PROJECT: External Review of «Mainstreaming the Concept of Migration and Development into Strategies, Policies and Actions in BiH: Diaspora for Development (D4D) Phase 2 »

EVALUATION REPORT

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Sarajevo

April 14, 2020

Ministry for Human Rights and Refugees of Bosnia and Herzegovina
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# Acronyms and Abbreviations

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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>B2B</td>
<td>Business to Business</td>
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<tr>
<td>BAM</td>
<td>Bosnia-Herzegovina Convertible Marka (currency)</td>
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<td>BD or BDBiH</td>
<td>Brčko District</td>
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<td>BiH</td>
<td>Bosnia-Herzegovina</td>
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<td>CFD</td>
<td>Computational fluid dynamics</td>
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<td>CV</td>
<td>Curriculum Vitae</td>
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<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>D4D</td>
<td>Diaspora for Development</td>
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<td>D4startups</td>
<td>Initiative for startups engaging diaspora</td>
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<td>DRB</td>
<td>Diaspora Representative Body</td>
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<tr>
<td>eMPIRICA</td>
<td>Lifelong Learning Academy of the College of Computer Science and Business Communications in Tuzla and Brčko</td>
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<td>ERP</td>
<td>Economic reform programme</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FB</td>
<td>Facebook</td>
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<tr>
<td>FBiH</td>
<td>Federation of Bosnia and Herzegovina</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FM</td>
<td>Federal Ministry</td>
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<td>FTM</td>
<td>Company located in Novi Travnik</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>HR</td>
<td>Human resources</td>
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<tr>
<td>IOM</td>
<td>International Organisation of Migration</td>
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<td>ILDP</td>
<td>Integrated Local Development Project</td>
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<td>ILO</td>
<td>International Labour Organisation</td>
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<td>IUS</td>
<td>International University of Sarajevo</td>
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<td>LG</td>
<td>Local government</td>
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<td>IMP</td>
<td>Industrial mentoring programme</td>
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<tr>
<td>INTERA</td>
<td>Name of accelerator in Mostar</td>
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<tr>
<td>IT</td>
<td>Information technology</td>
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<tr>
<td>MCA</td>
<td>Ministry of Civil Affairs</td>
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<tr>
<td>M&amp;D</td>
<td>Migration and Development</td>
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<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MFA</td>
<td>Ministry of Foreign Affairs</td>
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<td>MHRR</td>
<td>Ministry of Human Rights and Refugees</td>
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<tr>
<td>MiPRO</td>
<td>Methodological framework for integrated and participatory local development planning</td>
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<td>MM</td>
<td>MarketMakers</td>
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<tr>
<td>MOZAIK</td>
<td>Foundation for the development of non-governmental organisations (NGOs) located in Sarajevo</td>
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<tr>
<td>PhD</td>
<td>Doctor of Philosophy</td>
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<tr>
<td>PR</td>
<td>Public relations</td>
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<tr>
<td>RES</td>
<td>Renewable energy sources</td>
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<td>RS</td>
<td>Republika Srpska</td>
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<td>SDC</td>
<td>Swiss Development Council</td>
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<td>SME</td>
<td>Small-medium enterprise</td>
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<td>SWD</td>
<td>Staff working document</td>
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<tr>
<td>TA</td>
<td>Technical assistance</td>
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<tr>
<td>ToK</td>
<td>Transfer of knowledge</td>
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<td>ToR</td>
<td>Terms of Reference</td>
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<td>TV</td>
<td>Television</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollars</td>
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<tr>
<td>VET</td>
<td>Vocational education and training</td>
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<tr>
<td>YEP</td>
<td>Youth Employment Project</td>
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Executive Summary
Introduction and applied methodology
Creating opportunities for the diaspora to contribute to the socio-economic development of BiH both with funds and knowledge as well as setting up terms for a long-term oriented cooperation with diaspora are important elements of Swiss Cooperation Strategy 2017-2020. Supporting BiH to deal adequately with the challenges of migration and to use economic and social development potential of migration is also the overarching goal of the Swiss Migration Partnership Strategy for the Western Balkans¹ (2016-2019).
In 2013 a 2-yr Project called “Mainstreaming the Concept on Migration and Development into relevant Policies, Plans and Actions in BiH” (pilot phase) was funded – within the Migration Partnership - with the main goal to support MHRR and to initiate integrating the M&D concept into BiH development processes.
This was followed by a second phase (Dec. 2016- Dec 2020) – funded by SDC - called "Diaspora for Development" (D4D) and was targeted at increasing socio-economic opportunities and perspectives for women and men in BiH, and at improving their livelihoods through increased diaspora engagement. D4D was structured into 3 components/outcomes.
A final evaluation of the D4D project phase was awarded in February 2020 – with a year of implementation still pending – in order to provide guidance for a 3rd (and final) phase of SDC assistance: the project consolidation phase, the purpose of which is to gradually shift ownership and responsibility for M&D-type of policies to BiH stakeholders.
As per ToR, the evaluation was organized in 3 distinct phases/cycles, as follows:
• The first cycle (desk review) extended from the signing of the evaluation contract to the field phase. During this time, documentation was collected, studied, and evaluation questions were formulated.
• The second cycle (field phase) commenced on February 20, 2020 and was concluded on March 6, 2020. It included an extensive cycle of more than 40 detailed interviews with the main project stakeholders in Sarajevo, other donors, and a sample of project stakeholders at the local level and two distinct surveys: one targeting LGs, and another targeting private companies that had participated either in ToK or in the investment scheme.
• The third evaluation cycle (evaluation report) lasted approximately 2 weeks and documented, systematized and drew conclusions according to the 5 evaluation criteria.

Summary of findings

Relevance
The overall design of D4D is highly relevant as it includes elements from most of the necessary success factors, i.e.:
1. It addresses sustainable business growth and sustainable job creation (i.e. growth in competitive sectors of the economy);
2. It addresses employability (i.e. growth in the skills levels of the labour force);
3. It promotes exports (i.e. growth in export-oriented sectors);
4. It uses focused approaches, each one especially designed for addressing the diaspora resource segment of interest (e.g. separate mechanisms for addressing a) the academia and research community, b) the business community, etc);
5. It addresses the issues of diaspora trust in BiH institutions and enabling environment challenges (partly through strategic framework interventions).

¹ Switzerland maintains migration partnership with BiH, Serbia and Kosovo
The overall design addresses both capacity-building at state, entity and local levels and encompasses a wide spectrum of instruments already producing direct development results (such as investments, new employment and knowledge), some of them well developed and highly operational - and hence suitable for scaling-up - and some at the experimental stage (e.g. D4startups, Industrial Mentoring, etc).

The D4D project is characterised by a high degree of internal synergy and complementarity of actions both across components/outcomes and within components/outcomes, and budget allocations are quite balanced.

Some project activities exhibit lower relevance (mainly the diaspora strategy development activity) not because of a how D4D project was designed but because of the way these activities were carried out: the strategies are too wide in focus and involve too many stakeholders in the implementation (the opposite would be required for them to be successful given the short implementation period and the coordination complexities in BiH) and lack prioritization, operationality (the actions are not designed to a level of detail that permits implementation) and resources (human and financial).

All other individual activities are considered from relevant (web-portal, conferences) to highly relevant (Diaspora Mapping Report, ToK to public institutions and private sector, the investment scheme and the entire LG component).

**Synergies and Complementarities**

D4D has great potential to achieve synergies (i.e. work in the same areas) with some initiatives undertaken by international donors such as the MarketMakers (MM) and complementarities with other initiatives such as USAID Diaspora Invest, ILDP and Swiss Entrepreneurship and pursuing such collaborations is highly recommended by the evaluation (note: MM and ILDP are Swiss supported projects).

**Effectiveness**

As demonstrated by attainment rates of project result indicators, most Project results and outcomes will have been achieved by the end of the Project. Effectiveness is very high for Components/Outputs 2 and 3 but somewhat reduced for Component/Outcome 1 (mainly the indicators corresponding to the strategy segment), which is in both a quantitative sense and a qualitative sense. The reduced by approximately 25% values of result indicators is directly attributable to the withdrawal of RS from the strategy process and perhaps beyond the control of D4D since consensus-building procedures usually take long periods of time especially in politically charged environments such as BiH. The reduced qualitative effectiveness of the strategy segment is attributable:

- to ineffective concentration of the already scarce resources (human and financial) from state, entity/BD and LG levels because of the inclusion of too many individual objectives and measures in the strategies/action plans; and
- to the inability to focus on solving enabling environment issues a) related to development needs and b) suitable for diaspora involvement, preferably issues cutting through administrative lines (i.e. requiring coordination among various governmental levels).

With respect to the attainment of outputs D4D is highly effective as attested by output indicator values with the exception of the Number of diaspora initiatives implemented through the crowdsourcing platform indicator where there has been no progress whatsoever.

The global indicator – which is supposed to measure the level of changes in people’s lives – is not reliable because it is an estimated and not a measured indicator. As such, it does not capture local population profile differences (such as larger household sizes), neither does it capture indirect and induced effects. As such, the 79% expected attainment at the end of 2020 has no significant whatsoever (i.e. it could easily be a lot higher). **If one wishes to obtain deeper knowledge of how much and in which way people’s lives have changed** due to the D4D project, **this can only be done through a specially designed impact assessment study**, which we strongly recommend for the next D4D phase (consolidation). Further reason to undertake such a study is evidence obtained through the field mission that sometimes D4D interventions may have **long-term undesired effects**: it was underlined by some interviewees that workers trained and employed in companies with the help of diaspora, after a while left the position...
in order to work at the diaspora affiliated company (especially in cases where the BiH company was a subsidiary of a foreign company).

The geographic coverage of project expenditures – which can be used as a proxy for the distribution of results – is quite significant – despite the withdrawal of RS, which did reduce the geographic coverage - and in some cases neighbouring localities tend to form spatial clusters. This is important because when resources are concentrated in specific continuous locations, a) visibility increases, and b) there are more opportunities for multiplicative effects and local collaborations (e.g. cooperative initiatives by more than one LG).

The intensity of expenditures in specific localities tends to vary greatly with a few municipalities gathering the majority of invested funds and has the propensity to concentrate in the north of the country.

**Efficiency**

Cost-efficiency of job creation initiatives seems to be in line with international unit cost data for similar types of interventions. Time efficiency is also high and most activities were implemented as planned with the exception of the participatory design of BiH diaspora strategies (attributable to a large extent to the difficulties in obtaining consensus in the BiH complex political environment and the withdrawal of RS from the process) and the establishment of a DRB in Germany. Finally, in terms of organizational efficiency, components 2 and 3 demonstrate the best track records: implementing partner (UNDP) had sufficient staffing levels, high management skills, and the followed procedures (e.g. evaluation/selection for ToK to private sector & investment scheme) were transparent and fair. Also, IOM and FBIH Development Bank exhibited high organisational efficiency in the implementation of their duties: the former vis-à-vis the ToK to public institutions and the latter vis-à-vis their role in the investment scheme. Judging from the results (reduced effectiveness of strategies produced, reduced degree of public participation, etc) organisational efficiency appears to have been insufficient for the strategy segment of component/outcome 1. Human resources appear to have been insufficient (at least in numbers) and it is possible that the overall organization was poor (even though it cannot be documented by the evaluation).

**Impact**

The most significant systemic impacts can be seen across the participating LGs, where perceptions and approaches towards outmigration and diaspora have drastically changed over the last years. Most LGs realize now that there is mutual benefit to be produced for the LG and the diaspora and their M&D approaches need to centre on that. As such, LG initiatives are starting to become more ambitious, more centred on socio-economic development rather than on charity, and on sharper/well planned projects. This has equally been observed in RS municipalities as in FBIH municipalities, indicating that the withdrawal of RS from the strategy process did not alter significantly the systemic impacts of the project and RS municipalities – which had however participated during the pilot phase – continued to grow in parallel with their FBIH counterparts. This does not hold true for the development impacts in RS and is attributable to the limited uptake of the financial instruments in RS (some localities only managed to benefit from ToK).

Some systemic impacts have been materialized at state and entity/BD level – as demonstrated by the completed strategy development process- but they remain lower and more limited in breadth as compared to the impacts on LGs. Of course, this may be attributable to the much shorter (in terms of time) involvement of these institutions in diaspora planning processes and the relative lack of involvement in the implementation of diaspora interventions (with the exception of some stakeholders such as certain Ministries at entity level, etc).

Most impacts observed on the enabling environment again come from the local government level (business-friendly policies, one-stop-shops, business facilitation services, B2Bs, etc). At state and entity level no systemic impacts on the enabling environment have been observed so far such as for example overcoming the main obstacles to diaspora investment (mainly lack of trust in the institutions and fear of political instability and corruption). However, some of the D4D instruments could help state and entity levels improve in the future their enabling environment, namely:
the investment scheme could be implemented by entities in order to make their diaspora grants more effective in producing development results; and

the ToK to public institutions can help assist the state, entity and other administrations (e.g. cantonal) solve enabling environment issues, such as for example the skills mismatch issue, thereby increasing employability in the country.

Other impacts documented by the evaluation include:

- a substantial leveraging effect: the co-financing rate for the investment scheme came up to a staggering 3 to 1 rate and the LG initiatives to a satisfactory 1.5 to 1 rate;
- increased production capacity, and improved accuracy and precision (thanks to high performance equipment and training of employees) in ToK and investment recipient companies; increased competitiveness in terms of quality and quantity of production;
- increased capacity for exports and access to foreign markets (mainly thanks to market research and diaspora contacts) in the private sector;
- better adaptation capacity to foreign market requirements, which may lead to new contracts (thanks to ICT and robotics know-how, agile transformation and innovation); and
- better marketing and communication strategies (thanks to transfer of knowledge) or recipient companies.

**Sustainability**

Long-term sustainability/continuation of the D4D interventions depends on the availability of own financial resources (financial sustainability) and the existence of adequate BiH institutional capacity (institutional sustainability). Financial sustainability of the designed/adopted diaspora strategies could not be confirmed through the evaluation as budgets have not been secured yet; however, it is more than likely that entities can secure the necessary financial resources in order to fund at least the most relevant actions such as investment-type schemes. At the state level, it appears that MHRR slowly succeeds in securing funds (very low for 2020) and with time these allocations may be increased (for example, it appears that sufficient funds will be secured for the operation of the web-portal, the annual conferences and the ToK to public institutions), but it seems highly unlikely that they will be able to secure 2.3 million BAM – which is the MHRR budget indicated in the strategy for the period 2020-2024. Finally, with respect to the required funds from other parts of the state administration (e.g. MCA will need to secure 5.76 million BAM, MFA will need 100 thousand BAM, the State Employment Agency 216 thousand BAM, etc) we could not confirm whether funds could be secured.

At the LG level, it seems – based on interview and survey information - that most cities/municipalities do have funds they can allocate even though they may not be able to fund 100% their initiatives. Financing capacity is higher for middle and large LGs, while small LGs (in terms of Municipal revenues) will definitely need substantial external financial support even in the future.

In terms of institutional capacity, again sustainability is higher at the LG level than at state and entity levels, and particularly at the middle-size LGs, while it is the lowest at the small-size LGs. In terms of thematic capacity, most LGs have planning and implementation capacity while they largely lack M&E capacity. Strategies at both the state and entity levels will require further development/operationalization of their measures and both state and entities lack the necessary skills/experience. Therefore, implementation of the strategies is not sustainable without further external assistance. Since pillars 2 and 3 are the only ones that are expected to have any tangible development results, we recommend any future D4D support to concentrate on the operationalization of these pillars. Also, in order to facilitate this process, some instruments - which have been tested and proven effective through D4D - can be gradually transferred from UNDP implementation to state/entity implementation. A good example is the investment scheme which can be easily transferred at the entity level (with FBiH funding; Development Bank implementation). Overall, it seems that Project partners at state/entity levels cannot maintain
the achieved level of performance in the future without significant further support, while LGs can with minimal support.

Last but not least, a wide range of project results are highly sustainable, at least in the near future. They include: the number of new jobs created, the benefits accrued to companies and public institutions receiving ToK, the number and degree of engagement of diaspora ToK experts and the % of local diaspora using LG services. On the contrary sustainability is low with respect to state/entity/BD institutions’ ability to comprehensively address diaspora through adequate strategies (as they have attained planning skills/experience but no implementation skills/experience) and we could not document to which extent the skills attained are embedded in the institutional memory (i.e. if the skills will remain in the institution if the trained individual leaves). Finally, sustainability of the global result (persons benefiting by D4D) is mixed: the part derived from agricultural LG initiatives exhibits rather low sustainability, while sustainability is high for the remainder.

Visibility
Project visibility is exceptionally high, as demonstrated by the numerous communications activities, outputs, and wide audiences reached. From the 3 main goals set by the D4D communication strategy, the first two seem to have been attained but the third one requires more effort. These goals are:

- raising general awareness on the benefits of the M&D concept in BiH;
- raising awareness among target groups in BiH regarding the types of instruments available; and
- initiating dialogue and exchanging ideas on linking migration to development.

Horizontal Considerations: Gender Equality
D4D has more than reached its gender mainstreaming targets. Initially, for all relevant indicators, the project aimed at attaining a minimum 30% female participation. By the end of 2019 this goal had been exceeded. Female participation rates attained range from 39% to 60%.

Summary of Recommendations
For the consolidation phase we recommend that the following activities are mature to be transferred to BiH stakeholders, for replication and scaling-up:

- ToK to public institutions (MHRR) with limited TA support from IOM for transfer of knowledge and systems;
- Web-portal (MHRR operation and content) and general-purpose communication channels;
- LG initiative through a competitive call for integrated projects (to be funded by SDC and implemented by LGs);
- Investment scheme (entities/development banks) with limited TA support from UNDP for capacity-building in M&E.

The following activities need further development:

- LG practitioners’ network (LG association) with TA support from UNDP for the establishment of a permanent structure but also commitments from LGs;
- The M&D area, where the project can provide the highest long-term added-value and where project resources need to be focused in the next period concerns the development and testing of innovative ToK schemes to the private sector, including the Industrial Mentoring Programme, a more complex scheme for ToK to businesses, and start-up/spin-off initiatives; they all should be 100% funded by the project.

Elements that do not deliver sustainable results and should be changed or phased-out include:

- the implementation of state/entity diaspora strategies: the Project should continue to fund capacity development actions (such as operationalization of measures and systems); we recommend two options:
  - the D4D project to provide support only to pillars 2 & 3; and/or
  - support the solution of specific development-related problems that cut through administrative lines.
activities such as supporting diaspora associations for self-organization purposes should be abandoned altogether.

Finally, with respect to the LGs we recommend a capacity building component targeting only small municipalities. Other recommendations include:

- strengthen gender equality and social inclusion by using positive incentives in the respective Calls or by concentrating resources to geographic areas where there are documented problems of gender equality and social exclusion;
- promote conditions for equal cooperation through building capacity in areas that have not participated so far, design special interventions for these geographic areas, or implement horizontal, county-wide interventions allowing eligibility to all LGs or other beneficiaries regardless of whether the respective entity has a diaspora strategy or not;
- prepare a capacity building programme for small municipalities (i.e. Municipalities with low revenues);
- embed safety-valves in the next period’s interventions in order to prevent potential corruption or conflict of interest phenomena; such e.g. maximum time-periods for completion of certain LG actions in order to avoid political interference;
- make operational improvements such as the development of an integrated Project database, apply the “one objective-one indicator” principle for Project outcomes/results, and include in the annual report an annex that shows the degree of mobilization of project resources (e.g. funds committed and funds expended per activity) and the output indicators achieved to date.

The general vision for the consolidation phase includes 4 components (more or less along the lines of D4D):

1. Component 1 with a strategy element (i.e. support for implementation) and a studies (documentation) element;
2. Component 2 with a ToK to public sector element and a communication element (portals, conferences, etc);
3. Component 3 with a competitive Call for LG integrated project, a capacity building programme for small municipalities and a small technical assistance element towards the practitioner’s network;
4. Component 4 with an investment scheme (only marginally supported by UNDP), an expanded IMP, and an expanded ToK to private sector programme (which also includes a startup/spin-off initiative).
Introduction: Background and applied methodology

Background

One of the goals of the Swiss Migration Partnership Strategy for the Western Balkans (2016-2019) is to support BiH in dealing adequately with the challenges presented by migration and to use economic and social development potentials of such migration. In response to a request from the Ministry of Human Rights and Refugees (MHRR), the Swiss Agency for Development and Cooperation (SDC) started in 2013 the Project “Mainstreaming the Concept on Migration and Development into relevant Policies, Plans and Actions in BiH” (pilot phase). The main goal was to support MHRR and to initiate integrating the M&D concept into BiH development processes and strategic frameworks. During the 1st phase (2013-2015), integration of M&D was piloted in 10 selected local governments. In Autumn 2015, a final evaluation of this pilot phase was carried out. The main recommendations were the following:

- Increase the funding and effectiveness of the horizontal component (LG strategies);
- Implement a project preparation facility;
- Increase Project ownership by MHRR and share implementation responsibility;
- Reinforce impacts and sustainability of results in already selected LGs through continued support;
- Include a component which will concentrate on selected systemic changes: focus on scientific knowhow transfer;
- Concentrate on a small set of indicators.

The second phase of the project (05.12.2016 - 31.12.2020) - called Diaspora for Development (D4D) – was targeted at increasing socio-economic opportunities and perspectives for women and men in BiH, and at improving their livelihoods through increased diaspora engagement. It was structured into 3 components/outcomes:

- **Component 1**: reinforcing the strategic continuum and diaspora cooperation instruments/Outcome 1: MHRR, MFA, and relevant government institutions use and further develop instruments to actively connect, exchange, and engage with diaspora members and their organizations.
- **Component 2**: diaspora-related services and initiatives at LG level/Outcome 2: Municipalities align their development strategies to the BiH diaspora strategy, provide more and better services to diaspora members, and encourage community initiatives to attract diaspora know-how and investment.
- **Component 3**: economic development horizontal initiatives/Outcome 3: Diaspora members transfer business related know-how and skills to BiH counterparts and make joint investments with private sector actors in BiH, thus creating new jobs.

A final evaluation of the D4D project phase was awarded in February 2020 in order to provide guidance for the project consolidation phase, the purpose of which is to gradually shift ownership and responsibility for M&D-type of policies to BiH stakeholders.

Methodology: organization of the final evaluation

As per ToR, the evaluation was organized in 3 distinct phases/cycles, as follows:

**First evaluation cycle: desk review**

The first cycle extended from the signing of the evaluation contract to the field phase. During this time, documentation was collected, studied, and evaluation questions were formulated.

**Second evaluation cycle: field phase**

The field phase commenced on February 20, 2020 and included an extensive cycle of more than 40 detailed interviews with the main project stakeholders in Sarajevo, other donors, and a sample of project stakeholders at

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2 A list of all meetings is included in Annex 2
the local level (Municipal staff and final project recipients). In parallel, two distinct surveys were conducted: one targeting LGs, and another targeting private companies that had participated either in ToK or in the investment scheme. The purpose of such an extensive field mission was to triangulate and validate all evaluation findings to the greatest extent possible and to reach all types of stakeholders.

The field phase was concluded on March 6, 2020. On March 11, 2020 a de-briefing meeting was held via skype with the Swiss Embassy where the initial conclusions of the evaluation and initial recommendations for the continuation of the project were presented.

**Third evaluation cycle: evaluation report**

The third evaluation cycle lasted approximately 2 weeks. During the first week all information from the desk review and the interviews were documented, systematized and conclusions were drawn with respect to the 5 evaluation criteria. During the second week, the evaluation report and recommendations for the consolidation phase were drafted.
Evaluation key findings, conclusions and recommendations.

Evaluation according to the DAC criteria.

The ToR specifies that this evaluation will follow 5 criteria: relevance, performance, results, impacts and sustainability of achievements. These criteria coincide with the 5 DAC criteria. Another two evaluation criteria are added in order to address visibility issues and gender equality. The following chapters present the evaluation key findings by answering the precise ToR questions under each criterion.

Relevance

Methodological note: the ToR concentrates the criterion of relevance on the following questions:

- Are the Project’s objective and its theory of change still relevant taking into account the current context and its trends? (We address this question under external relevance)
- To what extent is diaspora engagement integrated in development plans at all three levels and included in the budgets? (We address this question under internal relevance)
- Do the financial schemes and the knowledge transfer from diaspora contribute to long-term employment in BiH? (We address this question under sustainability of results/number of new jobs)
- To what extent is the Project complementary to projects of the economy and employment domain of the Swiss portfolio (MarketMakers, YEP, MOZAIK, Swiss Entrepreneurship) and to donors’ interventions (multilateral and bilateral)? Is there scope for improving synergies? How does D4D seek linkages and collaboration with other diaspora programs? (We address this question under external relevance)
- What is the potential of scaling up the approach beyond the 14 supported municipalities?

However, customarily, the evaluation of relevance concentrates on 2 dimensions:

- **External Relevance**, i.e. relevance to country needs and to the available diaspora resources, which examines both the project design and the activity mix, and
- **Internal relevance**, i.e. internal consistency of project components and activities.

External Relevance

External Relevance, associates the project’s design and activity mix to country development needs and to the available diaspora resources.

BiH Main Development Needs

In summary, the main development needs of the country can be described as follows:

- **Need for economic enlargement** (i.e. new businesses and existing business growth) which in turn will expand the country’s tax base and the ability of the government to gather resources in order to fund further development-related policies, in order to put the country on a sustained path to development.
- **Need for continued export growth**, in order to ultimately reverse the balance of payments and contain the country’s public and private debt. This will increase both the private disposable income in the country (and hence private consumption) and government revenues (through taxation).
- **Need for creation of sustainable jobs**. The country needs to increase the demand for labour from private businesses in order to contain the rampant unemployment (and related poverty levels) and ultimately increase the mean wages in the free economy. This can be achieved through the enlargement of the economic activity, provided that such growth is sustainable in the long-run and is not directed to

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3 For a detailed analysis, please refer to Annex 3.
4 Increase of employment through the public sector is not sustainable in the long-term because the public sector is dependent on the private sector for revenues.
5 High unemployment tends to suppress wages.
capital-intensive activities (i.e. highly automated production which actually reduces the number of jobs). Job sustainability can be ensured by the parallel growth in exports.

- **Need for increase in labour employability.** There is admittedly a notable mismatch between the offer (i.e. skills the current labour possesses) and the demand for skills (i.e. skills required by the private sector). Employability in general tends to increase through an increase in overall educational levels of the labour force but specifically through VET initiatives (i.e. technical training, on-the-job training, etc). Businesses need well trained employees in order to fuel further growth of economic activity.
- **Need to address the brain-drain of the country.** There is considerable evidence that the current migratory flows are related to the overall conditions in the country (e.g. political instability, corruption, etc) rather than unemployment and poverty. Furthermore, there is evidence that most of the migrants are fairly young, many times already hold a job, and are well educated/trained.

**Main Diaspora Resources**

In order to assist the country with the above developmental goals/needs, there is a plethora of diaspora resources that can be used. The main features of BiH diaspora are described below.

- **Huge transfer of knowledge potential** both at the academic and the business sectors and large willingness of diaspora to contribute to BiH development via ToK and volunteerism. This has been documented by the Mapping exercise implemented through D4D.
- **Significant entrepreneurial culture** among diaspora resources and willingness to make investments in BiH through reliable partners. Almost all potential investors prefer to make investments in their hometown indicating a strong LG link of the investment potential. Hence the appropriate administrative link for targeted investment initiatives is the LG level.
- **Significant links of diaspora to motherland** (family ties, regular vacationing, existence of personal property in BiH) which can be exploited for the development of tourist activities and perhaps for the promotion of BiH products abroad (e.g. local specialties).
- Considerable potential for BiH companies and institutions to establish links and collaborations with counterparts in host countries due to diaspora being well integrated and well-connected in host countries (diaspora acting as “bridge”).
- **(unconfirmed) Potential for start-up/spin-off investment interest** from 2nd generation diaspora.
- **A small portion of diaspora resources are suitable for investments and ToK,** indicating that initiatives need to be more focused in order to be effective:
  - business resources suitable for the promotion of investments is estimated to approx. 5,000 persons; while
  - human resources suitable for academic collaborations and transfer of knowledge are estimated to several thousand (10,000 – 20,000) based on the fact that BiH diaspora exhibits a higher percentage of persons with Ph.D. education (5%) and a higher percentage of persons involved in research (1.5%) than their host countries.
- **There are serious issues of trust** in the BiH diaspora (consistent evidence from several field mission interviews) that need to be overcome, especially when it concerns financial investments. The issues

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6 For a more detailed analysis, please refer to Annex 3.
7 Mapping exercise was realised under the Component 1 – highly noted and referenced.
8 Evidence from field mission.
9 E.g. 0.6% in European Union.
Most often mentioned are the same that affect current migratory flows (political instability, corruption, etc).

- **Most frequent communication channel** that leads to the involvement of diaspora is “personal contact” and “word-of-mouth” indicating that “shot-gun” approached (like web platforms) are largely insufficient at producing results and need to be complemented with active personal involvement mechanisms (e.g. in the form of “ambassadors”, “facilitators”, etc).

### Relevance of Overall Project Design (project components and activity mix) to the current country context and its trends

The analysis of the current context has showed that any M&D-type initiative in BiH- in order to be successful – it needs to:

- address sustainable business growth and sustainable job creation (i.e. growth in competitive sectors of the economy);
- address employability (i.e. growth in the skills levels of the labour force);
- foster exports (i.e. growth in export-oriented sectors);
- use focused approaches, each one especially designed for addressing the diaspora resource of interest (e.g. separate mechanisms for addressing a) the academia and research community, b) the business community, etc);
- address the issues of trust in diaspora and prevent further brain-drain (i.e. address the wider political/administrative/ etc. factors leading to continued migration and mistrust on the part of potential investors).

The overall design of D4D is highly relevant as it includes elements from most of the success factors highlighted above:

- **Component/outcome 1** (strategy, ToK to public sector, and communication activities) has been designed as a vehicle for a) addressing systematic problems and wider context obstacles in the country with respect to involving diaspora in M&D (through the strategic element), b) empowering local institutions to solve the employability problem (through the ToK element), and c) establishing communication channels with diaspora (through the webpage and annual conferences);
- **Component/outcome 2** (LG strategies and local initiatives, services to diaspora) exploits and cultivates the direct link of diaspora to their hometown and creates development initiatives in order to address the specific local development needs in each LG;
- **Component/outcome 3** (investment and ToK schemes to private sector, IMP, D4startups, targeted business approaches) creates a wide range of complementary business support tools and diaspora communication models that foster both private investment and creation of jobs in growth sectors that can be used horizontally throughout the country.

This finding is supported not only by the analysis of the theory of change but also by evidence collected during the field mission and by the 2 surveys.

### Synergies and Complementarities

D4D has great potential to achieve synergies (i.e. work in the same areas) with some initiatives undertaken by international donors such as the MarketMakers and complementarities with other initiatives such as USAID Diaspora Invest, ILDP and Swiss Entrepreneurship and such an approach is highly recommended by the evaluation.

**The MarketMakers initiative**: targets youth employability through 2 strands:

- youth employment: work with public employment services to support their capacities/infrastructures (could act in a complementary way to D4D but it represents a very small fraction of the initiative);
- skills development: work with private companies to provide on-the-job training to unemployed persons; implements the “guarantee fund” which picks-up the cost of training if the trainee cannot pay it (it could work in a reinforcing manner with the D4D project);
- reform of BiH educational system: it is a new initiative that focuses on the skills gap (it could work in synergy with D4D Component/Outcome 1 and the ToK to public institutions).

**USAID Diaspora Invest initiative:** it targets business development through 3 strands:
- policy environment: providing technical assistance to MHRR;
- developing BiH marketplace (i.e. target diaspora-owned firms): it is similar to the D4D investment scheme but specifically targets start-ups and early stage enterprises (it could work in complementarity with the D4D investment scheme);
- diaspora business centre: provides info and services to potential foreign investors such as an online platform with 1000 registered individuals, information regarding the business environment, matchmaking services and technical assistance (it could work in complementarity with D4D business-targeting initiatives such as the Industrial Mentoring Programme, D4startups, B2B, etc).

**Swiss Entrepreneurship initiative:** it fosters start-ups by supporting business infrastructure such as incubators, accelerators, networking organisations, open-space coworking areas, etc. (it could work in complementarity with D4D business-targeting initiatives such as the Industrial Mentoring Programme, D4startups, B2B, etc)

**iLDP initiative:** it develops governance systems in LGs such as:
- planning and M&E capacity (could undertake the diaspora strategy development actions on behalf of D4D);
- implementation systems (it could facilitate Municipal capacity growth for future LG participating in D4D).

**Relevance of Specific Design of Individual Activities**

**Component/Outcome 1**
It focuses on building a conducive environment for diaspora’s engagement in BiH development activities. The primary instrument (“flagship” initiative) was the development of strategies for cooperation with the diaspora at the national, entity and BDBiH levels and the development of capacities within the respective government institutions for coordination and management of diaspora engagement. Three policy documents were developed with the support from the D4D project for BiH, FBiH and BDBiH, the last two having already been adopted by the respective parliaments. The strategies took into account the existing BiH policy framework on cooperation with diaspora:
- Policy on cooperation with diaspora (2017);
- Strategy in the Area of Migration and Asylum 2016-2020;
- Strategy on Foreign Policy of Bosnia and Herzegovina 2018-2023;
- Strategy on Science Development in BiH 2017-2022; and
- Priorities for Higher Education Development in BiH 2016-2026 and related entity strategies.

The BiH Diaspora Mapping Report (implemented by D4D), MHRR data on mapping the scientists in diaspora and a substantial situation analysis provided the baseline data. The situational analysis covered: policy framework analysis, context analysis through migration trends, macroeconomic indicators, institutional responsibility mapping and capacity assessment.

While the context and situation analysis suggest that the strategies should have a strong development orientation, (a) the vision of the strategies is too broad and (b) a significant part rather deals with diaspora as an inseparable element of BiH society and aims at the promotion of their rights and interests. This broad

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10 This is part of the Strategy/pillar 3.
11 In December 2019, the Parliament of FBiH adopted the Strategy for Cooperation with Diaspora 2020-2024, and in February 2020, the Strategy for Cooperation Development with diaspora 2020-2024 was adopted by the Parliament of BDBiH.
and comprehensive approach adopted seems to be the result of a strong reliance on pre-existing policy documents and the intention of BiH institutions to cover all possible aspects of cooperation with diaspora. On the other hand, the strategies correctly address 2nd and 3rd generation issues who poses the highest future potential to support development and there is not much time left to engage them in M&D.

This lack of a sharp focus is visible throughout all the strategy documents with minor differences corresponding to differences in mandates. This “all-encompassing” approach in strategy making lowers significantly the relevance and added-value of the activity. Strategy coordination instead should have been focused on solving specific development problems and addressing needs that cut through administrative levels.

All three strategy documents identify the same four priority areas (pillars):

1. Development of a normative and institutional framework for cooperation with diaspora: interinstitutional coordination mechanisms and coordination with other stakeholders, monitoring of migration trends, development of supportive legal framework, ensuring employment and social insurance rights for diaspora members (at state level), establishment of representative associations of diaspora abroad, preservation of language, culture and customs.

2. Engagement of diaspora in social development: continuous diaspora mapping, cooperation with academics and scientists in the diaspora and facilitation of transfer of knowledge.

3. Engagement of diaspora in economic development: attracting diaspora non-financial support and financial investments, business communication and networking, improvement of the business enabling environment, promotion of existing and design of new financial support schemes to facilitate diaspora investments in BiH.

4. Support to youth in diaspora and youth involvement in social and economic development of BiH: support to youth gatherings and associations, networking with BiH youth, and promotion of studying and volunteering opportunities.

Still, some actions are highly relevant to M&D efforts. These include:

- The entire pillars 2 & 3. Both pillars address real development needs of BiH while associating them to existing diaspora resources. An action that could prove of particular value is the improvement of the business enabling environment, which is a cross-cutting (through various administrative levels) issue and hence very suitable for strategic coordination. Still, the documents provide little insight as to what exactly will be targeted. Another cross-cutting issue suitable for strategic coordination (but not mentioned in the strategies) is the improvement of labour skills through educational reform and VET measures.

- Individual actions from pillar 1 such as training, coordination and networking efforts (which however need to be made more specific and focused), and the development of a supporting legal framework.

The diverging interests and expectations of the institutions engaged with diaspora strategy development as well as the complexity of the institutional mandates and vertical/horizontal cooperation needed for implementation further accentuate the need for channelling project support into measures with clear and narrow objectives, likely to produce tangible effects within the relatively short period of the strategies (4 years).

Measures like establishing representative associations abroad, preserving cultural heritage and customs and measures towards youth diaspora (mother tongue and summer camps) do not clearly show how they can contribute either to BiH development at least within the short timeframe of the strategies. This is supported by evidence from D4D project activities, such as the establishment of a diaspora representative body (DRP) in Germany, which took two years and a strong engagement of the diplomatic consular representation offices in Germany just to reach the “ready for registration” stage. What is worse, the only purpose of existence for such a body is to provide the BiH

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12 And not only the M&D aspects.
13 5 to maximum 10 years according to key informants across sectors involved.
diaspora with a stronger presence in Germany in order to protect their rights and interests” while it has nothing to do with M&D-type of efforts.

Overall, the strategies remain very general, with low degree of operationalisation, except for the coordination mechanisms. This is even more obvious in the FBiH and BDBiH documents and especially the component related to youth, whose engagement is a priority but the intention needs to be supported by pragmatic interventions leading to tangible results. The monitoring and evaluation frameworks provide some further information through the expected results and indicators but not for all the measures equally.

The texts fail to demonstrate the theory of change, i.e. synergies between measures and pillars and how they are expected to achieve the desired changes. This implies that the implementation of the measures foreseen will require a lot more time and effort for further research/analysis/strategy-making, design of initiatives and synchronisation across administrative levels (i.e. assignment of responsibilities and budgets), except for those initiatives already functioning (such as bilateral agreements on employment and social security) and those that have been tested and proven successful by the D4D project and can be transferred to BiH institutions for implementation as they are (e.g. the ToK to public sector and to private sector and the investment scheme, perhaps with minor modifications).

According to key informant interviews, the implementation of the two adopted strategies can be further hindered by the fact they were adopted in late 2019/early 2020, and hence no budget for implementation in 2020 has been allocated.

Finally, even though the strategies were supposed to have been developed in a participatory manner, it seems they involved primarily government institutions, while other stakeholders were involved to a limited extent through the usual, formal communication channels and no extra effort was taken to promote meaningful public participation. Most of the stakeholders from the private sector and academia interviewed during the evaluation were not aware of the strategy development efforts at all or had only a vague sense about them. Interestingly, the strategies identify chambers of commerce, businesses, and academia as the main beneficiaries, while all implementation responsibility lies with government institutions. Respondents from the business sector and academia – on the contrary – are of the opinion that the capacities of public institutions are insufficient to implement all diaspora engagement measures and that responsibility for implementation of the strategies should be shared. Among LGs, awareness about the strategies was slightly higher – even though no-one had participated in the process.

Two other interventions under Component/Outcome 1 are also of low relevance to country needs and diaspora resources: the web-portal and the annual diaspora conferences.

Even though in principle a networking platform is a good communication channel, the web-portal has adopted a “shot-gun” approach without any specific focus such as special pages devoted to the academia, or matching platforms for businesses, etc. As such its utility as a diaspora targeting mechanism for M&D purposes is very limited and only as a general PR/visibility measure (i.e. spreading news from BiH to diaspora), even though it is questionable whether its current design will be successful in maintaining diaspora interest in the long-run (people tend to get tired and stop following social media if they have no personal vested interest).

So far, the two diaspora conferences that have been organized were very broad in spectrum and without any specific development focus. Only the conference planned for 2020 has some development focus even though it neither addresses the first development priority of the country nor the most abundant diaspora resource. More specifically:

- 1st Conference (2018): it provided a general overview of the M&D principle and presented the Diaspora Mapping report;
- 2nd Conference (2019): it focused on youth networking; and
- 3rd Conference (2020): it will focus on Tourism and how diaspora can contribute.

In addition to the thematic focus of the conferences, the composition of the participants is equally important. For example, during the first conference the composition was so widespread and unbalanced that no real targeting could practically happen. Out of 126 conference participants, 24.6% were LG representatives, 27% were diaspora
members, 3% were BiH business representatives, and the remaining 45.4% were from central administration, international donors and other BiH public bodies or NGOs. Especially as it regards the diaspora composition, 26.5% were economic agents (businessmen and freelancers), 23.5% were from arts & sports, 18% were from academia, and the rest 32% were from various sectors (EU/world institutions, the church, etc). This needs to be rectified in the future.

Altogether, we consider that the relevance of Component/Outcome 1 was significantly reduced by the design and the way individual actions were implemented with the exception of two specific actions: “ToK to public institutions” and the “Mapping BiH Diaspora Report”.

Component/Outcome 2
Policy interventions at the LG level were an integral part of D4D and aimed at aligning municipal strategies to the overarching BiH diaspora strategy. The main axes of LG strategies were: a) the provision of more and better services to diaspora members and b) community initiatives attracting diaspora know-how and investment. The rationale behind local initiatives was to capitalize on the documented strong link between diaspora and hometown of origin, facilitating BiH development at the local level (in terms of the labour market, business establishment & growth, etc.).

D4D assisted cities/municipalities in the revision of their existing local development strategies and M&D mainstreaming. In all cases this entailed the establishment of a diaspora management mechanism within the municipal structure - usually linked to the local development department - and the improvement of diaspora-oriented services (e.g. online acquisition of personal certificates, business and investment support centres/often one-stop-shop, etc). These were complemented with various social (cultural exchange, mapping of diaspora) and economic development projects (transfer of knowledge or technologies in agriculture, business start-ups or IT).

The methodology for integrated local development planning (MiPRO) was applied, which implies that the projects had to focus on tangible results and have available sources for co-financing. The component is highly relevant to the country needs and types of available diaspora resources, primarily because it assisted LGs to shift their perspective regarding LG relations to diaspora from a human-centred perspective to a development/business-centred perspective. Due to the significant capacity created within some LGs this type of intervention can be scaled-up.

Component/Outcome 3
This is probably the most relevant component of all, as it tackles directly specific development issues matched with specific diaspora resources. It has the sharpest focus and the instruments used are better developed than in any other component. As such it exhibits great potential for scaling-up. It contains two of the tested and proven most successful instruments, i.e. the ToK to private sector and the investment scheme, but also a wide array of other more experimental instruments such as Industrial Mentorship, a call for start-ups, investment brokering and B2Bs. With respect to ToK to the private sector, the intervention is highly relevant as it brings cutting edge know-how to the BiH economy making local businesses competitive on the international markets and is also linked to the creation of new jobs. It is well-designed and easy to implement. One drawback is that it has not provided any partnering mechanisms with the diaspora and the businesses mostly rely on personal contacts. This needs to be rectified in the future.

The investment scheme creates incentives for attracting much needed private investment in the productive sectors and for the creation of new jobs and, as such, is highly relevant and successful. Ultimately it should leverage resources not only from BiH investors but from the diaspora as well. So far, the only resources that the scheme

\[14\] Or from abroad with the help of diaspora.
has mostly been able to leverage from the diaspora are intangible (either know-how or business connections). Of course, these resources are valuable but, in a cash-poor country, FDI is far more important and should receive more attention in future designs in order to increase both relevance and effectiveness. Also, there is another drawback: the co-financing requirement and the job criterion limit the spectrum of companies that could apply, excluding most small and new businesses. This becomes evident from the respective survey results where the average size of the participating business is 100 employees and the average age is 20 years. However, as it is widely known and accepted nowadays, **the most dynamic part of any economy lies with small enterprises and with start-ups/spin-offs**. The importance of these is highlighted in the recent EU report on SMEs.

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<th><strong>Annual Report on European SMEs 2018/2019</strong></th>
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<td><strong>SMEs</strong></td>
<td><strong>SMEs account for the majority of the increase in value added (60%) [...in EU economy], while small and medium-sized SMEs accounted for 16.9% and 14.1%, respectively.</strong></td>
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<td><strong>SMEs</strong></td>
<td><strong>SMEs have made a much stronger contribution to the growth in value added in recent years (i.e. from 2016 to 2018) compared to ... [previously]. The increase in the SME contribution is almost entirely due to micro SMEs. The contribution of medium-sized SMEs has declined during this period.</strong></td>
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<td><strong>SMEs</strong></td>
<td><strong>Most of the increase in EU-28 SME value added and employment was generated in less knowledge-intensive industries</strong></td>
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<td><strong>SMEs</strong></td>
<td><strong>Labour productivity has grown</strong></td>
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This segment of BiH economy is untapped by this instrument. Therefore, D4D either needs to be complemented with other instruments specifically designed for SMEs and start-ups/spin-offs, or to expand the investment scheme in a way that it covers this part of the economy as well (the former is easier than the latter). Currently, there is only one instrument that has been implemented in this direction by D4D and it is more of a “pilot project”: the D4startups. From the various experimental instruments, we sort out two:

- the Industrial Mentoring Programme and
- the D4startups.

Both instruments tackle specific policy areas that seem promising for future applications. The first instrument proves the importance of a dual approach to matching diaspora resources to local needs, i.e. the use of a formal mechanism (such as a platform, public call, etc) and the use of a “facilitator” that follows-up and promotes the matching. It is a very interesting model for all future communication with diaspora mechanisms. The second instrument proves the importance of developing within the country a network of “nodes of excellence” (e.g. business incubators, accelerators, etc) which can in the long-term act as intermediary bodies in the implementation of D4D-type interventions for the development of the BiH start-up ecosystem. Such a network of organizations has the potential

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15 This might not be possible however if actions are not taken a) to improve the general entrepreneurship environment in the country, and b) to build a pro-active mechanism for communicating with the diaspora business community and for attracting FDI.

16 Criteria include: minimum investment of BAM 200,000, minimum number of 10 new jobs, and minimum 60% co-financing.

17 Annual Report on European SMEs 2018/2019

18 The Startup Europe Ecosystem
of producing multiplicative effects throughout the economy, it is an approach already followed by other donor programmes (such as the Swiss Entrepreneurship) - offering opportunities for collaboration - and could provide in the long-term a vehicle for generalized, horizontal D4D schemes in the country not only in the area of start-ups but also in other areas that are critical for entrepreneurship (such as innovation projects, joint R&D, technical assistance for grant writing, etc.). Both these instruments need further development during the D4D consolidation phase before they can be scaled-up.

In terms of contribution to the creation of sustainable jobs, both the ToK instrument and the investment scheme seemingly do so, but, since this is a forced result (i.e. required by eligibility criteria), it may or may not actually affect long-term employment. Work sustainability has two aspects:

- the long-term preservation of the employment positions within the economy (jobs); and
- the long-term occupation of the positions by the same persons (employees).

Long-term preservation of employment positions (jobs) is affected only by the increase in business competitiveness and in the case of BiH by the increase in the overall business turnover and the increase in the value of exports.

One factor in support of company competitiveness is that all investments within the investment scheme were required to be in export-oriented sectors, i.e. in processing industry (woodworking, metalworking, textile, footwear and leather processing, plastics processing, food production, etc.), information technology and tourism. Also, many of the companies participating in these two instruments mentioned the access to new markets/supply chains/clients (mostly in EU countries) as the diaspora greatest contribution/added-value. This is evidence that - through participation in these schemes - companies are likely to have become more competitive and hence the jobs created may be sustainable in the long-run (i.e. secured to exist in the future) but the only way to address this question with certainty is to monitor the recipient companies for a period of 2-3 years after the end of their grant. If the D4D project chooses to do so during the consolidation phase, it should undertake a structured impact assessment study (counterfactual) and try to measure the extent to which a) business contacts, b) know-how transferred and c) financial investment have affected job sustainability.

Long-term occupation of the available positions by the same persons (i.e. whether workers stay in these positions or not) is affected by the desirability of the position (e.g. earnings, job prospects, intrinsic job quality and satisfaction, working times, etc) and the skills & work ethic of the workers (i.e. their capacity to remain there in the long-run and have the potential for personal growth). Evidence collected during the course of the evaluation suggests that many of the jobs created through D4D offer good salaries and better working conditions and hence satisfy the first condition (desirability) but often workers seem to lack either skills or work ethic or both.

Should the D4D project chose to conduct and impact assessment study in order to measure job sustainability, it should also incorporate and measure this dimension.

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19 For example, a start-up instrument could follow the EU policy structure by providing a) buffering assistance (i.e. support during the early stage of entrepreneurial development), b) bridging assistance (i.e. links of start-ups to other actors in the ecosystem during the early growth stage), and c) boosting assistance (i.e. support to accelerate growth for the most promising enterprises).

20 See the discussion under effectiveness.

21 Since the local economy is too weak to support long-term growth for many sectors.

22 The study should measure “open positions in the assisted companies” regardless of whether they are at the time occupied by workers or not.

23 Based on the opinions expressed by several private company owners interviewed during the field mission. Also, some of the results of the youth survey conducted by MarketMakers are suggestive to this: for example, the majority of unemployed young participants are willing to work outside their profession (hence lack of work-related skills), 20% of all participants had no work experience and the rest only some work experience, 56% of the currently employed are actually looking for a job (hence they do not stick to a certain position), and the most commonly reported raison for an active job search among currently employed youth is dissatisfaction with the salary and the second most often reported reason as “lack of balance between work and free time” (which might lead the company owners to believe that they lack "work-ethic").
**Internal Relevance**
The overall design of the D4D project is characterised by a high degree of synergy and complementarity of actions both across components/outcomes and within components/outcomes. It addresses 3 of the 4 administrative levels, and tackles 2 of the most important development problems: economic growth and growth of jobs. There is a well-developed array of various instruments – some well-designed and tested and some “pilot” interventions which need to be further developed in the future – and a good balance between capacity-building actions and direct development actions. Therefore, the overall internal relevance is rated as very high.

Also, in terms of budget allocations, the project is again quite balanced, with 35% of the budget allocated to outcome 3 (immediate development effects), 25% to outcome 2 (LG capacity building and immediate development effects) and 12% to outcome 1 (higher administration capacity building and horizontal communication).

*Figure 1: Project budget breakdown*

The most significant shortcoming with respect to internal relevance refers to the strategic continuum and some considerations for the future are presented below.

**Strategic Continuum**
The analysis of vertical coherence of policy documents has to take into account that local development strategies were developed earlier than the state and the entity/BD strategies on diaspora engagement. Most of them are in the 2nd half or even at the final stage of their 10-year implementation period. Therefore, little could be done in terms of diaspora engagement. The next cycle of local development strategies will provide the opportunity to LGs to fully integrate this component/outcome more systematically. For the time being, higher level strategies envisage some support towards LG capacity development for diaspora engagement and coordination.

In the future, state and entity institutions plan to rely significantly on the network of municipal diaspora coordinators for a bottom-up approach (i.e. for data collection and exchange of experiences/best practices). At this early stage there is insufficient experience in order to pass judgement on this vertical coordination mechanism. It is certain it will require some:

- capacity building;
- consensus building and standardisation of data collection approaches; and
- quality assurance mechanisms.
Other than that, MHRR and the other involved state and entity institutions plan to continue the “umbrella” approach already adopted by designing new instruments which will eventually inform the next generation of LG development strategies with additional tools and resources. However, as LGs appear to be more advanced – at this stage – than state and entity institutions in D4D initiatives, we consider that the design of such instruments should come from the requests of LGs instead. Upper level institutions, should primarily work at:

- creating a business-friendly environment, lifting obstacles to development (especially the ones that cut through administrative lines), and promoting a positive BiH image abroad;
- securing financial resources for use by various beneficiaries including the LGs;
- designing flexible horizontal schemes that can be used by the private sector and by public institutions.

In conclusion,

- D4D project exhibits a high degree of external and internal relevance to both country development needs and the types of diaspora resources that are available and could be mobilized for M&D-type initiatives (i.e. the theory of change behind it is relevant to the current context);
- the overall design and the mix of activities is appropriate and well-balanced and does present many opportunities for cooperation/synergies/complementarities with other donor initiatives;
- many specific activities (D4D instruments) are well-designed, they are mature in terms of implementation, they contribute to important development goals (such as job creation) and hence could be scaled-up nationwide (e.g. the ToK to public sector, and the investment scheme);
- the degree of relevance is lower for Component/Outcome 1, not because of the initial project design, but mainly due to the approach on “policy coordination” adopted by BiH institutions.

Effectiveness

Methodological note: the ToR concentrates the criterion of effectiveness on the following questions:

To what extent have the Project’s results and outcomes been achieved? Are there any unintended results? To what extent has the Republika Srpska’s withdrawal from the project affected the achievement of the outcomes? What is the perspective to achieve the results as set for the phase? Did engagement with diaspora increase over time due to D4D’s interventions? (We address these questions under Overall Effectiveness Assessment)

What are the main changes in people’s lives? (We address this question under Quality Elements of Outputs Produced and Attainment of Project Results)

To what extent have the Project initiatives resulted in addressing gender equality and social inclusion? (We address this question under Horizontal Issues: Gender Equality – Social Inclusion)

Overall Effectiveness Assessment

Effectiveness is a measure that assesses the extent to which the project intervention succeeded to achieve global and specific objective(s), via checking the attainment of outcome/result and output indicators. In general, attainment of result indicators is more important than attainment of output indicators.

Attainment of Project Results

As per the project document D4D results have been monitored on the basis of 15 result/outcome indicators:

- 1 global indicator;
- 5 indicators for component/outcome 1;
- 6 indicators for component/outcome 2; and
- 3 indicators for component/outcome 3.

Target values were originally established for all but one result indicators in component/outcome 1. This was partly due to the uncertainty regarding the activities that would be included in this component, and partly due to the poor
indicator framework initially designed for this component. This was later rectified by adding new result indicators to the monitoring matrix, but most of these new indicators had no target values. Therefore, we cannot assess the degree of attainment for them as there is no comparison value.

The degree of attainment of project result indicators ranges at the end of 2019 from 68% to 410%. Similarly, by the end of 2020 the degrees of result attainment are expected to range from 68% to 450%. Underachieving indicators include:

- The global indicator (Number of persons who benefit from employment and livelihood opportunities as a result of diaspora’s contribution) which is expected to reach 79% of its target value by 31/12/2020; this result is probably due to the effect of RS withdrawal and the SDC decision not to continue to support interventions (LGs, private sector schemes, etc) for beneficiaries from Republika Srpska. We believe that the somewhat delayed start of the Project had no actual effect on the global indicator.

- The strategy-related indicators (Extent to which institutions are able to comprehensively address diaspora needs through adequate strategies: number of diaspora strategies/Number of institutions across government levels contributing to coordinated and whole-of-government implementation of BIH Diaspora Strategy) which are expected to reach 75% and 69% respectively of their target values by 31/12/2020 due to the withdrawal of RS from the project.

Under components/outcomes 2 and 3 almost all indicators are overachieving their target values and both components seem to be exceptionally effective.

**Attainment of Project Outputs**

With respect to the attainment of outputs, the project is equally effective as attainment ranges at the end of 2019 from 72% to 340%, and is expected to range at the end of 2020 from 92% to 343%. The only indicator excluded from these calculations, is the Number of diaspora initiatives implemented through the crowdsourcing platform where there has been no progress whatsoever.

Especially as it pertains to the degree of engagement of diaspora (as measured by the number of participants in events, number of ToK experts engaged, etc) it seems to be significantly raised compared to pilot phase levels\(^{24}\). Unfortunately, we cannot measure the rate of increase between pilot phase and D4D, neither can we measure any possible increases in participation with time, i.e. any rising trends during the implementation of D4D\(^{25}\). Anecdotal information points to greater awareness of diaspora regarding D4D opportunities, but there is no systematic evidence, as it has never been measured, something which is advisable to be done in the future.

**Quality Elements of Results Produced**

**The global indicator**

This indicator simply gives us an approximate magnitude of the population that has been immediately affected by D4D actions. The basis of its calculation is the number of jobs created by D4D initiatives and uses the average size of BiH household as a multiplier. Because it is an “estimated” indicator and not a “measured” indicator, the

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\(^{24}\) During the pilot phase, Interactions between BIH actors and diaspora were opportunity-driven, non-organised, mostly at individual level, and mostly at LG level. There are no precise measurements for that period. Based on the facts that: a) interactions at LG level have continued at comparable and occasionally increased rates as documented by LG interviews, b) there was a concerted effort on the part of MHRR to include diaspora in the annual conferences, and c) the implementation of the ToK to public institutions scheme, it is obvious that diaspora engagement is significantly higher in D4D than in the pilot phase, despite of the fact that we cannot quantify the rate of increase.

\(^{25}\) Perhaps, one way to measure this would be to estimate the degree of diaspora participation in the 2020 diaspora conference and compare it to the degree of participation in the 2018 conference, which we encourage IOM to do.
values cannot be reliable due to the limited geographic application of the interventions. For example, the average size of household in some localities may be way higher than the average for the country. If the indicator can become a “measured indicator” then reliability will increase and it will provide a more accurate picture.

Another reason that this indicator cannot be used as a reliable result indicator is that it cannot capture multiplicative effects due to the lack of sector-specific economic multipliers (i.e. a large part of the total effect is not captured). For example, it is certain that the increase in disposable income - after an unemployed person finds employment – leads to further employment in the community through increased consumption, and hence more households are positively affected. In many countries sector-specific employment multipliers exist for calculating this effect (see table 1 but we have not been able to locate such multipliers for BiH). If such multipliers for BiH exist and can be located (either income multipliers or employment multipliers) then the indicator can be further improved upon.

As such, we recommend using the global indicator for now not as a result indicator – with specific target values against which programme effectiveness is to be judged – but as a context indicator, i.e. merely an indication of the progress made through the D4D intervention. As such, it shows a positive overall effect. Evidence in support includes:

- The fact that most companies that participated in the LG initiatives, the investment scheme and the ToK to private sector are in competitive sectors of the economy, have a strong export-orientation and many established client relationships abroad. This means that the positions created through D4D are likely sustainable in the long-run.
- The fact that most positions created offer higher than average salaries/wages. In some cases, companies have indicated that they currently offer wages many times higher than average in an effort to reduce worker turnover (i.e. trained employees migrating abroad).

Of course, it would be useful to compare the results produced in specific locations to the local socio-economic needs (e.g. unemployment and poverty incidence) but given the time and resources of this evaluation, it is beyond our reach.

If one wishes to obtain deeper knowledge of how much and in which way people’s lives have changed due to the D4D project, this can only be done through a specially designed impact assessment study, which we strongly recommend for the next D4D phase (consolidation). Further reason to undertake such a study are indications obtained through the field mission that sometimes D4D interventions may have long-term undesired effects: for example, it was underlined by some interviewees that workers trained and employed in companies with the help of diaspora in the past, after a while left the position in order to work at the diaspora affiliated company (especially in cases where the BiH company was a subsidiary of a foreign company). Therefore, if one wishes to document the real impact of D4D on local societies, not only should it be measured through an impact assessment study, and the study should try to trace and address all the individuals that benefited from D4D actions, but it should be done after sufficient time has elapsed in order to capture second-wave effects.

The strategy-related indicators

In a purely numerical sense, the withdrawal of RS did have a significant adverse effect on component/outcome 1 achieved results, since both the number of institutions involved in the coordination of strategies and the number of strategies produced were reduced accordingly. However, the real question one should be asking is how this affects the ultimate outcome of strategy coordination in the country which should be: the development of such instruments

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26 If application was generalized in the country and was well-disbursed geographically and socially, then the average household would be an appropriate multiplier.
27 We would however encourage UNDP to undertake this mapping exercise as one of their 2020 M&E activities.
28 For ToK within the private sector, this is currently being done. An impact study is trying to capture the qualitative impact on the companies/people who participated.
which all together (in combination and/or synergy) can effectively engage diaspora into BiH development. In order to answer this, we have to examine two other questions first:

- When is strategy coordination needed?
- How can strategy coordination lead to instruments/policies which work in synergy?

Strategy coordination is generally needed:

1. in order to channel/direct resources provided by a central body but administered through decentralized bodies; in this case the central body wants to provide proper direction for the use of the resources;
2. in order to pool together resources (either financial or other) from various administrative levels in order to increase thematic or geographic impact; in this case we want to promote team-work;
3. in order to optimize the use of resources and minimize waste (i.e. sharpen the targeting of resources instead of disbursing them) in order to increase impact, or cost-effectiveness, or achievement of objectives more quickly;
4. in order to solve specific problems that transcend individual mandates.

With respect to BiH policies on diaspora for development, coordination seems to be more necessary for purposes 3 and 4. The adopted coordination approach seems to aim at purpose 3 (i.e. targeting budgets from all administration levels to the same goals and types of activities) but the effort is “watered-down” by the very broad spectrum of goals. In other words, on the one hand strategy coordination attempts to concentrate resources in order to increase effectiveness and on the other hand it spreads-out these resources to multiple goals and actions.

If policy coordination is to be effective, it needs to concentrate in fewer objectives and actions. Also, there are issues that pertain to purpose 4 such as the business enabling environment which however have not been addressed sufficiently by the strategies. During the field mission evaluators have identified other issues that could fall under this purpose such as tackling the mis-match between skills offered (by labour) and skills

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29 This is typical with EU structural funds: the European Commission distributes funds to the member states to be used for development purposes but also dictates the development targets that these funds can be expended on and in many cases even the types of instruments.

30 This is an approach commonly used - e.g. by EU - and is called “concentration of resources”
required (by economy), and improving BiH image abroad. Successfully addressing these challenges would require the concerted effort by various levels of administration and would improve the effectiveness of the strategies. Therefore the qualitative result from the strategy segment is expected to be significantly reduced compared to what is indicated by the respective result indicators, and the problem is not lack of participation of RS.

Steps to be taken in order to improve this in the future include:

- Concentrate on a smaller number of objectives and types of actions (perhaps differentiated by type of institution)
- Specify clear budget commitments from each administrative level to specific objectives/types of actions;
- Assign clear roles/responsibilities to specific agencies from every administrative level and delineate a clear framework of cooperation between administrative levels (wherever needed and possible);
- Select one issue that transcends administrative mandates to be solved through concerted effort.

**Geographic Elements of Results Produced**

The following map captures the geographic dispersion of D4D interventions at the level of BiH municipal units. It maps a) ToK to public institutions, b) LG interventions, c) ToK and investments in the private sector and d) Industry Mentoring assistance. Apart from the obviously reduced coverage of RS, attributable to the RS withdrawal from the strategy process and the discontinuation of assistance to RS beneficiaries, what is remarkable to note is that in some areas the coverage is substantial (e.g. in the West Herzegovina and Herzegovina-Neretva cantons). It is also remarkable that in some cases several neighbouring municipalities are included shaping a larger cohesive area of targeting.

*Figure 2: Geographic coverage of D4D assistance*

This is important because when resources are concentrated in specific continuous locations, a) visibility increases, and b) there are more opportunities for multiplicative effects and local collaborations (e.g. cooperative initiatives by more than one LG).

*Source: UNDP documentation*
In terms of project expenditure (which can be used as a proxy for development results\(^3\)), the geographic distribution differs greatly, with the largest amounts distributed in the north. We could not map D4D results but expenditure could serve as a proxy.

In conclusion,

- the Project was exceptionally effective at achieving outputs;
- it demonstrated good effectiveness at achieving project results; and
- had fairly good geographic coverage – despite of the adverse effect of RS withdrawal on it.

Two limitations have been noted:

- the global indicator is not appropriate as currently measured as it is an estimated indicator and not a measured indicator and does not included indirect and induced results, hence not an accurate measurement of the Project global effect on society; and
- the effort for concentration of resources (hence increase in long-term effectiveness) through the strategy process was diluted by the spreading-out of strategy focus into too many objectives and individual actions.

Efficiency

Methodological note: the ToR concentrates the criterion of efficiency on the following questions:

*Have the Project’s resources (financial, human, technical) been used efficiently to achieve the planned results?* (We address this question under Financial & Time Efficiency)

*Was the M&E function systematically applied, and was it delivering information on the outcome level?* (We address this question under Organizational Efficiency)

*Are there any gaps in the Project approach and mechanisms that expose it to conflicts of interest and corruption, including the understanding of the roles and responsibilities of the D4D Project team?* (We address this question under Organizational Efficiency)

In general, efficiency is a measurement of performance in achieving the goals by using available resources/inputs. Resources/inputs that are customarily taken into account in an efficiency evaluation are: financial resources, time resources, and organisational resources.

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\(^3\) An analysis of the amounts invested by D4D per new job created show that there is a relatively narrow range of values from 8,000 BAM/job to 18,000 BAM/job.
Financial efficiency
With respect to financial resources, an efficiency evaluation compares the outputs/results achieved (e.g. number of jobs) per financial unit expended (e.g. per USD) from the project to other types of similar interventions (e.g. other national initiatives such as the entity investment incentives). This measurement is usually called “unit cost”. Such a comparison of “unit costs” requires detailed and comparable data from other evaluations conducted in BiH, which is extremely difficult to find as many incentives are not evaluated at all, and the evaluations conducted are not published. As a result, the only feasible methodology is to compare to data from other countries.

General literature confirms the following fundamental financial efficiency difference in job creation programmes:

- “active labour market programmes” - which connect workers to existing jobs – usually exhibit very low unit costs; while
- private investment schemes - which create new jobs in the formal sector - exhibit very high unit costs.

D4D has 4 distinct initiatives that create jobs:

- the local initiatives (including the agriculture initiatives) with an approximate unit cost of USD 6,000;
- the B2Bs organized through local initiatives with an approximate unit cost of USD 7,000;
- ToK to private sector with an approximate unit cost of USD 2,650; and
- the investment scheme with an approximate unit cost of USD 25,600.

All unit costs calculated above include D4D costs and co-financing.

LG initiatives include a wide variety of projects, some of them involving support of industrial sector companies (metal, wood, textile plastics), some involving agricultural initiatives and some involving the support of the services sector (health, tourism). For the industrial sector, one would expect unit costs to be similar to the ones under the investment scheme.

Comparative data regarding the agricultural sector do exist but not in similar countries. The data below are from USA. In order to arrive at comparable to BiH data, we need to make some calculations based on productivity.

Table 1: job creation per USD 1 million investment

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of new direct jobs</th>
<th>Unit cost</th>
<th>Number of new indirect jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reforestation, land restoration</td>
<td>17.65</td>
<td>56,657</td>
<td>12.95</td>
</tr>
<tr>
<td>Crop agriculture</td>
<td>9.8</td>
<td>102,040</td>
<td>6.5</td>
</tr>
<tr>
<td>Livestock</td>
<td>6.4</td>
<td>156,250</td>
<td>9.1</td>
</tr>
</tbody>
</table>

Source: Heidi Garrett-Peltier and Robert Pollin, University of Massachusetts Political Economy and Research Institute

We estimate that the labour productivity per hour in BiH is approximately 1/6 of the labour productivity in USA, which means that the unit cost per job in BiH should be approximately 1/6 of the unit cost in USA. Therefore, a new job in the agricultural sector should cost anywhere from USD 17,000 to USD 25,000 initial investment.

All these show that the observed unit cost of USD 6,000 per job created through the LG initiatives is so much lower than the expected figure that we maintain some reservations about its accuracy. Of course, it can be explained in more than one way:

- either the jobs reported are not full-time/year-round jobs;

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32 Between USD 500 and USD 3,000.
33 For example, in Tunisia the unit cost has been calculated to approximately USD 30,000 for sectors like the wood industry and to approximately USD 200,000 for the chemicals industry. Ref: https://blogs.worldbank.org/jobs/how-much-does-it-cost-to-create-job
or there are hidden investment costs that were not taken into account in the calculations (e.g. the cost of buildings and/or other assets that were given from the LG to the entrepreneur for free);
or the activities supported use extremely low-capital/high-labour intensive technologies, which means that in the long-run the jobs may not be sustainable.

Whatever the reason might be for this abnormal result, it is not within the mandate of this evaluation to investigate it further.

With respect to B2B actions there are no published international data and hence we cannot compare the above figure directly. One would normally expect the unit cost to be comparable to the one under the ToK scheme. Upon closer inspection, we see that the associated cost includes a lot of preparatory actions (e.g. mapping of local business landscape, technical assistance to LGs for the identification of priority projects, etc) and hence does not reflect the actual costs of a regular running B2B programme. If we attempt to net these costs out then the unit cost would be reduced to approximately USD 3,000 which seems to be within the expected range. This means, that if B2B initiatives are continued as a regular intervention in the future, the unit cost of new jobs should be approximately USD 3,000.

ToK to private sector is a lot more similar to “active labour market programmes” (which usually include some type of training and job placement action) and as such the unit cost of USD 2,650 to be in line with international experience, even though on the high end of the estimates. Since BiH is a relatively low-cost country, one would expect this cost to be somewhat lower, but it is justified by the type of training delivered (i.e. very specialized, hands-on industrial training).

The investment scheme unit cost of USD 25,600 appears to be in line with the experience from other developing countries and hence is considered quite appropriate.

In conclusion, it appears that financial resources have been transformed into results in an efficient way, as it is indicated by the unit costs for the creation of new jobs.

**Time-efficiency**

With respect to time resources, efficiency evaluation usually evolves around whether actions were implemented in time and in an appropriate sequence. One of the first indications of whether actions were implemented in a timely manner comes from the degree of absorption of budget resources. Considering that there is one remaining year for implementation, project absorption is considered quite high.

*Figure 4: Project absorption at end of 2019*

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34 i.e. the technical assistance costs and the cost of the senior economic development expert

35 Actually, most programmes and projects tend to exhibit higher absorption rates in the last quarter of their duration.
Source: UNDP, Annual Expense reports

Based on information from the Annual Work Plans and the Annual progress reports, it appears that the following activities were not implemented efficiently in terms of time-resources:

- Participatory design of BIH diaspora strategies: the start of this activity was marked by a considerable delay (over a year) and later by the withdrawal of RS. As a result, the state strategy is still pending adoption, coordinating structures are still under establishment and strategies have no assigned budgets.

- Diaspora representation body in Germany; it had a slow start but later activities seemed to pick-up pace. Unfortunately, for the last year nothing has been accomplished as the DRB still struggles to get registered as per German Law.

Organizational efficiency

Finally, with respect to organisational resources, efficiency evaluation concentrates on whether human resources and management systems were adequate, on the quality of the experts involved and on the organisational scheme used to implement the intervention.

Components 2 and 3 were exclusively implemented by UNDP and some activities of Component 1 by IOM. Both organizations had sufficient staffing levels and demonstrated high management skills. Especially UNDP exhibited exceptionally high organisational efficiency as they performed highly on the following very important project management capacities/skills:

- effective planning/operationalisation of project activities through annual work plans and budgets, very detailed documentation of Calls (especially instructions to applicants and evaluation matrices), and adequate communication plans and guidelines for beneficiaries;

- objective and transparent selection procedures (i.e. detailed evaluation criteria and scoring scales, all requirements and thresholds included in Calls, etc);

- accurate and very detailed accounting systems (by source of funding/donor, beneficiary, outcome and activity, and by line item);

- several databases (mostly in excel form) where detailed information is kept and updated every 6 months – on the basis of progress reports received from the beneficiaries - which allows the calculation and monitoring of all tracked indicators; and

- frequent site visits which provide valuable qualitative information regarding the progress of the monitored activities.

The project team comprises of 3 persons but contributions were made by other UNDP staff as needed. The external experts engaged by the project (consultants for the mapping exercise, IMP consultant, ToK experts) were overall appropriately selected, through transparent procedures and their skills were sufficient for the task entrusted in them.

Also, all public calls had detailed instructions for applicants, clear and specific evaluation criteria and scoring scales and hence impartiality was ensured.

The FBiH Development Bank – involved in the risk assessment and in the implementation of the investments – possesses sufficient and well-trained staff with extensive experience in similar activities. Their performance in the Project is deemed impeccable.

Component 1 was co-implemented by MHRR and IOM. Based on the deficiencies documented above (under relevance, effectiveness and time-efficiency) it appears that either human resources were insufficient (either in

36 The site visit reports that we reviewed provided adequate information.
37 This is based on a sample control.
numbers, skills and/or experience) or the overall organization was poor or both. As far as ToK to public institutions is concerned, IOM management capacities seem to have been adequate: continuous support was provided to participating institutions and diaspora experts by 2 dedicated staff members (e.g. for arranging flights and tickets) and a detailed monitoring matrix was maintained and updated frequently containing: the diaspora experts (name, country, discipline), the receiving institutions, other institutions participating/involved and the numbers of persons participating in the ToK (in male and female).

In conclusion,

- UNDP has demonstrated the highest efficiency among all implementing parties together with FBiH Development Bank;
- IOM has demonstrated adequate efficiency; and
- MHRR is somewhat lagging and needs to develop more efficient structures.

Impact

Methodological note: the ToR concentrates the criterion of impact on the following questions:

Does the project contribute to establish organisational structures for cooperation with diaspora at national, cantonal and municipal level? (We address this question under Systemic/Institutional Impact)

To what extent are institutions able to comprehensively address diaspora needs through adequate strategies, structures and services across government levels without continued assistance? (We address this question under sustainability)

What are the main systemic changes the project is currently tackling or have already been achieved so far? (We address this question under Systemic/Institutional Impact)

To what extent designed financial mechanisms help overcoming main obstacles to diaspora investment and creating jobs? (We address this question under Impacts on Enabling Environment)

Is there any take up beyond the 14 municipalities with regard to funding schemes applied and/or regulatory changes? (We address this question under Systemic/Institutional Impacts)

Since impacts are long-term indirect effects and hence non-observable, the present evaluation section reports on "likely impacts", i.e. areas where there is significant evidence that intended or unintended impacts have likely manifested or are likely to manifest. The evidence offered below is derived both from the desk research and the interviews conducted during the field phase.

Systemic/Institutional Impacts

The most significant systemic impacts can be seen across the participating LGs, where perceptions and approaches towards outmigration and diaspora have drastically changed over the last years from a "let's-get-together-and-remember-old-times" approach to "making-the-most" out of an unpleasant situation such as the drain of local communities by large numbers of their populations due to the outmigration waves (pre-war, war, post-war). LGs realize now that there is mutual benefit to be produced for the LG and the diaspora and their M&D approaches need to centre on that. They no longer view the diaspora as "lost population" which needs to be "allured" into coming back to the homeland, neither as "money-bags" that will fund local needs only based on their emotional attachment.

As such, LG initiatives are starting to become more ambitious, more centred on socio-economic development rather than on charity, and on sharper/well planned projects. This has equally been observed in RS municipalities as in FBiH municipalities, indicating the withdrawal of RS from the strategy process did not have any impact. Because of the varying levels of LG capacities though (see institutional sustainability assessment below), the take up of financial instruments was varying. Some LGs in RS were quick to approach local companies and helped them develop

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38 We did not have the resources to interview the consultants involved in the strategy process or in the web-portal design in order to ascertain the exact deficiency.
proposals for the ToK scheme, but local companies did not have the chance to participate in the investment scheme — despite the preparatory work already done by LGs — due to the decision by SDC not to allow eligibility for RS stakeholders. As a result, some funds flowed into Laktasi, Prijedor and Banja Luka (which is not one of the participating LGs). At the same time, some LGs continued with their local initiatives despite the lack of seed funding by D4D (e.g. Prijedor).

Progress also seems to have been made at state and entity level by the mere fact that the respective administrations agreed on coordinating their approaches to M&D and produced 3 strategies through a coordinated process. The withdrawal of RS from this process is certainly a large failure showing the lack of consensus across stakeholders, which is a prerequisite of any collaborative/cooperative planning process. A lot remains to be accomplished in this area though:

- Strategy coordination seems for now to be rather about setting goals/policy choices in a top-down approach than following a genuine top-down/bottom up synergistic procedure where the main goal is for “society” as a whole to reach consensus of their collective needs and priorities and how to address them;
- Public participation during the development of the strategies remains at low levels and is more about going through the steps than about getting valuable input;
- The strategy development process adopts a “holistic” approach trying to include everything imaginable instead of prioritizing needs and resources and addressing the most significant challenges – for the time-period of the strategy - through a clear theory-of-change. As such, the produced strategies have very wide focus;
- A direct consequence of the above approach is the lack of operationalization of the strategies. It is unclear if the institutional capacities required for the implementation exist or how long it will take before they exist, if the foreseen budgets can actually be committed, etc.

This shows that the systemic impacts produced at state and entity levels are quite lower. This may mean one of two things:

- that capacity-building at those levels should have started “smaller”, i.e. by producing strategies on a narrow spectrum of externally defined diaspora issues in order to first increase state/entity capacities in planning and implementation and then move on to more comprehensive planning procedures; or
- that state/entities have more bureaucratic, antiquated, inflexible structures, and are more removed from the everyday problems faced by their constituent societies, which means that it will take much longer to produce results comparable to those at the LG level.

Given the above, and provided that there is only another 4-yr phase for the D4D project, one should make a choice about whether to continue with this type of support provided to state/entity administrations or not. It appears that a more pragmatic approach should prevail for the consolidation phase. Since technical assistance will be required, D4D should concentrate on assisting BiH, DB and FBiH on operationalizing and implementing only pillars 2 and 3, and with respect to pillar 1 to guide the involved stakeholders to concentrate only on solving very specific enabling framework issues that cut-through mandate lines, such as the skills mismatch problem.

**Impacts on Enabling Environment**

The most appropriate levels to address enabling environment issues are usually the higher levels. Due to the drawbacks identified above, D4D seems to have produced less impacts on the enabling environment at state and entity level than at the local level. Most participating cities/municipalities have introduced policies and mechanisms that promote entrepreneurship and almost all are “business-friendly”. They have quick turnaround times and many

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39 It is unclear whether the overall goal of the strategies is to serve diaspora needs and interests or BiH needs and interests.
40 Which most likely involves the educational system (at all levels), the employment placement system (employment agencies) and the productive sector (businesses, associations, etc). Diaspora can make large contributions towards solving this problem both at the educational level and at the hands-on training levels by transferring know-how.
have introduced one-stop-shops or business centres. Also, because they use a variety of communication/targeting channels for their contacts with the diaspora (i.e. platforms, personal contacts, B2Bs, etc) they can match resources to needs more effectively.

Some of the instruments designed and implemented by D4D could help improve the enabling environment at state and entity levels however. These instruments are:

- The investment scheme could help entities produce more development impacts via diaspora involvement than currently. Current diaspora-targeting instruments (returnees) concentrate on attracting FDI, which is more difficult to attract without engaging in complimentary activities such as pursuing diaspora business contacts, improving on the image of BiH and promoting B2Bs. The investment scheme – as implemented by D4D – capitalizes on reinforcing existing or forging new business relations between local and foreign companies (through the mediation of a diaspora member) and hence helping local firms improve their competitiveness. This is a much easier to be attained goal and the scheme is so well designed that can be transferred to the entities without many problems.

- The ToK scheme to the public sector could help the state solve many enabling environment issues (such as the skills issue identified above), thereby producing more employment impacts in a systemic way. The scheme is rather simple and could be easily transferred from IOM to MHRR (even if some technical assistance may be required in the beginning).

**Leveraging Effect**

Based on contract data, the investment scheme alone has resulted in leveraging 4.5 million BAM\(^{41}\) and is expected to reach 5 million by the end of the project (according to UNDP projections). Accordingly, through the LG initiatives 1.3 million BAM were leveraged through private sector co-financing (34%), diaspora contributions (43%) and LG co-financing (23%). Compared to the D4D funds allocated, this leveraging effect comes to a staggering 3 to 1 ratio for the investment scheme and to a pretty good 1.5 to 1 ratio for the LG initiatives.

**Other Impacts**

Additionally, there is significant potential impact in all the companies involved in ToK and the investment scheme. Evidence shows that recipient enterprises have:

- increased production capacity, and improved accuracy and precision (thanks to high performance equipment and training of employees);
- increased competitiveness in terms of quality and quantity of production;
- increased capacity for exports and access to foreign markets (thanks to market research and diaspora contacts);
- better adaptation capacity to foreign market requirements, which may lead to new contracts (thanks to ICT and robotics know-how, agile transformation and innovation); and
- better marketing and communication strategies (thanks to transfer of knowledge).

Finally, it is too early to assess the potential impact of business ideas developed through the start-up support programmes (e.g. INTERA and eMIPRICA projects).

**In conclusion,**

<table>
<thead>
<tr>
<th>The most significant immediate impacts have been noted in the participating private enterprises involved in ToK or the investment scheme and include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>increased production capacity;</td>
</tr>
<tr>
<td>increased competitiveness and exports;</td>
</tr>
<tr>
<td>better adaptation to foreign markets; and</td>
</tr>
<tr>
<td>increased leveraging effect;</td>
</tr>
</tbody>
</table>

\(^{41}\)Rounds 1 & 2 inclusive.
the most significant systemic impacts have been noted among the participating LGs where perceptions regarding diaspora engagement have drastically changed; but
systemic impacts among state and entity stakeholders are lower; and
the withdrawal of RS from the strategy process is certainly a large step back showing the lack of consensus across stakeholders.

Sustainability
Methodological note: the ToR concentrates the criterion of sustainability on the following questions:
To what extent has the Project managed to leverage co-financing of private sector, diaspora, and from public funds? (We address this question under Impact/Leveraging Effect. Instead, we have replaced it with the following: Are there sufficient local financial resources to continue to support these initiatives in the future? We address this question under Financial Sustainability)
Are the people employed through the project still employed after six months? (We address this question under Sustainability of Results)
Are the capacities of the Project partners strengthened and sufficient to maintain the achieved level of performance in the future? We address this question under Institutional Sustainability)

Financial Sustainability
D4D project integrated a number of measures to help develop financial sustainability of its results in the future.
- Diaspora strategies developed at state, entity, Brcko District and LG levels were required to have budgets attached.
- Co-financing was made mandatory as a part of ToK and investment measures – and implementation proved that this is feasible - in order to ensure financial coverage by other sources as well.
Thanks to these actions there are positive perspectives for D4D actions to be continued in the future.

Local Financing Capacity
With regards to future implementation of the diaspora engagement strategies at state and entity levels, the evaluation was not able to definitely confirm whether there will actually be adequate funding allocated for their implementation42, as operating budget allocations are actually annual and other donor resources are not specified/secured in the Action Plans. There are indications that some strategy measures - that perhaps are deemed as highly relevant to the specific institution each time (e.g. for MHRR: web-portal for diaspora/ToK to public institutions) will be able to find financial resources for implementation in the near future (i.e. under the final phase of D4D). Also, there are certain institutions that historically have allocated financial resources to similar activities and hence do possess the capacity to find resources – if we accept that their participation in the diaspora strategies is a sign of their commitment. As such, we consider the following D4D activities as financially sustainable:
From Component/Outcome 1, continued operation of the web-portal and ToK to public institutions is likely to be entirely supported (even as early as 2020) by MHRR. The Ministry has the necessary staff for the operation of the site and has secured the site’s operational budget permanently; for the ToK scheme, they have developed a rulebook and secured a budget for 2020. Also, they are making preparations in order to repeat the Diaspora Mapping exercise in the future (agreement with MFA and the Statistics Institute) and is likely that they will be able to support it. There is a high level of confidence MHRR will be able to successfully continue with these activities, as they are relatively simple to implement and the knowledge acquired regarding their management can easily be transferred by the former implementing partners (e.g. IOM). There is a baseline network of diaspora experts involved in D4D which can easily be expanded through “word-of-mouth” and personal references. Co-financing by the public

42 Either through own resources or through other donors.
beneficiaries should be considered, as - according to key informant interviews - they are more than capable and willing to provide in-kind contributions (space, time of their staff, etc).

From Component/Outcome 2, LGs who participated in D4D actions do appear to have the financial and other resources to continue the operation of diaspora-related services and networking actions, they can finance the revision of their strategies, and most likely can partly finance the implementation of their development initiatives. Local governments in general already have a well-established practice of co-financing development projects, in line with their local development strategies, and many have extensive cooperation with UNDP and other international donors. The evaluation has confirmed the availability of other similar projects, such as USAID Diaspora Invest, Market Makers, etc, which can be exploited in order to ensure a joint approach to sustainability to LG initiatives.

LGs will not be able to fully fund such projects from their own budget, but fund matching from other sources is a viable option. The evaluation confirmed this both through interviews and the survey conducted.

Figure 5: Availability of financial resources at LG level

In addition, part of the co-financing can come from the private sector. This practice has already been proven feasible by the private sector (see leveraging effect under impact evaluation), as they see the grants and loans as opportunities to buy more sophisticated and up-to-date equipment and ensure appropriate ToK.

Source: LG survey

From Component/Outcome 3, financial sustainability of the investment scheme will require the collaboration between various institutions. Currently, the Ministry of Refugees and Displaced Persons of FBiH runs a programme for the employment of returnees in small businesses and a call for applications for grants (of approximately 800,000 BAM total budget) is published every two years. Although a budget has still not been allocated to the implementation of the adopted FBiH Strategy, it is intention of the Ministry to design a programme for diaspora engagement in economic development, with some funding for 2021 (under measure 3.2.1. Establishment and promotion of access to loans and grants to private companies and entrepreneurs for investment projects engaging diaspora and in line with development goals of each administrative level and rules of state aid in BiH to engage diaspora investments in economic development). The fact that they already have similar calls published every two years, shows that it is within their mandate and their financial capabilities to provide the funds for this measure. However, this should be actively pursued (by MHRR, and SDC/UNDP) until the budget allocations are actually made. However, the Ministry of Refugees and Displaced Persons may not have the required implementation capacity and hence collaboration with other institutions may be required such as the FBiH Development Bank.

Other ministries - such as the Ministry of Development, Entrepreneurship and Crafts, the Ministry of Agriculture, Water and Forestry and the Ministry of Finance - are usually key stakeholders in providing development support and grants. They could be encouraged to consider mainstreaming M&D in their existing programmes or to develop

43 Financing capacity is greatly reduced by the size of the LG. As such smaller municipalities have the lowest capability to finance their development initiatives, and are in need of financing from other sources.
something new in collaboration with the Ministry of Refugees. Also, it is beneficial to involve the Ministry of Finance in order to be supportive of these initiatives during the budgeting process.

**Institutional Capacity**

In this section we examine whether the capacities of the Project partners were strengthened to a sufficient level in order to maintain the already achieved level of performance in the future though purely local resources. Therefore, institutional capacity of domestic institutions is assessed:

- in terms of the collective capacity of involved institutions to implement the designed strategies; and
- in terms of the capacity of local stakeholders to successfully assume responsibility for the implementation of the specific actions/initiatives implemented within the D4D project.

In general, we find that the level of institutional capacity for implementation of D4D-type initiatives differs proportionately with the duration of each institution involvement. Below we address each administration level separately and in detail.

**State level Capacity**

At the state level, the strategy has not been adopted yet. As such, no institutional coordination arrangements have been established and cannot be assessed.

MHRR has been assigned lead responsibility for forty (40) specific actions out of the sixty-four (64) actions included in the strategy: 15 actions under the 1st pillar (*Development of normative and institutional framework for cooperation with diaspora*), 12 actions under the 2nd pillar (*Engagement of diaspora in social development*), 6 actions under the 3rd pillar (*Engagement of diaspora in economic development*), and 7 actions under the 4th pillar (*Support to youth in diaspora and youth involvement …*). As can be seen from this, MHRR places most of their focus for the period 2020-2024 on developing a framework for cooperation.

Under the second pillar, the only true M&D schemes foreseen are the continued support to LGs (with a foreseen budget of 540,000 BAM) and the academic ToK scheme (with a foreseen budget of 135,000 BAM) while under the third pillar MHRR maintains responsibility mainly for informational campaigns and contacts with the diaspora business community. The only tangible M&D action (the establishment of a business mentoring network) is expected to be supported by international donor funds, and as such, most likely will be implemented by a donor and not by MHRR.

Given the range of activities MHRR is responsible for, it is likely that it does have the required capacity to implement them. MHRR has established a sector for diaspora with 2 separate offices in charge of: 1) education and culture and 2) status issues and communication. MHRR is highly committed, has elevated HR capacity and has expressed readiness to take implementation responsibility of some D4D initiatives. MHRR already manages the diaspora portal, while it has not had any experience so far with the ToK to public institutions initiative (it was managed by IOM). Given the simple design of the initiative, the respective know-how can easily be transferred to MHRR (call design, matching process, scheduling, monitoring and evaluation). MHRR is concerned that the initiative is not recognized among potential beneficiaries as an MHRR initiative, but this is a “no-issue”.

Still many of the strategy measures/activities are not specific and further design will be necessary in order to become operational. We consider that external support will be needed during the development stage. During this process, many actions will require horizontal coordination with other institutions. While there is currently some coordination between MHRR and the Ministry of Civil Affairs, horizontal coordination and ensuring synergetic development with the other line-ministries and public agencies will still be challenging. Coordination with external partners and beneficiaries, (academia, chambers of commerce, businesses) and bringing them on board will be even more challenging (especially given the low degree of their involvement in the strategy development process). Therefore,

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44 A large part of these actions is either preparatory or related to communication channels, or to informational/promotional tools/campaigns. Very few of these actions actually constitute true M&D initiatives.
not only MHRR and the involved institutions will need technical assistance in order to operationalize the measures, but inter-stakeholder coordination will also be needed.

**Since, pillars 2 and 3 are the only ones that are expected to have any added-value in terms of development results in a foreseeable future, we recommend D4D support to MHRR and the other involved institutions (for further measure development and related capacity building) to be concentrated only to these 2 pillars for the next 4-yr period. Youth engagement policies can also be considered, if more focused instruments are developed.**

**Entity level Capacity**

At the level of FBiH, the strategy has been adopted recently. Establishment of the institutional coordination mechanisms has not started yet and cannot be assessed. Key informant interviews indicate that internal reorganization and additional human resources will be needed in the line-ministries, but there is no clear idea on the specific needs. The FBiH Ministry of Refugees and Displaced Persons itself needs some internal reorganization, additional human resources and office space in order to be able to take-over D4D-type initiatives. It has experience in designing and implementing grants for returnees (800.000 BAM grant programme, implemented biannually, with individual grants up to 20.000 BAM). But true implementation capacity for a D4D-type investment scheme rather lies with the FBiH Development Bank, which has extensive experience in designing and managing loan schemes for businesses. The Bank might initially need some support in the design of the scheme but is perfectly capable of implementing it. The Bank has extensive experience in monitoring its beneficiaries, however there have insufficient staff and capacities for evaluation and impact assessment and they will need support to develop it.

**LG level Capacity**

At the local level, LG development units are well prepared to manage their own development strategies and the types of diaspora engagement projects they have mainstreamed. The capacity of LGs is the most developed of all administrative levels as they directly deal with local development projects and with the business sector. They have made quite a significant shift of perception towards “diaspora as a partner and a resource for local development” (confirmed by key informant interviews and the survey). Almost all partner local governments have a local development unit (or person in charge) and a diaspora coordinator or have integrated diaspora engagement as a function under existing permanent positions. Improvement of LG capacities vis-a-vis diaspora engagement is also confirmed by the progress made on several diaspora engagement indicators (diaspora-oriented governance scorecards) monitored by UNDP. Improvement – as expected - is highest in the indicators related to institutionalization of the diaspora management function, and provision of diaspora office and services (see Annex 5).

According to the LG survey (Annex 6), capacity building and exchange of experiences were most frequently recognized as the most valuable D4D benefits by the participating LGs.

All local governments have experience in managing their local development strategies, and in designing incentives and grant schemes for business development and for job creation. Capacities seem to differ in the area of developing innovative calls for proposals and their long-term commitment/ability to follow up on results (evaluation and impact assessment). In both areas they may require some additional capacity building. Also, capacities seem

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45 In RS a similar grant scheme - financial mechanism for projects of integrated and sustainable development in LGs has been run by the RS Investment Development Bank since 2014. It was established under the UNPD ILDP Project, the Ministry of Finances, the Ministry of Administration and Local Self-Governance of RS and aims to support LG projects, included in their development strategies. Therefore, the respective development bank also has implementation capacity.

46 According to key informant interviews
to differ with the size of the LG. Even though small and newer LGs are the weakest ones, surprisingly, large LGs are not the ones with the highest capacity\textsuperscript{47}. Middle-sized LGs demonstrate the highest capacity. This finding is also supported by the LG diaspora engagement scorecard findings.

In addition to horizontal capacities (i.e. capacity at each distinct administration level), another capacity currently lacking is vertical coordination on policy targets, particularly with respect to monitoring, data collection and reporting. This aspect can be further hindered by political issues combined with a complicated administrative structure\textsuperscript{48}.

Level of institutional capacity for management of development initiatives designed under D4D Project differs in the partner institutions. Institutions at each of the administrative levels (state, entity, municipalities) require tailored support to increase their institutional capacities to take over the project activities. The capacity mostly correlates with the duration of involvement of the institution in development and diaspora issues and involvement of local governments in capacity building provided by different development projects.

**Sustainability of results**

Sustainability varies widely across attained results. In the following table we discuss one by one the most important results of the project.

Table 2: Sustainability assessment of selected project results

<table>
<thead>
<tr>
<th>Result</th>
<th>Sustainability of result</th>
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<tbody>
<tr>
<td>Number of persons who benefit as a result of diaspora’s contribution</td>
<td>2,364 persons (the families of the persons who found employment through D4D) were positively affected by the project. Whether this result will be sustained in the long-term depends on whether the employed individuals will maintain employment in the future (either in this or another job/company). The long-term preservation - within the assisted companies - of the newly created jobs through ToK or the investment scheme has already been discussed under the relevance criterion and sustainability seems to be high. Whether the same individuals though will continue to occupy these jobs in the future or not depends a) on the skills and overall professional conduct of these individuals, and b) on their satisfaction from the employment conditions. According to evidence collected from the field mission, these individuals are highly trained but on occasion they may lack the necessary “work ethic”\textsuperscript{49} or be dissatisfied for various reasons, which reduces their chances/willingness to keep the position in the long-term. Nevertheless, the fact that their skills have been upgraded makes them very good candidates for other similar positions either in BiH or abroad. Evidence in support of this is provided by reports that some of these workers choose to emigrate to western Europe after a while. In either case, the fact that their employability is high, the welfare of their families is ensured. Newly created jobs at manufacturing companies through local initiatives demonstrate exactly the same sustainability. However, sustainability is not ensured for the jobs created through agricultural initiatives (and hence for the 600 approximately persons of their families) as it has been demonstrated by projects implemented during the M&amp;D project (pilot phase). Agricultural prices are very dependent on supply/demand considerations and as more and more farmers enter a specific crop, the supply increases, prices drop and hence jobs created through such projects may be not sustainable in the long-term. Therefore, we consider that sustainability is high for ¾ of the 2364 persons affected.</td>
</tr>
<tr>
<td>Number of new jobs</td>
<td>691 new jobs were created: 150 through the investment scheme, 156 through ToK, 201 through agricultural initiatives, 157 through LG initiatives and 27 through B2B. The long-term preservation of the newly created jobs through ToK, the investment scheme, and the</td>
</tr>
</tbody>
</table>

\textsuperscript{47} Probably due to the large (in staff numbers) administrations and more complex organizational structures, where accountability is lost in the large numbers.

\textsuperscript{48} This may be due partly to the mandates: will LGs report to MHRR directly or would they rather want to report to the canton / entity? It should be prescribed by the law in order to ensure full compliance. If not, political tensions between political parties can spread to the administration and vertical processes (mostly between the state and lower administrative levels) can be hindered.

\textsuperscript{49} As reported by company owners.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
<th>Sustainability of the Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR capacity</td>
<td>41 working group members were exposed and trained in strategy development methods and procedures. Even if we assume that their strategy development and implementation capacities were raised to the maximum (which cannot be ascertained) and that they can transfer their knowledge to other individuals (i.e. that they can serve as trainers), compared to the number of individuals that will be needed for full operationalization and implementation of the strategies, this number represents such a very low fraction, and hence cannot ensure sufficient capacity building throughout the entire relevant administration structure. In addition, we cannot preclude that these individuals will continue to be involved in the future (as they can be transferred or even leave the administration). Hence, <strong>sustainability of the result is considered exceptionally low.</strong></td>
<td><strong>Very low</strong></td>
</tr>
<tr>
<td>Number of diaspora experts engaged in ToK:</td>
<td>35 diaspora experts were engaged on ToK initiatives to the public institutions through the project. From evidence collected through the field mission these experts seem to be highly committed to providing know-how to BiH and are looking forward to continuing and expanding this activity in the future. Many of the experts have long-term relationships with the receiving institutions and most of them are eager to involve more of their colleagues, a fact that points to the high sustainability of this activity. Also 70 companies received ToK through the project by an equal (or slightly higher) number of diaspora experts. Most participating diaspora experts were affiliated somehow with the benefiting company and hence have vested interests in providing continued support, ensuring long-term sustainability of this activity. Therefore, <strong>sustainability of the result is very high.</strong></td>
<td><strong>Very high</strong></td>
</tr>
<tr>
<td>Number of BIH companies benefiting from ToK</td>
<td>70 BiH companies benefited from ToK through the project. Whether these companies continue to benefit in the future depends a) on whether ToK has been embedded in the institutional memory of the company, and b) on whether this know-how continues to be relevant in the future. Based on the findings from the field mission, it appears that know-how is well embedded in the institutional memory of the company as this know-how is shared by many employees and used in the everyday operations. Also, judging from the high technological content of most of the know-how transferred, it seems that the knowledge will continue to be relevant at least in the near future. Hence, <strong>sustainability of the result is considered high.</strong></td>
<td><strong>High</strong></td>
</tr>
<tr>
<td>Number of public institutions benefiting from ToK</td>
<td>148 public institutions benefited from transfer of knowledge through the project. As above, sustainability of this result depends on a) on whether ToK has been embedded in the institutional memory of the public institution, and b) on whether this know-how will continue to be relevant in the future. The degree to which know-how has been embedded in institutional memory seems to be very high judging from the large participation records reported: i.e. numbers of staff (usually University professors) and other participants (usually Ph.D., master and University students), and in combination with the cutting-edge nature of know-how transferred ensures a <strong>very high degree of sustainability of this result.</strong></td>
<td><strong>Very high</strong></td>
</tr>
<tr>
<td>Institutional capacity to comprehensively address diaspora needs through adequate strategies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proper implementation of diaspora strategies</td>
<td>3 diaspora strategies were developed as a result of project activities. As discussed above, implementation of such strategies hinges on a) the ability of the involved stakeholders to operationalize the actions/measures into implementable schemes, b) the ability of the administration to commit the necessary budgets, c) the implementation capacities of the involved stakeholders (skills, experience, exiting procedures), and d) the degree of concentration of resources. As strategies demonstrated poor features on all above elements, <strong>sustainability of the result is considered exceptionally low.</strong></td>
<td><strong>Exceptionally low</strong></td>
</tr>
<tr>
<td>Number of diaspora initiatives to the public institutions through the project.</td>
<td>From evidence collected through the field mission these experts seem to be highly committed to providing know-how to BiH and are looking forward to continuing and expanding this activity in the future. Many of the experts have long-term relationships with the receiving institutions and most of them are eager to involve more of their colleagues, a fact that points to the high sustainability of this activity. Also 70 companies received ToK through the project by an equal (or slightly higher) number of diaspora experts. Most participating diaspora experts were affiliated somehow with the benefiting company and hence have vested interests in providing continued support, ensuring long-term sustainability of this activity. Therefore, <strong>sustainability of the result is very high.</strong></td>
<td><strong>Very high</strong></td>
</tr>
</tbody>
</table>
45% of the respective LG diaspora members had used (at least once) the LG services offered. This proves the high utility and added-value of the implemented services. Assuming that diaspora members will continue to need these services in the future (which cannot be ascertained as many of the current diaspora first generation will age and die at some point and 2nd generation may not need the services any more) it is more than likely that such high usage levels will persist. **Sustainability is likely to be high – at least for the near future.**

In conclusion,

- the Project exhibits quite high sustainability; out of the 8 Project results examined for sustainability, 6 are highly sustainable; more specifically:
  - operation of the web-portal and ToK to public institutions are both highly sustainable;
  - LGs already participated either in the pilot phase or D4D exhibit fairly high sustainability potential (adequate institutional capacity and some financial capacity) with the exception of the very small LGs; and
  - the investment scheme appears to be sustainable via local resources – despite the fact that collaboration among several stakeholders will be needed; but
  - proper implementation of the adopted strategies (state and entity) seems unsustainable without further support because:
    - the developed H.R. capacity (41 trained persons) within BiH administration is extremely questionable whether it can be transferred to the rest of the administrative staff that will be required for the implementation of the strategies;
    - there is little – if any – implementation experience among the administration; and
    - there is little – if any – evidence of local funding capacity.

**Visibility**

As demonstrated by the communication guidelines, the annual communication plans, and the related output indicators, the project achieved a very good level of visibility. More specifically by the end of 2019:

- the project had produced 73 press releases and 373 shares via FB and Instagram, and 13,926 people had been reached through radio/TV/FB/social media;
- 195 persons had participated in the first 2 diaspora conferences, plus 167 simultaneous users in diaspora who followed the first Diaspora Conference livestream;
- the web-portal had 173,680 views in the 22 months of its operations (i.e. over 250 views per day on the average);
- 19 success stories from ToK to public institutions, 2 video stories (Zepce and Tuzla) and 3 photo stories (Zenica, Posusje and Maglaj) from LG projects by the end of 2019, had 5 videos/success stories (ePicentar, Interra, FTM, Empirica, IUS) from ToK to private sector had been published.

This is quite an impressive record and is the result of a well-focused communications approach which aims at:

- raising general awareness on the benefits of the M&D concept in BiH;
- raising awareness among target groups in BiH regarding the types of instruments available; and
- initiating dialogue and exchanging ideas on linking migration to development.

From the filed mission we received plenty of evidence that the first two goals have been achieved to a great extent (even though it rests to be verified through a structured opinion survey) but evidence shows that the third goal may have not been achieved – at least to a satisfactory level. This is proven by the low level of public participation in the development of state/entity strategies.
In conclusion,

- the Project has undertaken a large number of visibility actions utilizing a variety of means and media; and
- there is evidence collected through interviews pointing to raised levels of awareness regarding the role of diaspora; but
- the latter needs to be documented through a well-structured opinion survey.

Horizontal Considerations: Gender Equality-Social Inclusion

Even though we cannot assess the degree of social inclusion in D4D interventions (i.e. to which degree vulnerable groups were included) due to lack of information, we can assess the degree of gender mainstreaming. Initially it was targeted to achieve a minimum 30% participation by women at all relevant indicators. By the end of 2019, however, gender mainstreaming had already exceeded this target manifold:

Table 3: Female participation in selected output indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Female participation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of diaspora coordinators in state institutions who participate in the inter-agency coordination</td>
<td>60%</td>
</tr>
<tr>
<td>Total participation at annual diaspora policy dialogue conferences</td>
<td>52%</td>
</tr>
<tr>
<td>Diaspora participation at annual diaspora policy dialogue conferences</td>
<td>39%</td>
</tr>
<tr>
<td>LG staff with substantive knowledge and practice in the area of migration for development</td>
<td>46%</td>
</tr>
<tr>
<td>LG staff engaged in the diaspora engagement professional exchange</td>
<td>39%</td>
</tr>
<tr>
<td>Jobs resulting from LG initiatives</td>
<td>48%</td>
</tr>
<tr>
<td>Private sector representatives who benefit from ToK</td>
<td>40%</td>
</tr>
</tbody>
</table>

In conclusion,

- female participation surpassed the 30% target set by the Project at all relevant activities, and in some cases, it even exceeded the % female participation to BiH population (51.02% in 2018⁵⁰); but
- the evaluation could not assess the degree of social inclusion by the Project as there were no data regarding any special groups included in Project activities.

⁵⁰ WorldBank statistics.
Recommendations
Drawing on the conclusions from the evaluation (degree of relevance and maturity of interventions, effectiveness, existing financial and institutional capacity in local stakeholders), we recommend the following actions for the consolidation phase of the project.

Strategic Direction (for the consolidation phase)

Interventions mature for transfer to local stakeholders, replication and scaling-up

Transfer of knowledge to the public sector
The scheme in its current form is mature enough, relatively simple, it does not require considerable financial resources (MHRR has already ensured an amount for 2020) and the skills required to administer it are relatively common and already existing within MHRR or can be easily transferred by IOM to MHRR. Therefore, the instrument is suitable for 100% implementation by MHRR.

We recommend a brief (max one-year) involvement of IOM (as technical advisor) in order for all the required systems and know-how to be smoothly transferred to MHRR and provide technical assistance if problems arise during first year implementation. IOM participation (i.e. the salary of one technical advisor) should be 100% supported by SDC funds. After this initial period IOM involvement is no longer required unless the scheme is expanded to include more advanced forms of ToK such as:

- ToK schemes between diaspora academia/researchers and local higher education institutions/research centres:
  - involving joint/collaborative research of local academia and diaspora academia;
  - involving visiting positions of diaspora at the local institutions (e.g. summer study programmes, etc)

- ToK schemes involving a) diaspora academia/researchers, b) local higher education institutions/research centres, and c) participation of industry (for example establishing consultancy/mentorship centres at the local Universities which can provide specialized solutions - based on knowledge transferred through diaspora - to local private companies, prepare students to match the needs of local industry, ).

Web-portal and general-purpose communication channels
Any operation, customization, expansion of the web-portal should be funded 100% by MHRR and implemented by own human resources. The budgets required for these activities are relatively low and expertise required for any new design can be easily acquired from the local market through outsourcing. MHRR may require technical assistance during such design (if for e.g. designing a tool addressing the business diaspora community). For instance, local business organizations (such as chambers of commerce) can provide such technical assistance and even participate in these activities via in-kind contributions.

Competitive call for integrated LG projects
LGs that have participated either in the pilot phase or in D4D have sufficient capacities to operate independently and require no further capacity-building assistance from the project. Therefore, the project should try to take LGs from the capacity-building stage to the high-performance stage, where LGs actually compete against each other.

We propose the following design:

- Competitive call for grants to implement integrated project proposals by LGs or collaborative schemes of LGs, and/or other public institutions with or without the participation of the private sector. The proposals should include integrated plans of actions in order to address – with the contribution of diaspora - specific local development needs/challenges/opportunities in a comprehensive and synergistic manner. For instance, if a plan is addressing the growth of an industrial niche sector, it could include business missions abroad, B2Bs, organization of business meetings in BiH with foreign business representatives, establishment of partnership agreements between local and foreign businesses, transfer of production
protocols from foreign to local businesses, organization of trainings abroad and in BiH businesses, joint participation in fairs and sector promotional venues, etc. Or if it is addressing the development of a service opportunity (e.g. training services for sports clubs, or spa tourism), it could include visits/consultations of foreign experts to local stakeholders for the development of the necessary infrastructure, networking with foreign and local investors, trainings for the local work-force, international promotion campaigns, etc. The idea is that the package of activities included in the integrated proposal should be synergistic and complementary in order to increase the chances of success. Each proposal should provide adequate justification of the need to be addressed and provide convincing evidence (from market research, from other similar initiatives implemented in similar localities, etc) that the package of actions proposed has a high likelihood of success. Proposals should be scored against a set of criteria which could include for example:

- Degree to which the integrated plan addresses (breadth of coverage and depth of analysis, i.e. degree of proper documentation) selected development problems/objectives (such as e.g. local unemployment, poverty, demographic decline and outmigration, economic activity growth, reuse of abandoned productive infrastructure, social inclusion, etc)
- Degree of coverage of identified development problems/objectives by proposed actions in the integrated plan (breadth of coverage and magnitude of impact)
- Degree of clarity and realism of development goals;
- Degree of diaspora involvement in the achievement of development goals;
- Rate of fund leveraging;
- Complementarity/synergy with other local initiatives funded by LG budget, international donors, etc;
- Adequacy of proposed implementation mechanisms/procedures.

- Funding envelop of the call up to 1 million USD; min grant per integrated proposal 150000 USD and max 250000 USD; 20-25% of awarded funds placed in a “performance reserve” to be awarded after mid-term evaluation of plan implementation against predetermined performance indicators (e.g. a set of 3-5 output indicators per each plan could be established via consensus between UNDP and the LG leading the plan during the contracting stage; indicators should be representative of the plan goals and should represent activities totalling at least 70% of the plan’s budget ); 80% satisfaction of target values of performance indicators should be required.
- Implementation period of up to 3 years; 3-6 trances of payments (either on an annual or semi-annual basis) on a reimbursement basis.

**Investment scheme**

The scheme in its current form is mature enough, it has proven its effectiveness, financial resources can be allocated from entity budgets and the skills/experience/systems required to implement it already exist within the respective development banks. Therefore, the instrument is suitable for 100% implementation by local stakeholders.

We recommend a brief (6-month) involvement of UNDP (as technical advisor) in order to increase the M&E capacity of development banks, and provide technical assistance during the establishment of the requisite agreements between entity administration and bank, the design of the respective scheme call documentation, etc. UNDP participation (i.e. the salary of one technical advisor for 6 months) should be 100% supported by SDC funds. After the 6-month period, any technical assistance requested from UNDP should be paid for by entity/bank resources.

**Innovations that need further development**

**Practitioners network, peer-to-peer exchange, workshops and events, etc**

This activity should be transferred to local stakeholders entirely as they need to develop ownership for it to be sustainable in the long-run. LGs who has participated in the pilot phase and D4D should be invited to co-establish
a mechanism (through a Mayor’s convention or a Diaspora coordinators’ association) in order to finance and run these activities. We propose that UNDP provides short-term technical assistance (max 6 months) funded 100% by project resources during the establishment of such a mechanism and participates in any future workshops/events (pro bono) if invited.

**Transfer of knowledge to private sector schemes**

The most important work to be done by the project during the consolidation phase falls under this category and should be 100% funded by SDC. In the next 4 years the project should further develop and test many experimental D4D instruments. We propose the following:

- **Industrial mentoring programme:** the programme should be expanded to cover more productive sectors and involve a larger number of beneficiaries/mentors. Its pilot application has already demonstrated substantial potential for the development of new productive activities, for product/service diversification, for the development of better marketing strategies, for the development of joint ventures, etc. Most of the mentor/beneficiary matches resulted from prior relationships or through personal contacts. The project should investigate the willingness of such mentors to extend their mentoring services to other BiH businesses (and under which terms/conditions) in order to examine the possibility of producing multiplicative results. It should use public calls and a database of diaspora mentors in combination with the employment of a part-time or full-time a “facilitator” who will pursue networking with local businesses and networking with the diaspora experts, develop visibility actions, and provide technical assistance with matching, implementation issues and monitoring the progress of each mentorship relationship. It would be useful to run the programme on an annual basis and conduct a brief impact assessment at the end of each cycle. The results from this assessment could be used in order to promote “best practice” models for the consecutive cycle.

- **ToK to the private sector:** application of the instrument during D4D was mostly limited to knowledge transfer from 1-2 experts from a foreign business to a BiH affiliated business, usually involving the training of BiH staff (or candidate staff). Even though it is useful to continue this scheme, the project should also investigate and pilot-test several other applications such as:
  - **ToK (in the form of training)** from 1 or several diaspora experts to a range of local businesses, channelled through a local organization (i.e. a VET school, an accelerator, a technological park, etc.) that will provide the venue and material resources for the training. This type of initiative can address, not only a wider range of training subjects, and a larger number of beneficiaries, but can also develop local know-how capacity by simultaneously training the staff of the local organization in order to be in a position in the future to provide such training with little or no assistance from the diaspora resource. The purpose of such an action is to develop local “nodes of excellence” throughout the country in order to quickly diffuse knowledge into the local productive systems.

- **Start-up/spin-off initiatives:** this type of initiative should be the nexus for the next D4D phase. There are several advantages associated with such as approach. It targets the most dynamic part of the economy (micro/small enterprises, innovation), produces synergistic effects with other donor initiatives (such as Swiss Entrepreneurship) and utilizes the 2nd diaspora generation (so far untapped) potential. The idea is to design an instrument (capitalizing on the INTERA and eMPIRICA experiences) which will use a) diaspora-provided knowledge to generate skills and business ideas from BiH, and b) match these business ideas with 2nd diaspora generation know-how/research results/investment interests and/or local investment capacities. Local organizations such as accelerators, business innovation centres, University business/technological centres, etc will participate as intermediary bodies for the scheme and will be}

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51 Currently only IT was covered.
responsible for providing the venue, the network of contacts, organizing the activities, providing the material resources and managing the allocated to them grants. Each intermediary body will respond to a public call for proposals in order to secure financing. A significant part of the effort - at the beginning of the project and before the public call - should be devoted to mapping 2nd generation capacities (i.e. education profiles, involvement in cutting-edge research, entrepreneurial interests, ability to tap foreign financial resources or own investment capabilities, etc) and to developing communication channels with them in order to identify thematic areas of mutual interest\textsuperscript{52} with BiH potential final beneficiaries. Organizations interested to participate at the public call stage should be encouraged to participate in identifying such areas of interest through a public consultation process. The Swiss Entrepreneurship project could also provide input during this stage.

Elements that do not deliver sustainable results and should be changed or phased out

\textbf{Implementation of diaspora strategies}

There are two options for continued assistance from the project towards this activity:

- to provide technical assistance to the responsible institutions in order to operationalize the measures foreseen in the strategies and set-up the required implementation systems; in this case the D4D project should concentrate only on pillars 2 & 3 which are expected to have the highest magnitude of impact on development outcomes and the immediate results.

- To provide technical assistance to the involved institutions in order to solve enabling environment problems; in this case the D4D project should concentrate on specific development problems – which are solvable with inputs from diaspora resources – that cut through administrative lines such as the skills mismatch between labour supply and demand.

Other enabling environment issues that should be solved in the long-term – such as the political instability, corruption, and the bad image of the country to foreign investors – require such wider efforts and such deep restructuring in BiH governance systems that may be outside the scope of the M&D approach\textsuperscript{53}.

All technical assistance provided under this component/outcome should be 100\% financed by SDC. The state/entities should act as “owners” of these activities and UNDP should act as the “leader/facilitator\textsuperscript{53}”. It is recommended that the project pursues the widest possible spectrum of public consultation during the above activities.

\textbf{How to strengthen gender equality and social inclusion}

Gender equality and social inclusion are usually ensured through attaching corresponding eligibility requirements (or scoring criteria) to incentive schemes. For example, a minimum percentage of female employment may be required, or for every x female positions the applicant may gain y number of scoring points, or for every additional female position the beneficiary may gain a certain percentage of additional support, etc. This is a successful practice, it has already been done by the investment scheme of D4D, and should be continued.

Another good practice for increasing female participation and participation from under-privileged groups is to design interventions specifically targeting those groups: e.g. a female entrepreneurship scheme, or an intervention specifically designed for communities with large percentages of minorities. In the latter case, if social exclusion problems are geographically concentrated in BiH, then this would be an appropriate approach.

\textsuperscript{52} It would be useful if these thematic areas are relatively specific, i.e. in the sector of energy from RES, perhaps the area of interest could be the design of lightweight high-capacity batteries.

\textsuperscript{53} i.e. organize the process, direct and coordinate, provide technical know-how, etc.
Recommendations for engagement when conditions for equal cooperation across the country are not possible

There are many circumstances that may not permit equal cooperation across the country. One of them is lower capacity of the potential beneficiaries in certain areas to participate in the project. In this case, the appropriate responses are:

- Either to build capacity in those areas (this is discussed in the following section);
- Or to design special interventions targeting those areas (i.e. take them out of any competitive schemes).

Another circumstance is for the political leadership or the administration in certain geographic areas to either be reluctant to cooperate or to resist altogether. This is the case of RS withdrawal from the strategy process. In these cases, one can circumvent this resistance by allowing direct access of the final beneficiaries to the project. For example, there is no reason for LGs and private companies to be excluded from participating in project interventions because the entity political leadership refuses to participate with developing its own diaspora strategy. On the contrary, there are many reasons to pursue this course of action as it is likely to increase pressure from the local society to the entity to participate in the long-run.

How to integrate non-participant municipalities.

Capacity building programme for small municipalities

A capacity building programme for small municipalities – which have not participated in the pilot phase or D4D - should be implemented by UNDP in order to increase their capacities to implement diaspora-engaging projects and provide the necessary financial assistance. The programme should include all the current spectrum of activities, i.e. staff training in M&D concepts and general training in planning and implementation processes/systems, mapping of the local diaspora and their service needs, establishment of LG services to business and to diaspora, diaspora communication mechanisms, local business landscape mapping, training in M&D mainstreaming in local strategies, provide seed funding for local initiatives, etc.

The programme should be financed 50% from SDC resources and 50% from UNDP or other donor resources and should cover all capacity building actions at 100% (no local co-financing). There should be very low local co-financing for local initiatives. In order to increase municipal long-term capacities to co-finance such projects in the future, UNDP should investigate the possibility of establishing at municipal level fundraising mechanisms such as:

- revolving micro-loan funds;
- municipal real-estate trust funds;
- development impact fees;
- fundraising/donations campaigns (e.g. during days of diaspora);
- business improvement districts;
- tax-increment financing;
- Etc.

Adjustments needed to adequately address issues of ethics, anti-corruption and conflict of interest.

During the evaluation, the issue of political corruption came up consistently as one of the main reasons for low FDI and for reluctance from the diaspora to invest in the country or return. Unfortunately, this is beyond the control of any M&D-type project and requires concerted political will and government action at all levels. Given the short timeframe of the consolidation phase, it is not a suitable challenge for the project to take on.

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54 i.e. fund a feasibility study.
As a general rule, we did not notice any cases of conflict of interest between the stakeholders involved in the interventions of the D4D project. Even though there was anecdotal information of certain Mayor interfering with permitting procedures against or in favour of a certain investment, this was never confirmed (hear-say). If the project suspects that such “foul-play” could happen, it could embed in its schemes safety valves such as maximum time-periods for certain actions to be completed by the Municipality beyond which the grant to the Municipality will be cancelled.

Operational Issues
The development of an integrated database that will include various types of information together and will allow for quick cross-referencing between expenses and indicators achieved, or between contract information and monitoring data, will make it easier to control all aspects of the project. This data base should include:

- all project activities: name and index number of activity, total budget, co-financing partners and amounts, name(s) of output indicators attached to the activity;
- beneficiary/contract data: type of contract (e.g. grant, consultancy, etc), date of contract signing, legal data of contractor/beneficiary, project activity under which the contract is funded, date of contract completion, date of amendment (if contract is amended) and new date of completion (if applicable), total amount of contract, output indicator attached and target value (i.e. value for which the beneficiary has committed), achieved value (either annual or at the end of each reporting period);
- expense data: dates and amounts of payments made for each contract;
- monitoring data: dates of monitoring visits and name of monitoring officer, reference number of monitoring report.

One objective – one indicator: Group activities that work together for the achievement of one major expected result/outcome. For each expected result/outcome use only one representative indicator. For example: “Outcome 1: MHRR and MFA, in cooperation with government institutions at different levels, use and further develop their instruments to actively connect, exchange, and engage with diaspora members and organisations” which essentially could be paraphrased as “effective and implementable strategies developed at state and entity/BD levels” needs only be associated with one result/outcome indicator: “number of effective and implementable strategies adopted at end of project”. Do not mix activities that target different results/outcomes (e.g. ToK to public institutions and strategy process). Prefer indicators that are measurable to computed ones.

In the annual reports, include an Annex that shows the degree of mobilization of project resources (e.g. funds committed and funds expended per activity) and the output indicators achieved to date.

General Vision for Consolidation Phase
A four-component project – more or less along the lines of D4D – is suitable for the consolidation phase as well, with the recommended changes noted above. The purpose of the consolidation phase is to prepare local stakeholders for complete transfer of M&D instruments to them.

Component 1 should aim at increasing the effectiveness of M&D planning instruments among state and entity/BD levels and should include:

- a strategy element: it should focus on either operationalizing Pillars 2&3 and building local implementation capacity for them, and/or on solving and a specific and important enabling environment problem with high impact on BiH development (e.g. the skills mismatch problem). UNDP should provide technical assistance. In both cases partnerships with local stakeholders – beyond the public administration – and with other donor programmes are recommended.
• An evaluation/studies element: it should be implemented by UNDP and should concentrate on all the issues that were highlighted throughout the report that need further documentation: an opinion survey on the awareness about M&D, a long-term sustainability study of the new jobs created (both regarding the position itself and the people who occupy the position), a study regarding the social inclusion aspects of the interventions implemented, research on the indirect and induced impacts of D4D, etc.

Component 2 should aim at increasing the awareness and engagement of diaspora and their collaborations with local public institutions and should include:

• ToK to public sector element: it should be transferred in its present form to MHRR for implementation with technical assistance from IOM during the initial stages. IOM could also pursue more advanced/specialized ToK schemes such as promoting joint/collaborative research.

• a communication element (platforms, conferences, etc): complete responsibility should be transferred to MHRR for implementation, with IOM staying on board in an advisory capacity for the first 2 years.

Component 3 should aim at further increasing LG capacity to engage diaspora in effective local interventions with the aim at becoming self-sufficient in the long-run and should include:

• A competitive Call for integrated LG projects (see above for details) run by UNDP.

• A capacity building element for small municipalities (see above for details) run by UNDP.

• A small technical assistance element toward the practitioner’s network in order to be able to run by itself after a while.

Component 4 should aim at developing and testing innovative M&D instruments -targeting the private sector – with 2 specific objectives: (a) to induce private investment, and (b) to increase productive capacity through the transfer of knowledge - and should include:\n
• An investment scheme/grant (following the design of the current scheme with few operational improvements\(^\text{56}\)), implemented by FBiH Development Bank\(^\text{57}\) and funded by the entity budget with TA from UNDP (see above for details).

• A start-up/spin-off initiative along the lines described above funded by SDC and implemented by UNDP.

• An expanded Industrial Mentoring Programme along the lines described above funded by SDC and implemented by UNDP.

• An expanded ToK to private sector programme along the lines described above funded by SDC and implemented by UNDP.

\(^{55}\) The first 2 instruments contributing to objective (a) and the other 2 to objective (b).

\(^{56}\) E.g. linking the number of jobs to the amount of the grant instead of requiring a minimum for eligibility, linking the salary level of the new positions to the level of the grant awarded instead of requiring certain % above the sector mean, etc.

\(^{57}\) If the RS Development Bank wishes to operate a similar programme and they have funds secured from the RS entity, we recommend that UNDP provides technical assistance to them in order to set it up.
Annex 1 – Bibliography

Project Documents:

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- “2018 Annual Work Plan”
- “2019 Annual Work Plan”
- “Annual Report” (Dec 2016-Dec. 2017)
- “Public Call for Proposals for Grants to Support Investments in Cooperation with the Diaspora within the Project "Mainstreaming the Concept of Migration and Development into Relevant Policies, Plans and Actions in Bosnia and Herzegovina: The Diaspora for Development", June 2018
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- “Project brief description: GAT d.o.o. Sanski Most” & “Project Application Form and Annex II (budget): GAT d.o.o. Sanski Most” (as sample of investment scheme grant)
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- “Project brief description/Project application/Annex II (budget): OpenFOAM CFD Tool for Industrial Use & eMPRIRICA” (as samples of ToK grants)
- “ToR, Expert for Industry Mentoring”, April 2019
- “Expression of Interest – Industry Mentoring Program: Application Form” (Company Softhouse Balkans doo, as sample)
- “Report: Stage I - Industry Mentoring Programme”, October 2019
- “Report: Stage II - Industry Mentoring Programme”, December 2019
- “Monitoring Field Visit Report: Company Softhouse Balkans doo, Sarajevo”, December 2019 (as sample)
- Public call for the submission of project proposals for grants for the development of entrepreneurship and support of start-up ideas through cooperation with the Diaspora within the Project "Mainstreaming the Concept of Migration and Development into relevant policies, plans and actions in Bosnia and Herzegovina: Diaspora for Development (D4D)”, December 2017 (Application Form, Annex II (budget), Logical Framework, etc)
- “INTERA D4STARTUPS” project various documents (Application Form, Budget, CVs of mentors)
- Various D4D Technical Assistance procurement notices
- “Communication and Visibility Guidelines: Diaspora for Development (D4D)”, June 2018
- “D4D PR Plan 2018”
- “D4D PR Plan 2019”
- “D4D PR Plan 2020”
- “D4D PR Plan Report for 2019”, October 2019
- Embassy of Switzerland “Project Factsheet”, December 2017

Project Deliverables/outcomes:
- “Mapping the Bosnian-Herzegovinian Diaspora (BiH migrants in Australia, Austria, Denmark, Germany, Italy, Netherlands, Slovenia, Sweden, Switzerland, and the United States of America): Utilizing the Socio-Economic Potential of the Diaspora for Development of BiH”, 2018
- “Economic Sectors Analysis (D4D ESA)- Sub-sectors/niches with greatest potential for cooperation with diaspora”, 2017
- List of participating institutions in ToK to public institutions (internal IOM document)
- List of participating diaspora experts in ToK to public institutions (internal IOM document)
- “Framework (state) Strategy for Cooperation with the Diaspora 2020-2024” (main document with all Annexes, and Action Plan)
- “Strategy for Developing Cooperation with the Diaspora 2020-2024 – BRČKO District”
- Various event Agendas, lists of panellists, participant lists, press releases, photographs, etc
- “Training of trainers” Agenda
- “Report: First Regional Winter School on Migration - Diaspora for Local Development”, December 2019

Background Documents:
- “Policy on Cooperation with Diaspora”, April 2017
- “Recommendations for Mainstreaming the Concept on Migration and Development in Design and Implementation of Public Policies in Bosnia and Herzegovina”, June 2017 english version & July 2017 BiH version
- “VOLUNTARY REVIEW, Implementation of Agenda 2030 and the Sustainable Development Goals in Bosnia and Herzegovina”, April 2019
- “UNDP Evaluation Guidelines”, January 2019
## Annex 2 – List of meetings

<table>
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<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>February 20, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>Swiss Embassy</td>
<td>Patrick Egli, Deputy Director of Cooperation, Azra Sarenkapa, Program Officer</td>
</tr>
<tr>
<td>IOM offices</td>
<td>Alma Sunje, Project Coordinator</td>
</tr>
<tr>
<td>viber</td>
<td>Ruzmira Tihic Kadric BiH, Consul in Germany</td>
</tr>
<tr>
<td>UN House</td>
<td>Adela Pozder Cengic, Sector Leader, Merima Avdagic, Project Manager</td>
</tr>
<tr>
<td><strong>February 21, 2020</strong></td>
<td></td>
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<tr>
<td>Univ. of Sarajevo</td>
<td>Faculty of Science and Mathematics, Ph.D Azra Gazibegovic Busuladzic</td>
</tr>
<tr>
<td>UN House</td>
<td>Merima Avdagic, Project Manager and UNDP team</td>
</tr>
<tr>
<td>MHRR</td>
<td>Kemo Sarac, Assistant minister</td>
</tr>
<tr>
<td>skype</td>
<td>Admir Geljo, Diaspora Expert - ToK to Public Institutions</td>
</tr>
<tr>
<td>viber</td>
<td>Pharmaceutical Faculty, Ph.D. Tamer Bego, Public Institution - ToK to Public Institutions</td>
</tr>
<tr>
<td>viber</td>
<td>Edin Hajder - Diaspora Org/FBIH Associations of Denmark</td>
</tr>
<tr>
<td><strong>February 24, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>City of Tuzla</td>
<td>Vedran Lakic, Head of Economic Development Department, Emina Hodzic PZ Agropromet representative</td>
</tr>
<tr>
<td>Tuzla Industrial zone</td>
<td>Company CABEL – ToK to private companies/investment scheme</td>
</tr>
<tr>
<td>eMPIRICA</td>
<td>Samra Mujacic, Project Coordinator</td>
</tr>
<tr>
<td>Municipality of Laktasi</td>
<td>Dragan Kelečević, Diaspora Coordinator</td>
</tr>
<tr>
<td><strong>February 25, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>City of Prijedor</td>
<td>Zinajda Hosic, Diaspora Coordinator and team</td>
</tr>
<tr>
<td>Municipality of Sanski Most</td>
<td>Faris Hasanbegović, Mayor, Amer Mezetović, Diaspora Coordinator</td>
</tr>
<tr>
<td>Industrial Zone Sanski Most</td>
<td>Company GAT owner, Almir Gvoždar - ToK to private companies/investment scheme</td>
</tr>
<tr>
<td><strong>February 26, 2020</strong></td>
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<tr>
<td>Municipality of Kljuc</td>
<td>Nedzad Zukanovic, Mayor, Amir Hadzic, Diaspora Coordinator</td>
</tr>
<tr>
<td>Indistrial Zone Kljuc</td>
<td>Company Kofix Kljuc – LG Seed funding</td>
</tr>
<tr>
<td>Municipality of Jajce</td>
<td>Amila Hadžić, Economic Development, Dijana Duzic &amp; Sedin Joldic, Diaspora Coordinators</td>
</tr>
<tr>
<td><strong>February 27, 2020</strong></td>
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<tr>
<td>FM of Displaced Persons &amp; Refugees</td>
<td>Edin Doljančić</td>
</tr>
<tr>
<td>MCA</td>
<td>Alma Catovic, Diaspora Coordinator</td>
</tr>
<tr>
<td>State Employment Agency</td>
<td>Delila Izmirlija, Diaspora Coordinator</td>
</tr>
<tr>
<td>IUS (viber)</td>
<td>International University of Sarajevo, Prof. Muhamed Hadzibiadic, Project Coordinator (facilitating institution); Mirza Popovac, Diaspora Expert - ToK to Private companies</td>
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<tr>
<td><strong>February 28, 2020</strong></td>
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<tr>
<td>INTERA Technology Park</td>
<td>Mateja Bošnjak, Project Coordinator, Vedran Simunovic, INTERA Executive Director</td>
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<tr>
<td>Company Feal (Siroki Brijeg)</td>
<td>Ana Volaric, Company Representative and team - ToK to private companies/investment scheme</td>
</tr>
<tr>
<td>Event Description</td>
<td>Participants</td>
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<td>----------------------------------------------------------------------------------</td>
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<tr>
<td>“Logistical Center Posusje”</td>
<td>Ivan Milicevic, ex-Diaspora Coordinator</td>
</tr>
<tr>
<td>West Herz. Canton Office for EU integration</td>
<td>West Herzegovina Canton, Ivan Jurilj, Diaspora Coordinator</td>
</tr>
<tr>
<td><strong>March 2, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>skype</td>
<td>Eddie Custovic, Industry Mentoring Program Lead &amp; Diaspora expert for ToK to public institutions</td>
</tr>
<tr>
<td>viber</td>
<td>Damir Mitric, Diaspora Mentor for Industry Mentoring Program</td>
</tr>
<tr>
<td>skype</td>
<td>Nikola Buric, Chief Executive Officer of “i-platform”</td>
</tr>
<tr>
<td>viber</td>
<td>Sadija Klepo, German Diaspora Representative Body Member</td>
</tr>
<tr>
<td>Municipality of Zepce</td>
<td>Mato Zovko, Mayor, Branka Janko, Development Agency Zepce Director and Diaspora Coordinator</td>
</tr>
<tr>
<td>Public Library of Maglaj</td>
<td>Nermin Beslagic, Diaspora Coordinator, Nina Salkic, Director of Public Library</td>
</tr>
<tr>
<td>City of Zenica</td>
<td>Masja Skrbic, Diaspora Coordinator</td>
</tr>
<tr>
<td><strong>March 3, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>Development Bank of FBiH</td>
<td>Dalibor Milinkovic, Acting Executive Director for Projects and Development, Vildana Redžović, Director of Project Management Department</td>
</tr>
<tr>
<td>USAID</td>
<td>Diaspora Invest Chief of Party, Sanjin Arfagic</td>
</tr>
<tr>
<td>UN House</td>
<td>ILDP, Amelia Gacanovic-Tutnjevic, LG Specialist, Muamer Obarcanin, Capacity Building Specialist</td>
</tr>
<tr>
<td>MarketMakers Project</td>
<td>Swiss Entrepreneurship Programme, Alema Pelesic, Ecosystem Facilitator in BiH</td>
</tr>
<tr>
<td>City of Zenica</td>
<td>Zeljko Karanovic, Project Director</td>
</tr>
<tr>
<td><strong>March 4, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>Hotel Holiday</td>
<td>FBIH Chamber of Commerce Mirsad Jasarspahic, President of the Chamber</td>
</tr>
<tr>
<td>Company Sofhouse Balkans</td>
<td>Samira Nuhanovic – Company COO – Industrial Mentoring Program beneficiary</td>
</tr>
<tr>
<td>UN House</td>
<td>Debriefing with UNDP team</td>
</tr>
<tr>
<td><strong>March 5, 2020</strong></td>
<td></td>
</tr>
<tr>
<td>skype</td>
<td>Debriefing with Swiss Embassy team</td>
</tr>
<tr>
<td><strong>March 11, 2020</strong></td>
<td></td>
</tr>
</tbody>
</table>
Annex 3 – Assessment of the Current Context

BiH General Development Indicators

BiH is one of the poorest countries in south-east Europe. It has one of the lowest GDP/capita rates, comparable only to Albania, North Macedonia and Serbia. Despite a significant improvement from 2014, it maintains the second worst position in the list of south-east European countries (see below).

Table 4: Selected development indicators for BiH and the wider region

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP/capita in current USD(^{58})</th>
<th>Gross Capital Formation</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014(^{59})</td>
<td>2018</td>
<td>% change</td>
<td>Avg annual % change (2000-2018)</td>
</tr>
<tr>
<td>Austria</td>
<td>51,717.5</td>
<td>51,462.0</td>
<td>-0.5%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Italy</td>
<td>35,518.4</td>
<td>34,483.2</td>
<td>-2.9%</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>24,214.9</td>
<td>26,124.0</td>
<td>7.9%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Greece</td>
<td>21,761.0</td>
<td>20,324.3</td>
<td>-6.6%</td>
<td>-6.1%</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>18,670.9</td>
<td>19,442.7</td>
<td>4.1%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Hungary</td>
<td>14,246.1</td>
<td>16,162.0</td>
<td>13.4%</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Croatia</td>
<td>13,600.2</td>
<td>14,909.7</td>
<td>9.6%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Romania</td>
<td>10,027.0</td>
<td>12,301.2</td>
<td>22.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>7,864.8</td>
<td>9,272.6</td>
<td>17.9%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Montenegro</td>
<td>7,378.3</td>
<td>8,844.2</td>
<td>19.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Serbia</td>
<td>6,600.1</td>
<td>7,246.7</td>
<td>9.8%</td>
<td>3.6%</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>5,468.5</td>
<td>6,083.7</td>
<td>11.2%</td>
<td>6.9%</td>
</tr>
<tr>
<td>BiH</td>
<td>5,329.6</td>
<td>6,065.7</td>
<td>13.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Albania</td>
<td>4,578.7</td>
<td>5,268.8</td>
<td>15.1%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Source: World Bank

For a developing economy, BiH continues to demonstrate low economic growth rates (3.1% for GDP growth and 3.9% for GDP/capita growth\(^{60}\) in 2018) showing a very fragile economy. All other countries in the area - with comparably low GDP/capita levels - demonstrate higher growth rates (Montenegro 4.9%, Serbia 4.3% & 4.9%, Albania 4.0% & 4.3% respectively) and hence more dynamic economies, with the exception of North Macedonia (2.7% & 2.6% respectively)\(^{61}\).

\(^{58}\) World Bank Data.

\(^{59}\) Countries are listed in descending order of GDP per capita in 2018.

\(^{60}\) Compared to 2014, this statistic is slightly improved.

\(^{61}\) It is customary for developing economies – i.e. economies with low GDP and GDP/capita - to demonstrate higher growth rates than developed economies. This is usually due to the propensity of international investment capital to migrate towards low cost countries, hence accelerating their economic growth.
From 2000 to 2018, BiH shows the lowest gross capital formation rate among the low-GDP countries, comparable only to Montenegro. Most fixed capital is concentrated in the sectors of Manufacturing (21%), Public Administration (14%), Power generation (14%), and Trade (13%), the last three sectors being mostly consumer-oriented (i.e. for internal consumption).

*Source: World Bank*

In the same period, Foreign Direct Investment levels in BiH remain very low when annual FDI inflows in in the immediate geographic area (Albania, Croatia, Serbia) are many times higher and only in Montenegro they are at a comparable level.

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62 Which includes tangible assets such as land, buildings, machinery, etc but also intangible assets such as patents.
Most FDI (>52%) comes from 3 European countries, namely Austria, Croatia and Serbia (in diminishing order) and the majority of FDI (71%) is directed to three economic sectors: manufacture (34%), financial services (24%) and telecommunications (13%). The no1 investment activity is metallurgy, followed by banking services. The main problems foreign investors are facing include a lack of transparency in relevant procedures (including public tenders and offerings of state-owned enterprises for privatization), weak judicial structures, and the complicated administrative structure. Factors favourable for attracting FDI include: a stable currency exchange rate (BAM is pegged to euro), low corporate taxes, a huge network of foreign (very solvent) banks offering many types of corporate loans, and many government incentives including tax breaks, exemption from custom duties, etc.

But perhaps the single most deciding factor for the low FDI level is that BiH has not managed to build a positive “image” abroad (a fact that was stressed many times during the evaluation field mission).

By 2018, the country does manage to achieve a good rate of growth in exports (5.8%) and contain the growth in imports (2.3%) but without managing to reverse the negative balance of payments.

*Figure 8: Net trade in goods and services (current USD)*

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63 Sanel Halilbegović, “ATTRACTING FOREIGN DIRECT INVESTMENT IN DEVELOPING COUNTRIES: WHY BOSNIA AND HERZEGOVINA SHOUD BE LEARNING FROM CHINA”.
Because of the slow expansion of economic activities, labour market conditions are still very adverse. Employment rates continue to be extremely low and considerably lower than in the immediate geographic area, as depicted by the following figure 64.

**Figure 9: Total employment to population ratio (%) - ILO method**

With respect to youth employment, the historically low rates seem to persist even though there is a slight improvement from 2016 to 2018 (figure 5 below). Survey data 65 point to the following youth employment/unemployment qualitative characteristics:

- among unemployed youth, there are significantly more women than men, although women are significantly more educated (this finding is in line with the overall discrepancy between male and female employability in the country despite of age);
- employability seems to be proportional to age (i.e. older age brackets are more likely to be employed than younger age brackets) 66, and proportional to population size of residence settlement (i.e. youth from cities are more likely to be employed than youth from villages, and youth from larger cities than youth from smaller cities) indicating more job opportunities;
- most youth seem to be unable to live independently (i.e. live with parents/siblings) most likely due to low level of earnings (this is in line with the fact that >50% of currently employed youth are actively looking for another job most frequently due to “dissatisfaction with earnings”);

64 The situation is worse for female employment to population ratios which typically rate 10 percentage points lower, but follow the same trends.
65 The survey was conducted by the MarketMakers initiative and was graciously shared with us.
66 We do not know if this is related to an “experience” element of older youth or not.
• general educational level does not seem to affect employability favourably (4 out of 10 youth registered with the employment bureau have a Master’s degree) but foreign language skills do seem to affect it, especially knowledge of English and French (youth with less language skills seem to remain on the register longer);

• most long-term unemployed are willing to work for minimum wage in BiH but a small percentage (<15%) prefers to migrate; the vast majority is willing to work outside their profession;

• the majority of youth prefers to work for a public company than the private sector (security-seeking behaviour) but are highly mobile (7 out of 10 are willing to relocate for job purposes);

• most youth are willing to receive additional training if a job opportunity arises and most are interested in starting own business “if an opportunity arises”;

• finally, most youth prefer a job in the services sector (mostly business services, IT and tourism) than in industry and/or agro-processing and least of all in agriculture; this preference seems to be directly linked to educational level (i.e. the higher the educational level, the stronger the preference).

Figure 10: Youth employment to population rate (%) - ILO method

Most employment in the country is wage and salaried employment (this finding agrees with the youth survey findings above where a preference towards public employment is expressed) – meaning that self-employment is very low – indicating a low entrepreneurial culture among the general population.

Source: World Bank

67 This is not further specified in the survey. We assume it has to do with the existence of support initiatives but it needs to be further investigated.
The public sector continues to be the largest employer in the country probably due to the very high wage/salary levels compared to average pay levels in the free economy. As public spending remains heavily biased towards public sector employment, this trend is not expected to be reversed soon. Unemployment in BiH remains at extremely high levels, even compared to other countries in the immediate region (21.2% general unemployment rate, 24.3% female unemployment and 47.4% youth unemployment rate according to ILO methodology in 2018). There was a sharp drop in unemployment rates between 2015 and 2017, but more recently they seem to be climbing again. The labour market situation exhibits “structural unemployment” characteristics as more than half of the inactive population has very low education (i.e. they are not very employable) and almost 90% of all unemployed are long-term unemployed (according to SWD (2019)). Because of the high unemployment (excess labour supply), wages in the free economy remain low, which further accentuates the public-private dichotomy.

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Overall investment (as % of GDP) has been at historically low levels over the last 10 years but seems to be slowly picking up. Projections by the Economic Reform Programme (under the EU-accession process) seem to point to further improvement in the near future on the basis of a low inflation rate and rising employment (which however is debatable if it is enough). Evidence in support of these projections however is provided in the form of a rather strong rising trend in the gross savings rates, which seems to persist (figure 9). Nevertheless, public spending continues not to favour investment in the productive sectors. The significance of this is that – if conditions in the external environment deteriorate (i.e. global business conditions) – the country’s growth potential will not be materialized without public sector support.
Figure 13: Total investment (% of GDP)

Source: World Bank

Figure 14: Gross savings (% of GDP)

Source: World Bank
Public debt doubled after the 2008 financial crisis, reaching its peak in 2015 at about 42% of GDP. By 2018, it had declined to 33% of GDP, mainly thanks to growth in nominal GDP and fiscal surpluses, and is projected to further decline in the future, which is positive for the economy. However, the nature of public spending (i.e. the failure to allocate more resources to investment and education, to tackle the oversized public sector and to reform the state-owned enterprises) does not provide any confidence that the improvement of the country’s fiscal situation will actually be reflected into economic outcomes.

**BiH Sectoral Characteristics**

Industrial growth rates in BiH closely follow the regional trends and are steadily rising since 2014.

*Figure 15: Value-added in Industry (annual % growth)*

**Source: World Bank**

Industry makes a significant contribution to both GDP and employment (approx. 20 % and 25% respectively), and the sector is the main contributor to the country’s exports. Manufacturing accounts for over 60% of industrial production value, while the most significant increases in production in 2017 were recorded in textiles and leather (17.2%) and machines and devices (15.1%). The main industrial products of the country are: steel, coal, iron ore, lead, zinc, manganese, bauxite, aluminum, motor vehicle assembly parts, textiles, tobacco products, wooden furniture, ammunition, domestic appliances, & oil refining.

BiH does not have a unified approach to entrepreneurial and industrial policy, as this is an exclusive competence of the entities, the Brčko District and the cantons in the Federation entity. The fragmented institutional framework is not conducive to business creation, investment, entrepreneurship, innovation, and promotion of SMEs.

**BiH Imports/Exports**

The main exports of the country include metals, clothing, and wood products while the main imports concern machinery and equipment, chemicals, fuels, and foodstuffs.
BiH’s main trading partners include:

- Export partners: Germany 16.6%, Italy 12.7%, Croatia 11%, Serbia 9.2%, Slovenia 9.1%, Austria 8.2%, Turkey 4.5%;
- Import partners: Germany 12.3%, Italy 11.7%, Serbia 11.2%, Croatia 9.9%, China 6.8%, Slovenia 5%, Russia 4.4%, Turkey 4.3%.

Since 2009, the country’s exports have been steadily rising. This is a common trend in all countries in the immediate region.

*Figure 16: Export of goods and services (% of GDP)*

![Graph of export of goods and services](image)

*Source: World Bank*

At the same time, the country has managed to contain the growth in imports, without however managing to achieve a positive balance of payments – which remains at approx. 4% of GDP in 2018 - as it is depicted by the two following figures.

*Figure 17: Imports of goods and services (% of GDP)*

*Figure 18: Balance of payments (% of GDP)*

![Graph of imports of goods and services](image)

![Graph of balance of payments](image)
Source: World Bank
The country does have unrealized export potential. Some of the main problems holding back trade are: (i) a fragmented domestic market, (ii) complex export procedures, (iii) the absence of coordinated border checks and (iv) the absence of a comprehensive approach to EU food-safety and sanitary and phytosanitary standards (SWD (2019)).

BiH Population Trends/Migration
After a short recovery period (from the war-related losses) which lasted from 1998 to 2006, the country started to lose population again, at first at low rates, and now rapidly.

Figure 19: Population in BiH (1980-2018)

Source: World Bank
Even though, this seems to be a general trend in the region, BiH loses population a lot faster than other neighboring countries.
Part of the population decline is attributable to higher death rates (10 per 1000) than birth rates (8 per 1000), and part attributable to outmigration. Net migration rates per 1000 population in BiH have historically been negative with most of the outmigration occurring in the 1990-1995 period and then again in the 2010-2015 period as shown below. Even though outflows have recently been somewhat contained, they seem to be on the rise again (informal evidence gathered during field mission through interviews).

**Table 5: Average net migration rate per 1000 BiH population in 5-yr cohorts.**

<table>
<thead>
<tr>
<th>Time period</th>
<th>Mean net migration rate per 1000 population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-2020</td>
<td>-6.434</td>
</tr>
<tr>
<td>2010-2015</td>
<td>-14.494</td>
</tr>
<tr>
<td>2005-2010</td>
<td>-3.172</td>
</tr>
<tr>
<td>2000-2005</td>
<td>-0.319</td>
</tr>
<tr>
<td>1995-2000</td>
<td>-8.405</td>
</tr>
<tr>
<td>1990-1995</td>
<td>-35.73</td>
</tr>
<tr>
<td>1985-1990</td>
<td>-6.079</td>
</tr>
<tr>
<td>1980-1985</td>
<td>-1.4</td>
</tr>
</tbody>
</table>

**Source: UN, Population Division**
Available Diaspora Resources

BiH has experienced 3 major “waves” of outmigration:

- **1st wave (before the war and mostly after 1985):** it mostly concerned individual workers with low educational levels and no language skills who migrated abroad to find employment. It was a voluntary migration, motivated by poverty. The migrants slowly moved up professionally in host countries and were reunited with family and/or kept sending remittances to cover family expenses. They are well integrated within host countries (themselves and their children), have no desire to return, and no desire or capacity to invest in BiH. They however maintain ties to diaspora organizations (usually religious, cultural, etc).

- **2nd wave (during war or shortly after):** it mostly concerned families with higher educational levels and some language skills who were forced to migrate motivated by safety considerations (i.e. were refugees). They found good jobs and are well integrated in the host counties but maintain emotional contact with the homeland at the same time. Many returned after the war but migrated again. They represent the largest segment of diaspora and have increased capacity to invest (due to good financial situation and savings potential) but most prefer to invest in personal property and not in business ventures in BiH. They maintain ties to diaspora organizations (usually religious, cultural but also professional organizations) and ties to their original hometown. Often, they serve as links for “chain migration”.

- **3rd wave (more recently and especially after 2010):** it mostly concerns young individuals with high educational levels and language skills (even though not always in the host country language) who are motivated to migrate by adverse in-county conditions such as political instability, corruption, slow growth, etc. It is a voluntary migration. The migrants are “bitter” and do not maintain an emotional contact with homeland, neither do they maintain ties to diaspora organizations. They are difficult to be traced and contacted and little is known about their propensity to return or invest in BiH.

The “Mapping BiH Diaspora” report - produced under Component/Outcome 1 of D4D - provides useful information regarding the profiles and attitudes of BiH diaspora in the ten most populous host countries. However, it does not cover information about the 2nd and 3rd generation diaspora, as most respondents (92.6%) were 1st generation diaspora. The most important information includes the following:

- Diaspora is far better educated than the local population: when left BiH, 50% had secondary education (general or technical) and 1/3 higher education or above; after the move, individuals with higher or above education reached 46% (as many completed their education in the host countries); this finding, in combination with the wide variety of occupations (13% in health, 9% in childcare/education, 9% in IT, 8% in engineering, etc) indicate a high potential for scientific or professional knowledge transfer.

- Approximately 1/3 of diaspora visit BiH at least once a year but only a very small percentage maintains residence in both BiH and the host country; most frequent reason for visits is “family ties” and second most frequent “vacation”. Also, a staggering 85% has invested money in BiH at some time, most for purchasing/renovating personal property. This shows the high connection of diaspora to the motherland and especially hometown.

- A significant portion (15%) of diaspora are “self-employed” – which shows a significant entrepreneurship culture - and **10% have invested in BiH for business purposes.** The two most important factors indicated that could motivate more BiH diaspora to invest in business are: a) a reliable partner in BiH (30%) and b) clear investment information on LG level (22%). (This finding is also related to the three business investment models described below.) Only 9% of diaspora though has savings in BiH banks.

- Willingness of diaspora to participate in BiH development is rather geared towards indirect types of support (remittances, vacationing) and immaterial forms of support (ToK, consultations, virtual
volunteering), as it is depicted by figure 16. Business-related contributions are rather geared towards the establishment of business links with BiH existing companies than investing in a new business in BiH.

- In addition, of all diaspora members who have in the past invested money in BiH for some type of business venture, the overwhelming majority (70%) did so through friends and family. This shows that there is a “trust” factor involved.

*Figure 21: Preferred forms of contribution to BiH development*

![Bar chart showing preferred forms of contribution to BiH development](image)

**Source:** MAPPING THE BOSNIAN-HERZEGOVINIAN DIASPORA

Most diaspora-related investment that has taken place in BiH in the last years, seems to follow one of three very distinct “models” or “patterns” 69.

- “Model 1”: Diaspora member is a business owner in the host country and transfers part of his/her production/services to BiH.
- “Model 2”: Diaspora member is a high-level employee in a foreign company and facilitates FDI from this company to BiH. Usually he/she comes to run the subsidiary company and owns part of equity. This is the most common investment “model”.
- “Model 3”: Diaspora member either owns a business or is employee in a foreign company and seeks to outsource intermediate products/services to existing BiH companies (i.e. establish long-term contracts).

Almost all past investments were directed to the diaspora member hometown indicating a very strong link with the LG level.

There is finally (unvalidated) information 70 that 2nd generation diaspora – a young, highly educated, well integrated in the host country population and not necessarily business owners – is prone to initiate start-ups or joint ventures in BiH. This part of diaspora has weaker links with a “hometown” and may be interested in business initiatives just for the sake of making investments. This information – if proven true – demonstrates a new potential among BiH diaspora, but first it needs to be validated through appropriately designed research.

69 The information comes from the USAID Diaspora Invest initiative.

70 From the Swiss Entrepreneurship Programme
In terms of accessing diaspora potential resources, the following issues are important:

- Despite the huge diaspora population, a very small fraction is suitable for targeting either for ToK or investment-related initiatives (8% to 10%); the most effective communication channels are: word-of-mouth; personal contacts/networks (preferably with peers);
- As mentioned above, most diaspora investors prefer to invest in their hometown and hence LGs are the appropriate government level for accessing these resources; they do however share the same concerns as most foreign investors (i.e. they have a seriously negative image of BiH; they worry about political instability, corruption, etc); these issues are best tackled at higher government levels but they do not relate to specific D4D actions;

From the D4D project experience it turns-out that the best approach for attracting diaspora resources for development purposes is a dual approach: including both networking systems & “expeditors/facilitators”
### Annex 4 – Attainment rates of Project Indicators

<table>
<thead>
<tr>
<th>Result Indicators(^71)</th>
<th>Baseline Value (2016) (refers to M&amp;D pilot)</th>
<th>Cumulative D4D values attained by December 2019(^2)</th>
<th>End of D4D project expected value(^3)</th>
<th>End of D4D project Target Value from project document</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Impact/project purpose:</strong> Improve socio-economic conditions and perspectives for women and men in BiH and improve their quality of life through diaspora engagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of persons who benefit from employment and livelihood opportunities as a result of diaspora’s contribution</td>
<td>1600</td>
<td>2064</td>
<td>2364</td>
<td>3000</td>
</tr>
<tr>
<td>Cumulative D4D values attained by December 2019(^2)</td>
<td></td>
<td>69% of target</td>
<td>79% of target</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome 1: MHRR and MFA, in cooperation with government institutions at different levels, use and further develop their instruments to actively connect, exchange, and engage with diaspora members and organizations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extent to which institutions are able to comprehensively address diaspora needs through adequate strategies: number of working group members</td>
<td>0</td>
<td>41</td>
<td>41</td>
<td>n/a</td>
</tr>
<tr>
<td>Extent to which institutions are able to comprehensively address diaspora needs through adequate strategies: number of diaspora strategies</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Cross-governmental coordination mechanisms (CCM)</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Registered users in Diaspora web-portal</td>
<td>0</td>
<td>1931</td>
<td>2181</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of institutions across government levels contributing to coordinated and whole-of-government implementation of BiH Diaspora Strategy</td>
<td>0</td>
<td>24</td>
<td>24</td>
<td>35</td>
</tr>
<tr>
<td>Number of persons from institutions contributing to diaspora strategy</td>
<td>0</td>
<td>28</td>
<td>28</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of diaspora members engaged in policy dialogue, networking and know-how transfer through the crowdsourcing platform and representation bodies</td>
<td>n/a</td>
<td>2235</td>
<td>2500</td>
<td>1000</td>
</tr>
<tr>
<td>Number of public institutions benefiting from ToK</td>
<td>0</td>
<td>148</td>
<td>148</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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\(^{71}\) Indicators in darker colour were added later, during programme implementation.

\(^{72}\) As reported by UNDP

\(^{73}\) Cumulative attained value for end of 2019 + expected value for 2020, as reported by UNDP
<table>
<thead>
<tr>
<th>Result Indicators</th>
<th>Baseline Value (2016) (refers to M&amp;D pilot)</th>
<th>Cumulative D4D values attained by December 2019</th>
<th>End of D4D project expected value</th>
<th>End of D4D project Target Value from project document</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of diaspora experts engaged in ToK</td>
<td>0</td>
<td>35</td>
<td>57</td>
<td>50</td>
</tr>
<tr>
<td>Number of diaspora representative bodies (DRB) established</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Outcome 2: LGs align their development strategies to the BIH Diaspora Strategy provide more and better services to diaspora members, and encourage community initiatives to attract diaspora know-how and investment**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of LGs with diversified/new services and platforms for interaction with diaspora</td>
<td>10</td>
<td>11</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Number of diversified/new services and platforms for interaction with diaspora</td>
<td>17</td>
<td>30</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>% of diaspora members using LG services</td>
<td>5%</td>
<td>41%</td>
<td>45%</td>
<td>10%</td>
</tr>
<tr>
<td>Number of community initiatives, based on local strategies, implemented by LGs</td>
<td>14</td>
<td>17</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Number of LGs implementing initiatives</td>
<td>10</td>
<td>17</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Total number of households benefiting from LG initiatives</td>
<td>533</td>
<td>382</td>
<td>457</td>
<td>300</td>
</tr>
</tbody>
</table>

**Outcome 3: Diaspora partners transfer know-how and skills and make joint investments with private sector actors in BIH, thus creating new jobs**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of investments (BAM) facilitated or realized by diaspora</td>
<td>0</td>
<td>3839568</td>
<td>5339568</td>
<td>3000000</td>
</tr>
<tr>
<td>Number of new jobs created as a result of diaspora’s contribution and business to business exchange (investment scheme + ToK)</td>
<td>0</td>
<td>306</td>
<td>356</td>
<td>320</td>
</tr>
<tr>
<td>Number of BIH companies which benefit from knowledge and skills transfer which translates into productive business connections with diaspora, introduction of new technologies, markets and jobs.</td>
<td>0</td>
<td>34</td>
<td>34</td>
<td>30</td>
</tr>
<tr>
<td>All</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The table is designed to show the progress and achievement of various indicators related to the BIH Diaspora Strategy, comparing baseline values with cumulative D4D values and end-of-project expected values. It highlights the percentage and number of achievements relative to target values.
<table>
<thead>
<tr>
<th>Output Indicators</th>
<th>Baseline Value (2016)</th>
<th>Cumulative D4D values by December 2019</th>
<th>2020 cumulative expected value</th>
<th>End of project (D4D cumulative) Target Value from project document</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Women</td>
<td>Total</td>
<td>Women</td>
</tr>
<tr>
<td><strong>Outcome 1: MHRR and MFA, in cooperation with government institutions at different levels, use and further develop their instruments to actively connect, exchange, and engage with diaspora members and organizations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of diaspora coordinators in state institutions who participate in the inter-agency coordination network on diaspora engagement and share information with MHRR and the network on cases of diaspora engagement</td>
<td>0</td>
<td>n/a</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Participation rate at annual diaspora policy dialogue conferences in BH: total participation</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Participation rate at annual diaspora policy dialogue conferences in BH: diaspora participation</td>
<td>10</td>
<td>n/a</td>
<td>67</td>
<td>26</td>
</tr>
<tr>
<td>Number of press releases, radio interviews, TV appearances, social media news, and articles in print media related to the annual Diaspora Policy dialogue conferences on BH diaspora engagement</td>
<td>5 annually</td>
<td>n/a</td>
<td>73</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of diaspora initiatives implemented through the crowdsourcing platform.</td>
<td>n/a</td>
<td>n/a</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Outcome 2: LGs align their development strategies to the BH Diaspora Strategy provide more and better services to diaspora members, and encourage community initiatives to attract diaspora know-how and investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of municipal staff with substantive knowledge and practice in the area of migration for development.</td>
<td>20</td>
<td>n/a</td>
<td>76</td>
<td>35</td>
</tr>
<tr>
<td>Number of municipal staff engaged in the diaspora engagement professional exchange</td>
<td>16</td>
<td>n/a</td>
<td>64</td>
<td>25</td>
</tr>
<tr>
<td>Number of B2B meetings facilitated by municipalities.</td>
<td>4</td>
<td>n/a</td>
<td>18</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of new investments resulting from diaspora engagement facilitated by municipalities.</td>
<td>1</td>
<td>n/a</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Number jobs resulting from diaspora engagement facilitated by municipalities.</td>
<td>10</td>
<td>n/a</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td><strong>Outcome 3: Diaspora partners transfer know-how and skills and make joint investments with private sector actors in BH, thus creating new jobs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td></td>
<td>34</td>
<td>n/a</td>
</tr>
<tr>
<td>Output Indicators</td>
<td>Baseline Value (2016)</td>
<td>Cumulative D4D values by December 2019</td>
<td>2020 cumulative expected value</td>
<td>End of project (D4D cumulative) Target Value from project document</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>-----------------------</td>
<td>---------------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Women</td>
<td>Total</td>
<td>Women</td>
</tr>
<tr>
<td>Number of business ideas and potential investments identified by diaspora-oriented organisations.</td>
<td></td>
<td></td>
<td>340%</td>
<td></td>
</tr>
<tr>
<td>Number of private sector representatives from diaspora and BIH who benefit from facilitated knowledge transfer</td>
<td>0</td>
<td>0</td>
<td>309</td>
<td>124</td>
</tr>
</tbody>
</table>

The table above shows the progress and targets for two specific output indicators in the project. The first indicator measures the number of business ideas and potential investments identified by diaspora-oriented organisations, with a baseline of 0 and a target of 340%. The second indicator tracks the number of private sector representatives who benefit from facilitated knowledge transfer, with a baseline of 0 and a target of 150.
Annex 5: LG scorecard

Figure 22: Progress attained by participating LGs on diaspora indicators between January-December 2019

Figure 23: Institutional capacity levels for cooperation with diaspora in selected LGs (sorted by population size: smaller to larger)

Source: UNDP
### Annex 6: LG survey results

**Q1. Which M&D projects did your LG participate in? (Please check all that apply)**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>M&amp;D pilot project (2014-2015)</td>
<td>9</td>
</tr>
<tr>
<td>D4D project (2016-2020)</td>
<td>20</td>
</tr>
</tbody>
</table>

**Q2. If you did not participate in D4D, have you continued diaspora-related services and/or initiatives on your own? (please describe)**

**Q3. If you have participated in D4D, what are the 3 major direct benefits from your participation in the D4D project activities? (Please, check only the 3 most important ones).**

<table>
<thead>
<tr>
<th>Benefit Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity building within LG – knowledge</td>
<td>13</td>
</tr>
<tr>
<td>Exchange of good practices regarding diaspora involvement</td>
<td>15</td>
</tr>
<tr>
<td>Strategies – plans for local economic development</td>
<td>2</td>
</tr>
<tr>
<td>Standard procedures &amp; systems for implementing local interventions</td>
<td>1</td>
</tr>
<tr>
<td>Standard procedures and systems for providing services to diaspora</td>
<td>7</td>
</tr>
<tr>
<td>Quality of life improvements in the Municipality</td>
<td>4</td>
</tr>
<tr>
<td>Economic improvements in the Municipality (e.g. jobs, income, investments etc)</td>
<td>9</td>
</tr>
<tr>
<td>Awareness raising among Municipal population about diaspora</td>
<td>5</td>
</tr>
<tr>
<td>Awareness among diaspora about how BiH, how they can stay in touch and how they can contribute</td>
<td>3</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart of survey results](chart.png)
Q4. How will you use the experience gained from your M&D or D4D activities in the future? (Please, check all that apply)

| Use contacts obtained (how?)          | 8 |
| We will use the knowledge/skills gained | 15 |
| We will use the deliverables/outputs (e.g. strategies, databases, IT systems for service provision, etc) | 17 |
| We will change our operating systems  | 6 |
| We will assign regular financial resources to D4D-type of initiatives | 12 |
| Other (please specify)                |   |

Q5. What are the 3 most important expected indirect or long-term benefits to your Municipality from the implementation of your M&D or D4D activities?

| Confidence in diaspora as a valuable development resource | 9 |
| Confidence & trust in MHRR                               | 1 |
| Confidence & trust in the LG and its departments (particularly the diaspora coordinator and the Local Development staff) | 6 |
| Better image of the LG in the geographic region of reference | 2 |
| Better capacity of the LG to attract donor/diaspora funding and know how | 9 |
| Better understanding of beneficiaries/target group needs in our Municipality | 0 |
| Enhanced LG capacity to design effective local development interventions | 2 |
| Enhanced LG capacity to manage & implement these interventions | 3 |
| Enhanced LG capacity to design services for our diaspora | 9 |
| Extended networks of cooperation within BiH (state, donors, other LGs) | 8 |
| Extended networks of cooperation outside BiH (diaspora associations, scientific for a, etc) | 8 |
| Enhanced LG capacity to mobilize diaspora resources (please mention communication channels you use) | 1 |
| Better information sharing channels                      | 5 |
| Other (please specify)                                   |   |
Q6. Please, specify the user groups of the outcomes from the implementation of your M&D or D4D activities. (Check only the most important 3 user groups)

<table>
<thead>
<tr>
<th>User Group</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>The LG itself (Municipal staff)</td>
<td>10</td>
</tr>
<tr>
<td>The private sector (businesses) in our Municipality</td>
<td>17</td>
</tr>
<tr>
<td>The LG itself (Mayor and Municipal Council)</td>
<td>1</td>
</tr>
<tr>
<td>The general resident population in our Municipality</td>
<td>10</td>
</tr>
<tr>
<td>Our diaspora</td>
<td>16</td>
</tr>
<tr>
<td>NGOs in our Municipality or elsewhere in BiH</td>
<td>0</td>
</tr>
<tr>
<td>Special interest groups (e.g. business associations, environmental societies, people with special needs, Roma, etc) in our Municipality or elsewhere in BiH</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>User Group</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other (please specify)</td>
<td></td>
</tr>
</tbody>
</table>
Q7. If you have participated in D4D, could you please rate the D4D project in terms of the following criteria?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Very bad/low</th>
<th>Bad/low</th>
<th>Fair</th>
<th>Good/high</th>
<th>Very Good/high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall design (types of interventions included) and relevance to your needs</td>
<td></td>
<td></td>
<td>8</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Specific design of the interventions (i.e. conditions to be satisfied, budget thresholds, etc)</td>
<td>1</td>
<td>9</td>
<td></td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Effectiveness/efficiency of implementation (i.e. quality of TA support provided by the implementing agency, speed of procedures, sensitivity to your needs, etc)</td>
<td></td>
<td></td>
<td>9</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Availability of information/ visibility of interventions</td>
<td>1</td>
<td>5</td>
<td></td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Potential to create an impact in your geographic area.</td>
<td>2</td>
<td>9</td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q8. Were there any other M&D or D4D local initiatives you would like to have implemented but you could not? What was the main obstacle?

| Difficulty to design an implementable intervention (we knew what we wanted to achieve but did not know how) | 3 |
| Lack of implementation staff within LG or lack of skills | 5 |
| Lack of budget resources | 10 |
| Other (please specify): |
| - High threshold for micro-entities, 6 new employees |
| - There were no other initiatives |
| - Awareness of JLS employees about the importance and potential of the diaspora |
| - Private sector's lack of interest in participating in the project | 4 |

Q9. What types of local development projects would you like to implement in the future? Do they involve diaspora resources? (please specify)?

We want to implement all types of development projects defined by the Development Strategy in cooperation with the Diaspora.

In the future, we would like to implement projects in the area of strengthening the economic development of Laktaši municipality by connecting local businesses with the diaspora (mostly from Slovenia, Austria, Germany and Switzerland), which would result in expansion of the market and increase of production, sales and employment in the area. Laktaši municipality.

During 2019, we began a more serious collaboration with the Diaspora through the D4D project. We also have a diaspora partner on the project, and the same applies to investments in modernizing the production of 18-week-old chicks and table eggs with the introduction of some good practices from the EU. It is only after the implementation of this project that we will gain some experience of cooperation with the Diaspora and see in what direction we should proceed further. Also, the project envisages the introduction of e-registrars as well as the launch of a special module for the diaspora on the website of the Municipality of Orasje, which will publish acts that primarily tend to diaspora. Our desire is to improve and facilitate the exercise of their rights in the municipality.

Considering that both previous cycles (M&D and D4D) contributed to the excellent results in our City, we wish to continue similar projects in the future that would enable the transfer of knowledge and skills from the diaspora and interventions regarding the expansion of production capacities of local enterprises, which would the final result was an increase in employment and a strengthening of the competitiveness of local businesses. Many implemented projects have involved diaspora funding, so in future projects we also plan to include co-financing of the diaspora.

Private public partnerships and exchange of experiences and introduction of new products and services

A thorough and comprehensive mapping of the Jajce Diaspora, intensification of two-way communication between the representatives of Jajce Municipality and the Diaspora and development of youth strategies leads
to confidence building, which ultimately leads to more successful cooperation in order to improve the economic and social sector in Jajce Municipality.

Based on the mentioned activities and goals, we would like to implement the projects:
- IMPROVEMENT OF TOURISM IN THE AREA OF JAJCE MUNICIPALITY IN COOPERATION WITH THE DIASPORA. The municipality of Jajce has enormous tourism potential, and through this overhang the goal is to further promote tourism with the help of the Jajce Diaspora in the emigrant countries,
- BUSINESS OVERSEAS FORUM
- CONNECT AND INVESTMENT PLATFORM

Improving conditions for diaspora investment to contribute to the local economy.

Yes, projects that will contribute to local economic development with the help of the diaspora

Development projects
economic, social and other. Investment, investment, investment, investment, investment, and construction of network and contact with the diaspora, for local population, which living and working in their municipality require different living conditions as well as for the diaspora on their care with their municipality and the state of BiH.

We defined development projects with a development strategy. Projects involving diaspora resources:
- Projects in the field of economic development (investments and transfer of knowledge of experience and technology)
- Projects in the field of cultural cooperation

Tourism projects. Currently, our goal is to complete projects related to the marking of bicycle and mountain trails and the construction of lookout. Such projects are attractive to the diaspora and involve the resources of the diaspora, and the realization itself would be realized in cooperation with the diaspora and other associations in the municipality.

Yes, Mapping experts from the diaspora of industrial production (auto parts, metal and plastic processing), ..., establishing a joint venture company with the diaspora, developing policies for the development of manufacturing start-ups, expanding the capacity of Posusje Technology Park,

Projects to improve the quality of the workforce in cooperation with representatives of the diaspora, vocational secondary schools, and companies that are interested in this type of cooperation.

On the other hand, we also planned the realization of summer camps aimed at the youth population from BiH, who in an innovative way would get to know the culture, traditions, language and customs of the country of origin through socializing and social interaction.

Local economic development projects, with mandatory involvement of diaspora resources.

Support to the development projects of the Municipality of Velika Kladuša in the field of agricultural development as the main branch of economy in the territory of our Municipality with the aspect of involvement of the diaspora in this process.

In the forthcoming period, the Municipality and RAZ have focused on the re-projects that stimulate the development of agriculture, entrepreneurship, education and environmental protection.

Establishment of an innovation center for new businesses

The City of Zenica would be able to carry out the same or similar projects in cooperation with the Diaspora as the previous project that was done. It would certainly include the support of the diaspora from which the transfer of knowledge and experience would continue.

In 2020, the City of Zenica plans to implement several development projects

The municipality of Ravno has adopted the Development Strategy for the period 2019-2027, which envisages 57 development projects and measures in the field of economic, social and environmental development. All development initiatives are welcome, I would particularly emphasize cross-border and inter-municipal cooperation projects, as well as projects developing tourism and agricultural resources, since these are the backbones of the development of Ravno municipality.

Q10. Do you have the required budget and other resources to implement them? (please specify)?

We do not have. The municipality of Ključ is one of the most underdeveloped municipalities, we do not have an adequate budget to accompany the projects, and the state itself has no ear for incentives for small, underdeveloped communities.

In terms of population and level of needs achieved, Laktaši Municipality has insufficient budgetary resources to invest significantly in economic development. However, with the establishment of the Local Development
Department within the Laktaši Municipal Administration, the lack of funds is being compensated for by providing grants for these purposes. The Department for Local Development is very successful in this and it can be said that Laktaši Municipality has good human resources that can meet the challenges of linking the local economy with the Diaspora, but that financial support for programs such as "Migration and Development" and "Diaspora" is also needed for development "to make these processes more efficient and to encourage the economy to look for its opportunities abroad. In this way, businessmen will contribute to the increase of exports, reduction of BiH's foreign trade deficit and increase of the general level of wealth of the population of Bosnia and Herzegovina.

Within its budget, the Municipality of Orasje has at its disposal certain financial resources which it is prepared to support ideas from the diaspora and to provide them with every other assistance in starting independent activities "at their birthplace". We are also ready to assist them in any other way in their choice of business, noting that it is most favorable for them to be something that they have worked or worked abroad.

Prijedor city funding is not sufficient to independently implement all projects defined by local strategic documents, so the associated resources of other partners are very desirable, as was the case with M&D and D4D calls. In this case, the City of Prijedor will always provide co-financing if given the opportunity to establish a partnership with a specific organization that is willing to also allocate part of the financial resources for the implementation of projects defined by local strategic documents.

The municipality has no budget funds planned

The municipality may partially finance the projects, but external funds are needed to fully finance the projects.

The municipality has available funds for the implementation of projects in the economic, social and environmental sectors in accordance with the Integrated Development Strategy of the City of Ljubuski and the Capital Investment Plan of the City of Ljubuski.

Not in the amount needed.

Of course, small municipal budgets do not offer many opportunities, but any number of activities already in place will certainly be planned and implemented. ALSO ACTIVITIES THAT DON'T REQUIRE FINANCIAL ASSETS THAT CAN BE AVAILABLE WITH AVAILABLE RESOURCES - SPACE, STAFF, VEHICLES, ACCOMMODATION, etc.

Yes, we carry out strategic projects in accordance with the available financial resources. For project management, we have developed a basic level of organizational and human resources.

The municipality provides 20% co-financing of the project through its budget, and the municipal service is in charge of the implementation of the projects.

Yes, 30,000 KM

Part of the funds would be provided through the budget of the Municipality and co-financing of economic entities, and part was planned through the funds of the D4D project.

Not completely.

The Municipality of Velika Kladuša has funds for development projects.

Given the limited budget available to the Municipality of Žepče, we are constantly on the lookout for external sources of funding as well as examples of good practice, especially from the diaspora.

Partly

The City of Zenica could support the same or similar projects that would be implemented in the future through the Economy and Development Management Service.

---
Annex 7: Private sector survey results

Q1. Please mention the economic activity sector of your enterprise

Q2. How long (in years) has your enterprise been operating?

Q3. What is the total number of your employees in the last 12 months?
Q4. Please help us understand the entrepreneurial environment in your sector. What are the factors affecting the willingness to become an entrepreneur in BiH and what determines business success?

<table>
<thead>
<tr>
<th>Question</th>
<th>Totally insignificant</th>
<th>Not very significant</th>
<th>Fair</th>
<th>High/important</th>
<th>Very high/Decisive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please rate the general willingness to become an entrepreneur in the country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is willingness to start a business determined by the existence of a Market for your products/services?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How does the availability of capital affect business survival?

- Investment capital
- Operational capital

Is R&D essential for long-term growth?

How important are kills/knowhow in the specific business sector?

Are you very much dependent on supplier chains?

How much does “red tape” affect your business?

Other (please describe)
Q5. How did the D4D project help your enterprise? (please check all that apply)

It provided capital
- Investment co-financing
- Operational capital
It provided access to new Markets for our products/services
It helped us come up with new product/service ideas
It helped us get access to Research and Development / new technology
Skills/knowhow transfer
Other (please specify)

Q6. Could you please rate the D4D project in terms of the following criteria?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Very bad/low</th>
<th>Bad/low</th>
<th>Fair</th>
<th>Good/high</th>
<th>Very Good/high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall design (types of interventions included) and relevance to your needs</td>
<td>1</td>
<td>8</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific design of the interventions (i.e. conditions to be satisfied, budget thresholds, eligibility requirements, etc)</td>
<td>2</td>
<td>8</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transfer of Knowledge scheme</td>
<td>3</td>
<td>7</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Investment scheme</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness/efficiency of implementation (i.e. quality of support provided by the implementing agency, speed of procedures, sensitivity to your needs, etc)</td>
<td>1</td>
<td>4</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of information/ visibility of interventions</td>
<td>1</td>
<td>8</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Potential to create an impact in your sector/ geographic area.</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q7. What was the contribution/added value made by diaspora?

<table>
<thead>
<tr>
<th>By purchasing our products (client)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperation with the Diaspora brought the possibility of realizing new projects and further expansion to the Croatian market.</td>
</tr>
<tr>
<td>Primarily transferring knowledge and skills, then raising the motivation of end users (students), expanding our company’s network of contacts.</td>
</tr>
<tr>
<td>Procurement and commissioning of equipment not present on the BiH market. Training of workers to work on highly sophisticated equipment, which was very important for our company, given the very low skills of our employees.</td>
</tr>
<tr>
<td>The diaspora is underused as much as it could be.</td>
</tr>
<tr>
<td>Presence and experience in foreign markets, specialized skills, knowledge and modern methodologies.</td>
</tr>
<tr>
<td>Through her experience, she facilitated the processes and prepared us for the most important topics we encountered later in the course of the project. (technical support?)</td>
</tr>
<tr>
<td>New jobs, new clients, hiring new workers</td>
</tr>
<tr>
<td>The role of the diaspora was logistical in the sense that it provided contacts and conditions for the professional development of our staff.</td>
</tr>
<tr>
<td>Training for local businessmen and media representatives (that we collaborate with). Through establishing business relations with primary sector BiH companies.</td>
</tr>
<tr>
<td>Through management structure, finding new business partners</td>
</tr>
<tr>
<td>Through the trainings we learned to better understand the functioning of some major chains in the EU, we learned a lot about following the rules related to exporting to certain countries (declarations, packaging, etc.).</td>
</tr>
<tr>
<td>New clients, development of new services, new markets, knowledge transfer</td>
</tr>
<tr>
<td>By purchasing our products (client)</td>
</tr>
<tr>
<td>The diaspora induced growth and development of the company and increased turnover and exports through knowledge transfer and through constant promotion of our products.</td>
</tr>
<tr>
<td>New ideas, transfer of knowledge, skills and information about new devices on the market and the need of our company to procure such a device and to provide and facilitate quality control from raw materials to finished products.</td>
</tr>
<tr>
<td>Transferring knowledge and training of employees, finding a new market.</td>
</tr>
<tr>
<td>Financial support and knowledge transfer</td>
</tr>
<tr>
<td>The Diaspora contributed to the expansion of the business; we acquired more local clients through a mentor who was engaged in the D4D project.</td>
</tr>
<tr>
<td>Significantly mostly useful in every way!</td>
</tr>
</tbody>
</table>
Through direct diaspora contacts, we expanded our **business network** with architects and interior design firms abroad. Several jobs have been implemented with public institutions in Germany, Austria and Switzerland. Diaspora partners have been marketing our products/services more aggressively since April.

### Transfer of knowledge and skills.

Q8. Through what channels did you identify your diaspora partner and what could be done to make this easier in the future?

<table>
<thead>
<tr>
<th>Channel</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Via an acquaintance.</strong></td>
<td>Our partner in the diaspora is a <strong>long-time customer</strong>. In order to facilitate the process of finding a diaspora partner in the future, relax the criteria (of the intervention) that a diaspora partner should meet. E.g. a diaspora partner should not necessarily have a BiH origin. This would open up additional, greater opportunities for cooperation with diaspora partners, especially with some big names in the glass industry.</td>
</tr>
<tr>
<td><strong>Via our own network of contacts.</strong></td>
<td>In the future, an electronic database of partners in the Diaspora, searchable by certain criteria, would be useful.</td>
</tr>
<tr>
<td><strong>We have collaborated with a partner</strong> from the Diaspora before.</td>
<td>In the future, the process of connecting with diaspora partners could be facilitated by the involvement of chambers of commerce, participation in foreign trade fairs, the use of information technologies, and the organization of business meetings with the diaspora.</td>
</tr>
<tr>
<td><strong>I personally was part of the diaspora.</strong></td>
<td><strong>Acquaintance.</strong></td>
</tr>
<tr>
<td><strong>Personal contact.</strong></td>
<td>A partner / expert base in the diaspora would be helpful.</td>
</tr>
<tr>
<td><strong>Through acquaintances and through associations</strong></td>
<td>We have a <strong>registered sister company</strong> with a diaspora member. In order to facilitate the process, networking activities such as study visits, conferences, B2B visits etc should be organized.</td>
</tr>
<tr>
<td><strong>As a marketing and PR agency, we collaborate with many diaspora firms.</strong></td>
<td>There is a lack of a portal that promotes business contacts and links BiH businesses and individuals to diaspora. As part of such a portal, it is advisable to open a B2B social media channel to facilitate business correspondence.</td>
</tr>
<tr>
<td><strong>The diaspora was directly involved through our business structure</strong></td>
<td>Partner was found through <strong>market research</strong>. A quality database of distributors in the BiH ethnic market abroad would make it much easier to find a partner. Organizing virtual meetings with distributors and major European chains, and advertising.</td>
</tr>
<tr>
<td><strong>Personal contacts</strong></td>
<td><strong>Via an acquaintance.</strong></td>
</tr>
<tr>
<td><strong>It is mostly through recommendations of our diaspora</strong> that we reach our partners in the diaspora.</td>
<td>Perhaps, through organizing B2B meetings, BiH diaspora and businesses could make contacts.</td>
</tr>
<tr>
<td><strong>Through the personal acquaintances of the business owners.</strong></td>
<td>There is a need to design a network where private companies in the domestic market can connect with the diaspora and get all available information on what is being done, what products are available in the domestic market and to how best present them abroad.</td>
</tr>
<tr>
<td><strong>Via business partners</strong> or directly.</td>
<td><strong>Acquaintance and personal engagement.</strong> No benefit from government institutions and any representations !!!</td>
</tr>
<tr>
<td><strong>Need better connection of BiH and diaspora companies, direct meetings</strong></td>
<td>A partner in the diaspora is <strong>family</strong> related to us, and he has found other partners in the diaspora.</td>
</tr>
<tr>
<td><strong>Through private contacts in the diaspora.</strong></td>
<td><strong>Private contact.</strong> Create an effective online platform for networking companies in BiH and the diaspora.</td>
</tr>
</tbody>
</table>
Q9. What type of assistance will your enterprise need in the future, and what types of diaspora resources would be the most beneficial (e.g. know-how, R&D results, access to markets, strategic partnerships, capital, etc)? (be as specific as possible)

<table>
<thead>
<tr>
<th>We will need a <strong>strategic partner</strong> to export our products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considering that the glass industry is developing very fast (new technological / production equipment, new types of glass, new working methods, knowledge, etc.) we will need <strong>specific knowhow</strong> from the diaspora, <strong>improving R&amp;D in production processes</strong> and <strong>capital</strong>.</td>
</tr>
<tr>
<td><strong>Knowledge Transfer</strong> – Train the trainer and end user training. <strong>Access to markets</strong> for startups we incubate, and <strong>strategic partnerships with us</strong>.</td>
</tr>
<tr>
<td>The most important for our company is the <strong>transfer of knowledge</strong> from Western countries, <strong>investment capital</strong> for the purchase of modern equipment that can technically support the newly acquired knowledge.</td>
</tr>
<tr>
<td><strong>Strategic partnerships</strong></td>
</tr>
<tr>
<td><strong>Access to markets, new knowledge</strong></td>
</tr>
<tr>
<td>In BiH, there are no market research data on individual industries and the statistics we have are not accurate enough. It would be of great benefit if we had <strong>data in production statistics by country</strong> (market research) so that we could adjust our production program.</td>
</tr>
<tr>
<td>Development of <strong>software programs for production monitoring</strong>, procurement of <strong>new machines, tools and materials</strong>.</td>
</tr>
</tbody>
</table>
| - Market access (sales and marketing)  
- Strategic partnerships  
- Knowledge transfer |
| **Access to EU markets, distribution and marketing** of goods and services to diaspora firms. We are a PR and marketing agency and we have collaborated with certain EU companies, but it would be of great benefit to us to expand our list of clients. |
| **Market access** |
| **Strategic partnerships** will be most needed to accommodate the planned capacity expansion and the launch of new products (in the next three months). |
| **Market access, strategic partnerships, knowledge transfer, R&D results, investments**, these are all very important things |
| We will need a **strategic partner** to export our products. |
| **Knowledge transfer** is of great importance for the future of our company. Currently the workforce is unprepared due to a weak secondary and higher education system that incorporates almost no practical training. |
| We will certainly need **new knowledge, market research results** on aluminum needs and in which sectors, **strategic partnerships, reaching new customers**, diversifying in other segments of the industry, introducing our company to new customers through cooperation with the diaspora and **capital**. |
| **Knowledge**, access to markets, strategic partnership. |
| **Capital, promotion** to foreign markets |
| **Strategic partnership and capital.** |
| **Strategic partnership and capital.** |
| **Software solutions for sales and production management** have become increasingly important. We plan to invest an additional € 250,000, and the Diaspora can help us secure a sufficient quantity of orders. So, the most important is **investment capital**. |
| **Knowledge and expertise** in areas where we do not have the experience or capabilities of consulting services in BiH. |
## Annex 8: Comments Received on the Draft Evaluation Report

<table>
<thead>
<tr>
<th>Comment</th>
<th>Evaluation text of reference</th>
<th>Action taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>We very much appreciate your efforts that you have made in writing such a comprehensive report and in analysing in detail all project interventions as well as economic aspects, migration trends etc. This analysis will be very useful for the planning of a consolidation phase.</td>
<td>Entire report</td>
<td>No action</td>
</tr>
<tr>
<td>We think that the structure of the report should be improved in order to be more reader-friendly and better understandable. The report should be more concise and not be longer than 30 pages. All other (very valuable information's) should be put in annexes. The structure defined in the ToR should be followed. In addition, the report would be more clear if you would use outcome and outputs instead of components and activities.</td>
<td>Entire report</td>
<td>After the restructuring of the report titles, the addition several new paragraphs in order to answer questions raised and the editing of the report in order to make it more concise, the main report text is reduced to 39 pages (not including the executive summary and annexes). Main chapter titles have been changed to follow the structure in the ToR. Because outcomes/outputs are the results of components/activities and hence not equivalent (e.g. a component is implemented but an outcome is achieved), we use the term “component/outcome” in order to refer to the 3 main parts of the D4D project structure wherever possible. This however is not possible for the activities because they cannot be interchangeably be used instead of outputs. For example: we cannot use output 1.1 (Strategy, Action Plan and M&amp;E framework) instead of the strategy development process which is the activity leading to the output.</td>
</tr>
<tr>
<td>The Executive summary should contain all key findings, including progress towards systemic change, progress towards the outcome and goals, project set-up etc. The report contains such information, but they should be more structured and also presented in the summary.</td>
<td>Entire report</td>
<td>Executive summary text was amended.</td>
</tr>
<tr>
<td>Recommendations presented in the executive summary strategic direction/advice and general vision are missing. Please answer the questions written in the ToR. Recommendations should also include overall project design, interventions, project set-up, (see ToR). Add conclusions as well.</td>
<td>Entire report</td>
<td>We have added a strategic direction section under Recommendations (following the questions in the ToR) and a general vision section. All questions in the ToR have been answered. At the start of each chapter we indicate exactly where in the document. Instead of including a “Conclusions” chapter, we have included conclusions in each existing chapter.</td>
</tr>
</tbody>
</table>
Please add in the table of content more subtitles and in the report (such as project set-up, team structure and capacities). As mentioned above, all information are there, but there cannot be easily found. Please check once more if all questions that are defined in the ToR are answered, in particular the general vision and theory of change.

The evaluation does not take into consideration the political process in BiH, legal and institutional framework, constitutional division of competences, the complexity of harmonization and decision making. You are talking about failures (in particular in component 1), thus it would be correct to explain challenges which are outside of the project control that impacted in one or other way the results. If one of the entities decides to withdraw from the project it has consequences not only related to results, but also related to adjustment of the project interventions (reprogramming) and working in a changed environment. We would like that you provide your opinion on the question "What are the main recommendations for engagement when conditions for equal cooperation based on agreed principles across the country are not possible (resistance of the RS government to engage in projects with a national connotation)? What do you mean by consequences on adaptive management? Furthermore, there are some contradictory statements, please check.

The impression is that only economic growth is considered as development cooperation. The project is not only focusing on economic development and job creation. It cannot be expected that the diaspora would contribute to the development of BiH while ignoring their needs in terms of protecting their rights and interests, providing them with information, connecting them with the country etc. For this to happen, institutions within BiH have to be engaged – which is what Component 1 is focusing on.

Entire report

We have added one more subtitle level. All ToR questions have been answered.

Entire report

Most of the failures that we have noted under component 1 have nothing to do with RS withdrawing from the process. They have to do with the strategic approach adopted: i.e. to include everything possible in each strategy. While this may be a useful approach for “brainstorming” purposes, it is not useful for designing strategies with a very specific (and fairly short) implementation timeframe. In such cases, the potential actions need to be prioritized according to:

- the urgency of the action (or the urgency of the need it fulfils); and
- the importance of the action (or the importance of the goal it serves).

By simply reading the strategies we conclude that his prioritization has either very poorly been done or not been done at all. This is why we recommend that the strategies – which in effect will only have 3 years for implementation, as 2020 will likely see little action – be narrowed down to more manageable goals. The complex political environment in BiH is another reason why the strategies need to have a narrower focus: the more ambitious they become, the greater the practical and political problems.

Entire report

Development is not only economic growth. It is also human capital development, environmental protection, social protection, etc. However, in this evaluation we are dealing with a 3-yr Project which could not – even if it wanted to – tackle all these development goals. As such, the Project itself made choices. One of the most important choices was to concentrate on affecting peoples’ lives through the creation of new jobs. This is primarily an economic development goal and correctly so because economic development usually precedes all other development goals. If you refer to Maslow’s hierarchy of needs (see below) - which is widely accepted in the academic community – you will see that humans first tend to physical needs (food, shelter, clothing, etc), then to safety needs (health, security, savings, etc), then to social
fulfilment, and only when all other needs are satisfied they tend to self-actualization.

Similarly, a society first needs to secure that its citizens will be able to cover their physiological needs, then to provide security to them, etc., etc. Therefore, **for the citizens of BiH securing a decent income is the most important goal currently**. Now since this project is funded by SDC – and SCD assistance is committed to supporting the economic, social and political transition of the country on its path towards regional and European integration and one of the 3 prerequisites EU requires for the start of accession negotiations is “the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union” we think that currently the economic development goals are more important than any other goals (which are perfectly legitimate but need to be addressed in the future and not now).

In much the same way – since the implementation period of the strategies is only 4 years but 2020 is expected to be devoted to fine-tuning the strategies and not to implementation per se – the strategies designed need to focus to more practical and immediate needs/goals.

Furthermore, securing political rights for a BiH minority in another European country is hardly a purpose worth funding through SDC resources. If BiH wants to do it, it needs to fund it through own resources.

Finally, it would be useful to add lessons learned, monitoring and results measurement, and management procedures.

| With such a recommendation the evaluator disregards one of the explicit goals of the strategies at all levels – which is precisely to build up this knowledge and skills needed to implement the | Executive sum/recommendations; proposal to concentrate | The state strategy foresees close to 30 individual actions under Pillar 1 (Developing the legal system and institutional capacities) with a total budget of 7.5 million BAM. Many of these actions – |
strategies and engage with diaspora in a systemic manner. Yes, pillars 2 and 3 are very important, but without building capacities and coordination mechanisms as set in the strategy, the development will not be truly transferred to BIH authorities.

| Consolidation phase support on Pillars 2&3 | totalling close to 550 thousand BAM - refer to strengthening HR capacity of various government stakeholders involved (we assume this means training), some others – totalling 860 thousand BAM – refer to the development of communication channels with diaspora (mainly portals) and ensuring diaspora rights, 540 thousand BAM is for LG cooperation with diaspora (unclear if it also includes co-financing of LG initiatives or simply financing of diaspora coordinators, databases, etc), a 5 million BAM grant is foreseen for the support to diaspora civil society organizations for the preservation of mother tongues culture and identity, and only 100 thousand for additional studies. From the above actions we consider only the following as relevant capacity-building actions in order to prepare stakeholders for the implementation of the strategies:
| • training and studies which come up to 650 thousand BAM and hopefully will also produce in-house trainers;
| • development of communication channels (even though we consider the 860 thousand BAM budget somewhat elevated);
| • and financing to LGs (540 thousand BAM).
| These actions come up to less than 1/3 of the foreseen budget for Pillar 1.
In addition, capacity building actions are foreseen under the other Pillars as well (e.g. portal development, establishment of diaspora business council, informational materials, etc). We consider that it is more useful to concentrate the Project resources which will be used for further capacity building during the consolidation phase to activities relevant for Pillars 2 & 3 including training of the responsible institutions and development of the tools and systems that will be needed for implementation, instead of doing training across the board or building multiple web-portals (which could after all overlap one another in terms of content and target audience, if not linked to specific development initiatives).

<p>| This section is repetitive with the one above (word by word) | Introduction Chapter of main text. | The chapter was expanded. |
|----------------|
| Mapping exercise was realised under the Component 1 – highly noted and referenced. | Relevance chapter | The comment was included as footnote. |
| Can you please clarify this sentence? Perhaps use the same semantics as the one below. | Relevance chapter; sentence: business resources suitable for | It means that from all the BiH diaspora individuals worldwide, only about 5000 persons are from the business community and in |</p>
<table>
<thead>
<tr>
<th><strong>Please clarify</strong></th>
<th><strong>Relevance chapter; sentence:</strong> Component/outcome 2 … creates more focused to local needs development initiatives</th>
<th>Changed to: Component/outcome 2 … creates development initiatives in order to address the specific local development needs in each LG.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>This is part of the Strategy/pillar 3</strong></td>
<td><strong>Relevance chapter; Component/outcome 2 … creates development initiatives in order to address the specific local development needs in each LG.</strong></td>
<td>Changed to: Component/outcome 2 … creates development initiatives in order to address the specific local development needs in each LG.</td>
</tr>
<tr>
<td><strong>The BiH Diaspora Mapping Report was developed under the Component 1 (IOM and MHRR).</strong></td>
<td><strong>Relevance chapter; Component/outcome 2 … creates development initiatives in order to address the specific local development needs in each LG.</strong></td>
<td>Changed to: Component/outcome 2 … creates development initiatives in order to address the specific local development needs in each LG.</td>
</tr>
<tr>
<td><strong>Has the evaluator been able to read the strategies in full? How is the strategy only promoting interest and rights of diaspora when the strategy talks about the ways on how to engage diaspora for socio-economic development in BiH and how to engage with youth to ensure that they do not lose their connection to BiH? It has been a strategic focus to highlight promotion of diaspora interests and promote two-way communication – as one of the key problems is that in the past the interests of diaspora were not mentioned and they were only seen as contributors. The evaluator could have found proof of this in the D4D communication strategies and key communication messages, as well as prodoc.</strong></td>
<td><strong>Relevance of specific design; Component/outcome 1</strong></td>
<td>We have amended the text.</td>
</tr>
<tr>
<td><strong>Is this the conclusion form having talked to the members of the Working Groups that the evaluator interviewed or what is the opinion based on? Can you please clarify your argument? Maybe interviewing the team of experts who have assisted in the process of diaspora engagement strategy would have been helpful to get a more balanced understanding of why the process was designed the way it was designed – at least the lead consultant that was engaged.</strong></td>
<td><strong>Relevance of specific design; Component/outcome 1</strong></td>
<td>Please refer to the list of meetings in Annex 1 for potential interviews with working group members. We have not interviewed the team of experts who have assisted in the strategy (or any of the consultants engaged in any D4D project activities for that matter) as the field mission was already too long and there were no sufficient resources in the evaluation ToR (time and budget).</td>
</tr>
<tr>
<td><strong>Youth engagement is crucial to build the relationship with 2nd and 3rd generation of diaspora communities who will be the future diaspora and the future contributors to BiH development</strong></td>
<td><strong>Relevance of specific design; Component/outcome 1</strong></td>
<td>The purpose of the strategy should not be to simply build a relationship with the diaspora but to promote engagement of the diaspora in BiH development. Evaluation has uncovered that 2nd and 3rd generation of diaspora may have a very interesting contribution to make: participate in start-up initiatives (this result</td>
</tr>
</tbody>
</table>
This needs to be validated through further research). This is extremely important for BiH development. However, from the 16 specific actions with a total budget of 230,000 BAM – included in the state strategy action plan under Pillar 4 – only one refers to the promotion of innovative models of cooperation between diaspora youth and BiH regarding social and economic processes and for the 2020-2024 period it simply concentrates on conducting “research on entrepreneurship of young expatriates”. Furthermore, no funds have been assigned to this action. Therefore, Pillar 4 may very well serve the purpose of establishing a relationship with the diaspora youth but it does not serve the purpose of promoting engagement of youth diaspora in BiH development.

MHRR would like to highlight that Component 1 of the Project is very complex and it is being implemented in a challenging environment – urging the evaluator to understand the context. Namely, it involves activities whose implementation depends on representatives of different institutions (who, therefore, have different interests) at the national level, and also on representatives of other levels of government. In addition, these activities should set the standards for forms of cooperation with the diaspora in general and thus establish the basis for any kind of future cooperation with the diaspora through institutional engagement. The effect of these activities can only be seen over a long period of time and the consultant did not take into account that the Strategy is the first document of this kind at all, and therefore time or gradual development, as proposed, would not benefit the long-term affirmation of cooperation with the diaspora, which would, ultimately, have an impact on the development of BiH. In other words, measures and activities foreseen in the Strategy and the Action Plan present the response to the needs and demands of the diaspora as well as BiH development priorities – which is exactly what the strategic focus was.

| Relevance of specific design; Component/outcome 1 | The evaluators acknowledge the complexity of the component as well as the complexity of BiH institutional structure and the level of effort that needs to be invested in coordination. This is an additional reason for keeping the strategies as focused as possible – in order to make coordination simpler. It is reassuring that the Ministry sees these strategies as long-term action to be supported in future. However, this is another reason for them to be well designed in advance, have clear objectives and promise tangible results. Not all goals can be achieved in one 4-yr programming period. Some of them require several 4-yr programming periods to be achieved. That's why each successive strategy needs to build on the successes of the previous one. |
| Did the evaluator look at the Action Plans? | Yes, we read very carefully the Action Plans. The actions listed there are usually just “titles” without any specific implementation design, sometimes there are budgets assigned (sometimes not) but it is not clear whether the funds can actually be secured, there is primary responsibility assignment and collaborating institutions indicated (but without specification of which tasks each stakeholder will be accountable for), and an indicative timeline. This can hardly be called “operationalization” and means that further work is required for the strategies to become implementable. |
Another issue raised in the report was the lack of consultation – can you please clarify this? The MHRR held 3 meetings in 3 LGs where public consultations were held. The participants were representatives of the public, private, non-governmental and academic sectors. In addition, in all our gatherings and meetings with the diaspora, we presented the Draft Strategy (such as Youth Diaspora Conference, Diaspora Youth meeting in Germany etc.) and conducted the prescribed online public consultations.

MHRR web portal is the first communication channel that offers the opportunity to institutions at all levels of government in BiH, individuals, civil societies, academia, diaspora associations and individuals in diaspora to establish mutual communication, to find all relevant information related to diaspora, including those that are related to business and investments opportunities in BiH, information about all laws that regulates business opportunities, information about all possible projects aimed to diaspora with all links that lead to the pages that additional information can be found. The content of the web portal is limited by the national law that prescribe the appearance of the web portal and limit the content of the web portal (http://www.savjetministara.gov.ba/pdf_doc/uputstvowebbos.pdf). USAID DiasporaInvest project, that has been implemented in the same time as D4D project, has developed business platform for the business matching and in the cooperation with USAID DiasporaInvest project, mutual exchange of the web portal links has been secured.

This is in contradiction to the findings under visibility which shows that the high number of visits to the website.

<table>
<thead>
<tr>
<th>Relevance of specific design; Component/outcome 1; strategy design process</th>
<th>Relevance of specific design; Component/outcome 1; web-portal.</th>
<th>The state Strategy Action Plan includes several activities related to the development of specific-purpose portals or sections of portals: a portal in collaboration with the employment agency, an interactive educational portal, a special section of the current portal dedicated to scientific and academic diaspora, a portal upgrade for the business community, a section dedicated to youth, etc. If the form of the portal is restricted by Law, how will these improvements/new sections be made possible?</th>
</tr>
</thead>
<tbody>
<tr>
<td>This finding is based on the answers from stakeholders interviewed during the field mission (LG representatives, private companies, other donors, Universities, incubators, etc) on whether they had given the opportunity to provide input into the strategies. We conducted interviews at 10 LGs and none of them referred to any public consultation conducted there. Also, we conducted interviews with 7 diaspora members. None of them mentioned having participated in consultation. Finally, with respect to the online consultation we did not have access to the comments received, neither to any document describing how these comments were addressed/incorporated in the final strategies. The measure of any public consultation process is not how well one follows the prescribed steps but the magnitude and quality of engagement of the society. This is what we tried to ascertain through the field mission.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The low-relevance rating of the web-portal is based on its low capacity to target and access diaspora resources in order to serve specific country development needs. Due to its general design, no specific diaspora resources can be targeted and hence no specific development needs can be supported. There is no contradiction between the low relevance rating and the high visibility rating, because visibility is not the same as targeting.
The comments referring to annual diaspora conferences (two held during the Project implementation) or the lack of their dedication to one specific topic or a particular area is not argued well. The first conference (held in June 2018) justified the expectations in a way that it gathered diaspora representatives and institutional representatives in one place – which is exactly what the focus was, start the two-way communication. The second conference showed a commitment to the youth and, in that sense, reflected the relationship with the diaspora community focusing on the need to connect with 2nd and 3rd generation of diaspora. The third conference planned for June 2020 is to be focused on diaspora investment in the domain of tourism, that is, harvesting diaspora potential for tourism development in BiH.

With respect to the conferences, the argument is not that conferences lacked a specific “topic” or “purpose” but that they lacked a specific “development focus”. This is essentially different. That’s why we acknowledge that the 2020 conference does have a “development focus” (i.e. tourism development) as opposed to the other two. Our recommendation for the future is to relate each conference to a specific BiH development goal/need/problem in order to increase its utility.

On 19-21 June 2019, the MHRR organized the second youth Diaspora Conference titled “Youth and BiH: Let’s pace together”, attended by 85 participants (48F) out of which 31 representatives (15F) from diaspora. The main goal of this Conference was to enhance networking between young diaspora from BiH all over the world and to strengthen relationships between young diaspora and institutions in BiH – primarily with the MHRR (not youth policies). This is also connected with the Pillar 4 of the Diaspora Strategy. During the conference, representatives of youth diaspora engaged in structured dialog on engaging youth diaspora with the institutions in BiH and in socio-economic life of BiH – namely transfer of knowledge, investment promotion and creation of public policies. It was jointly concluded that there is a strong mutual interest of young people from the diaspora and relevant institutions in BiH for further development of cooperation, youth diaspora can have the greatest influence on the promotion and improvement of the image of BiH in their receiving countries. Youth diaspora representatives also had the opportunity to visit the building of the Parliamentary Assembly of BiH and to get acquainted with the decision-making process. Finally, last day of the conference was dedicated to socializing and visiting the cultural and historical sites and natural beauties of BiH, with an opportunity to talk with young entrepreneur/start-up in Mostar who started his business with the support of the Swiss government funds. You mentioned as well the role of diaspora in promoting image of BiH.

Relevance of specific design; Component/outcome 1; 2nd Diaspora Conference. “Youth policies” was changed into “youth networking”. We agree that diaspora youth possesses a great development potential and we have highlighted this in the evaluation report. However, the impact of the conference – apart from arriving at this conclusion – was negligible on any development focused cooperation.
<table>
<thead>
<tr>
<th>It is somehow contradictory to previous statements about design</th>
<th>Relevance of specific design; Component/outcome 1</th>
<th>Text amended.</th>
</tr>
</thead>
<tbody>
<tr>
<td>What about the TOK to the public sector?</td>
<td></td>
<td></td>
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<tr>
<td>The call was for the local companies so FDI (while of course much needed), was not the focus of the call. This is certainly something we can think about in upcoming activities. Also, there were financial resources where the companies had diaspora co-ownership (for example, case of Walter, GMC), or case of FTM, where diaspora financed part of the equipment/machine.</td>
<td>Relevance of specific design; Component/outcome 3; investment scheme.</td>
<td>We amended the wording to show that this is a suggestion for the future.</td>
</tr>
<tr>
<td>This is very true, and this has been a challenge throughout our implementation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, but we should take into consideration how many small businesses depend on our beneficiaries, for ex. FEAL – they work with more than 50 local small companies. This creates a value chain that might have more impact than working with small companies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>According to the EU, definition of an SME is a business with fewer than 250 employees, and a turnover of less than €50 million. Within this umbrella, different categories are defined mainly based on turnover. So, the businesses averaging 100 employees would appear to fit well within this definition.</td>
<td></td>
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</tr>
<tr>
<td>Based on what is this concluded? Can you please provide argumentation/elaborate on this statement?</td>
<td>Relevance of specific design; Component/outcome 3; long-term occupation of jobs.</td>
<td>A footnote is inserted to provide explanations.</td>
</tr>
<tr>
<td>Please take into consideration the BiH in terms of the legal and institutional framework, the constitutional division of competences, the complexity of harmonization and decision-making. Activities of developing Strategy, forming the RB and establishing coordination across institutions/government levels are extremely complex and require political consent in BiH. In this regard, when referring to the Strategy in a way that it seeks to establish a vertical structure or a strict subordination relationship with regards to lower levels of government, the MHRR would like to draw your attention to the “umbrella approach” does not imply any subordination of lower level administrations to higher level administration and that word was on purpose avoided in the text. It implies that higher level policies offer an all-encompassing “menu” of policy choices. We are saying that this approach is not the best one.</td>
<td>Strategic continuum</td>
<td>The evaluators are aware of the political sensitivity regarding vertical coordination and strict hierarchy. We do not advocate it. We are rather supporting two-way communication: for example, the instruments included in the LG component of the state strategy</td>
</tr>
<tr>
<td>constitutional structure and complex system of division of competencies, or rather complex hierarchical system of government, and the complex structure of the hierarchy of legal documents/overlapping mandates. In that sense, please clarify what is the ‘umbrella approach’ and consider this comment in your review.</td>
<td>Effectiveness</td>
<td>In Annex 4, the first table contains the projects’ results indicators and the second table the projects’ output indicators. Actual (recorded) progress has been measured against set target values for the end of 2019 and an extrapolation has been made (on the basis of available information) for the expected values at project end.</td>
</tr>
<tr>
<td>The most crucial question on effectiveness is the first ToR question - To what extent have the Project’s results and outcomes been achieved? Therefore, it would be useful to include the overview of indicators and progress they measure against project results. This overview can also be an annex with the project results matrix including the column progress achieved.</td>
<td>Effectiveness</td>
<td>RS effect has been underlined.</td>
</tr>
<tr>
<td>Project has significant data depository and we advise to use this more sufficiently to illustrate the effectiveness of the project.</td>
<td>Effectiveness</td>
<td>We have received and used all the data that UNDP had in their monitoring system.</td>
</tr>
<tr>
<td>It is important to have in mind a somewhat delayed start when the MoU had to be approved by the BiH Presidency.</td>
<td>Effectiveness</td>
<td>We believe it was the withdrawal of project support to RS beneficiaries that contributed to the reduced attainment of the global indicator and not the delay in the start of the Project.</td>
</tr>
<tr>
<td>Please see the comments in the Annex4, pages 71-73.</td>
<td>Effectiveness</td>
<td>Addressed below</td>
</tr>
<tr>
<td>Please clarify – how is this derived?</td>
<td>Effectiveness; Quality elements of results produced</td>
<td>Comment accepted but we insist on the necessity of collecting evidence.</td>
</tr>
<tr>
<td>Awareness of diaspora regarding D4D opportunities is systematically captured through public services surveys, B2B surveys, as well as MHRR website to name a few. But evidence should be done in the future.</td>
<td>Effectiveness; Quality elements of results produced</td>
<td>In order to capture secondary effects, one needs to have detailed information regarding the structure of the economy: for example, an input-output matrix of the BiH economic system. I searched the internet for such documentation but found none. If you succeed in finding such information, look either for income multipliers or for employment multipliers. If you manage to find employment multipliers, then – on the basis of the direct new jobs - you will be able to calculate the indirect and induced jobs. If you manage to find income multipliers, the calculation is more complex. You will need to first measure the annual income earned by each new employee, then apply the income multiplier to estimate the “value generated in the society” by employee spending, and then you will...</td>
</tr>
</tbody>
</table>
need to divide by the mean wages in order to turn this into additional jobs (indirect/induced). From that point on, in order to estimate the total number of persons affected, you would need to use again the average household size. However, if you improve the accuracy of measurement of the current indicator, you can still use it as a “proxy” of the overall effect. One way that indicator precision can be improved – since detailed employee data is collected beneficiary by beneficiary – is to collect additional micro-data regarding the employed persons. For example, you could include for each employee the number of dependants (size of household) and the number of extended family members that are permanently or occasionally supported by him/her.

| For ToK within private sector, this is being currently done. We are doing an impact study trying to capture the qualitative impact on companies/people. | Effectiveness; Quality elements of results produced; suggestion for an impact assessment study. | Footnote added. |

| All of the pillars addressed by the strategy transcend individual mandates and require a whole of government approach/strategy. The four pillars were considered by all working groups to be the appropriate topics which should guide the work of the governments at different levels – this was not the result of a top down coordination approach. Perhaps it would be useful to talk to the lead consultant who led the strategy creation process. | The text does not refer to whether the pillars of the strategies were the result of consensus among the three working groups or not but to the reasons for coordination mentioned in the previous paragraph. It appears that the necessity for strategy coordination in BiH with respect to diaspora policies is in order to optimize the use of resources. The argument the follows basically says that optimization of resources is contradicted by the very wide focus of the strategies (too many actions have been included). The short timeframe of the strategies is another reason to keep the strategies more narrowly focused. | |

| We need to keep in mind the RS stepping out | Geographic elements of results produced | Noted in the text. |

| The evaluation questions are not sufficiently addressed through the discussions under efficiency criteria. Please refer to the questions and make sure they are captured here. | Efficiency | We have used exactly the questions included in the ToR. Furthermore, we indicate where exactly in the text each question is treated. The sub-chapters under efficiency are defined on the basis of the type of input examined each time: budget (financial efficiency), time (time-efficiency), people and systems (organisational efficiency). |

| Please try to capture the performance of the project in terms of the project governance mechanisms. There appears to be no conclusion on the efficiency. | Organizational efficiency | Amended text accordingly. |
The evaluation does not take into consideration the political process in BiH which determined that 3 strategies should be developed and how the working groups have agreed on the four pillars to be followed in each of the strategies.

In developing these strategies, the three working groups at their different levels have demonstrated a level of ownership which they have maintained throughout the process, discrediting their work by calling it a “screwed coordination approach” demonstrates lack of understanding of circumstances and governments across BiH. The strategy documents have been completed, but this can only be considered the first step in a longer term process which will necessitate further support in terms of developing a communication, resource mobilization strategy and a coordinating body for those to implement the strategy and further expand the network of diaspora coordinators and focal points.

IOM has chosen to work with the government and that also means accepting the political limitations of what is possible in BiH and guiding them in their discussion rather than dictating what should be written in the strategy documents.

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| Systemic/institutional impacts | As argued before, the complex political setting, in combination with the short timeframe of the strategies, further points to the necessity of a sharper focus. Strategies should only have addressed what they could realistically solve within these 4 years, especially given the fact that they still lack a resource mobilization plan and the many coordination problems they will be faced with. We do not understand the comment regarding IOM involvement, but in our view, IOM was an advisor in the planning process. The responsibility of the policy choices lies with the BiH institutions that have participated in the working groups. The statement in the evaluation report that “the withdrawal of RS from this process is certainly a large failure showing the lack of consensus across stakeholders, which is a prerequisite of any collaborative/cooperative planning process” means exactly what it says: that there is no country-wide consensus. It does not mean that consensus was not reached among the three working groups. |
| Sustainability | All sustainability questions included in the ToR have been addressed. The only deviation from the ToR is the following:
- The first question (regarding leveraging of co-financing) is not a sustainability question but an impact question. Therefore, we address it under impact evaluation. If you absolutely insist to move it to the Sustainability chapter, we can do so, but it is wrong.
- We also felt that we needed to add one more sustainability question: Are there sufficient local financial resources to continue to support these initiatives in the future? Therefore, we answered all the questions included in the ToR plus one more. |
<p>| <strong>The evaluation questions set by the ToR are very clear and relevant for the sustainability criteria. Please address the original ones was well.</strong> | For IOM at least it is pretty clear that the strategies were not supposed to be financed completely by gov budgets alone, hence the need to continue to invest in the implementation of these strategies by allowing the working groups to develop resource mobilization strategies based on the Action Plans. The next step after the adoption of the diaspora engagement strategies should be the development of a resource mobilization strategy with the 3 gov levels. |
| Any strategy covering a specific time period needs to be operational. This means that it needs to quantify exactly how much money it will need to implement all the activities included, where the funds will come from (showing at the same time that there is the necessary capacity to raise these funds) and when these funds will be made available. Without this element, a strategy is not a strategy. It is wishful thinking. This of course does not mean that all the funds will come from own sources. |</p>
<table>
<thead>
<tr>
<th><strong>Public Institutions so far provided in-kind contribution through engagement of their staff, time, premises etc.</strong></th>
<th>Comment accepted. No change needed.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The project has a very strong depository of data and evidence on capacities addressed by the project at different levels. Please rely on those for this assessment</strong></td>
<td>Institutional Capacity</td>
</tr>
<tr>
<td><strong>Building competitiveness through capacity building of public institutions and agencies is crucial in terms of development and engaging diaspora within BiH development processes. We have to look at the development taking into account long-term investments as well – such as engaging with youth diaspora and building relationships with them.</strong></td>
<td>Agreed. We have added capacity building related to pillars 2 and 3. Youth perspective is also covered; however, the actions need to be more focused on promoting their engagement in development. This should not be left to be addressed 10-years down the road.</td>
</tr>
<tr>
<td><strong>Developing a diaspora strategy has to be considered as a process, which will – as the evaluator correctly points out – require further TA, developing a resource mobilization strategy and continuous monitoring and adjustment of the Action Plans.</strong></td>
<td>Sustainability of results</td>
</tr>
<tr>
<td><strong>This data demonstrates the frequency and interest for the portal</strong></td>
<td>Visibility</td>
</tr>
<tr>
<td><strong>In general, recommendations are a bit too micro level, and it would be helpful for us to get more of a strategic direction/advice. Please keep in mind that UNDP is not a donor, so the recommendations such as UNDP should finance this or that are not feasible. If you could provide a more development-framework solution, how to address co-financing (what is considered co-financing – is it contribution raised through private sector involvement, through LGs?), potential synergies etc. it would be helpful.</strong></td>
<td>Recommendations</td>
</tr>
</tbody>
</table>
| **mismatch between supply and demand of labour force in the implementation of the Project is not realistic to be done by, the MHRR, it has no competencies/jurisdiction in this area. Any other proposal?** | An initiative/programme tackling the mismatch between supply and demand will probably require the collaboration of several BiH institutions. I can name only a few as I have not researched this issue in depth:  
  - The State Ministry of Education and Science  
  - The Agency for Development of Higher Education and Quality Assurance  
  - The Agency for preschool, primary and secondary Education  
  - The Ministry of Civil Affairs  
  - The State Employment Agency |
- Representatives of the productive sectors
- The RS Ministry of Education and Culture
- The cantonal Ministries of Education in FBiH
- The Department for Education of the Brčko District

Also, the MarketMakers have reportedly done some work on the mismatch issue and have concrete proposals to make. They should be included. Some of the diaspora experts that participated in D4D also have experience on educational matters and could participate. I can name 2 but there may be others as well: Ismar Volic (from USA) who can assist with STEM education, and Damir Mitric (from Australia) who is an expert in innovative educational systems.

MHRR may not have jurisdiction but could play a coordinating/facilitator role. Under the diaspora sector, they do have one section dedicated to education & culture.

<table>
<thead>
<tr>
<th>What do we mean by “small municipalities”?</th>
<th>These funds would need to be leveraged via other donors, governments, etc. Do you have any recommendations to offer here?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Since this is essentially a local government capacity-building initiative and there are plenty of funds to be directed towards LG capacity, one could potentially use EU, Government of Sweden, USAID, World Bank, and other funds.</td>
</tr>
</tbody>
</table>

| What about cooperation with the RS entity? How should the project consolidation phase approach this? | It is our opinion that the project should not exclude RS potential beneficiaries from horizontal schemes such as the proposed start-up/spin-off initiative. Ability to participate – and actually perform well - has nothing to do with overarching entity-level diaspora strategies. |

<table>
<thead>
<tr>
<th>Annex 4 – Attainment rates of Project Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>This number 4 was planned when RS made decision to participate in the project. Without RS, it is 3 – and therefore fully met by the project. This target was reached 100% since the project partners agreed to develop 3 diaspora strategies after RS withdrawn from the project. This target was reached 100% since the project partners agreed to develop 3 diaspora strategies after RS withdrawn from the project.</td>
</tr>
<tr>
<td>Extent to which institutions are able to comprehensively address diaspora needs through adequate strategies:</td>
</tr>
<tr>
<td>All evaluations calculate indicator attainment on the basis of the original target values (i.e. the values in the Official Project Document). The only legitimate basis for amending those values is if they were originally miscalculated. However, this is not the case. If we &quot;correct&quot; the target values as suggested here, then there is no basis to argue that RS withdrawal has impacted the project.</td>
</tr>
</tbody>
</table>
This target was set up with assumption that RS, that initially has nominated their representatives (11) in the working group for development of the diaspora strategies, will participate in the process. If RS have participated in the process, there would be 35 institutions as it was planned and this target would be reached 100%. This needs to be explained because the data presented this way is misleading.

Since 11 representatives of RS not participated in the process of development of the diaspora strategies – that have since stepped out of the project, this target has been achieved 100% with participation of the institutions from the state, FBiH and BD level.

According to the project document it is planned to have 3 diaspora conferences. It is also planned to have 30 press releases annually per conference, which is 30*3=90, not 120. Component 1 already achieved 76 press release for the 2 conferences, and it is planned to have more than 30 press releases for the third diaspora conference, which means that this target will be achieved well over 100%. This should be 81.11% so far, without the third conference.

10 LGs participated in the pilot phase – Jajce, Kljuc, Ljubuski, Laktasi, Maglaj, Nevesinje, Posusje, Prijedor, Sanski Most and Velika Kladusa. Only 9 LGs who participated in the survey indicated that they had participated in the pilot phase.