation and regulations in terms of attracting foreign investment
- Participate in the development of strategic and action plans

Q2: What barriers could prevent the implementation of these activities?
- Low level of skills
- Lack of policies and strategies

Q3: What initiatives could we pursue in order to implement activities and overcome barriers?
- Training of staff within the Ministry
- Recruitment of external advisors
- To use results and proposals from the BiH Energy Strategy

Q4: Who will be responsible (in charge) and what will be the deadline?
- Energy Sector
- Energy Sources Sector
- Deadline is by 2012.

Debating these key issues will enable us to develop a clearer picture of how to contribute to the realisation of a concrete goal (see **Textbox 5**).

Box 5: An example of the Ministry's strategic programmes – Energy Sector

Strategic goal: *To increase the quality and security of energy supply by building new and upgrading existing capacities by 20% by 2012*

Programmes:

1. Introducing quality and energy indicators
2. Adoption of regulations
3. Improving conditions for the purpose of the construction/development of new capacities and attracting foreign investment

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10 Determining Costs and Linking Strategic Planning with the Budgeting Process

10.1 The Reality of Strategic Planning against Financial Resources

The strategic planning process should be carefully aligned with the budgeting process. If we want to assure that the strategic goals are "achievable" and "realistic" the basic prerequisite is to have sufficient funds for their implementation. There is no point in the inclusion of ambitious strategic goals and programmes if there is no hope that sufficient funds can be provided for their realisation, whether from budgetary allocations or extra-budgetary funds.

10.2 Features of the Budgeting Process in BiH

The budget management system applied in Bosnia and Herzegovina is characterised by the below stated factors.

- The use of the programme based budgeting methodology as a results based methodology for the development of budget requests and financial management. Such a methodology requires a direct link between financial resources and results (outputs) achieved:
    - definition of the strategic and operational goals of budget users whose mission is to be accomplished through the achievement of these goals;
    - definition of budget programmes and activities to be implemented in order to accomplish these goals;
    - definition of quantitative performance measures, including outcome and final results indicators as well as indicators on the efficiency of individual budget programmes;
    - planning of required funds based on expected performance results.

- The three-year budgetary approach is based on so-called *rolling* or forward estimates where the current budgetary year is used as the basis for the forthcoming budgetary year, while reviews are conducted on an annual basis.

- Harmonised budget calendars at all levels of government define the budgeting process at the government level "in 10 steps".

The development and implementation of strategic plans would alleviate the budgeting process within the ministries, having in mind that it would provide a great deal of input needed for programme based budgetary documents. The same process would also help planning units to be realistic regarding the level of funds that would most likely be available.

Strategic plan represents the basis for development of budgetary requests of institutions and its structure is aligned with basic categories defined in the budgetary instructions. Table 4 presents relation between categories used in strategic planning and budget preparations processes.

Table 4: Comparison of categories used in strategic planning and budgetary planning

Strategic plan	Budget
Strategic goals	Strategic goals
Sectors (within an institution)	Programmes
Operational goals	Operational goals
Strategic programmes	Activities

The period in which the strategic plan is to take place should be aligned with the existing budgeting process in Bosnia and Herzegovina, which is based on 10 steps (see **Graph 3**). In addition, the programming plans of donors should also be taken into consideration.

According to the "10 steps" planning approach, the budgeting process in BiH starts in February when the relevant ministries of finance deliver Budget Instruction 1 to all budget users with a request for them to deliver their "priority overview tables" i.e., their three-year budget requests in programmatic form (step 2).

Based on an analysis of the competitive requests from the budget users and the expected budget revenues for the forthcoming three-year period and taking into consideration the priorities of government and sectoral policies and strategies, governments at all the levels adopt the Budget Framework Paper (Dokument okvirnog budžeta – DOB) for their level by 30 June at the latest. This Budget Framework Paper (BFP) provides the initial expenditure ceilings for each of the budget users as well as an overview of the governments priority policies.

Immediately upon the adoption of the BFP the governments deliver Budget Instruction 2 to all of the budget users (step 5) asking the budget users to deliver their budget requests for the forthcoming three-year period in a programmatic form aligned with the expenditure ceilings and requirements from BFP (step 6). Requests overriding these ceilings and limitations are subject to further negotiation between the budget users and the ministries of finance – governments (step 7) and they have to be properly justified and argued.

This process should be finished by the end of October at the latest, when the governments are in the process of adopting their budgets and submitting them to the relevant parliaments.

The strategic planning process within the ministry should be aligned with steps 2, 6 and 7 of the budget management process in order to provide the input needed for budgeting and the resources needed for the implementation of the strategic plan.

An analysis of the estimated costs of the implementation of the strategic programmes should form an important part of the strategic planning process. This should include existing funds available according to the approved budget (costs of the existing staff, materials (goods) and services) as well as the requests for additional funds (for staff expenditure, equipment, etc). Labour costs (gross salaries and allowances) account for the majority of public sector expenditure and usually represents more than 80% of current costs.

While analysing programme costs, in addition to those already listed, needs concerning other types of investment should also be taken into consideration, such as the below questions.

- Is there any capital or other kind of one off expenditures, such as new office premises, equipment, etc?
- Is it necessary to recruit additional staff?

After determining the costs of the strategic programmes, new sources of funding should be considered. Can the strategic programme be funded from the existing budget or will it require the reallocation of funds or additional funding (from donors)?

Table 5 provides an example of the cost analysis for a single activity within a single strategic programme.

Table 5: Estimate of the costs of a single activity (example)

Strategic goal:	To establish an organisational structure and to strengthen the ministry's capacities in accordance with the BiH Public Administration Reform Strategy for the purpose of the more efficient implementation of its mandate
Programme:	Improvement of Institutional Communication
Activity:	Development of communication procedures with external stakeholders

1. Salaries and allowances

3 expert associates: 9 working days each				
	Per month	Daily (average per 17 working days)	No. of work days	Total
Average gross salary	1.700 BAM	100 BAM	27	2.700 BAM
Average allowances (including the appropriate ratio of allowances paid on an annual basis, namely holiday allowance)	360 BAM	21 BAM	27	572 BAM
Total labour costs:				**3.272 BAM**

2. Cost of materials (goods) and services

2.1. Direct costs			
Expert services of an external consultant	10 day x	200 BAM per day	2.000 BAM
2.2. Indirect costs			
Percentage of indirect costs (utilities, stationary, insurance) based on the execution of the ministry's budget from the previous year			28 %
x direct labour costs (line 1)			3.272 BAM
Estimated indirect costs			916 BAM
Total cost of materials and services (2.1 + 2.2)			**2.916 BAM**

3. Capital investment

Procurement of IT equipment for one employee	
Computer	1.200 BAM
Printer	400 BAM
Capital investment total	**1.600 BAM**

4. Total (1+2+3)	**7.788 BAM**

11 Monitoring and Evaluation

The objectives of the monitoring and evaluation system of an organisation's strategic plan include the following:
- establish the level of accomplishment of the strategic plan's goals;
- analyse the adequacy of the strategies selected in order to accomplish the strategic plan's goals;
- provide a starting point for the development of the subsequent three-year strategic plan and the annual work plan.

It would be advisable for such a monitoring and evaluation system to be based on internationally accepted standards. The Organisation for Economic Cooperation and Development (OECD[10]) defines five key criteria: relevance, efficiency, effectiveness, success and sustainability. Table 6 provides a detailed example.

Table 6: OECD criteria for results monitoring and evaluation

Relevance	-Adequacy of a strategic plan against the needs of the sector and the key stakeholders within the sector, state and entity level policies and priorities; -level of support from all relevant institutions that should support the implementation of the strategic plan; -level of strategic goals and strategic problems being resolved by the implementation of the strategic goals with regard to the needs of the sector; -quality of the process of preparation of the plan i.e., the logic that serves as the basis behind the plan, involvement of all relevant stakeholders in the development of the plan and the coherence of the design of the plan.
Efficiency	-Economic use of resources in order to achieve the results defined within the plan (by means of annual work plans and appropriate activities); -adequacy of the design of the plan in relation to its cost and purpose; -assessment of the level of success in terms of turning resources used into results, the quantity and time spent and the quality of the results achieved (requirements development, comparison of the strategy selected against alternative strategies and an assessment whether other strategies would have been more efficient).
Effectiveness	-Degree to which the results have been achieved against the goals that were set forth; -analysis of the reasons for the accomplishment (failure to accomplish) of results and proposals in terms of the increase in effectiveness; -analysis of the degree to which the achieved results contributed to the accomplishment of the plan's purpose and goals and the degree to which the assumptions on which the plan was based have actually materialised.
Success	-Analysis of the implementation of economic, social, societal and other strategic plan goals; -degree to which, in the opinion of the main participants in the implementation of the plan, they have directly benefited from its implementation, including an increase in the ministry's capacities and equipment level; -assessment of the measurability of the realisation effects of the strategic plan; -assessment of the effect that the implementation of the strategic plan had on the broader environment and its contribution towards the broader sectoral goals defined during the preparation of the plan.
Sustainability	-Level of financial sustainability of the results achieved; -adequacy of strategies and methodology applied with regard to the long-term development strategy of the ministry, entity and or BiH; -degree to which the results achieved provide for the efficient continuation of the planning process throughout the next phase; -assessment of the probability that the effects achieved during the implementation of the plan will continue and will have a positive impact on the ministry and on the sector in an economic, environmental, technological and societal sense and that the improvements within the organisation and management will be lasting.

Using these criteria as a framework, we can define indicators for different strategic planning levels:

Logical level	Indicators
Strategic goals	Measuring success in terms of the realisation of the strategic goal
Operational goals	Measuring success in terms of the realisation of the operational goal
Resources	Measuring the quantity of resources or costs needed to accomplish a result
Results	Measuring the product (object) or service resulting from the work

[10] Organisation for Economic Cooperation and Development (OECD),

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The example below illustrates the way the indicators for different logical levels for the energy sector and the strategic goals would appear.
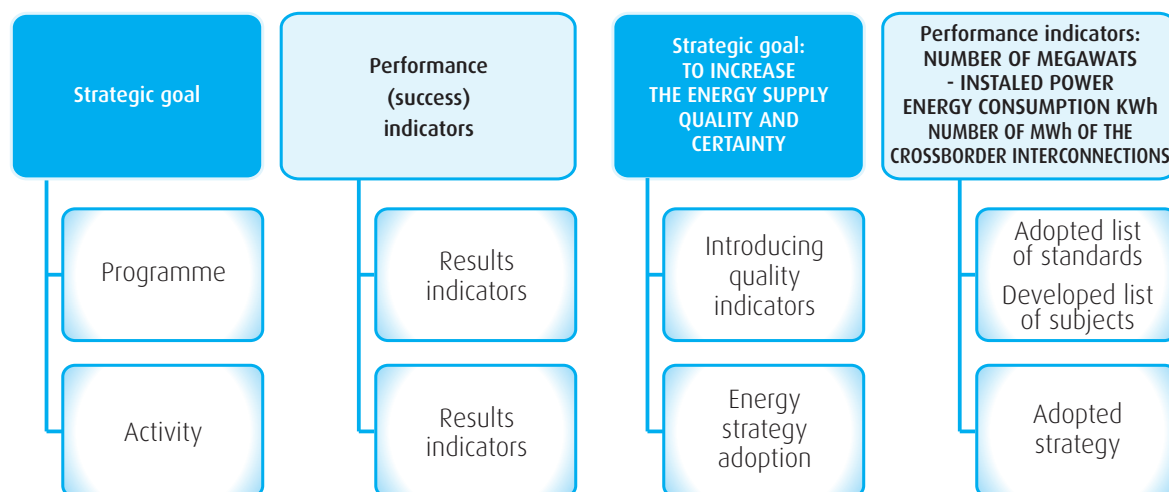
Graph 9: Example of indicators

When determining indicators, the questions below should be taken into account[11].
- Does the selected indicator precisely describe the goal, resource or result? If not, then it needs to be redefined or new indicators added. It is possible to have more than one indicator for each of the logical levels.
- Do the indicators for goals include the sustainable benefits for the target groups? A relevant combination of the following elements should be incorporated into the indicator definition:
    - clear description of products and services intended for users;
    - description of products or services intended for users;
    - user definition (gender, age, ethnicity, class) of those that will benefit;
    - responsibilities in terms of the maintenance of these services and products;
    - timeframe within which the target group will achieve these benefits.

There are three types of indicators, depending of the way we measure their values.

- Direct indicator: the variable is clearly defined and measurable i.e., an increase in electric energy production by 10%.
- Indirect indicator: where the changes in variables are much more difficult to describe i.e., raised awareness.
- "Proxy" indicators: when we define indicator measuring the implementation of a goal indirectly (in cases when we cannot obtain direct results), i.e. when we measure electric energy production by measuring electric energy consumption and import/export.

In order to monitor indicators concerning strategic goals we should have a clear overview of the baseline status, expressed in indicator benchmarks (reference values), and make a realistic description of the desired future situation. A helpful form that can be used to develop an overview of indicators is a Performance Assessment Framework (PAF)[12]. An example of such a framework is provided in **Annex 7**.

Relevant gender equality questions to be addressed when defining a monitoring and evaluation framework:
- Is there a gender-sensitive monitoring plan?
- Are there gender-sensitive targets and indicators?
- Do men and women participate equally in project decision making for implementation of the strategic plan?
- Are men and women given equal respect within the planning process as decision-makers, implementers and participants?
- Are those involved in project implementation, monitoring and evaluation continually motivated to maintain a gender perspective?

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[11] Joachim Friedrich Pfaffe, Monitoring and Evaluation System for the Second Five-Year-Plan 2007-2011
- Consultancy Report, MoEHE, Palestine May 2007
[12] Performance Assessment Framework (PAF)

12 Defining Activities Proritisation Criteria

Strategic programmes consist of a set of activities that jointly contribute to the realisation of strategic goals. A strategic plan should contain a mechanism that supports a ranking of these activities and programmes in order of priority. The prioritisation mechanism enables us to approach the implementation of the plan using different financial resource availability scenarios.

The prioritisation is conducted at the activity level once the strategic plan is defined. One of the practical methods used to rank the activities, according to their importance, consists of the below four steps[13].
1. Defining criteria
2. Weighting (ponderation) of each criteria
3. Grading activities against the criteria
4. Ranking activities

There are no universal criteria used to rank activities since the selection depends greatly on the institution and sector. Criteria, for example, may include:

- availability of the required personnel;

- availability of material resources;

- obligations deriving from international agreements;

- legislative criteria;

- significance of a particular activity in relation to the overall process;

- influence of other institutions over the process.

Weighting (Pondering) is a process used to establish what the relative significance of the criteria is. Weighting ranges from 1-99% while the final sum for all the criteria has to amount to 100%.

The next step, upon the completion of pondering, is to grade each of the activities against the defined criteria. The basis used to rank the activities is calculated in accordance with grades that are awarded to activities against each of the criteria.

Please note: a sample of the table used to rank activities is provided in **Annex 8**.

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[13] The Quality Toolbook, http://www.syque.com/quality_tools/toolbook/Priority/example.htm

13 Action Plan Development

13.1 Strategic Action Plan

An action plan encompasses the results of previous strategic planning steps within a table that contains all relevant information needed to present and monitor the implementation of a plan. A typical action plan table follows the pattern presented below.

Table 7: Strategic Action Plan

Strategic goal 1									
	Programmme		Activity	Implementer	Deadline	Budget 2011.	Budget 2012.	Budget 2013.	Measurable Performance indicator
Programme 1.1									
		1.1.1							
		1.1.2							
Programme 1.2									
		1.2.1							
		1.2.2							

A full action plan table is developed against each of the defined goals, including a programme-based budget for each of the activities over the forthcoming three years. It also has to identify the authority responsible for each of the activities clearly. If the activity is implemented through several parts of an organisation then the organisational part that manages the finalisation of the activity should be listed as its implementer.

Please note: a completed sample of the strategic action plan table is provided in **Annex 9.**

13.2 Annual Work Plan

The annual work plan is a sub-plan of the strategic action plan and consists of a set of activities, programmes and operational goals that the organisation intends to achieve during the first year of implementation of such a plan. An annual work plan follows a similar structure to a strategic one; additional information relates to details regarding input and output indicators for each of the activities. Optionally, it can list the sources of funding for the implementation of activities as well as any financial gaps. In addition, the annual plan defines the operational goals that derive from the strategic goal of the specific relevant annual plan.

An annual work plan follows the structure given in the example below.

Table 8: Annual Work Plan

Strategic goal 1													
Objectivies for 2011:													
	Programme		Activity	Executed in 2010. (%)	Spent in 2010.	Input indicators	Output indicators	Budget 2011.	Implementer	Deadline	Measurable Performance indicator	Sources of funding	Financing gap
Programme 1.1													
		1.1.1											
		1.1.2											
Programme 1.2													
		1.2.1											
		1.2.2											
		1.2.3											

Please note: a complete sample of an annual work plan table is given in **Annex 10**.

14 Institutional Support to the Strategic Planning Process

The success of any planning process depends on the manner in which the planning function is incorporated within an organisation; generally speaking, the lower on the organisational ladder that this function is located the less likely it is to be efficient. On the other hand, placing operational responsibility for the functioning of the planning system in the hands of high-ranking civil servants is also not very efficient, because such servants rarely have enough time to work on operational tasks.

The two graphs below illustrate the two basic models used to anchor the planning function institutionally.
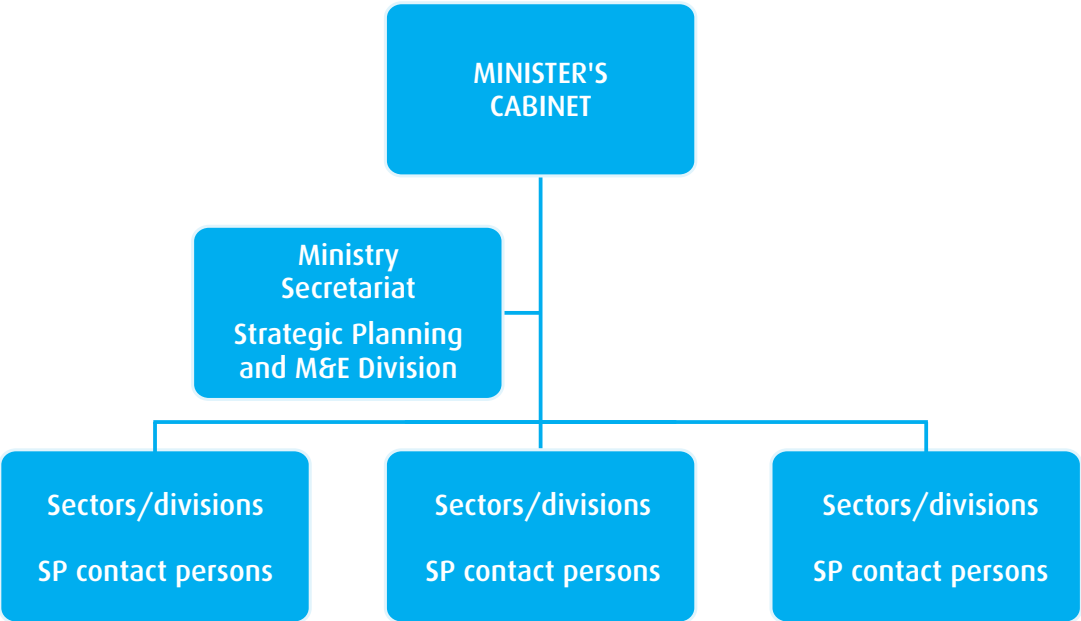
Graph 10: Centralised organisation of the strategic planning system
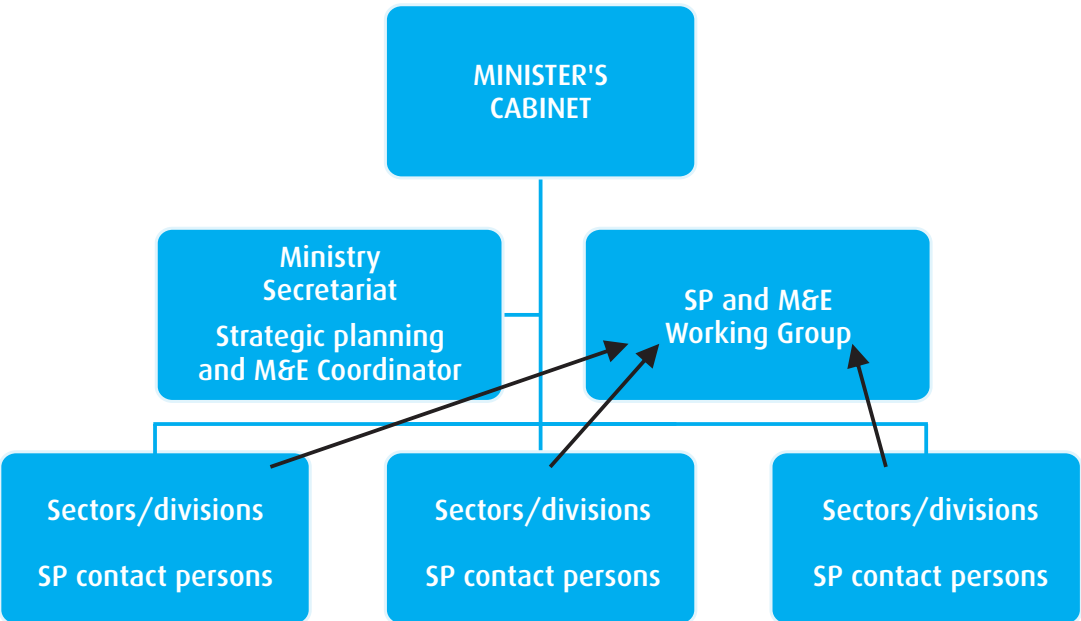
Graph 11: Decentralised organisation of the strategic planning system

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14.1 Institutional Support to the Process of Monitoring and Evaluation

The establishment of a results monitoring and evaluation system requires an institutional framework that supports the implementation of the following key tasks:

- systematically and periodically collect data required to calculate defined indicators from all primary and secondary sources;
- collect data on the realisation of the plan from all sectors/divisions within the ministry;
- prepare the data needed for the next planning cycle;
- analyse the collected data and prepare reports in accordance with the reporting agenda.

The monitoring and evaluation process is directly linked and of vital interest to the strategic planning function and, as one of the key activities, is therefore usually organised within this very function.

15 ANNEX 1: Contents of the Mid-term Strategic Development Plan

MID-TERM STRATEGIC DEVELOPMENT PLAN
of the MINISTRY of (*insert the full name of the ministry)* for 2011-2013

Version
(*insert date*)

CONTENTS

List of Tables and Graphs

List of Acronyms and Abbreviations

Preface
(Comment by the Minister on the significance of the plan and basic guidelines concerning the vision)

Chapter 1: Methodology
(Description of the plan's development process: participants, communication and the process of institutionalisation)

Chapter 2: Overview of the Ministry's results for the period 2008-2010
(Brief description of results achieved, maximum length 2 pages)

Chapter 3: Strategic Framework
(Brief description of the documents concerning the sector and the Ministry's operations that directly or indirectly determine the strategic developmental direction of the sector as well as any limitations: deadlines, key events, goals, the Ministry's mandate and the mandate statement)

Chapter 4: Ministry's Vision and Mission
(Vision statement and mission statement)

Chapter 5: Situation Analysis
(An institutional analysis of the Ministry by sectors/division and the elements of its mandate - SWOT analysis results)

Chapter 6: Participants and Partners
(Brief description of the institutions to which jurisdictions have been delegated and a description of the other key partners)

Chapter 7: Strategic Goals and (operational) Objectives 2011-2013
- Strategic issues (by sector within the Ministry)
- Strategic goals (related to strategic issues)
- Objectives (expected results) (To define one or several objectives for each of the strategic goals as well as the corresponding results)
- Programmes (define one or several programmes to be used to achieve the objective)

Chapter 8: Resources and Capacities needed to Accomplish the Goals
- Opportunities and funding sources (budgetary and extra-budgetary funds)
- Organisational capacity strengthening (organisation within the Ministry needed to implement the plan)

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Chapter 9: Performance Assessment Framework
- Define the key indicators: output level (i.e., quantity), final outputs (results) level (i.e., results of the programme or service or its impact) and the efficiency level (i.e., the cost per output unit)
- Methodology for the collection of information on indicators
- Plan implementation reporting
- Rolling plan and budget mechanism

Annex 1: 2011-2013 Action Plan
Table containing:
- strategic goals;
- objectives;
- programmes and activities;
- activity (programme) implementers;
- funds needed – by activity and by cost category (funds allocated for activities or programmes in accordance with salary classifications, material costs, transfers and capital costs);
- planned sources of funding (budgetary and extra-budgetary sources).

2011 Annual Work Plan
Table containing:
- strategic goals;
- objectives;
- implementation of programmes and activities in 2010 (% of activities and costs planned);
- programmes and activities for 2011;
- activity (programme) implementers for 2011;
- funds needed – by activity and by cost category (funds allocated for activities or programmes in accordance with salary classifications, material costs, transfers and capital costs);
- planned sources of funding (funds provided by their sources – budgetary and extra-budgetary sources);
- financing gap.

2011-2013 Plan Review and the 2012-2014 Rolling Plan

16   ANNEX 2: SWOT Analysis

A SWOT analysis can serve as an extremely useful means of summarising the relationship between external influences and key jurisdictions and thus shape the programme of operations for the development of a new strategy. It can be understood more simply as an exploration of the internal strengths and weaknesses of an organisation or strategy and of the related external opportunities and threats.

A SWOT analysis entails the key questions listed below.

Strengths	Weaknesses
• What are our strengths? • What are the things that our organisation/sector does well? • What do other people perceive as our strengths?	• What could be improved? • What are the things that our organisation/sector does badly? • What do other people perceive as our weaknesses? • What should we avoid? • Is there something that we could learn based on the experiences of other similar organisations?
Opportunities	Threats
• Where can we find high quality opportunities? • What are you aware of in terms of interesting trends? • Useful opportunities can arise through technology and market changes, in both the wider and narrower sense, changes in social patterns, the profile of the population, changes in lifestyle and local events.	• What are the obstacles that prevent improved performance/work, etc? • Are the responsibilities/jurisdictions of the organisation/sector changing? • Has the organisation/sector experienced pressure due to change in terms of circumstances, requests/expectations? • Do technological changes jeopardise our status?

Rules
The need to follow rules has to be taken into account in order to prevent a SWOT analysis from becoming biased, subjective or over optimistic.

- A SWOT analysis should be developed using team efforts: this will serve as a mechanism to collect information from individual team members and enable the team to reach a consensus.
- Nothing can be recorded within the analysis, whether as strengths or weaknesses, unless it clearly defines the reason.
- Nothing can be recorded within the analysis, whether as strengths or as weaknesses, unless it agrees with the analysis.

This analysis should provide a useful insight that can enable the strategy to use the established strengths and reduce to a minimum or eliminate the weaknesses and to use the opportunities and avoid or minimise the threats.

It is worth mentioning that the same factor can be perceived as both an opportunity or as a threat, depending on the context and the general strategic direction.

17   ANNEX 3: PESTLE Analysis

A PESTLE analysis is intended to establish and summarise the impact of the environment on an organisation or policy.

A "PEST" analysis incorporates the definition of political, economic, socio-cultural and technological influences on an organisation and provides a means to explore the external influences that have affected the organisation or policy in the past as well as determining what kind of impact they might have in the future. However, with increasing frequency, when conducting an environmental or external influences analysis, the legal factors are seen as separate to the political ones. (This is because nowadays a far greater legal influence comes from outside the political system, such as European or regional legislation).

An increased level and general acknowledgment of the importance of external factors (the environment) has led to a situation in which the environment has become an additional general category and thus the traditional "PEST analysis" has been replaced by the "PESTLE analysis". The latter has become a recognised term:
>   **P** - Political
>   **E** - Economic
>   **S** - Socio-cultural
>   **T** - Technological
>   **L** - Legal
>   **E** - Environmental

The list below can be used as a checklist for consideration or for a quick analysis of different influences. This model can then be used to inform and lead further analyses.

1.   What environmental factors have an influence on the organisation?
2.   Which of these are most important? What will be the most important in the next few years?
>   **Political**
> *   Taxation policy
> *   Local government/administration to which the mandate was transferred
>   **Economic**
> *   Business cycles
> *   GDP trends
> *   Interest rates
> *   Inflation
> *   Unemployment
> *   Available income
>   **Socio-cultural**
> *   Population demography
> *   Income distribution
> *   Social mobility
> *   Lifestyle changes
> *   Attitudes towards work and free time (leisure)
> *   Education levels
>   **Technological**
> *   Technology transfer speed
>   **Legal**
> *   International/European agreements/legislation
> *   Laws on employment
> *   Laws on competition
> *   Laws on health care and security
> *   Regional legislation
>   **Environment**
> *   Environmental impact

It is extremely important to use "PEST" ("PESTLE") in order to analyse the future impact of external factors that might differ in terms of the impact that they had in the past. A "PEST" or "PESTLE" analysis might also help to explore the different kinds of influence that certain external factors have on an organisation, whether historically speaking or in terms of their possible future impact.

ANNEX 3A: External Situation Analysis Table (SWOT, PESTLE, Resource Analysis)

Instruction: The situation analysis includes both an external and a Ministry internal situation analysis. The questions below each of the tables are to be used for every analysis element listed within the table, namely "What are our advantages in terms of availability and the source of funding within the area of resources?"; "What are our advantages in terms of management skills in the area of resources?" etc.

List of areas	Analysis of the Ministry's STRENGTHS	Analysis of the THREATS to the Ministry
Resources Availability and sources of funding, skills: organisational leadership, technical expertise, availability of physical resources, IT capacities, human resources (personnel capacities)	1. 2. 3.	1. 2. 3.
Organisation Ministry's reputation, branding, contacts and image	1. 2. 3.	1. 2. 3.
Performance (results) Realisation of mandate/jurisdiction, accomplishment of plans/strategies/goals, comparison to other ministries	1. 2. 3.	1. 2. 3.
Key questions	What are our strengths? What are the things our organisation/sector does well? What do other people perceive as our strengths?	What could be improved? What are the things our ministry/sector does badly? What do other people perceive as our weaknesses? What should we avoid? What are the experiences of other similar organisations?

List of areas	Analysis of the Ministry's STRENGTHS	Analysis of the THREATS to the Ministry
Political	1. 2. 3.	1. 2. 3.
Economic	1. 2. 3.	1. 2. 3.
Social and societal	1. 2. 3.	1. 2. 3.
Technological	1. 2. 3.	1. 2. 3.
Legal	1. 2. 3.	1. 2. 3.
Natural environment	1. 2. 3.	1. 2. 3.
Key questions	Where can we find high quality opportunities? What are you aware of in terms of interesting trends?	What obstacles prevent improved performance/work, etc? Are the responsibilities/jurisdictions of the organisation/sector changing? Has the organisation/sector experienced pressure as a consequence of change in terms of circumstances, requests/expectations?

18 ANNEX 4:
Resource Analysis

A PESTLE analysis is intended to establish and summarise the impact of the environment on an organisation. A Resource Analysis can be conducted in order to establish the quantity and quality of resources that an organisation(s) that will participate in the implementation of a new strategy has at its disposal. Key areas to be evaluated include the following:

- availability and sources of funding;
- skills (organisational, leadership and technical expertise);
- availability of physical resources (premises, offices, etc);
- IT capacities;
- human resources (personnel capacities).

In addition to these, several intangible organisational assets should also be evaluated:

- company's positive reputation;
- branding;
- contacts;
- image, etc.

An assessment should be comprehensive yet focused on establishing those resources that are key to an organisation's operability. In addition, it would also be advisable to conduct a historical analysis in order to review the organisation's planned resource allocation compared it to previous years. It could help to determine all significant changes and discover trends that otherwise might remain undetectable. A determination of the key indicators or a comparison with other similar organisations could also be of help when trying to gain an overall picture of an organisation.

Finally, it might be useful to conduct an analysis regarding the overall balance of resources within an organisation. Three key aspects of such an analysis are listed below.

1. To what degree do the different activities and resources of an organisation complement each other?
2. What is the level and balance of human resources within an organisation in terms of their individual skills and personality types?
3. Is the flexibility rate, in terms of an organisation's resources, appropriate in consideration of the level of uncertainty that exists within the environment and the level of risk that the organisation will probably have to assume?

19 ANNEX 5:
Performance (results) Analysis

A Performance (results) Analysis is intended to establish an organisation's performance (its results) in the past with regard to specific plans or its jurisdiction in general. The questions listed below should be asked in this regard.

- What (for plans that are being developed for the first time) has been our strategy until now (despite the fact that we did not have one in written form) and how successful and useful has it been (for the second and all subsequent planning processes)?
- How successful and useful has this strategy been so far?
- What was the performance (what were the results) with regard to the last plan (if such a plan existed)? Have we met our goals (according to the evaluations based on indicators/measurements and targets)?
- What trends in terms of performance (results) are present i.e., is our performance improving, is it stagnating or deteriorating and why?
- Where do we stand compared to other similar organisations (exercise to determine the key indicators)?
- Do we meet our mandate?
- Do we manage our performance (results) in an adequate manner?
- What kind of monitoring and evaluations systems do we have?
- Has the organisational structure changed in terms of becoming more aligned to the existing strategy?
- Have the structure, systems and processes come closer together in order to become more aligned with the existing strategy?

Answers to these questions will provide a starting point from which to build a picture of the current operational abilities of an organisation in terms of its effectiveness and efficiency.

20 ANNEX 6: Defining Strategic Questions – Operational vs Strategic Issues[14]

Issues/problems	Operational		Strategic
	Operational → Strategic		
1. What is the lowest level of management that has the authority to decide on how to proceed concerning this question?	No		Yes
2. When will you be facing the challenge or opportunity related to this strategic question?	Now	Next year	In 2 or more years
4. How extensive will be the impact of this issue?	Single sector or a part of a sector		Entire organisation
5. What percentage of your annual budget is needed to resolve this problem?	Small (≤10% of budget)	Moderate (10-15% of budget)	Considerable (>25% of budget)
6. Is it probable that the strategies needed to resolve this issue will require any of the following actions: (a) change in the way your mission is defined	No		Yes
(b) development of new goals in your ministry	No		Yes
(c) significant change in terms of sources and amounts of revenue	No		Yes
(d) significant amendments to laws and regulations	No		Yes
(e) significant changes in personnel	No		Yes
(f) significant technological innovations	No		Yes
(g) considerable changes in terms of the construction of new premises/facilities	No		Yes
(h) major change in terms of relations between the stakeholders involved in the process of the realisation of the ministry's mandate	No		Yes
7. How obvious is the best approach to resolving this question?	Obvious, ready to be implemented	Broad parameters, scarce detail	Wide open
	Head of the sector		Ministry's top management
9. What would be the possible consequences of failure to resolve this question?	Embarrassment, inefficiency	A significant break in terms of the provision of services and financial losses	Considerable long-term suspension of service provision within the sector and huge costs or a deterioration in terms of income
10. How many external stakeholders would be impacted by this issue and how many of them need to be involved in its resolution?	None	1 or 2 individual stakeholders (participants)	3 or more and all stakeholders (participants) within the sector
11. How sensitive is this issue in terms of social, political, religious and cultural values?	Not sensitive	Sensitive	Highly sensitive

[14] Strategic Planning Manual, Ministry of Justice of BiH, Sarajevo, 2008

21 ANNEX 7: Performance Assessment Framework

Strategic plan 2011-2013	Date				
Ministry of …					
Programmes	Strategic goal 1:	Success (performance) indicators	Baseline 2011	Target 2013	Verification method
Programmes	Strategic goal 2:	Success (performance) indicators	Baseline 2011	Target 2013	Verification method
Programmes	Strategic goal 3:	Success (performance) indicators	Baseline 2011	Target 2013	Verification method
Programmes	Strategic goal 4:	Success (performance) indicators	Baseline 2011	Target 2013	Verification method

22 ANNEX 8 - Prioritization of activities and Programmes - an example

Activity Prioritisation

				Presence of personnel needed		Presence of material resources		Obligation deriving from an international agreement		Legislative criteria		Significance of activity with regard to the process		Influence of other institutions over the process		
				Criteria1		Criteria 2		Criteria 3		Criteria 4		Criteria 5		Criteria 6		TOTAL
				15 %	points	20 %	points	25 %	points	15 %	points	10 %	points	10 %	points	100 %
Strategic goal 1	1. INCREASE IN QUALITY AND CERTAINTY OF ENERGY SUPPLY															
	Programme		Activity													
Programme 1.1	Introduction of quality indicators															
Programme 1.1		1.1.1	Standards list development	2	0,4	0	0	3	0,6	2	0,3	2	0,2	1	0,1	1,6
		1.1.2	Development of a list of subjects to monitor quality parameters	1	0,2	0	0	3	0,6	2	0,3	3	0,3	1	0,1	1,4
Programme 1.2	Adoption of regulations															
		1.2.1	Adoption of reg. concerning the gas supply certainty	2	0,4	1	0,25	3	0,6	2	0,3	2	0,2	0	0	1,75
		1.2.2	Inic. to adopt a decision concerning the petr. and petr. derivatives quality	1	0,2	1	0,25	3	0,6	1	0,15	1	0,1	1	0,1	1,6
		1.2.3	Aligning of regulations with 2005/89 and 2004/67 Directives and regulations	1	0,2	2	0,5	3	0,6	2	0,3	1	0,1	1	0,1	1,8
Programme 1.3	Enhancing conditions to build new capacities															
		1.3.1	Development of the incentives Programme proposal	1	0,15	3	0,6	2	0,5	1	0,15	2	0,3	1	0,1	1,8
		1.3.2	Development of the plan for the awarding of concessions													
Programme 1.4	Adoption of the RS energy strategy															
		1.4.1	Participating in strategy development	1	0,15	3	0,6	3	0,75	1	0,15	2	0,3	0	0	1,95
Strategic goal 2	2. INCREASE IN USE OF RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY															
	Programme		Activity													
Programme 2.1	Exploring of new energy potentials															
		2.1.1	Development of a study concerning the use of energy from renewable sources (wind, sun, biomass, etc.)													
Programme 2.2	Adoption of regulations															
		2.2.1	Development of a directive concerning the use of renewable sources and co-generation	2	0,4	1	0,25	3	0,6	2	0,3	1	0,1	1	0,1	1,75
		2.2.2	Adoption of regulation on energy efficiency	2	0,4	2	0,5	2	0,4	1	0,15	2	0,2	1	0,1	1,75
Programme 2.3	Energy efficiency promotion															
		2.3.1	Public campaign	2	0,8	4	1	0	0	0	0	1	0,1	1	0,1	2
		2.3.2	Seminars	2	0,8	3	0,75	0	0	0	0	2	0,2	1	0,1	1,85
		2.3.3	Cooperation with local community	2	0,8	3	0,75	0	0	0	0	2	0,2	1	0,1	1,85
Programme 2.4	Regulation of the green energy market															
		2.4.1	Adotpion of regulations on green energy													
Strategic goal 3	3. TO SPEED UP THE ADOPTION OF PRIORITY REGULATIONS AND THEIR ALIGNING WITH THE ACQUIS, SAA AND EUROPEAN PARTNERSHIP REQUIREMENTS															
	Programme		Activity													
Programme 3.1	Adoption of priority regulations															
		3.1.1	Development of priority regulations list	3	0,6	1	0,25	3	0,6	1	0,15	2	0,2	0	0	1,8
		3.1.2	Development of an activity plan	2	0,4	2	0,5	3	0,6	1	0,15	2	0,2	0	0	1,85
Programme 3.2	Adoption of regulations conditioned by their harmonization with the Acquis, SAA and EU Partnership															
		3.2.1	Development of priority regulations list	2	0,4	1	0,25	3	0,6	1	0,15	1	0,1	2	0,2	1,7
		3.2.2	Development of an activity plan	2	0,4	2	0,5	3	0,6	0	0	2	0,2	1	0,1	1,8
Strategic goal 4	4. UPGRADING OF HUMAN RESOURCES QUALITY AND MANAGEMENT															
	Programme		Activity													
Programme 4.1	Human resources development															
		4.1.1	Amendments to the rulebook on systematization	4	0,8	0	0	0	0	2	0,3	3	0,3	1	0,1	1,5
		4.1.2	Recruitment of new staff	2	0,4	3	0,75	0	0	0	0	3	0,3	2	0,2	1,65
		4.1.3	Development of the professional dev. plan	3	0,6	2	0,5	0	0	1	0,15	2	0,2	2	0,2	1,65
		4.1.4	Development of annual personnel plans	2	0,4	0	0	0	0	3	0,45	3	0,3	2	0,2	1,35
Programme 4.2	Enhancing the organization of work within the Ministry															
		4.2.1	Development of regulations prescribing obligatory development of bi-annual and annual reports and their analysis	3	0,6	1	0,25	0	0	2	0,3	4	0,4	0	0	1,55
		4.2.2	Introduction of internal communication procedures	3	0,6	1	0,25	0	0	1	0,15	5	0,5	0	0	1,5
Programme 4.3	Improving cooperation with relevant ministries, public institutions, PA and NGOs															
		4.3.1	Organizing of collegiate body meetings and meetings with the subjects mentioned	3	0,6	3	0,75	0		0		2	0,2	2	0,2	1,75
		4.3.2	Mutual exchange of relevant information	3	0,6	3	0,75	0		0		2	0,2	2	0,2	1,75

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Goals Prioritisation

		Presence of personnel needed		Presence of material resources		Obligation deriving from an international agreement		Legislative criteria		Significance of activity with regard to the process		Influence of other institutions over the process		
		Criteria 1		Criteria 2		Criteria 3		Criteria 4		Criteria 5		Criteria 6		TOTAL
		15 %	points	20 %	points	25 %	points	15 %	points	10 %	points	10 %	points	100 %
Strategic goal 1	1. INCREASE IN QUALITY AND CERTAINTY OF ENERGY SUPPLY													
	Programma													
	Introduction of quality indicators													
Programme 1.1		2	0,3	1	0,2	2	0,5	2	0,3	2	0,3	1	0,1	1,7
Programme 1.2	Adoption of regulations													
		2	0,3	1	0,2	3	0,75	1	0,15	2	0,3	1	0,1	1,8
Programme 1.3	Enhancing conditions to build new capacities													
		1	0,15	3	0,6	2	0,5	1	0,15	2	0,3	1	0,1	1,8
Programme 1.4	Adoption of the RS energy strategy													
		1	0,15	3	0,6	3	0,75	1	0,15	2	0,3	0	0	1,95
Strategic goal 2	2. POVEĆANJE KORIŠTENJA OBNOVLJIVIH IZVORA ENERGIJE I ENERGETSKE EFIKASNOSTI													
	Programma													
Programme 2.1	Exploring of new energy potentials													
		1	0,15	3	0,6	2	0,5	1	0,15	2	0,3	1	0,1	1,8
Programme 2.2	Adoption of regulations													
		2	0,3	1	0,2	3	0,75	1	0,15	2	0,3	1	0,1	1,8
Programme 2.3	Energy efficiency promotion													
		2	0,3	3	0,6	1	0,25	1	0,15	2	0,3	1	0,1	1,7
Programme 2.4	Regulation of the green energy market													
		2	0,3	2	0,4	2	0,5	1	0,15	2	0,3	1	0,1	1,75
Strategic goal 3	3. UBRZATI DONOŠENJE PRIORITETNIH PROPISA I NJIHOVO USKLAĐIVANJE SA ACQUIS, ZAHTJEVIMA SSP-A I EU PARTNERSTVA													
	Programma													
Programme 3.1	Adoption of priority regulations													
		3	0,45	1	0,2	3	0,75	1	0,15	2	0,3	0	0	1,85
Programme 3.2	Adoption of regulations conditioned by their harmonization with the Acquis, SAA and EU Partnership													
		2	0,3	1	0,2	3	0,75	1	0,15	2	0,3	1	0,1	1,8
Strategic goal 4	4. UNAPREĐENJE MENADŽMENTA I KVALITETA LJUDSKIH REURSA													
	Programma													
Programme 4.1	Human resources development													
		0	0	0	0	0	0	0	0	0	0	0	0	0
Programme 4.2	Enhancing the organization of work within the Ministry													
		0	0	0	0	0	0	0	0	0	0	0	0	0
Programme 4.3	Improving cooperation with relevant ministries, public institutions, PA and NGOs													
		0	0	0	0	0	0	0	0	0	0	0	0	0

23 ANNEX 9: Draft Action Plan - Energy (sample)

Strategic goal 1	1. INCREASE IN QUALITY AND CERTAINTY OF ENERGY SUPPLY								
	Programme		Activity	Implementer (smallest organizational unit)	Deadline	Budget 2010	Budget 2011	Budget 2012	Measurable performance indicators
Programme 1.1	Introduction of quality indicators								
		1.1.1	Standards list development	El.Energy Dpt.	2012				Adopted list of standards
		1.1.2	Development of a list of subjects to monitor quality parameters	El.Energy Dpt.	2012				Developed list of subjects
Programme 1.2	Adoption of regulations								
		1.2.1	Adoption of regulations concerning the gas supply certainty	Energents Dpt.	2010				Adopted supply certainty directive
		1.2.2	Iniciative to adopt a decision concerning the petroleum and petroleum derivatives quality	Energents Dpt.	2011				Adopted decision on petroleum and petroleum derivatives quality
		1.2.3.	Aligning of regulations with 2005/89 and 2004/67 Directives and regulations	El.Energy Dpt.	2010				Conformity statement
Programme 1.3	Enhancing conditions to build new capacities	1.3.1.	Development of the incentives Programme proposal	El.Energy Dpt.	2012				Incentives programme dev.
		1.3.2.	Development of the plan for the awarding of concessions	El.Energy Dpt.	2011				Concession awarding plan adopted
Programme 1.4	Adoption of the RS energy strategy	1.4.1	Participating in strategy development	El.Energy Dpt.	2010				Strategy adopted
Strategic goal 2	2. INCREASE IN USE OF RENEWABLE ENERGY SOURCES AND ENERGY EFFICIENCY								
	Programme		Activity	Implementer (smallest org. unit)	Deadline	Budget 2010	Budget 2011	Budget 2012	Measurable performance indicators
Programme 2.1	Exploring of new energy potentials								
		2.1.1	Development of a study concerning the use of energy from renewable sources (wind, sun, biomass, etc.)	El.Energy Dpt.	2010				Study developed
		2.1.2							
Programme 2.2	Adoption of regulations								
		2.2.1	Development of a directive concerning the use of renewable sources and co-generation	El.Energy Dpt.	2010				Directive concerning the use of renewable sources and co-generation developed
		2.2.2	Adoption of regulation on energy efficiency	El.Energy Dpt.	2011				Regulations adopted
		2.2.3							
Programme 2.3	Energy efficiency promotion								
		2.3.1	Public campaign	El.Energy Dpt.	2011				Public campaign implement.
			Seminars	El.Energy Dpt.	2012				Number of seminars held
			Cooperation with local community	El.Energy Dpt.	2012				No. of projects implement.
Programme 2.4	Regulation of the green energy market								
		2.4.1	Adotpion of regulations on green energy	El.Energy Dpt.	2012				Regulations adopted
		2.4.2							
Strategic goal 3	3. TO SPEED UP THE ADOPTION OF PRIORITY REGULATIONS AND THEIR ALIGNING WITH THE ACQUIS, SAA AND EUROPEAN PARTNERSHIP REQUIREMENTS								
	Programme		Activity	Implementer (smallest org. unit)	Deadline	Budget 2010	Budget 2011	Budget 2012	Measurable performance indicators
Programme 3.1	Adoption of priority regulations								
		3.1.1	Development of priority regulations list	Legal and EU Integrations Dpt.	2010				Priority regulations list adopted
		3.1.2	Development of an activity plan	Legal and EU Integrations Dpt.	2010				Activity plan prepared
Programme 3.2	Adoption of regulations conditioned by their harmonization with the Acquis, SAA and EU Partnership								
		3.2.1	Development of priority regulations list	Legal and EU Integrations Dpt.	2010				Priority regulations list adopted
		3.2.2	Development of an activity plan	Legal and EU Integrations Dpt.	2010				Activity plan prepared
Strategic goal 4	4. UPGRADING OF HUMAN RESOURCES QUALITY AND MANAGEMENT								
	Programme		Activity	Implementer (smallest org. unit)	Deadline	Budget 2010	Budget 2011	Budget 2012	Measurable performance indicators
Programme 4.1	Human resources development								
		4.1.1	Amendments to the rulebook on systematization	Secretariat	2010				New rulebook adopted
		4.1.2	Recruitment of new staff	Secretariat	2011				New staff recruited
			Development of the professional dev. plan	Secretariat	2011				Programme developed
Programme 4.2	Enhancing the organization of work within the Ministry								
		4.2.1	Development of regulations prescribing obligatory development of bi-annual and annual reports and their analysis	Secretariat	2012				Certificate
		4.2.2	Introduction of internal communication procedures	Secretariat	2011				Procedure developed
Programme 4.3	Improving cooperation with relevant ministries, public institutions, PA and NGOs								
		4.3.1	Organizing of collegiate body meetings and meetings with the subjects mentioned	Secretariat	2011				Tbd
		4.3.2	Mutual exchange of relevant information						

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24 ANNEX 10: Annual Work Plan (sample)

Strategic goal 1
Targets 2011

Programme	Activity	Completed in 2010 (%)	Spent in 2010	Input indicators	Output indicators	Budget 2011	Implementer	Deadline	Measurable perormance ind.	Surces of funding	Funding gap
Programme 1.1	1.1.1										
	1.1.2										
Programme 1.2	1.2.1										
	1.2.2										
	1.2.3.										

Strategic goal 2
Targets 2011
Programme

Programme	Activity	Completed in 2010 (%)	Spent in 2010	Input indicators	Output indicators	Budget 2011	Implementer	Deadline	Measurable perormance ind.	Surces of funding	Funding gap
Programme 2.1	2.1.1										
	2.1.2										
Programme 2.2	2.2.1										
	2.2.2										

Strategic goal 3
Targets 2011

Programme	Activity	Completed in 2010 (%)	Spent in 2010	Input indicators	Output indicators	Budget 2011	Implementer	Deadline	Measurable perormance ind.	Surces of funding	Funding gap
Programme 3.1	3.1.1										
	3.1.2										
Programme 3.2	3.2.1										
	3.2.2										

Strategic goal 4
Targets 2011

Programme	Activity	Completed in 2010 (%)	Spent in 2010	Input indicators	Output indicators	Budget 2011	Implementer	Deadline	Measurable perormance ind.	Surces of funding	Funding gap
Programme 4.1	4.1.1										
	4.1.2										
Programme 4.2	4.2.1										
	4.2.2										

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