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**TECHNICAL ANNEX**

**BOSNIA AND HERZEGOVINA**

**EMERGENCY DEMOBILIZATION AND REINTEGRATION PROJECT**

**June 28, 1996**

**Human Resources Sector Operations Division  
Central and Southern Europe Departments  
Europe and Central Asia Region**

## CURRENCY EQUIVALENTS

(as of April 30, 1996)

Currency Unit: Bosnia and Herzegovina Dinars (BHD)

US\$1.00=BHD149.25

US\$0.67=BHD100.00

## WEIGHTS AND MEASURES

Metric System

## ABBREVIATIONS AND ACRONYMS

ARBH	Army of the Republic of Bosnia-Herzegovina
BH	Bosnia and Herzegovina
CY	Calendar Year
DC	Direct Contracting
Federation	Federation of Bosnia and Herzegovina
EBRD	European Bank for Reconstruction and Development
EU	European Union
ETF	Employment and Training Foundation
FY	Fiscal Year of the World Bank
GDP	Gross Domestic Product
GNP	Gross National Product
GPN	General Procurement Notice
HVO	Bosnian Croat Army
ICB	International Competitive Bidding
IDA	International Development Association
IMF	International Monetary Fund
IS	International Shopping
LIB	Limited International Bidding
NS	National Shopping
OECD	Organization for Economic Cooperation and Development
PIP	Project Implementation Plan
PCU	Project Coordination Unit
RS	<i>Republika Srpska</i>
SNCB	Simplified National Competitive Bidding
SOE	Statement of Expenditures
TA	Technical Assistance
TFBH	Trust Fund for Reconstruction of Bosnia and Herzegovina
TOR	Terms of Reference
UNHCR	United Nations High Commission for Refugees

## FISCAL YEAR

January 1 - December 31

**BOSNIA AND HERZEGOVINA**

**EMERGENCY DEMOBILIZATION AND REINTEGRATION PROJECT**

**TECHNICAL ANNEX**

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This report is based on the findings of Bank missions which visited Bosnia-Herzegovina in April 1996. The missions comprised Messrs./Ms. David Fretwell (Mission Leader, Senior Employment and Training Specialist, EC1/2HR Hub Budapest), James Stevens (Operations Officer, EC1/2HR Hub Budapest), and Ilona Szemzo (Social Sectors Operations Officer, Bosnia Resident Mission). The Project also draws on field work carried out in Bosnia and Herzegovina in February, 1996 by Michael Mertaugh (Principal Education Economist, EC1/2HR) and Ian Whitman (OECD). Edith Santos (Staff Assistant, EC1/2HR) provided assistance with text processing. Task Manager: David Fretwell (EC1/2HR); Division Chief: Ralph W. Harbison (EC1/2HR); Acting Director for Bosnia and Herzegovina: Christine Wallich, Director: Jean-Michel Severino (EC2DR); Vice President: Johannes Linn (ECAVP); Peer Reviewers: Arvil Van Adams (AFTHR) and Sarah Forster (Bosnia Resident Mission).

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**BOSNIA AND HERZEGOVINA**  
**EMERGENCY DEMOBILIZATION AND REINTEGRATION PROJECT**  
**TECHNICAL ANNEX**

**A. Background**

1. Demobilization is one of the basic requirements of the Dayton Agreement. But there is widespread concern that a large injection of former soldiers into the economy could threaten peace and recovery unless ways are found to expedite their reintegration. Contacts with officials of the Federation Ministry of Defense indicate that there will be approximately 245,000 military personnel demobilized, 65,000 from the Bosnia Croat Army (HVO) and 180 from the Bosnian Army of the Republic of Bosnia-Herzegovina (ARHB). The average age is 20-35 and the population is almost entirely male; 18% are officers and 85% are married. About 25% have some higher education, while the majority of the remainder have completed secondary education. In the *Republika Srpska* (RS), a total of 180,000 soldiers will be demobilized; 85% of these are married, 20% have a university degree, and the remainder have secondary school or less. The age range is between 25 and 40 years.

2. Demobilization is being carried out in phases according to the Dayton Agreement. The initial phase emphasizes (i) demobilization of soldiers who had the opportunity to return to their initial place of residence and employment, and (ii) those who were returning to complete their education which was disrupted by the conflict. By April 30, 1996, 100,000 ARHB and 45,000 HVO soldiers were demobilized, with the remainder expected by June 30. By April 14, 1996, a total of 150,000 RS soldiers were demobilized, with the remainder expected by June 15. These latter phases will involve demobilization of soldiers who may have greater difficulty with reintegration because they are not able to return to their homes and previous jobs.<sup>1/</sup> There is some evidence that a significant portion of these may have lower general education and professional qualifications, or qualifications that are not matched to the economic environment where they are now located. In addition, some of these individuals have injuries which prevent them from resuming their former occupation. If not given appropriate assistance in the near future, a large portion of demobilized military will end up among the ranks of the long-term structurally unemployed who will require long-term income support.

3. In addition to the reintegration of demobilized soldiers, there are, according to the latest statistical figures presented by the Government, an estimated 1,250,000 refugees who are expected to return to BH. Like the demobilized soldiers, many may be unable to return to their original home and place of work and will likely also join the ranks of the unemployed. In addition to these, many of the 900,000 people employed in the civilian economy in 1991 are now unemployed because they were displaced by the conflict, or due to the fact that their place of employment is damaged and/or working at a reduced capacity.<sup>2/</sup> Other smaller, but significant, groups of individuals who may need assistance to return to work are the disabled and widows of soldiers killed in the

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1/ For example, about 30,000 of the 160,000 HVO Croats who were displaced from Central Bosnia during the war are not expected to return to their former homes. In the RS there are about 70,000 soldiers who are displaced without homes or jobs.

2/ It is estimated that only about 72,000 were able to keep their jobs during the conflict.

conflict. The disabled will need training for alternative employment, and many widows are faced with the necessity of entering the workforce to support dependents without appropriate qualifications.

4. Employment and job creation is driven by reconstruction as well as by economic restructuring and privatization. Reconstruction expenditures alone, estimated at over US\$5 billion during 1996-1999, will generate considerable short-term and medium-term employment for skilled and unskilled workers. But there may be a mismatch between the supply and demand for labor. Many demobilized soldiers with skills and experience can and will be involved in the reconstruction effort. However, even at this early stage of reconstruction, skill shortages are appearing. Economic restructuring will likely exacerbate the mismatch of skills for demobilized soldiers and other groups described in paragraph 3.

5. A reintegration strategy is needed to assist individuals who are not spontaneously drawn into reconstruction-related employment, to help them find jobs in the changing labor market -- including training and other support to help them start small businesses. This strategy must be flexible in order to address the varying needs of the individuals, as well as the communities in which they reside. The strategy should include: (a) provision of counseling and job-placement services, (b) support for small business creation, including access to credit, (c) support for education and retraining to adjust job seekers' qualifications to labor-market needs, (d) support for transitional temporary employment through public works and public service employment, and (e) temporary income support/cash benefits. Not all individuals will need assistance, and no one program can solve all problems.

6. The reconstruction program for Bosnia, supported by the Bank and other donors, includes initiatives which address many of these needs. The Economic Recovery Project (ERP) provides cash assistance for which many demobilized soldiers and their families will be eligible, and credit for businesses, including small business start-ups. The several emergency investment projects (for farm reconstruction, water supply, transport, district heating, war victims and education) will all generate employment opportunities, as will the second-wave investment operations focussed on infrastructure rehabilitation or reconstruction. A proposed Local Initiatives Project and Public Works and Employment Project are under preparation by the Bank, both designed expressly to put people back to work. While none of these projects is targeted specifically to demobilized soldiers, all include former soldiers among their target groups. The only elements of the strategy not so far explicitly and systematically addressed are the need for employment counseling, and for education and retraining to adjust skills to market needs. The proposed Demobilization and Reintegration Project would address this need.

## **B. IBRD/IDA Assistance Strategy**

7. Demobilization and reintegration of ex-combatants is one of the highest priorities for the Government of Bosnia and Herzegovina for security, humanitarian, and economic reasons. However, this urgent short-term issue must be looked at in the context of related issues including the large numbers of refugees which must also be reintegrated into the economy, as well as medium term challenges which include rebuilding the basic institutions necessary to operate a modern democratic market economy. These short and medium term issues have been taken into account in the design of the proposed project. First, steps have been taken to involve the major social partners in the reintegration process. This has been done through creation of Employment and Training Foundations

(ETFs) to manage the project. Members include local government agencies, chambers of commerce, and labor representatives. This implementation format will encourage the transfer of responsibility from defense to civilian authorities, as well as provide an opportunity to strengthen social dialogue. Second, the ETF framework will provide financing to local service providers, including NGOs, which will provide services to demobilized soldiers. This support will also help local education and training providers rebuild their capacity for medium-term support to the economy. Third, the ETFs provide a framework which other Bank-financed projects (e.g. the Public Employment Project) and other donors (e.g. the European Union which has expressed support for the concept) can use to increase the flow of resources to assist with reintegration of ex-combatants and refugees.

### C. Detailed Project Description

8. The overall objective of the proposed project is to assist economic reintegration of displaced workers into the civilian workforce in order to reduce the burden on families, decrease dependency on eventual social assistance, and increase economic productivity. The primary target group is demobilized soldiers. Secondary target groups include refugees, war victims and the disabled, widows, and the general unemployed.

9. The project would finance, in the Federation of Bosnia and Herzegovina and the *Republika Srpska*, implementation of: improved labor market information data bases, counseling and job-finding services, education and retraining services, and management support units to assist the Employment and Training Foundations (ETFs) which are to be responsible for implementation management in the Federation and the *Republika Srpska*. Each of these components is described below:

- (a) **Labor Market Information Data Base (US\$1.5 million):** The project would finance automation hardware, software, and limited technical assistance and training to re-establish, upgrade and broaden the labor market information data base operated by Municipal Employment Services which have been severely disrupted by the conflict. The previous job vacancy systems would be broadened, through cooperation with the Reconstruction Agencies, to include qualitative and quantitative information on reconstruction programs to assist with out-placement activities. The job seeker registration systems would also be modified and broadened, in cooperation with the Ministries of Defence, to include specialized information on the characteristics and background of demobilized soldiers which may be useful during counseling and job-placement activities. Summaries of this information would be available from the Employment Service, in automated and newsletter formats, to agencies responsible for organizing services (e.g. counseling, retraining, small business assistance, public works) for demobilized soldiers and displaced workers.
- (b) **Counseling and Job-Finding Services (US\$1.8 million):** The project would finance limited technical assistance to develop counseling and job-finding services, and sub-project contracts for delivery of counseling and job-finding services targeted principally to demobilized soldiers, according to criteria and procedures agreed with IDA (Appendix 2). Sub-projects for delivery of counseling and training services would be contacted with Municipal Employment Services and/or private or Non-Government Organizations (NGOs), and would utilize the previously described Labor Market Information Data Base. Services may include (but are not be limited to):

family and social counseling, job search assistance, screening of individuals for trauma counseling (possibly at the centers being financed under the War Victims Rehabilitation Project), screening of individuals for participation in follow-up labor adjustment activities (e.g., retraining, public works, small business assistance), and provision of information on legal rights and responsibilities in civilian life.

- (c) **Education and Retraining Services (US\$ 16.0 million):** The project would finance **sub-project contracts for demand-driven education and retraining services** (including small business training) primarily to demobilized soldiers in accordance with criteria and procedures agreed with IDA (see Appendix 2). These contractual services could include the provision of education and training resources to: (i) **enterprises** which agree to provide on-job-training services to the unemployed; and (ii) **education and training institutions** which provide short-term retraining programs. Services would be demand driven and primarily provided through group training contracts with enterprises and training institutions. Contracts would include pre-negotiated levels of job placement at the end of training, and would contain financial incentives and disincentives to reinforce job placement targets. In addition to group training programs, a voucher program would also be made available to allow **individuals** to enter ongoing institutional training programs, including assisting them to complete advanced secondary or post-secondary formal education which was disrupted by the war. The total estimated cost of this component is based on the assumption that approximately 32,000 individuals receive education or training under the project, at an average unit cost of US\$500. This figure is based on experience in the region, and conditions in BH. If all beneficiaries were demobilized soldiers, the project would reach about 8% of all demobilized soldiers.<sup>3/</sup>
- (d) **Management Assistance (US\$0.7 million):** The project would finance technical assistance and goods to develop and maintain two small Management Units, one in the Federation and one in the RS. These would consist of approximately 3-5 staff each, plus one extension officer in each Canton or Region (about five in the RS and 10 in the Federation) and would promote, oversee, and monitor the local counseling and retraining service contracts. These units would also coordinate all procurement financed under the project and act as a liaison to the Bank, through the respective Ministries of Finance, for supervision and reporting purposes.

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<sup>3/</sup> The region has considerable experience with demand-driven training contracts (e.g. Albania, Turkey, FYR Macedonia). Placement and retention rates after training exceed 75% in on-the-job-training and are about 50% following institutional training, even under the difficult economic conditions in Albania and Macedonia. Typical training subprojects are in the service and production sectors, and include such activities as shoe making, crafts, metal fabrication, electrical manufacturing, newspapers, construction, food service, crafts, a broad array of hotel services, hair dressing, textiles, and auto repair. Many involve small-and-medium-sized enterprises which are formed following restructuring of large public enterprises. On-the-job-training organized by enterprises -- either alone, or in partnership with training institutions -- is often an important means of raising worker productivity.



## Project Costs and Financing Plan

10. **Project Costs.** The total cost of the Demobilization and Reintegration Project is estimated at US\$20.0 million. No price or physical contingencies have been included, given the expected short disbursement period of this project and the variable scale of the largest project components. The project is expected to disburse over a 24 month implementation period. Project costs are summarized in the table below, and presented in more detail in Appendix 1.

**Table 1: PROJECT COST SUMMARY BY COMPONENT**  
(US\$ '000)

Project Components	Totals Including Contingencies		
	1996	1997	Total
1. Labor Market Information	750.0	750.0	1,500.0
2. Employment Counseling	890.0	890.0	1,780.0
3. Education and Retraining	8,050.0	8,020.0	16,070.0
4. Project Management	340.0	310.0	650.0
<b>Total PROJECT COSTS</b>	<b>10,030.0</b>	<b>9,970.0</b>	<b>20,000.0</b>

**Table 2: PROJECT COST SUMMARY BY EXPENDITURE CATEGORY**  
(US\$ '000)

	Foreign	Total
<b>I. Investment Costs</b>		
A. Office Equipment and Vehicles	1,790.0	1,790.0
B. Employment and Training Fund	17,730.0	17,730.0
C. Technical Assistance	480.0	480.0
<b>Total BASELINE COSTS</b>	<b>20,000.0</b>	<b>20,000.0</b>
Physical Contingencies	-	-
Price Contingencies	-	-
<b>Total PROJECT COSTS</b>	<b>20,000.0</b>	<b>20,000.0</b>

11. **Financing Plan.** Of the total cost project cost of US\$20.0 million, US\$7.5 million is proposed as an IDA Credit. IDA funds would finance approved project inputs, net of taxes. Two-thirds of total financing for the project would be allocated to project activities in the Federation, and one-third to project activities in the *Republika Srpska*. Within the Federation, resources would be distributed roughly in accordance with population. Cofinancing from the Dutch Government (US\$0.4 million) has already been identified. Additional cofinancing of US\$12.1 million is being sought to meet the remaining financing gap. If financing is not found to fill this gap, the first three components (labor market information, and sub-projects for counseling services and retraining services) would be scaled back in accordance with available resources.

**Table 3: FINANCING PLAN BY COMPONENT**  
(US\$ '000)

	IDA		Dutch Grant		Financing Gap		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1. Labor Market Information	1,479.9	98.7	20.1	1.3	-	-	1,500.0	7.5
2. Employment Counseling	562.1	31.6	60.3	3.4	1,157.7	65.0	1,780.0	8.9
3. Education and Retraining	5,110.6	31.8	20.1	0.1	10,939.3	68.1	16,070.0	80.4
4. Project Management	348.9	53.7	301.1	46.3	-	-	650.0	3.3
<b>Total Disbursement</b>	<b>7,501.5</b>	<b>37.5</b>	<b>401.6</b>	<b>2.0</b>	<b>12,096.9</b>	<b>60.5</b>	<b>20,000.0</b>	<b>100.0</b>

**Table 4: FINANCING PLAN BY EXPENDITURE CATEGORY**  
(US\$ '000)

	IDA		Dutch Grant		Financing Gap		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1. Office Equipment and Vehicles	1,710.0	95.5	80.0	4.5	-	-	1,790.0	9.0
2. Counseling and Training Fund	5,633.1	31.8	-	-	12,096.9	68.2	17,730.0	88.7
3. Technical Assistance	158.4	33.0	321.6	67.0	-	-	480.0	2.4
<b>Total</b>	<b>7,501.5</b>	<b>37.5</b>	<b>401.6</b>	<b>2.0</b>	<b>12,096.9</b>	<b>60.5</b>	<b>20,000.0</b>	<b>100.0</b>

12. **Retroactive Financing.** Although little capacity exists in the Federation or RS to pre-finance activities, the possibility of retroactive financing should not be excluded -- particularly, for the Federation, where early start-up is most likely. Therefore, retroactive financing will be permitted up to the limit of 10% of the amount of the proposed Credit preallocated respectively to the Federation for eligible expenses incurred after May 3, 1996 (but not more than four months prior to signing) for TA for management support to the ETF and for initial counseling and retraining service contracts.

#### **Environmental Aspects**

13. Because the project is not expected to have any adverse environmental impact, it is proposed for classification under Environmental Category C.

### **D. Institutional Arrangements and Implementation**

#### **Project Organization and Implementation**

14. The Project would be implemented over a maximum of 24 months by two Employment and Training Foundations (ETFs), established by the Federation Ministry of Finance and

the RS Ministry of Finance. The Federation ETF would be supported by external and local technical assistance funding through a Dutch Government Trust Fund, while credit funds or other donor support would be used to support the technical assistance for the RS. Responsibility for project implementation, including responsibility for awarding education and training contracts, would be delegated by the State Ministry of Finance to the Federation and RS Ministries of Finance, and on (through subsidiary financing and project implementation agreements) to the respective Employment and Training Foundations, which would contract for and oversee project implementation on behalf of the respective Ministries of Finance. A summary of institutional arrangements is included in Appendix 5. Key activities and roles are as follows:

- (a) The two ETFs would be established as non-profit foundations by the Federation and RS Ministries of Finance, with terms of reference agreed with IDA. (See the proposed ETF Charter in Appendix 3). Each ETF would have a Board of Trustees composed of representatives from, but not limited to, the respective Federation and RS Ministries of Finance, Ministries of Defense, Ministries of Refugees and Social Affairs/Employment Institutes, Ministries of Education, Chambers of Commerce, and trade unions <sup>4/</sup>. Each project implemented under the respective ETFs, including this proposed Emergency Demobilization and Reintegration Project, would have a single Executive Director, approved by the ETF's Board of Trustees, with signatory authority for expenditures under the project. The ETF Boards would review and approve ETF policies, regulations, and major service delivery contracts (over US\$25,000), upon the recommendation of the Cantonal Steering Committees (para. 14d). Each project implemented under the respective ETFs, including this proposed Emergency Demobilization and Reintegration Project, would have an Executive Committee, chaired by the Executive Director for the project. The Executive Committee for this project would also comprise the Financial Director of the project, and two members of the Board appointed by the Executive Director on a rotating basis. The Executive Committee of the ETF for the proposed project would review and approve all service delivery contracts up to \$25,000. Each project implemented by the respective ETFs, including this project, would have a secretariat to carry out the operational requirements of implementation. As shown in Appendix 5, this project is to be implemented by the Training Department in each of the ETFs; its Executive Director is to be the secretary for implementation of the project; the Public Works Departments are to be the secretariat for the proposed Emergency Public Works and Employment Project.
- (b) The Federation and RS Ministries of Finance would initiate the establishment of the ETFs and would serve as members of the ETF Boards, with equal voting rights as other members.
- (c) With resources from the IDA Credit (and potentially other financiers), the ETFs would contract for counseling and retraining services under approved sub-projects. The ETFs would pay for the services delivered based on criteria and procedures agreed with IDA (Appendix 2), including: (i) the type of counseling and retraining

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<sup>4/</sup> In the Federation there would be two representatives from each agency; each agency would have only one consensus vote.

services to be provided, (ii) the agencies eligible to provide these services, and (iii) eligible costs to be reimbursed under service contracts.

- (d) The ETFs would have an extension staff member working in each canton, who would work with local service providers to develop and monitor implementation of counseling and retraining service contracts, following criteria and procedures agreed with IDA. All proposals would be reviewed by Cantonal Steering Committees. In each canton, the ETF extension agent would serve as the secretariat to the Cantonal Steering Committee. The extension agent would nominate a Cantonal Steering Committee for approval by the appropriate ETF Board. In addition, each Cantonal Steering Committee would include a representative appointed by the main municipality of the canton. The Cantonal Steering Committees would review all proposals for counseling and retraining services. For proposals which pass this first stage of review, the ETF extension agent would forward them to the ETF Executive Committee with a recommendation for approval. Proposals in excess of \$25,000 would need to be approved by the full ETF Board.
- (e) ETFs would reimburse local counseling and retraining contractors on a monthly basis against invoices submitted by the contractor, and on the basis of agreed unit costs as stipulated in the contracts. The ETFs may provide mobilization payments to sub-project contractors, as agreed with IDA.

## **Procurement**

15. Procurement arrangements are summarized in table 5, below. As recommended by the Bosnia Procurement Advisory Committee, packages will be procured mainly through International Shopping (IS), National Shopping (NS) and Direct Contracting (DC).

**Table 5: SUMMARY OF PROPOSED PROCUREMENT ARRANGEMENTS <sup>a/</sup>**  
(US\$ Million)

Category of Expenditure	IS <sup>b/</sup>	OTHER <sup>c/</sup>	Non-Bank Financed	TOTAL
Office Equipment and Vehicles	1.7 (1.7)	--	0.1 <sup>d/</sup> (0.0)	1.8 (1.7)
Technical Assistance <sup>e/</sup> and Training	--	0.1 (0.1)	0.4 (0.0)	0.5 (0.1)
Counseling and Training Contracts	--	5.7 <sup>f/</sup> (5.7)	12.0 (0.0)	17.7 (5.7)
Total Financing Requirements	1.7 (1.7)	5.8 (5.8)	12.5 (0.0)	20.0 (7.5)

a/ Figures in parentheses are the respective amounts financed by IDA.

b/ International Shopping.

c/ Includes Consultant Services and Direct Contracting.

d/ Procurement of non-Bank financed goods will be carried out using agreed World Bank procurement guidelines for Bosnia-Herzegovina.

e/ Procurement according to Bank guidelines for use of consultants.

f/ Procurement of services under CTC will not exceed US\$50,000/contract, and will be carried out principally on a sole source basis.

## Goods

16. **Advertising.** A General Procurement Notice (GPN) (Appendix 4) will be published in Development Business in June, 1996. The notice would include information about the nature of the goods, and services to be procured, and invite interested and eligible suppliers, contractors and consultants to send their expression of interest to the ETFs.

17. **ICB/LIB.** It is not envisaged that ICB or LIB procedures will be utilized for the procurement of goods or services, since no single contract will exceed US\$2.0 million equivalent.

18. **International Shopping (IS).** Procedures for IS will be used for equipment and materials or standard-specification commodities estimated to cost between US\$200,000 and US\$2.0 million per contract. IS will be based on comparing price quotations obtained from at least three suppliers from two eligible countries, in accordance with Bank guidelines. IS is expected to be used primarily for computer and vehicles procurement under the project.

19. **National Shopping (NS).** NS will be used for contracts for goods available in Bosnia Herzegovina up to an estimated cost US\$200,000 per contract, with at least three quotations.

20. **Direct Contracting (DC).** DC will be used for proprietary items, for reasons of compatibility and standardization, and in any other justified case. Any direct contracting during project implementation will require prior Bank approval.

### **Services**

21. Services will be procured through competition and sole-sourcing where and when appropriate. Qualified firms have been invited to submit proposals for a comprehensive package of consultant services to management the Federation ETF, in accordance with the "Guidelines for the Use of Consultants by World Bank Borrowers and by The World Bank as Executing Agency" (August 1981). These proposals are currently under review by the Federation ETF.

22. **Job Counseling and Training Service Contracts.** Individual sub-project contracts for job counseling and training services are not expected to exceed US\$50,000. Contracts would be awarded by the ETF, principally on a sole-source basis according to the following procedure:

- (a) Local ETF extension agents would publicize the availability of funds for counseling and retraining, and help potential service providers prepare proposals using standard proposal formats -- readily convertible into service-delivery contracts -- to be developed by the ETF in conformity with criteria and procedures agreed with the Bank.
- (b) Local ETF extension agents would convene the Cantonal Steering Committee to review and comment on the service proposals. For proposals which pass this first stage of review, the ETF extension agent would forward them to the ETF Executive Committee with a recommendation for approval.
- (c) The ETF Executive Committee would review all proposals submitted by the ETF extension agents. It would approve proposals up to US\$25,000 in value, and would forward proposals above that amount to the full ETF Board for approval. The ETF secretariat would convert approved proposals into contracts for signature and execution. Actual implementation of the contracts would be managed by the Training Department of the respective ETFs.
- (d) Local training and counseling service providers would invoice the ETF on a monthly basis for services provided in conformity with their training or counseling sub-project contract.
- (e) The ETF would review invoices and initiate payment from the respective Special Account (paragraph 27) through a correspondent bank in BH, to the service provider. If agreed, the ETF could provide a mobilization payment of up to 25% of total contract value to service providers.
- (f) The State Ministry of Finance would request replenishment of the Special Accounts based on requests from the ETFs, documented with SOEs.

### **Procurement Review Committee**

23. The Government plans to establish a generic Procurement Review Committee to review procurement under all Bank-financed reconstruction projects. Procurement under the proposed Emergency Demobilization and Reintegration Project would be subject to audit by this Committee.

### **Procurement Implementation Capacity**

24. Because the Borrower is likely to be short of the capacity for timely implementation in various areas, including procurement of goods and services, technical assistance will be provided under the ETF management support contract to help facilitate project implementation. In addition, procurement under the project will be supported by a World Bank Operations Officer and a Procurement Officer located at the World Bank's Bosnia Resident Mission in Sarajevo.

### **Prior and Post Bank Review of Procurement Documents**

25. The Bank has prepared the invitation to quote and contract documents for International Shopping, as well as a National Shopping document for goods. These documents would be used under the project. Prior review will be required for all contracts procured through IS and Direct Contracting (DC). For consultants' contracts, the Bank's standard form for consultants contracts would be used. Ex-post review by IDA would be performed for institutional consultant contracts of less than \$100,000 and of individual consultant contracts of less than \$50,000.

**Disbursements**

26. Disbursement categories under the Credit are shown in Table 6 below. The project is expected to be disbursed over a period of 24 months from the date of effectiveness, scheduled for July 1996. The closing date will be January 31, 1999. Retroactive financing will be permitted up to the limit of 10% of the amount of the proposed Credit preallocated to the Federation for eligible expenses incurred after May 3, 1996 (but not more than four months prior to signing) for TA for management support to the Federation ETF and for initial counseling and retraining service contracts in the Federation.

**Table 6: DISBURSEMENT CATEGORIES**  
(US\$ million)

Category	Credit	% of Expenditures to be Financed
1. Goods		
Federation	1.00	100% (net of taxes)
RS	0.50	
2. Job Counselling and Training Fund		100%
Federation	3.70	
RS	1.85	
3. Consultant Services and Training		100%
Federation	0.10	
SR	0.10	
4. Unallocated		100%
Federation	0.15	
RS	0.10	
<b>TOTAL</b>	<u>7.50</u>	

27. **Special Account.** To facilitate timely project implementation, payments for agreed project actions are to be made from two Special Accounts in US dollars which are to be established and maintained by the State Ministry of Finance at a bank acceptable to IDA. The State Ministry of Finance would designate the individuals with authority to sign withdrawal applications for



disbursements from the respective Special Accounts. For the Federation Special Account, this would initially include a representative of the Federation Ministry of Finance, the Chairman of the Federation ETF, or the Executive Director of the Training Department of the ETF. The authorized allocation of the Federation and RS Special Accounts would be limited to DM 1,300,000 and DM 700,000 respectively, representing about four months of estimated average expenditures expected to be paid from the Special Accounts. Replenishment applications would be forwarded to the Bank on a monthly basis, and must include reconciled bank statements as well as other appropriate documents.

28. **Statement of Expenditures.** Disbursements would be made against Statements of Expenditures (SOEs) for: a) goods contracts up to US\$2.0 million equivalent (with the exception of the first three contracts less than US\$2.0 million), consulting firms and individuals up to US\$100,000 and US\$50,000, respectively, and all job counselling and training. Detailed documents evidencing expenditures would be maintained in a central location by ETF Management and made available for the required audit as well as Bank supervision missions. Each of the ETFs would request replenishment of its Special Account based on SOEs. No contracts under the project are expected to exceed US\$1.0 million equivalent. The project completion date would be July 31, 1998.

#### **Project Audits, Accounting and Reporting**

29. **Accounts.** Separate and auditable accounts would be established by the management of each ETF. These accounts would include: (i) a record of withdrawals with copies of all disbursement requests and underlying documentation; (ii) a record of transactions on the special account and the copies of the bank statements on this account; and (iii) a record of transactions under the ETFs.

30. **Audits.** The project accounts, including the ETFs, would be audited annually by independent auditors and under terms and reference acceptable to the Bank. Separate audit statements would be prepared for the ETFs, the Special Accounts and for Statements of Expenditures. All audit reports would be made available to the Bank at the latest six month after the end of the fiscal year. All project accounts would be maintained for one year after they have been audited.

31. **Reporting.** The management of each ETF will prepare and furnish to the Bank a quarterly progress report showing the status of implementation of the project as well as a financial report in a format acceptable to the Bank. The format of the report would be agreed during negotiations.

## **Supervision Plan**

32. Project implementation will require a large degree of flexibility in view of the rapidly changing circumstances in the country. Implementation progress would be formally evaluated at mid-term, approximately nine months after effectiveness. In addition, to facilitate flexibility and rapid decision making, social sectors Bank staff located in the World Bank Resident Mission in Sarajevo and in the Human Resources Hub in Budapest would provide intensive supervision of all initial project implementation steps, and would provide technical assistance on matters requiring rapid decision by the Bank. In particular, procurement and disbursement issues would require intensive supervision, given the flexibilities built into the implementation plan, and the lack of familiarity of the Borrower with Bank procedures and practices. A Project launch workshop is planned as soon as the related Technical Assistance Contract is finalized and initial staff are in place. It is expected that an average of 25 staff weeks per year will be needed to supervise the Project; it is anticipated that this will be provided primarily by staff from the Resident Mission and Hungary Human Resource Operations Hub.

**Bosnia and Herzegovina**  
**Emergency Demobilization and Reintegration Project**  
**Estimated Cost**  
**(US\$ '000)**

**Project Cost Summary**

	<u>Labor Market Information</u>	<u>Employment Counseling</u>	<u>Education and Retraining</u>	<u>Project Management</u>	<u>Total</u>
<b>I. Investment Costs</b>					
A. Office Equipment and Vehicles	1,470.0	-	-	320.0	1,790.0
B. Employment and Training Contracts	-	1,690.0	16,040.0	-	17,730.0
C. Technical Assistance	30.0	90.0	30.0	330.0	480.0
<b>Total PROJECT COSTS</b>	<u>1,500.0</u>	<u>1,780.0</u>	<u>16,070.0</u>	<u>650.0</u>	<u>20,000.0</u>
Foreign Exchange	1,500.0	1,780.0	16,070.0	650.0	20,000.0

**Bosnia and Herzegovina  
Emergency Demobilization and Reintegration Project  
Estimated Cost  
(US\$ '000)**

**Labor Market Information Data Base**

	<u>1996</u>	<u>1997</u>	<u>Total</u>
<b>I. Investment Costs</b>			
A. Technical Assistance	15.0	15.0	30.0
B. Office Equipment	735.0	735.0	1,470.0
<b>Total</b>	<u>750.0</u>	<u>750.0</u>	<u>1,500.0</u>

**Counseling and Job-Finding Services**

	<u>1996</u>	<u>1997</u>	<u>Total</u>
<b>I. Investment Costs</b>			
A. Technical Assistance	45.0	45.0	90.0
B. Counseling Services	845.0	845.0	1,690.0
<b>Total</b>	<u>890.0</u>	<u>890.0</u>	<u>1,780.0</u>

**Bosnia and Herzegovina  
Emergency Demobilization and Reintegration Project  
Estimated Cost and Disbursement Schedule  
(US\$ '000)**

**Education and Retraining Services**

	<u>1996</u>	<u>1997</u>	<u>Total</u>
<b>I. Investment Costs</b>			
A. Technical Assistance	30.0	-	30.0
B. Education and Training Services	<u>8,020.0</u>	<u>8,020.0</u>	<u>16,040.0</u>
<b>Total</b>	<u>8,050.0</u>	<u>8,020.0</u>	<u>16,070.0</u>

**Employment and Training Foundation Management**

	<u>1996</u>	<u>1997</u>	<u>Total</u>
<b>I. Investment Costs</b>			
<b>A. Technical Assistance</b>			
International TA	45.0	30.0	75.0
Local Consultants	120.0	120.0	240.0
Fellowships	10.0	5.0	15.0
<b>Subtotal Technical Assistance</b>	<u>175.0</u>	<u>155.0</u>	<u>330.0</u>
<b>B. Office Equipment and Vehicles</b>			
Office Equipment	25.0	25.0	50.0
Materials and Supplies	50.0	50.0	100.0
Vehicles	90.0	80.0	170.0
<b>Subtotal Office Equipment and Vehicles</b>	<u>165.0</u>	<u>155.0</u>	<u>320.0</u>
<b>Total</b>	<u>340.0</u>	<u>310.0</u>	<u>650.0</u>

**Bosnia and Herzegovina  
Emergency Demobilization and Reintegration Project  
Principles and Criteria for Use of Funds  
by the Employment and Training Foundation**

General Principles:

The following principles apply to contracts that will be let between the ETFs and local service providers to deliver **counseling and retraining services** to demobilized soldiers and other categories of workers and, unless otherwise agreed with the IDA, will be the basis on which the IDA reimburses the Employment and Training Foundations for expenses incurred.

(a) Eligible individuals: During the first six months of project effectiveness a minimum of 80% of ETF Fund resources for counseling and retraining services will be reserved for assisting demobilized soldiers, after the first six months a minimum of 65% will be reserved for demobilized soldiers, with the remainder being made available to help other categories of the unemployed who are registered at the Employment Services (e.g. war victims and disabled, widows, refugees, and the general unemployed). Individuals receiving income support stipends from sources outside the project would receive reduced stipends under the project to maintain equity.

(b) Demand: Service contracts would be demand driven: developed at the local level, and based on requests from demobilized soldiers for skills requalification, and on consultation with the social partners (the Canton Steering Committees) to confirm labor market demand.

(c) Costs of services: Reimbursement to local service contractors would be based on the average unit cost of providing services to an individual times the number of individuals actually completing the program. Payments to service providers would be monthly, and would be based on invoices presented for services provided, less a per-trainee deduction for dropouts. Mobilization payments, to a maximum of 25% of the contract, would be allowed. Two-thirds of resources would be available to the Federation (with internal distribution between communities roughly based on population and demand) and one-third to the *Republika Srpska*.

(d) Evaluation of services: Service providers would be required to provide job placement information for all participants who receive services. (See special note on follow-up requirements on retraining services on the following page).

(e) Mobility: Labor mobility among participants would be encouraged under the project. To support this initiative, the ETFs would collect and disseminate information on training and counseling services available under the project. The Labor Market Information Component, in cooperation with the ETFs, would include information on Federation job vacancies, reconstruction programs, and retraining opportunities. The Fund could support relocation costs for individuals to move to localities where suitable jobs are available. It could also support transportation for participants in retraining programs.

(f) Contract Execution: ETF Executive Committees would have the authority to approve and execute contracts up to US\$25,000. Contracts above this threshold would have to be submitted to the full ETF Board for approval.

Criteria for Specific Services

(a) Criteria for Counseling, Job Finding, and Relocation Services

1. **Eligible Services**: family and social counseling, job search and finding assistance, provision of labor market information, screening of individuals for trauma counseling, screening of individuals for participation in follow-up labor adjustment activities (e.g. retraining, public works, small business assistance), and provision of information on legal rights. Maximum length of contracts is 12 months.
2. **Eligible Local Agencies**: Employment Service municipal offices, non-government non-profit agencies (NGOs), private firms, and other labor organizations that demonstrate minimum capabilities to provide services (e.g. trained staff, facilities, financial viability, placement capability).
3. **Eligible Costs**: staff and administrative personnel costs, rent and utilities, non-durable equipment and materials, client transportation for job interviews, depreciation of capital equipment limited to 30% per year and to 20% of the total contract; minor facility refurbishment, limited to 20% of the total contract, and relocation expenses including travel of family and transport of personal belongings to a maximum of US\$500 per family.

(b) Criteria for Retraining Services<sup>5/</sup>

1. **Eligible Services**: vocational skills, literacy, communications (including foreign language) and mathematics skills, small business skills training and management training. Maximum length of training per individual is 6 months.
2. **Eligible Agencies and Costs**: (a) Private, NGO, and public training institutions would be reimbursed for: staff and administrative personnel costs, rent and utilities, non-durable equipment and materials, trainee transportation, depreciation of capital equipment purchased limited to 50% per year and 20% of an individual contract, minor facility refurbishment limited to 20% of the total contract, trainee living stipends limited to a maximum of 25% of the total contract. (b) Enterprises providing on-job-training for their own current or future workers would be eligible for reimbursement for: (i) half of the

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<sup>5/</sup> Average unit costs are not to exceed US\$500, and maximum unit costs are not to exceed US\$750 without prior IDA agreement.

total unit costs noted above; or (ii) instructor, participant transportation and living costs, and non-durable costs, whichever is less. <sup>6/</sup>

- (c) Criteria for Education and Retraining Services (individual voucher program, para. 9ci)  
Under this option, individual unemployed soldiers would identify ongoing training programs at approved institutions, and enroll in ETF-approved programs at institutions. The institution would be reimbursed by the ETF for costs incurred. This individual voucher program is not available for Enterprise On-Job-Training.
1. **Eligible Services:** (i) short-term institutional retraining services (see B1), plus (ii) support to individual demobilized soldiers who are returning to University to complete studies disrupted by the war to complete post secondary and University education).
  2. **Eligible agencies:** Essentially the same as for Group Training (see b 2), with the added provisions that: (i) the institutions and programs must be on an approved list at the Canton (to be developed by the ETF extension agent in cooperation with the CSC) and (ii) the institutions must have a contract executed with the ETF that defines agreed unit costs and agreed level of job placement for qualifying programs. Institutions not meeting agreed placement rates within the preceeding 12 month period will be deleted from the approved list.
  3. **Eligible costs:** The same as for Group Training (see b 2) with the same maximum average unit costs (US\$500) and maximum costs (US\$750). Note: all payments under the voucher program would be to the participating institution on a monthly basis, and would be based on invoices for services delivered to approved participants.

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<sup>6/</sup> Note: All retraining contracts are to include a pre-negotiated rate of job placement in the range of 60-90 percent and would include incentives for exceeding agreed placement rates (e.g. 10 percent bonus payments) and disincentives for not achieving agreed placement rates (e.g. the withholding of 10% of final payment for training services and loss of eligibility for further contracts). Information confirming labor market demand (e.g. review and endorsement by the Cantonal Steering Committee) are required before training contracts are finalized between ETF and service provider. Training service providers would be required to provide follow-up job placement information to the ETF, both when participants exit training and on a sample of at least 25% of trainees three months after program exit.



**Bosnia and Herzegovina**  
**Emergency Demobilization and Reintegration Project**

**Charter Establishing the**  
**Employment and Training Foundation**

Considering the large levels of unemployment expected during demobilization and reconstruction, and the difficulties of creating and finding new employment in the changing market structure;

Considering the need to develop new skills among the labor force to improve their chances for employment, and to create new job opportunities for the unemployed;

Considering the widespread devastation to municipal public assets and infrastructure, and the need to provide for urgent clean up, rehabilitation and reconstruction of such infrastructure;

The Government of the [Federation of Bosnia and Herzegovina or Republika Srpska] decides to create the Employment and Training Foundation (ETF).

**CHAPTER 1 - General**

Article 1. The Employment and Training Foundation (ETF), hereinafter referred to as “the Foundation”, is hereby established under the Foundation Law as a juridical person with administrative, technical and financial autonomy.

The Foundation shall perform its activities pursuant to this charter and its implementing Regulations.

The domicile of the Foundation will be the city of Sarajevo [or Pale] and it may open offices in other cities within the country.

Article 2. The Foundation’s objective shall be enhancing employment opportunities for the unemployed through the financing of various activities as defined in its Regulations and in Article 11 of this Charter.

**CHAPTER 2 - Foundation Activities**

Article 3. The Foundation’s objectives shall be accomplished as follows:

The Foundation will promote and finance, through grants to public or non-government, non-profit or private sector entities, the following activities: (a) counseling and job finding, (b) retraining, (c) public works, and (d) public service employment projects. The grants will be subject to requirements on content, duration, technical standards and other aspects as set forth in

contracts with executing agencies and in Foundation Regulations and as may be agreed with financing sources.

The Foundation may finance other activities than those described above by decision of its Board of Trustees, provided that these projects will serve to achieve the objectives of the Foundation set forth in Article 2 and are subject to the conditions stated in the Regulations.

Other Foundation activities include information, staff training, transfer of technology and advisory work related to the main activities of the Foundation.

Article 4. Project proposals will be initiated by public or nongovernment or private sector entities and submitted to the Foundation.

The Foundation will evaluate these project proposals and, if it endorses them, finance them according to its Regulations. Project execution is the responsibility of the executing agency, not the Foundation. The Foundation will, however, exercise technical and financial supervision to ensure projects are implemented as agreed.

### **CHAPTER 3 - Revenues and Resources of the Foundation**

Article 5. The Foundation's financial revenues comprise:

- resources assigned by multilateral or bilateral aid programs;
- grants provided by the State of Bosnia and Herzegovina;
- grants provided by the [Federation of Bosnia Herzegovina or Republika Srpska];
- domestic and foreign donations; and
- other revenues and income that may arise.

Article 6. The resources of the Foundation shall be deposited in independent commercial bank accounts.

Article 7. The [Federation of Bosnia and Herzegovina or Republika Srpska] will provide to the Foundation such budget resources as are required in accordance with international financial agreements to which the Government is a party.

The Foundation will submit to the Government its annual budget requirements consistent with international agreements and the laws of the [Federation of Bosnia and Herzegovina or Republika Srpska].

### **CHAPTER 4 -Foundation's Organizational Structure**

Article 8. The governing bodies of the Foundation are:

- the Board of Trustees
- the Executive Committees (one for each Department as described in Article 11)

**Article 9.** The Board of Trustees, hereafter referred to as "the Board", shall be composed of two appointed representatives from the following organizations:

**Federation**

Ministry of Finance  
Ministry of Defense  
Ministry of Physical Planning & Env't  
Ministry of Refugees and Welfare  
Ministry of Education  
Employment Institute  
Chamber of Commerce  
Federation of Independent Unions

**Republika Srpska**

Ministry of Finance  
Ministry of Defense  
Ministry of Urbanism, Planning & Civil Works  
Min. of Health, Labor & Welfare  
Min. of Education, Science and Culture  
Institute for Employment  
Chamber of Commerce  
Unions

The Minister (or Chief Executive Officer) of each organization shall propose two representatives to the Board which shall be appointed by the Government of [the Federation or Republika Srpska].

Board members shall receive no remuneration of their services except for direct costs of travel and per diem associated with attendance at Foundation meetings.

**Article 10.** The Board shall be chaired by the [Federation or RS] Minister of Finance or his designated alternate.

**Article 11.** The Board shall approve the creation and disbanding of operational Departments to carry out discrete employment related activities. Initially there will be two Departments, one to fulfill the objectives of the Demobilization and Reintegration Project supported by the International Development Association (IDA) and other donors, and the second to fulfill the objectives of the Public Works and Employment Project supported by IDA and other donors. The two Departments will be governed by the provisions of this Charter and their separate implementing Regulations approved by the Board.

The objectives of the Demobilization and Reintegration Department will be to enhance employment opportunities through the financing of labor redeployment activities including but not limited to: counseling and job placement services, retraining, and other labor redeployment measures that the Department and the Foundation may deem useful. The target population of the Foundation's grant activities initially will be demobilized soldiers, war victims, disabled, war widows, refugees as well as the general unemployed.

The objectives of the Public Works and Employment Department will be to create employment rapidly for those displaced or unemployed as a result of the war; and to accomplish that objective through the financing of small scale clean up, rehabilitation and reconstruction projects at the local level. Such projects shall be labor intensive and executed by local contractors.

**Article 12.** The Board shall have the following duties:

- approve the Regulations of the Foundation;
- approve the policies and guidelines regulating the Foundation's activities;
- approve or disapprove project financing proposals for amounts as defined in the implementing Regulations of each Department.
- approve the Foundation's annual budget;
- approve the annual financial and operational reports;
- authorize negotiations and enter into agreements with the [Federation, RS] and financial institutions necessary to achieve its purposes;
- hold ordinary meetings every three months and extraordinary meetings as often as necessary on the initiative of the Chairman;
- appoint the Executive Directors and the Board members serving on the Executive Committees; and
- all other duties assigned under the corresponding regulations

**Article 13.** Meetings will be held with the attendance of representatives of at least five (5) organizations and decisions taken by a simple majority of votes. Each organization shall have one vote. The Board may invite the representatives of other public, non-government, and private agencies to its meetings, who should have voice but no vote.

**Article 14.** The Executive Committees shall be formed by:

- the Executive Director of the relevant Department;
- the Financial Director of the Department; and
- two members of the Board appointed by the Chairman on a rotating basis.

The Executive Directors shall serve as the Chairmen of the Executive Committees. A quorum of the Executive Committees shall consist of three of its four members. In the event of a tied vote, the Chairman will cast an additional vote.

**Article 15.** The Executive Directors shall be named and removed by a majority vote of the Board, and shall meet the professional requirements related to their function.

**Article 16.** The Executive Directors shall be the highest executive authority of the Foundation and shall have the following duties:

- represent the Department and the Foundation in legal matters;
- direct the operations of the Department and implement the Board's decisions;
- manage the resources of the Departments;
- select and appoint the staff;
- prepare and present projects for approval of the Executive Committees and the Board;
- sign the pertinent contracts for professional and technical services;

- prepare and propose to the Board the implementing Regulations of this Charter for the Departments and all others that may be necessary;
- request the Board's authorization to contract external auditors;
- all other duties assigned by this Charter and its Regulations.

**Article 17.** The Executive Committees shall have among their duties the approval or disapproval of project financing proposals up to amounts specified in the Departments' implementing Regulations.

**Article 18.** The professional, technical and administrative staff shall be selected by the Executive Directors, based on their personal, professional and technical capabilities; and approved by the Board.

**Article 19.** The work relations of the staff shall be regulated by the clauses of the signed professional and technical contracts, which shall be subject to the laws of the [State , Federation, Republika Srpska].

**Article 20.** Staff and operating expenses shall be financed with the Foundation's resources. The salaries and other remuneration of Departmental staff members will be fixed by the Board of Trustees and shall not be subject to civil service regulations of [State, Federation, Republika Srpska].

#### **CHAPTER 5 - Auditing**

**Article 21.** The Foundation shall be subject to external auditing by independent international auditors. Reports from the External Auditors shall be reviewed by the Board, and made available to donors for the corresponding action.

#### **CHAPTER 6 - Final and Temporary Provisions**

**Article 22.** The Foundation shall be exempt from any type of taxes, fees and charges, or from any other national or local revenue contributions, present or to be established in the future.

**Article 23.** The Board of Trustees may decide to dissolve the Foundation and submit this decision to the (Federation or Republika Srpska) Ministry of Finance for approval. For this purpose only the meeting will be held with the presence of all the members of the Board of Trustees and the decision shall be taken by a two-thirds majority of votes. If the Foundation is to be dissolved, the (Federation or Republika Srpska) Minister of Finance should constitute a Committee to liquidate it, which shall have the following duties:

- transfer all the financial resources and all other assets from the Foundation to the corresponding governmental bodies; and
- submit the report of its activities to the (Federation or Republika Srpska) Minister of Finance and to the agencies he or she deems convenient.

**Bosnia and Herzegovina  
Emergency Demobilization and Reintegration Project  
Project Procurement**

**Project Procurement Plan**

Expenditure Category	Total Cost US\$ million	Likely Procurement Methods	Invitation to Bid	Contract Awards	Work/ Delivery Begins	All Work/ Delivery Complete
<b>GOODS AND EQUIPMENT</b>						
Computers (Employment Services)	1.5	IS	6/96	10/96	11/96	01/97
Office Equipment	0.2	IS	6/96	8/96	9/96	10/96
Vehicles	0.2	IS	6/96	8/96	9/96	10/96
<b>TECHNICAL ASSISTANCE 1/</b>						
<b>Implementation Support</b>						
ETF Management: Federation	0.3	Short List (Grant)	4-5/96	6/96	6/96	6/97
ETF Management: RS	0.1	Short List (Credit)	4-5/96	6/96	6/96	6/97
<b>EDUCATION AND TRAINING CONTRACTS</b>	17.7	DC of Individuals	N/A	6/96-3/98	6/96	6/98

1/ All TA financed under the project is categorized as implementation support; TA for program development and technical support is financed through a Bank-executed Dutch Trust Fund which is not considered part of project cost.

**Bosnia and Herzegovina**  
**Emergency Demobilization and Reintegration Project**  
**Project Procurement**

**GENERAL PROCUREMENT NOTICE**

The Government of Bosnia and Herzegovina is expected to receive a credit from the International Development Association for a proposed Demobilization and Reintegration Project. The Government is also expected to receive loans and grants from other multilateral sources, such as the European Union, and from several bilateral sources.

The credits, loans and grants mentioned above are intended to be used to facilitate the demobilization and economic reintegration of military in the Bosnian Federation and in the Republika Srpska. It is intended that the loans and grants would finance the cost of the following procurement:

1. Consultant services for managing the Employment and Training Foundation.
2. Supply of computers and vehicles.
3. Services contracts for job counseling and training.

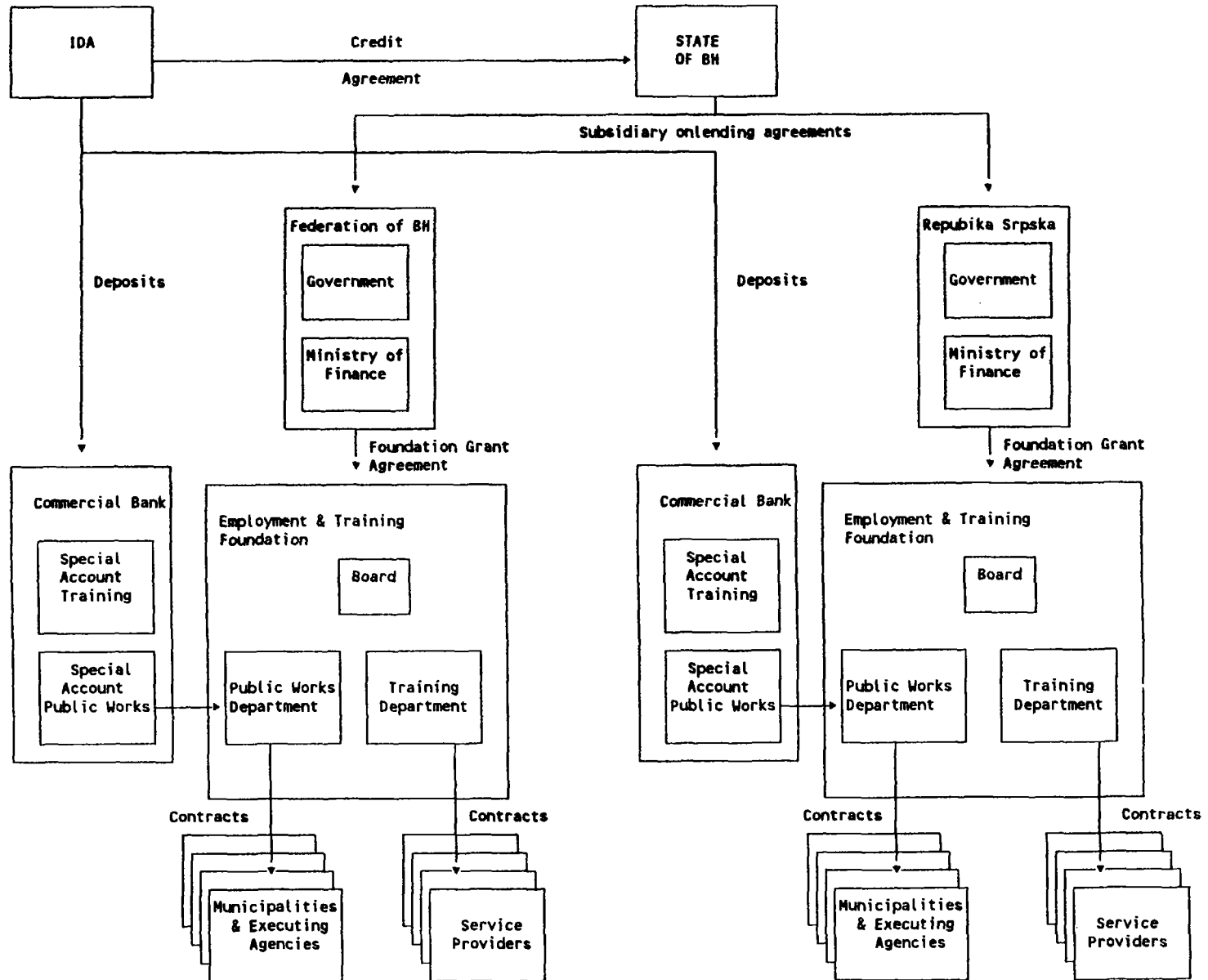
Given the emergency nature of the project, the above mentioned goods and consultant services will be procured through accelerated procurement procedures within the framework of the procurement guidelines and regulations of the World Bank, European Union, and other possible participating financing agencies and donors.

Interested suppliers and manufactures and consulting firms are invited to send their expression of interest to the address specified below. As eligibility requirements of the World Bank, the European Union and other financing agencies and donors vary for participation in bidding, the Purchaser will prepare a list of interested suppliers, manufacturers and consulting firms according to their eligibility. As and when the Purchaser will be ready with bidding documents or with invitations to quote, these will be sent to those who will respond to this notice.

**Name:** Ms. Berina Selimović  
Director of International Relations  
**Address:** State Ministry of Finance  
Bosnia and Herzegovina  
**Fax:** (387-71) 668-673

Bosnia and Herzegovina  
Emergency Demobilization and Reintegration Project

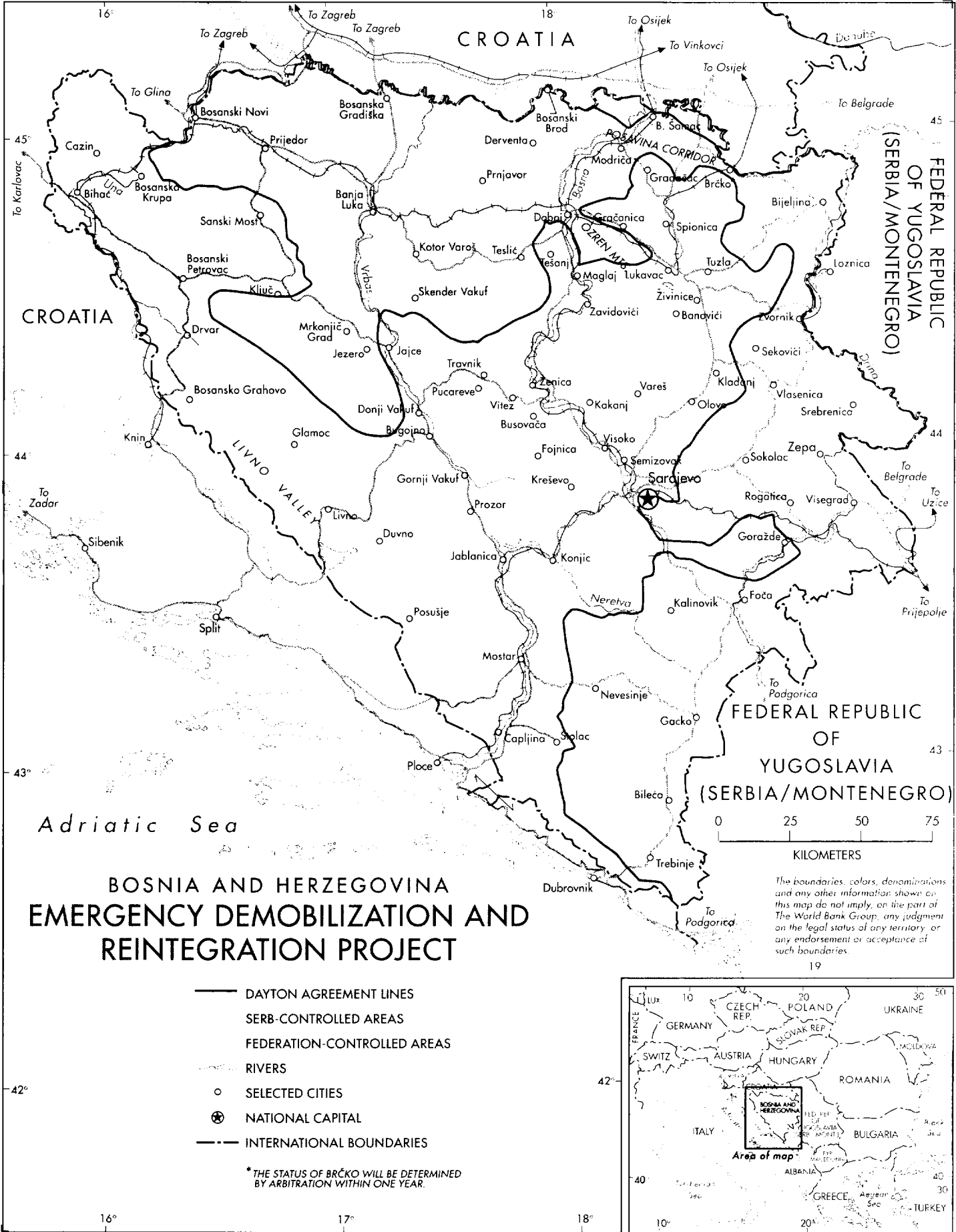
Summary of Project Implementation Relationships





**MAP SECTION**





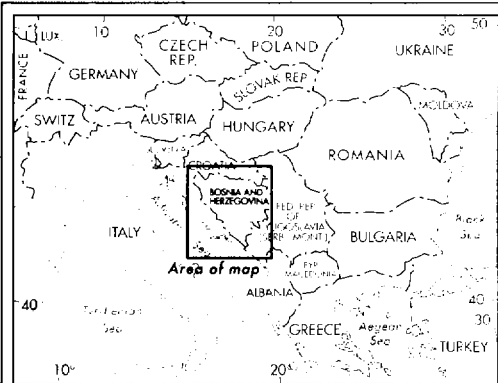
# BOSNIA AND HERZEGOVINA EMERGENCY DEMOBILIZATION AND REINTEGRATION PROJECT



The boundaries, colors, denominations and any other information shown on this map do not imply, on the part of The World Bank Group, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

- DAYTON AGREEMENT LINES
- SERB-CONTROLLED AREAS
- FEDERATION-CONTROLLED AREAS
- RIVERS
- SELECTED CITIES
- ★ NATIONAL CAPITAL
- INTERNATIONAL BOUNDARIES

\* THE STATUS OF BRČKO WILL BE DETERMINED BY ARBITRATION WITHIN ONE YEAR.







IMAGING

Report No: T- 6947 BIH  
Type: ~~XXXX~~  
TAN