INDEPENDENT COUNTRY PROGRAMME EVALUATION

BOSNIA AND HERZEGOVINA
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I am pleased to present the Independent Country Programme Evaluation for the United Nations Development Programme in Bosnia and Herzegovina. This is the second country-level assessment conducted by the Independent Evaluation Office in Bosnia and Herzegovina. The evaluation covers the programme period 2015 through 2019.

Bosnia and Herzegovina has a complex constitutional structure and political system resulting from the Dayton Peace Agreement, which ended the 1992-1995 war in the country. Bosnia and Herzegovina has experienced steady economic growth since the war, yet its population has declined 20 percent in the past two decades. Unemployment remains high, at 15.7 percent, albeit down considerably from previous years. The youth unemployment rate, at 47.3 percent (2019), is one of the highest in the world.

The UNDP office in Bosnia and Herzegovina has managed a comparatively large – $35 million to $50 million – annual budget during the last five years, with an extensive programme portfolio. The evaluation details UNDP performance and results, noting a strong body of work helping government entities tackle environmental and disaster preparedness challenges. The municipal government support portfolio in Bosnia and Herzegovina is one of UNDP’s most extensive. UNDP is delivering innovative job creation strategies, although greater focus and scale are needed to make an appreciable dent in youth unemployment. The country office has found it challenging to achieve planned outcomes for social inclusion and support to marginalized communities.

The evaluation recommends a further expansion in the environment and energy sector during the next planning cycle, especially to help address acute air pollution problems. Continued advancement in municipal services is supported, capitalizing on a successful pilot of ‘bottom-up’ approaches to ‘smart’ city planning in Sarajevo. It is suggested that UNDP focus especially on job creation and entrepreneurship to expand youth employment opportunities, and to continue to raise public awareness on social inclusion and support to marginalized communities.

I would like to thank the governing entities of Bosnia and Herzegovina, the various national stakeholders, and colleagues at the UNDP Bosnia and Herzegovina Office for their support throughout the evaluation. I trust this report will be of use to readers seeking to achieve a better understanding of the extensive support that UNDP has provided in the country, and in prompting discussions on how UNDP can best position itself to continue contributing to sustainable development in Bosnia and Herzegovina.

Oscar A. Garcia, Director, Independent Evaluation Office
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<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ADR</td>
<td>Assessment of Development Results</td>
</tr>
<tr>
<td>BIH</td>
<td>Bosnia and Herzegovina</td>
</tr>
<tr>
<td>CO</td>
<td>Country office</td>
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<tr>
<td>CPD</td>
<td>Country programme document</td>
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<td>CSO</td>
<td>Civil society organization</td>
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<td>DIM</td>
<td>Direct implementation modality</td>
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<td>DRR</td>
<td>Disaster risk reduction</td>
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<td>EIB</td>
<td>European Investment Bank</td>
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<td>GBV</td>
<td>Gender-based violence</td>
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<tr>
<td>GCF</td>
<td>Green Climate Fund</td>
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<tr>
<td>GDP</td>
<td>Gross domestic product</td>
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<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>GIZ</td>
<td>German Corporation for International Cooperation</td>
</tr>
<tr>
<td>GFATM</td>
<td>Global Fund to Fight AIDS, Tuberculosis and Malaria</td>
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<tr>
<td>HIV</td>
<td>Human immunodeficiency virus</td>
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<tr>
<td>ICPE</td>
<td>Independent Country Programme Evaluation</td>
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<tr>
<td>IPA</td>
<td>Instrument for Pre-Accession Assistance</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>LID</td>
<td>Local Integrated Development project</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
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<tr>
<td>MSME</td>
<td>Micro, small and medium enterprises</td>
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<tr>
<td>NAMA</td>
<td>National Appropriate Mitigation Action</td>
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<tr>
<td>NAP</td>
<td>National Adaptation Plan</td>
</tr>
<tr>
<td>PAR</td>
<td>Public administration reform</td>
</tr>
<tr>
<td>RBEC</td>
<td>Regional Bureau for Europe and Commonwealth of Independent States</td>
</tr>
<tr>
<td>SAA</td>
<td>Stabilization and Association Agreement (with the European Union)</td>
</tr>
<tr>
<td>SALW</td>
<td>Small Arms and Light Weapons Control Strategy in Bosnia and Herzegovina</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
</tr>
<tr>
<td>TB</td>
<td>Tuberculosis</td>
</tr>
<tr>
<td>UNDAF</td>
<td>United Nations Development Assistance Framework</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>UNSDCF</td>
<td>United Nations Sustainable Development Cooperation Framework</td>
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<tr>
<td>UNV</td>
<td>United Nations Volunteer</td>
</tr>
<tr>
<td>VNR</td>
<td>Voluntary National Review</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
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</table>
Evaluation Brief: Bosnia and Herzegovina

This Independent Country Programme Evaluation covers all areas of the United Nations Development Programme (UNDP) support to Bosnia and Herzegovina (BiH) during the current programming cycle (2015-2019). The country has one of the world’s more complex governing structures, composed of the semi-autonomous entities of the Federation of Bosnia and Herzegovina and Republica Srpska, plus the District of Brcko, and a directly elected tripartite presidency. UNDP has successfully navigated these complexities and is valued as a neutral partner providing vital strategic advice and development services.

Bosnia and Herzegovina also faces considerable economic constraints manifesting in very high unemployment rates, especially among the young. A third important factor is European Union (EU) accession, which the country has been pursuing since 2003 and includes ratification of a Stabilization and Association Agreement with the EU in 2015. The overlapping mandates for harmonization with EU legislation, while fulfilling the UN Sustainable Development Goals (SDGs), and the ramifications of the EU serving as the preeminent donor to Bosnia and Herzegovina, are key factors driving UNDP’s programming and results.

During 2015-2019, UNDP has been consistently well-financed and positive across the programming areas. A funding drop in 2016 resulted from the planned wrap-up of flood recovery assistance. The budget is otherwise consistent and increasing, from $34 million to $47 million per year, and projected to reach $52 million in 2020. Notably, UNDP’s work in the country is now largely funded by the EU, with substantial support from BiH Government sources. There is an array of bilateral donors, led by Switzerland and Sweden, and a strong portfolio of institutional support, especially through the Global Environment Facility.

Findings and conclusions

UNDP works across the four outcome areas set forth in the country programme: (i) access to justice and increased human security; (ii) reduction of regional, economic and social disparities; (iii) sustainable management of environmental and energy resources, and green jobs creation; and (iv) access to services and employment opportunities for the most vulnerable.

The organization has made an important contribution to human security by safely destroying half of the old and poorly controlled stockpiles of weapons and ammunition left over from the war, and upgrading security and handling at all five storage sites.

UNDP has worked to stimulate economic development in urban and rural areas through export promotion, entrepreneurship and ecotourism. One creative venture is Via Dinarica, which has expanded the country’s hiking trail system to Slovenia, Albania and Kosovo in an effort to improve rural livelihoods. Regional offices in Mostar and Banja Luka and a project office in Bihac, in addition to the main office in Sarajevo, have contributed to strong relations with government entities also at canton and municipal levels.

UNDP has been especially active in the climate and energy sector, with a 10 percent annual increase in budgetary allocations at the entity and canton levels. In 2014, together with government and international partners, UNDP implemented the largest flood recovery programme in the country’s history, aiding over 16,000 persons and repairing or rebuilding 5,000 homes. UNDP has stimulated national action on the SDGs, with broad and inclusive engagement with stakeholders in 2019 leading to the submission of the Voluntary National Review. Interventions in areas such as anti-corruption programming and social inclusion of marginalized populations were less successful.
The country office has a well-established monitoring and evaluation (M&E) system, although it includes relatively generic outcome-level indicators and some projects lack baselines. The UNDP BiH office ranks among the top UNDP offices for evaluation planning, design and implementation. Programme design is generally strong and well-crafted across the outcome areas, although cross-sector coordination remains a significant challenge. Ninety percent of programme expenditures go to projects that UNDP directly implements, which is unusually high for UNDP in middle-income countries.

Bosnia and Herzegovina faces considerable challenges relating to the environment and air quality and the health and safety of its citizenry in the event of future disasters. UNDP's work, particularly in environment and energy and disaster risk reduction and response, has demonstrated an agility and competence that sets a strong foundation for support to government entities in tackling these sustainable development challenges.

While the UNDP programme is notable for the breadth of its engagement in support of municipal governments, there are opportunities to further integrate its service offerings, potentially serving as a model for integrated municipal support. UNDP has delivered an array of well-conceived job creation strategies and innovative techniques. Yet, few are delivering results at the scale needed to make an appreciable dent amid the country's high unemployment and outflow of young educated talent.

Although UNDP is making progress on mainstreaming gender across all programming, more work is needed in some sectors. It has been much less successful in raising government attention and support to marginalized communities. While UNDP can make progress on such issues only in partnership with government entities, it is important that they remain on the country office agenda. These issues are fundamental to UNDP's overriding goal to 'leave no one behind' and will be pivotal to the country's EU accession aspirations.

**Recommendations**

**Recommendation 1.** Further expansion of the environment and energy sector should be a major focus of the office during the next planning cycle, including maintaining UNDP's strong position in climate and energy efficiency support. UNDP should take the initiative to help government entities develop long-term strategies and financial plans for addressing the acute air pollution problems in the country.

**Recommendation 2.** UNDP should continue to advance its municipal service offerings in Bosnia and Herzegovina, with emphasis on the inclusive processes being piloted in the Sarajevo smart city effort. Creating effective ‘bottom-up’ approaches to smart city planning offers real opportunities within the country and elsewhere.

**Recommendation 3.** UNDP should strengthen its work with government entities and the private sector on job creation and entrepreneurship to expand youth employment opportunities in Bosnia and Herzegovina. Support to small and medium enterprises is crucial, and new ideas to expand the financial support for entrepreneurship should be tested, including ways to better utilize remittances from the Bosnian diaspora to stimulate jobs. UNDP should seek to build on its pilot entrepreneurship and vocational training efforts, so they scale nationally and make a meaningful difference to the economy.

**Recommendation 4.** Additional actions should be taken to ensure that gender aspects are mainstreamed across all outcome areas and in particular, the environment and energy portfolio. This suggests a more concerted effort during project formulation and review. In addition, continued attention by the country office, together with other UN agencies and development partners, is needed to raise public awareness on social inclusion and support for marginalized communities, especially the Roma, taking into account factors shaping social norms and behavioural aspects of change. The 2020 National Human Development Report on Social Inclusion can help to focus greater attention on this issue in the policy agenda for Bosnia and Herzegovina.
1.1 Purpose, objectives and scope of the evaluation

The Independent Evaluation Office (IEO) of the United Nations Development Programme (UNDP) conducts Independent Country Programme Evaluations (ICPEs) to capture and demonstrate evaluative evidence of UNDP’s contributions to development results at the country level, as well as the effectiveness of UNDP’s strategy in facilitating and leveraging national efforts for achieving development results. The purpose of an ICPE is to:

- Support the development of the next UNDP country programme document (CPD);
- Strengthen accountability of UNDP to national stakeholders;
- Strengthen accountability of UNDP to the Executive Board.

ICPEs are independent evaluations carried out within the overall provisions contained in the UNDP Evaluation Policy. ICPEs are conducted in the penultimate year of the ongoing UNDP country programme in order to feed into the process of developing new country programmes. UNDP Bosnia and Herzegovina (BiH) was selected for an ICPE as its country programme was due for renewal in 2019, subsequently extended until 2020. The last country programme evaluation for Bosnia and Herzegovina was conducted by the IEO in 2009. Several of the findings and recommendations from the decade-old evaluation are taken up in this report.

This ICPE focused on the current programme cycle for UNDP’s work in Bosnia and Herzegovina, i.e. 2015-2020, taking into account the cumulative results of the previous programme cycle 2010-2014 and its contributions to the outcomes of the current cycle. The scope of the evaluation included the full array of UNDP’s activities in the country, covering interventions funded by all sources, including core UNDP resources, donor funds and government funds. Regional initiatives comprising activities within the country are also included in the ICPE’s scope. The ICPE considers UNDP’s unique contributions as defined at the outcome level. It also draws on pertinent information from other recent and concurrent UN evaluations and reports.

1.2 Methodology

The evaluation methodology adheres to the United Nations Evaluation Group (UNEG) Norms and Standards. The ICPE addresses the following three key evaluation questions:

1. What did the UNDP country programme intend to achieve during the period under review?
2. To what extent has the programme achieved (or is likely to achieve) its intended objectives?
3. What factors contributed to or hindered UNDP’s performance and eventually, the sustainability of results?

To address question 1, the evaluation takes into account a theory of change the UNDP BiH country office (CO) has devised (Annex 10, available online) as a basis for considering how and under what conditions UNDP’s interventions are expected to lead to: i) inclusive and sustainable growth and development, ii) improved democratic governance, and iii) reduced risks to climate change and natural disasters.

As part of this analysis, the CPD’s evolution over the review period has been examined. In assessing this evolution, UNDP’s capacity to adapt to the changing context and respond to national development needs and priorities has been considered. A desk review has been carried out of relevant national documents (i.e. development plans, policies and strategies) as well as UNDP’s CPD and supporting documents, UNDP’s strategic plan and corporate strategies. In

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3 The ICPEs have adopted a streamlined methodology, which differs from the previous ADRs that were structured according to the four standard Organisation of Economic Co-operation and Development/Development Assistance Committee criteria.
addition, an analysis of UNDP’s portfolio and its evolution was carried out, based on changes at the national level, and through interviews with key national stakeholders.

The effectiveness of UNDP’s country programme was analysed under evaluation question 2; including an assessment of the achieved outcomes and the extent to which these outcomes have contributed to the intended CPD objectives. In this process, both positive and negative, direct and indirect unintended outcomes were identified. Data for this question was collected through a desk review of CPD-related documents (i.e. UNDP evaluations and their quality assurance, project documents, monitoring and evaluation [M&E] documents), discussions with country staff, and interviews with government and other national stakeholder partners in Sarajevo and Banja Luka, as well as donors and other UNDP project partners.

To better understand UNDP’s performance, the specific factors that have influenced UNDP’s performance and, eventually, the sustainability of results in the country have been examined (evaluation question 3). The utilization of resources to deliver results (including managerial practices), the extent to which the CO fostered partnerships and synergies with other actors (including through South-South cooperation), and the integration of gender equality and women’s empowerment in the design and implementation of the CPD are some of the aspects that have been assessed under this question. Special attention was given to integrating a gender equality approach to data collection methods. To assess gender across the portfolio, the evaluation has used the gender marker.4

The IEO ICPE team undertook a country mission from 17 to 27 September 2018. In addition, the evaluation was able to build on evidence from a previous field visit to the country in February 2017, as part of the IEO Strategic Plan Evaluation being carried out at that time. Observations from both missions were factored into this analysis. Following the September 2018 ICPE mission, the country office clarified that the CPD would be extended to 2020, in keeping with revised timing for the UN Country Team’s UN Development Assistance Framework (UNDAF, now the UN Sustainable Development Cooperation Framework, or UNSDCF). Meanwhile, the IEO began a series of 13 other evaluations across the Regional Bureau for Europe and Commonwealth of Independent States (RBEC) region, including several in the Western Balkans. The IEO decided to delay the ICPE for Bosnia and Herzegovina by a year commensurate with the CPD extension and roll it out together with the other RBEC ICPEs. This report includes information on UNDP activities and expenditures through the end of 2019.

Concurrent to the ICPE mission in September 2018, the CO commissioned an evaluation of its work on outcome 5: “By 2019, legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources”. The IEO and the UNDP country office in Bosnia and Herzegovina agreed to coordinate these two evaluative efforts. The outcome 5 evaluation report findings underpin the ICPE’s reporting on that outcome.

Limitations and constraints
With the decision by UNDP to extend the Bosnia and Herzegovina country programme until 2020, the IEO placed the evaluation on a slower track, to be completed as part of a cluster of 13 other RBEC country programme evaluations. The extended period between launch and completion has created some limitations on the analysis of more recent achievements and revisions in country programming. As the evaluation report was developed prior to the Covid-19 outbreak, the UNDP reaction and support to Bosnia and Herzegovina in this crisis have not been considered.

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4 A corporate tool to sensitize programme managers in advancing gender equality and women’s empowerment (GEWE) through assigning ratings to projects during project design to signify the level of expected contribution to GEWE. It can also be used to track planned programme expenditures on GEWE (not actual expenditures).
1.3 National development context

Bosnia and Herzegovina, situated in the Western Balkans, has a complex constitutional structure and political system resulting from the Dayton Peace Agreement, which ended the 1992-1995 war. This country of 3.5 million inhabitants is divided into two entities, the Federation of Bosnia and Herzegovina and the Republika Srpska, in addition to the Brčko District, a separate administrative unit. The country’s complex political system includes 13 constitutions, 10 cantons each with their own government, 14 legal systems and 141 ministries, making for complicated legislative processes. Bosnia and Herzegovina applied for European Union (EU) membership in February 2016.

Since the end of the war in 1995, Bosnia and Herzegovina has experienced steady economic growth. An upper-middle-income country, gross domestic product (GDP) per capita in Bosnia and Herzegovina was last recorded at US$12,756 in 2018, when adjusted by purchasing power parity, showing continued steady increases from a record low of $1,475.95 in 1994.5 The country’s annual GDP growth rate averaged 1.82 percent from 2004 until 2019, reaching a high of 6.4 percent in the third quarter of 2011 and a low of negative 6.70 percent in the fourth quarter of 2009. Unemployment remains high at 15.7 percent,6 albeit down considerably from previous years. The unemployment rate in Bosnia and Herzegovina reached a high of 46.1 percent in February 2013. The youth unemployment rate, at 47.3 percent (2019),7 is considered one of the highest in the world.8 Poverty is strongly associated with high unemployment, and over 17 percent of the population is estimated to live below the national poverty line.9 Bosnia and Herzegovina does not have a national development strategy, although there are sectoral strategies at the national level. Most recently, a countrywide Strategic Plan of Rural Development was developed to support and improve management and regulation in agriculture and rural development sectors.

The Gini coefficient of Bosnia and Herzegovina stands at 32.7, indicating a moderate level of inequality. Its Human Development Index (HDI) value for 2018 was 0.768, ranking 77th out of 188 countries. When accounting for inequality, the HDI drops to 0.649.10 Certain communities in Bosnia and Herzegovina, such as the Roma, internally displaced persons and the long-term unemployed, experience significant difficulties in accessing education, housing, healthcare and employment. The challenges for the Roma population in these areas have received attention through a recent government strategy (2017-2020). There are legal provisions in place promoting equality between men and women in BiH. However, the implementation of these provisions is uneven. Legislation to prevent and protect victims of gender-based violence (GBV), particularly domestic violence, is not implemented effectively and women continue to be underrepresented in the political arena and public life.11

Any consideration of socio-economic factors in Bosnia and Herzegovina must take notice of the country’s population decline. At the time of the 1991 census, Bosnia and Herzegovina had a population of 4.37 million, which dropped to 3.9 million by 1996. The last census took place in 2013 and showed a population of 3,531,159,12 which is 839,000 fewer than in 1991. The population is currently estimated at 3.5 million. Much of the population loss can be attributed to persons departing for other parts of Europe to seek better economic conditions. As this migration skews towards youth, BiH has experienced rapid ageing of its remaining population (median age 41 years).13
According to the European Investment Bank (EIB), government influence on the BiH economy is unusually large in comparison with its neighbours. Government expenditure was equivalent to 40.8 percent in 2018, down from 45.9 percent of GDP in 2014. These rates are comparable to many of the high-income countries of Europe (Spain, Netherlands, Germany). Bosnia and Herzegovina has consistently run a budget deficit of around 2 percent of GDP in recent years, but its public foreign debt remains low at 24.5 percent of GDP in 2018. According to the EIB, if the Government and state-owned enterprises were to reduce their extensive workforce gradually, some portion of those former employees would turn to entrepreneurship, boosting the small and medium enterprises (SME) sector. In order to support its high spending, the Government has set the tax rate on employee salaries at 37 percent, frequently cited by SMEs as one of the biggest constraints to their development.

The World Bank’s Doing Business Report 2020 highlights some of the challenges the country faces in stimulating entrepreneurship. The country ranks 184th out of 190 countries in starting a business and 173rd in dealing with construction permits. On the positive side, it is 27th in trading across borders and 37th for resolving insolvency. The overall ranking was 79th in 2016, and 90 in 2019.

Bosnia and Herzegovina is susceptible to natural disasters and environmental shocks. In 2014, the country experienced devastating floods with a total economic impact of €2.04 billion, or 15 percent of its GDP for 2013. The floods have set back overall development by an estimated five years. Since 2005, BiH began discussing with the EU to proceed with talks on a Stabilization and Association Agreement (SAA). The SAA was signed in 2008, but implementation was delayed due to disagreements concerning constitutional amendments BiH was called on by the European Court of Human Rights to implement concerning restrictions on Roma and other minority rights to run for political office. Launch of the high-level political dialogue commenced in 2012 and the SAA entered into force in June 2015. Constitutional reforms remain a potential stumbling block for BiH on the road to EU accession. BiH submitted a formal application to join the EU in February 2016 and is considered a potential candidate. On 29 May 2019, the EU Commission adopted its Opinion (Avis) on the EU Membership application of Bosnia and Herzegovina. The Commission is of the view that “Bosnia and Herzegovina is overall at an early stage regarding its level of preparedness to take on the obligations of EU membership and needs to significantly step up the process to align with the EU acquis and implement and enforce related legislation”.

1.4 Overview of the country programme

The CPD for Bosnia and Herzegovina 2015-2019 was designed to contribute directly to the UNDAF 2015-2019 and country priorities. In June 2018, the Council of Ministers of Bosnia and Herzegovina approved a request by the UN Country Team for a one-year extension of the UNDAF (by 2020). UNDP then requested and received a one-year CPD extension by the Executive Board in order to align with the revised UNDAF cycle as well as EU programming cycles, and in recognition that 2018 was an election year in Bosnia and Herzegovina.

15 Ibid
The UNDAF supports four strategic areas of assistance: (1) the rule of law and human security, (2) sustainable and equitable development and employment, (3) social inclusion, and (4) women’s empowerment. Within the UNDAF, UNDP leads in the delivery of the first two focus areas and contributes to the third and fourth through individual and joint programmes.

The UNDP country programme for Bosnia and Herzegovina is focused on four strategic areas:

1. access to justice and increased human security,
2. reduction of regional, economic and social disparities,
3. sustainable management of environmental and energy resources, and green jobs creation, and
4. access to services and employment opportunities for the most vulnerable.

### TABLE 1. Country programme outcomes and indicative resources (2015-2019)

<table>
<thead>
<tr>
<th>Country programme outcome</th>
<th>Indicative resources (US$)</th>
<th>Expenditures to date (million US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDAF Outcome 3</td>
<td>Effective management of war remnants and strengthened prevention and responsiveness for man-made and natural disasters</td>
<td>$29,200,000</td>
</tr>
<tr>
<td>UNDAF Outcome 4</td>
<td>Economic, social and territorial disparities are decreased through coordinated approach by national and subnational actors</td>
<td>$56,250,000</td>
</tr>
<tr>
<td>UNDAF Outcome 5</td>
<td>Legal and strategic frameworks are enhanced and operationalized to ensure sustainable management of natural, cultural and energy resources</td>
<td>$20,400,000</td>
</tr>
<tr>
<td>UNDAF Outcome 9</td>
<td>Targeted legislation, policies, budget allocations and inclusive social protection systems are strengthened to proactively protect the vulnerable</td>
<td>$19,350,000</td>
</tr>
<tr>
<td><strong>Total</strong>^19</td>
<td><strong>$125,200,000</strong></td>
<td><strong>$200,799,262</strong></td>
</tr>
</tbody>
</table>

Source: UNDP Bosnia and Herzegovina CPD 2015-2019

^19 Total expenditures include $8.8 million on outcome unlinked to the current country programme.

Across the four programme areas, there is a stated emphasis on conflict-sensitive and integrated approaches that complement the country’s priorities. The UNDP country programme takes into account regional strategies for the EU and the Regional Cooperation Council as well as strategies of other UN agencies as well as bilateral donors to Bosnia and Herzegovina. Cooperation between UNDP and the EU has been of particular importance, especially in response to the regional flooding that occurred in 2014.

Country programme planned outcomes, together with indicative resources and expenditures during the period under analysis, are shown in Table 1.
**Programme budget**

The country office managed a sudden increase in programme expenditures in 2014-2015 (primarily related to flood response) with very little increase in management expenditures. As a result of the efforts to address the consequences of the 2014 floods, UNDP’s 2015 delivery figures rose significantly, to $73 million, alongside $45 million in resource mobilization. The Flood Recovery Programme accounted for nearly 50 percent of total delivery.

**FIGURE 1. Evolution of programme budget and expenditure (Million US$)**

![Graph showing the evolution of programme budget and expenditure from 2015 to 2019.](source: Atlas Power BI tool (2020))

**FIGURE 2. Evolution of expenditure by thematic area (Million US$)**

![Graph showing the evolution of expenditure by thematic area from 2015 to 2019.](source: Atlas Power BI tool (2020))
There was a decline in UNDP Bosnia and Herzegovina’s programme budget from $83 million in 2015 to $34 million in 2016, when the floods recovery assistance was gradually phased out. Efforts have been placed on smooth transitioning from recovery to a resilience agenda at all government levels, based on the growing UNDP disaster risk reduction (DRR) programme. Since 2016, the programme has focused on strategic areas including access to justice and human security, reduction of regional and socio-economic disparities, sustainable management of environmental and energy resources, and social inclusion and democratic governance. The UNDP programme budget has since recovered, stands at $52 million for 2020.

UNDP’s budget and expenditure trend line is consistent, excepting the skewed high funding in 2015 due to the 2014 flood rehabilitation efforts. The budget otherwise consistently maintained $34 million to $47 million per year during this period, which is significantly higher than the pre-flood period, suggesting a ripple effect as a result of the positive perceptions of the UNDP-managed flood rehabilitation programme. Delivery has been consistently high, each year at least 85 percent of the anticipated annual budget.

**National and direct implementation**

Typically, UNDP programming in middle-income countries includes a significant amount of the portfolio managed through the national implementation modality (NIM). UNDP in Bosnia and Herzegovina operates against this expectation. As seen in Figure 3, 90 percent of programme expenditures are utilized through projects that are directly implemented by UNDP. This preponderance of direct implementation (DIM) has been pointed out by the country office as responding to the unique and complex governance arrangements in the country. It is nevertheless a source of concern, especially for some international aid providers to Bosnia and Herzegovina who urge UNDP to play more of a facilitation and policy dialogue role, and avoid substituting for domestic systems.20

**FIGURE 3. Implementation modality – programme expenditure**

<table>
<thead>
<tr>
<th></th>
<th>DIM ($181M, 90%)</th>
<th>NIM ($16M, 8%)</th>
<th>Others ($4M, 2%)</th>
</tr>
</thead>
</table>

Source: Atlas Power BI tool (2020)

**Funding mix**

The core funding from UNDP’s regular budget constitutes only a small percentage of the CO’s total funding. Table 2 on the evolution of CO funding sources demonstrates that in the current programme cycle, UNDP’s regular budget generally contributes to less than one percent of the CO’s total funding sources.

**TABLE 2. Country office regular and non-regular funding sources**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of regular (core) vs non-core resources (programme)</td>
<td>0.55%</td>
<td>1.24%</td>
<td>1.16%</td>
<td>0.99%</td>
<td>0.83%</td>
</tr>
</tbody>
</table>

Source: Atlas Power BI tool (2020)

20 Swiss Government comments to the draft BiH ICPE as a participant in a stakeholder meeting on the evaluation, 29 June 2020.
UNDP has a wide funding base that is increasingly driven by the EU accession aims of Bosnia and Herzegovina. The donor base for the work of UNDP through the period 2015-2019 is set out in Figure 4. The European Commission is the largest funding partner, followed by the Governments of Bosnia and Herzegovina, Switzerland, Sweden, the Netherlands, Norway and the United States. These figures contrast with a decade earlier (2005-2007) when the Government of the Netherlands served as the most significant donor to UNDP programmes in Bosnia and Herzegovina, contributing $5.3 million per year, followed by the European Commission with an average of $3.6 million and the Government of Bosnia and Herzegovina itself, which contributed an average of $2.4 million.21

The responsibility for donor coordination is shared between the Directorate for European Integration for EU donors (including EU Member States and the Commission), and the Ministry of Finance and Treasury (MoFT) for other donors and international financial institutions (IFIs). Due to structural problems, the Government has not made a strong commitment to donor coordination and the harmonization of incoming aid flows. The MoFT organizes a Donor Coordination Forum every year and maintains a database of donor projects, from which it produces annual donor-mapping reports. Unfortunately, the information in the database is not updated.

UNDP has played a constructive donor coordination role in specific sectors. For instance, in the area of local governance and local development, UNDP has served as a secretariat to the Donor Coordination Group, helping coordinate joint initiatives, including an online platform mapping donor-supported initiatives.22 In the environment and energy sector, under the Biomass project, it has coordinated a ‘biomass group’ including Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), United States Agency for International Development (USAID), Ministry of Agriculture and Forestry for both entities, chambers of commerce, etc.

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**FIGURE 4.** Top 10 donors – programme expenditure 2015-2019 (Million US$)

<table>
<thead>
<tr>
<th>Donor Category</th>
<th>Value (Million US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Commission</td>
<td>67</td>
</tr>
<tr>
<td>Government of Bosnia and Herzegovina</td>
<td>37</td>
</tr>
<tr>
<td>Swiss Agency for Development and Cooperation</td>
<td>26</td>
</tr>
<tr>
<td>Swedish International Development Cooperation Agency</td>
<td>14</td>
</tr>
<tr>
<td>Government of Netherlands</td>
<td>9</td>
</tr>
<tr>
<td>Global Fund to Fight AIDS, Tuberculosis and Malaria</td>
<td>8</td>
</tr>
<tr>
<td>Global Environment Facility Trust Fund</td>
<td>6</td>
</tr>
<tr>
<td>Government of Norway</td>
<td>4</td>
</tr>
<tr>
<td>United Nations Development Programme</td>
<td>3</td>
</tr>
<tr>
<td>United States Agency for International Development</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Atlas Power BI tool (2020)

22 www.localgovernance.ba
UNDP has also played an active role in donor coordination through its Green Economic Development project, injecting good cooperation with the World Bank energy efficiency projects, especially in Republika Srpska, USAID’s Energy Investment Activity project, and GIZ activities. UNDP and GIZ are both very active in the area of energy efficiency and have agreed on a clear division of work in order to avoid overlaps.

**UNDP**

UNDP’s work on job creation and entrepreneurship in Bosnia and Herzegovina has mostly been through EU and other donor financing. It is important to note that an array of IFIs are active in the SME sector: World Bank and International Finance Corporation, European Bank for Reconstruction and Development and the EIB. KFW [Kreditanstalt für Wiederaufbau, or German state-owned development bank] has been especially focused on the energy sector, and energy efficiency in particular.

During this period, co-funding by government entities in Bosnia and Herzegovina has been significant, representing the second-largest contributor to the budget portfolio. Governments at local, cantonal, entity and (least part) state levels contribute to government cost-sharing, primarily for infrastructure and capital investments; and procurement services in various areas (medical drugs, equipment, etc.).

**Country office staff composition**

The country office has 45 staff members and 125 service contract holders. Among the staff members, there are four international professionals, 16 national professionals, and 25 general service staff members. The 2017 Partnership Survey for UNDP Bosnia and Herzegovina indicated that 76 percent of respondents considered the country office as having high-quality professionals, which was one percentage point lower than the regional figure (77 percent) and six percentage points higher than corporate (70 percent).
1.5 Country programme implementation

The UNDP country programme for Bosnia and Herzegovina is focused around four UNDAF outcome areas, and associated UNDP outputs. The UNDP country office has set out a framework for its activities which constitutes a working theory of change designed to “help countries to achieve sustainable development by eradicating poverty in all its forms and dimensions, accelerating structural transformation for sustainable development and building resilience to crises and shocks”. The country office has developed a theory of change diagram that includes a set of basic assumptions involving the political and social context of the country, and government financial, technical and human resource capacities. The vision builds from the UNDP Strategic Plan, and includes four CPD outcomes taken directly from the UNDAF for Bosnia and Herzegovina. In the following pages, each of these four outcome areas are reviewed for scope, content and results.

UNDAF Outcome 3
By 2019, there is effective management of war remnants and strengthened prevention and responsiveness for man-made and natural disasters.

Outcome 3 resides within the first UNDAF focus area: Rule of law and human security. The approved CPD for UNDP’s work in Bosnia and Herzegovina indicates the programme intended to focus on better quality and accessibility of public services by helping partner institutions to expand free legal aid services, set in motion the victim witness support mechanism and address GBV. UNDP further indicated it would support partner institutions in tackling security threats by sustainably managing military weapons/ammunitions stockpile arms proliferation and controlling transfers. Conflict-sensitive programming would be used to facilitate intergovernmental cooperation for participatory initiatives related to citizen safety and reconciliation. In partnership with the UN Population Fund (UNFPA), the UN Children’s Fund (UNICEF) and the United Nations Volunteers (UNV) programme, UNDP planned to continue to support the judiciary in addressing war crimes, conflict-related violence and transitional justice. Assistance was also to be provided to national and subnational counterparts to strengthen early warning systems, apply natural disaster protection mechanisms and upgrade disaster and climate risk management measures, closely aligned with energy and environment management interventions. Much-needed technical support to mine action addressing flood-caused migration of landmines was planned to complement UNDP efforts to support livelihoods and sustainable return.

The outcome aligns with national goals and evolved from the previous CPD (2010-2014) to address changes in the country context, Agenda 2030, the UNDP Strategic Plan and country’s commitments to join the EU. This outcome builds directly from the UNDAF outcome 3 (human security), and directly supports UNDP Strategic Plan (SP) outcome 3 (resilience) with significant measures also in support of SP outcome 5 (women empowerment). The outcome area was designed to align with SDG 16 and SDG 5, and is further aligned to the Bosnia and Herzegovina National Reform Agenda 2015-2018, EU Accession Agenda EU Chapter 24 - Justice, Freedom and Security (that identifies the need for sustainable ammunition life-cycle management and overcoming natural disasters) and to sectoral national strategies such as the country’s Small Arms and Light Weapon (SALW) Strategy, Mine Action Strategy, Climate Change Development Strategy and Integrated Border Management Strategy.

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23 See Annex 10
Disaster risk management

Disaster risk management assistance from UNDP in Bosnia and Herzegovina is multifaceted. With respect to DRR, the work includes strengthening climate risk management policies, early warning systems, and scaling up innovative risk reduction software solutions. Most UNDP DRR support is at the canton and municipal level, as the Bosnia and Herzegovina national government structure impedes a more comprehensive and coordinated national DRR strategy and policies. Advancement of local capacities on prevention and responsiveness for man-made and natural disasters through the development and integration of DRR in local strategies and policies has progressed, but more work is needed. Twenty-three local strategies (out of 80) and eight canton strategies (out of 10 total) have mainstreamed DRR.

In 2014 devastating floods hit southeast Europe, with the Bosna, Vrbas, Drina, Sana and Save rivers all overflowing their banks. The flooding inundated most of northern Bosnia, with 24 confirmed deaths. A Recovery Needs Assessment supported by the UN, EU, World Bank, Luxembourg and the Global Facility for Disaster Reduction and Recovery put the total damage and losses at €2.04 billion.24

Together with governments at all levels in Bosnia Herzegovina, other UN agencies and donors, and especially the EU, the UNDP implemented the largest flood recovery programme in the history of the country, affecting half a million people, and directly supporting 16,240 people. Some 5,000 homes devastated by the flooding were rehabilitated, enabling some 15,000 people able to return to their homes within 18 months of the event. Another 150 energy-efficient homes were constructed in new locations for victims of landslides whose old homes could no longer be rebuilt due to inherent environmental risks. One hundred and thirty critical public service providers, including schools, kindergartens, healthcare providers and public administration facilities, were rehabilitated, while another five were newly built. Livelihoods recovery assistance helped restore the flood-affected local economies and safeguard at-risk jobs, with an estimated 5,000 jobs retained through interventions in 56 small and medium enterprises as well as agricultural support initiatives that included the provision of assets and technical assistance.

As highlighted in the UNDP Action Plan on DRR in Bosnia and Herzegovina: from Projects to Synergy, UNDP is one of just a few actors in the country providing a full package of services, addressing prevention, preparedness, and disaster response. In 2016, UNDP spearheaded the development of the Joint UN DRR Framework, which informs not only UNDP but also the broader UN efforts on DRR.

The UNDP DRR portfolio includes 19 projects, totaling $80 million. After the phase-out of the UN Floods Recovery Programme, the country programme budget for activities within this outcome area logically declined significantly.25 Three-fourths of the projects in this outcome area have been implemented through UNDP’s DIM modality.

UNDP in Bosnia and Herzegovina has developed a web-based Disaster Risk Assessment System that offers citizens the opportunity to view hazard data in order to increase disaster risk awareness. The tool enables the development of spatial risk assessments that combine hazards, land use and vulnerability data, which can be used by local government decision-makers. Piloted in two cities, the system is now expanding to 10 additional local governments. The key partners for this effort are local government officials, academic institutions in the country and community representatives.

25 In 2018, a -98 percent budget decline compared to 2015.
Ongoing projects include:

- Disaster Risk Reduction Initiative in Bosnia and Herzegovina;
- Interlinking Disaster Risk Management in Bosnia and Herzegovina;
- Technology Transfer for Climate-resilient Flood Management in Vrbas River Basin;
- Municipal Economic and Environmental Governance Project;
- South East Europe Urban Resilience Building Action Network;
- Increasing Resilience of Livno, Mrkonjić Grad and Maglaj Project.

A Disaster Risk Reduction for Sustainable Development joint programme was officially launched in February 2019. The $4.8 million programme, sponsored by the Swiss Government, supports the citizens of Bosnia and Herzegovina, and in particular the most vulnerable groups and high-risk local communities, to prepare for, and adjust to, disaster risks and shocks in various development sectors. The programme places special importance on improving the local coordination mechanisms in the DRR as well as on promoting a risk-informed strategic planning process. The programme is being jointly implemented by UNDP, UNICEF, UN Educational, Scientific and Cultural Organization (UNESCO), UNFPA and Food and Agriculture Organization in partnership with domestic authorities. The programme introduces and operationalizes integrated risk management in 10 municipalities and constitutes the most comprehensive DRR project to be launched in Bosnia and Herzegovina.

**War remnants**

The EXPLODE project, implemented in partnership with the BiH governmental entities, was established to decrease the threat posed to human security by the large and poorly controlled stockpiles of weapons and ammunition in the country. The programme set the goal of 53 percent reduction in war remnants and surplus ammunition stockpiles during this planning period, which is on track towards fulfilment, (45 percent reduction was already achieved by the end of 2017). The project has upgraded and increased security at all five storage sites in the country. UNDP assisted the Coordination Board for the Control of Small Arms and Light Weapons in Bosnia and Herzegovina to produce a SALW Control Strategy for 2016-2020, designed to reduce the risks that small arms and light weapons represent.
to all aspects of security across the country. The Coordination Board was appointed through a decision of the BiH Council of Ministers. It is an inter-ministerial and inter-agency body, formed by 10 institutions, police agencies and bodies in Bosnia and Herzegovina, including the Ministry of Internal Affairs of the Republic of Srpska. The Coordination Board (KO SALW) is in charge of planning, coordinating, directing and supervising activities for the implementation of the Strategy for the Control of Small Arms and Light Weapons in BiH.

In response to the threat of remnant landmines dislodged due to flooding, the EXPLODE project scope was planned for expansion to include support to mine action. However, UNDP was not asked to contribute to the post-flood mine surveillance and clearance process, as the BiH Government decided to handle this on its own. A Mine Action Governance and Management Project was launched in 2017 – for completion in 2019 – to assist the mine action authorities in Bosnia and Herzegovina to further increase transparency, improve planning capabilities and implement contemporary mine action standards for an accelerated pace of mine clearance. This EU-financed $233,000 project built on the activities implemented in the past that resulted in the reconvening of the Board of Donors, improvements in human resource management processes and mine action standardization within the Bosnia and Herzegovina Mine Action Centre.

An additional UNDP activity of note in this sector is the Combating Illicit Arms Trade project, which aims to support Bosnia and Herzegovina in harmonizing security regulations, standards and practices with those of leading EU countries. Funded by the Governments of France and Germany, it supports the Roadmap for a Sustainable Solution to Arms Control in the Western Balkans by 2024.26 During the initial phase of the project (2017-2018), among other activities, 1,500 police personnel have been trained on arms detection.27

Access to justice and rule of law
Projects within the outcome have supported the national Government through efforts to reduce corruption and establish a gender-based legal support programme for citizens. UNDP’s work has aided Bosnia and Herzegovina in its efforts to approximate the EU acquis, as part of the country’s EU accession effort. An EU report on the UNDP-managed anti-corruption project suggested it had helped to make progress towards reduced corruption through the adoption of strategies and action plans at various levels of government. No anecdotal or concrete evidence was provided that corruption has been reduced as a result, however. This is an especially difficult metric to measure, and made more difficult by the complicated legal and institutional framework in Bosnia and Herzegovina.

The target groups in the area of rule of law and human security are men and women victims of crimes (including conflict-related sexual violence survivors) who seek improved access to justice. A risk factor for the implementation of programmes seeking to reduce GBV is the lack of effective implementation of legislation on the prevention of and protection from GBV, in particular domestic violence.

It is important to note here that UNDP participated in a joint project with the International Organization for Migration, UNFPA and UN Women, titled ‘Seeking Care, Support and Justice for Survivors of Conflict-Related Sexual Violence in Bosnia and Herzegovina’. The project ran from 2014 to 2017, and utilized $1.7 million in donor support, from the United Kingdom and Canada, administered through the UNDP Multi-Partner Trust Fund. The aim was to consolidate and provide new tools to the Government and civil society to comprehensively address the unresolved legacy of conflict-related sexual violence (CRSV) from the 1992-1995 war. The wrap-up report on this effort describes ‘lasting impact’ in three programmatic pillars: a) Empowerment of individuals and improving the quality of their lives through

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26 Agreed at the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons high-level regional meeting of Deputy Ministers of the Interior and Foreign Affairs from Tirana, Sarajevo, Pristina, Chisinau, Podgorica, Belgrade and Skopje on 1 February 2018 in Podgorica, Montenegro: https://www.seesac.org/f/docs/News-SALW/Roadmap-for-sustainable-solution.pdf.

access to rights and claims, including associated public services aimed at alleviating their trauma and suffering; b) Strategic capacity-building of public service providers to support survivors; and c) High-level and grassroots advocacy for inclusive, non-discriminatory policies and public attitudes towards CRSV survivors, and local community mobilization of youth leaders to alleviate stigmatization and societal exclusion of survivors.28 Of particular note, in Republika Srpska, a new law was drafted to re-open the application procedure to gain the status of victim of torture, which gives the right to compensation and rehabilitation.

UNDP has provided support to Bosnia and Herzegovina in the area of access to justice since the war,29 and this support continued during the period under review. The CPD for 2015-2019 included an outcome of improved, accessible and gender-sensitive free legal aid (FLA) services, including for women and persons with disabilities. With UNDP support, the number of FLA agencies increased to 17 throughout Bosnia and Herzegovina, enabling access to FLA services for nearly 900,000 people, and moving closer to the goal of a doubling of service availability to 1,500,000 persons.30 This work is carried out in cooperation with free legal aid providers, courts and prosecutors, victim/witness support associations and other civil society organizations (CSOs).31

**UNDAF Outcome 4**

By 2019, economic, social and territorial disparities are decreased through coordinated approach by national and subnational actors.

In its CPD, UNDP indicated that its work under UNDAF outcome 4 would respond to growing regional, social and economic disparities and lack of vertical integration across governmental policies and funds. UNDP intended to support the Government in tackling these challenges by providing policy advice and technical assistance to national and subnational institutions to design and deliver interventions that foster sustainable local development and inclusive growth. UNDP indicated it would pursue bottom-up initiatives championed by progressive local governments and civil society.

UNDP, in collaboration with UNICEF, planned to provide support to subnational governments to scale up and harmonize development planning countrywide, as well as strengthen capacities for managing development. By leveraging strategic partnerships with other UN agencies, the EU, Switzerland, Sweden and the United States, and by applying the ‘build back better approach’, UNDP sought to offer technical and financial support to subnational governments to address immense post-flood demands in terms of rehabilitation of public buildings, services and community infrastructure, and translate identified priorities into actions.

By drawing on regional knowledge networks and in close interaction with the private sector and financial institutions, UNDP planned to provide brokerage and technical assistance to local governments to restore livelihoods in flood-affected areas, improve the business environment and regional competitiveness. The private sector was to be supported through active employment measures, upgrading value chains and facilitating access to markets. In collaboration with the UNV programme, UNDP planned to continue to assist effective interaction between local governments and civil society, and support service delivery by CSOs. Assistance under outcome 4 was especially designed to reach socially excluded groups such as returnees, internally displaced persons, persons with disabilities, unemployed women and youth.

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30 As indicated by the UNDP office in BiH, since 2014, FLA services were provided to 96,516 people (56 percent women).

31 In the Republika Srpska, free legal aid is the responsibility of the Centre for the Provision of Free Legal Aid.
Livelihoods
The country office has produced data showing improvement in CPD outcome and output-level indicators yet acknowledges that the database has weaknesses. The country office and the Development Planning Institute of the Federation of Bosnia and Herzegovina are working to establish a local development index that can measure changes in socio-economic disparities in the country.

There is a new law in place on Development Planning and Management in the Federation of Bosnia and Herzegovina and a by-law on Strategic Planning and Policy Coordination in Republika Srpska. To date, 83 percent of local governments and 100 percent of cantons have produced development strategies. This progress on strategic planning exceeds the 2019 country programme output target.

Through support to the Foreign Trade Chamber of Bosnia and Herzegovina, UNDP helped to mainstream diaspora policies within 15 of the local strategies and contributed to the development of an Export Promotion and Development Strategy of Wood Processing Industry in Bosnia and Herzegovina for the period 2018-2022.

With UNDP support, subnational government-level strategies have included financial schemes delivered by seven ministries in the areas of business zone infrastructure, local services, rural development, energy efficiency, engagement of diaspora in local development and tourism development. This elevated financial planning has led to higher financial contributions from the two entities. The Local Development Funds introduced by both entities in 2014, with UNDP support, have produced good results in terms of new jobs created, benefits from livelihood opportunities and improved public services.

In parallel, UNDP supported local and cantonal governments to introduce a development management system featuring performance-based financing, measurable performance and oversight by municipal councils. All these efforts led to increased implementation of local and cantonal development strategies in 2019, by 79 percent and 69 percent, respectively.

Since 2015, UNDP has supported efforts to improve private sector competitiveness, including direct support to agricultural households and micro, small and medium enterprises (MSMEs). More than 400 companies in metal, wood processing, automotive, information technology and agriculture and food production sectors have benefited from improved business infrastructure, international quality standards, workforce development, or production facilities. Agricultural producers/farmers benefited...
from production inputs, training and technical assistance, which directly enabled them to improve income streams and livelihoods.

By the end of 2020, the CPD called for 20 new business development services to be created and the target is expected to be achieved. UNDP facilitated the transfer of skills and know-how from diaspora businesses to companies in Bosnia and Herzegovina, with particular focus on competitive industries and export markets. UNDP assistance was aimed at introducing new skills, better management and increased production know-how. This support has helped to expand business connections with diaspora companies and businesspersons and has contributed to the introduction of new technologies and market growth for businesses involved.

With respect to employment, UNDP country office figures show that by the end of 2017, 3,546 people were employed, and 17,324 people benefited from income generation activities as a result of UNDP assistance during this CPD period. These results are aggregated from across an assortment of UNDP projects. Through the diaspora project, the country office has calculated 60 new jobs created and $1 million in increased income for 430 households working in the agriculture sector.

Ecotourism and local development

Via Dinarica is an ecotourism and nature protection concept connecting seven countries and territories through a nearly 2,000-km mega trail system that encompasses the Dinaric Alps mountain range from Slovenia to northern Albania. The geographic centre of the trail runs through Bosnia and Herzegovina. A variety of projects have been funded through the EU, USAID, and UNDP to map and mark the three major trails of the system and ensure there are high-quality service providers along the routes. During 2014-2017, UNDP co-led with USAID the project ‘Via Dinarica: A Platform for Sustainable Tourism Development and Local Economic Growth’. According to project proponents and promotional information, more than 2,500 km of Via Dinarica trails were assessed and marked through the Global Positioning System. More than 500 accommodation facilities, services, and points of interest along the main trails have helped to create jobs, boost sales of 69 small businesses, and increase the tourism offers of 100 service providers.32

Capitalizing on the successes of this effort, USAID and UNDP, with additional funding support from the Italian Agency for Development Cooperation and the Federation Ministry of Environment and Tourism, launched the ‘Via Dinarica: Rural Incomes and Sustainable Enterprises’ project. This follow-on initiative focuses on assisting local communities along the main Via Dinarica in-country trails and contributing to sustainable livelihoods and economic development through integrated rural tourism development. Target beneficiaries in Bosnia and Herzegovina are local governments and communities situated near the main (Blue, Green, and White) Via Dinarica trails. The project will establish the Via Dinarica corridor in Bosnia and Herzegovina as a community-owned and operated rural tourism product that provides sustainable livelihoods for businesses and communities situated along the trails.

Local government support

Since 2015, UNDP, together with partner local governments, supported public-private dialogue aiming to spur local economic activity. For example, public-private interaction was facilitated in more than 30 local governments, which led to the formalization of partnerships between local governments and the businesses (including the introduction of rulebooks), an update of databases and private sector profiles, joint identification of key economic priorities and administrative bottlenecks, and first steps towards removing local-level barriers for economic development (administrative services, promotion of investment potential of localities, etc.).

Local-level investments under this outcome guided from respective entity development strategies benefited 139 local governments and their communities, as well as all 10 cantons, and were guided mainly by

the adopted local/cantonal development strategies, as well as the respective entity strategies. The total financial resources invested amount to $18.6 million. UNDP supported a diverse set of investments – economic development and employability, business infrastructure and capacity-building, technical assistance for the design of documentation and provision of equipment, social protection and livelihoods promotion, and public infrastructure.

UNDP together with the International Labour Organization (ILO) launched in 2018 through EU IPA (Instrument for Pre-Accession Assistance) financing under GIZ, a €16.1 million project titled ‘Competitiveness and Innovation: Local Development Strategies – EU4Business’. The project entails a combination of grant support for product development and technology transfer to MSMEs in competitive sectors as well as inclusive entrepreneurship models for start-ups and added value clustering in tourism, agri-food value chains and rural development. This, in turn, is expected to boost the economy, generating economic growth and employment opportunities. Emphasis has been placed on measures that analyse needs and support groups that face more difficulties to find jobs (such as woman and youth) and measures that support start-ups to increase the creation of new MSME. GIZ is providing technical assistance (approximately 25 percent of the total EU support) and will manage a Grant Fund Facility for the rest of the EU contribution (approximately 75 percent). The action will be implemented in partnership with UNDP and ILO, which will implement approximately 40 percent of the total budget.

Aiming to improve municipal development management systems and services in the environmental and economic sectors, UNDP has carried out the Municipal Environmental and Economic Governance (MEG) project. Working together with 18 local governments, the MEG project was established to enhance municipal performance, help apply sound public policy and management processes, spur interaction among local decision-makers and citizens, and support capital investment to unlock sustainable economic growth and job creation. Financed by Switzerland, this project is also notable for its awarding to UNDP through open international tendering procedures, not through the direct contracting modalities that UNDP typically operates under.

UNDP has been working with domestic authorities on the Local Integrated Development Project (LID), helping put into place mechanisms and resources needed to drive social and economic development. The three-year project (January 2016-December 2018), was implemented in 21 partner cities and municipalities selected through a public and transparent process, prioritizing localities that are home to large returnee population and were affected by the May 2014 floods. This project is part of the €19 million EU-funded Programme for Local Development and Employment. In addition to the UNDP-implemented LID, there were complementary interventions implemented by GIZ and ILO.

During the period under analysis, UNDP provided support on municipal financial management to improve efficiencies and generate additional resources in support of local development priorities. A detailed on-site assessment of municipal revenues and expenditures was carried out, identifying opportunities to maximize income and downsize unnecessary operational expenses. Approximately $8.7 million of operational savings and additional revenues were estimated to have been generated in two years in 19 partner local governments. This was then integrated into budget planning and execution protocols across all of the partner local governments. This financial management support model was then replicated within the Bosnia Federation in two cantonal governments.

With UNDP’s support, the standard methodology for transparent and development-oriented allocation of municipal funds to CSOs resulted in 58 CSO

33 https://www.ba.undp.org/content/bosnia_and_herzegovina/en/home/development-impact/eu4business.html
34 UNDP BiH CPD mid-term review, 2019.
projects (including 2018), contributing to better services for persons with disabilities and other vulnerable groups. Productive dialogue with local governments contributed to more democratic development processes.35

The evaluation team noted some initial delays in the 2015 rollout of the Revitalizing Local Communities project. The country office indicated this constituted the first UNDP project awarded through open competitive tender. Once Switzerland approved the project there were extended negotiations with UNDP on administrative and legal issues. This caused a delay and the agreement between UNDP and Switzerland was signed only in July 2015. The original budget of CHF 1,213,960 or $1,350,000, as well as expected completion dates and project outcomes were left unchanged despite the delay, which placed pressure on the team to deliver within the short time-frame. The country office indicated that by the end of 2018, the project was fully up to speed both in terms of programming and financial delivery.

This project is of special interest not so much for its initial delays but for the fact that it was awarded through open competitive tender. European consultancies have been urging both the Swiss Government and the European Commission to open more development projects to competitive bidding, and the participation of UN organizations in open EU tenders has been questioned by some competing consortia, concerned that tax-free diplomatic status provides an unfair competitive advantage.

As set out in the 2015-2019 CPD, UNDP indicated it would seek to contribute to the economic recovery of Bosnia and Herzegovina by increasing investments in clean and efficient technologies and services, expanding access to energy and water, and green jobs creation. This work was expected to entail engaging at the national and subnational levels, through the Global Environment Facility (GEF) and in collaboration with the UN Environment Programme and entity environmental funds, on environmental policies to improve legal and operational frameworks and assist downstream implementation. Climate risk management was to be mainstreamed by supporting national and subnational governments to develop and integrate climate change models into flood risk management policies and strategies. In partnership with the Delegation of the European Union and other bilateral partners, support was to be offered for activities resulting in favourable investment environments for ‘green’ solutions in areas such as water, waste, energy, and climate change adaptation and mitigation. Technical advice would be offered to all government levels to design and implement low-emissions development and climate change adaptation and mitigation actions. While being complementary to efforts to reduce regional disparities and improve access to services, the programme sought to help Bosnia and Herzegovina to meet its international and EU accession obligations in the field of energy and the environment.

Within this outcome area, UNDP has implemented 13 energy efficiency and environmental projects, clustered in five programmes – climate change mitigation, climate change adaptation, GEF and biomass, disaster risk reduction, and biodiversity and natural resources.36

Funding for this work has come from the Green Climate Fund (GCF), GEF, Sweden, Italy and the Czech Republic (amounting to approximately $43 million). The EU is the biggest player and the driving force for reforms in the area of environmental protection and energy in the region, but in Bosnia and Herzegovina

35 UNDP BiH CPD mid-term review, 2019.
36 Table setting out the projects is available in Annex 3 (online).
its financing for the sectors was blocked since 2014 because of the lack of an environmental and energy strategy at the state level, due to disagreements between state and entity governments. Strategies for both sectors have been adopted at the state level, so pre-accession (IPA II) financing is expected to resume in 2020.

A large number of government institutions are supported by UNDP in this outcome area, in particular the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina at the state level, Ministry of Spatial Planning, Construction, and Ecology of Republika Srpska, Ministry of Environment and Tourism of Federation of Bosnia and Herzegovina, and Government of Brcko District of Bosnia and Herzegovina. Lower-level governments at the canton level (for the Federation) and the municipal level (for both the Federation and Republika Srpska) have also been supported.

**Climate change**

Based on the Third National Communication and the Intended Nationally Determined Contributions reports, the total annual emissions of carbon dioxide in Bosnia and Herzegovina in the baseline year of 1990 was 30.05 million metric tons. The Government set a target of 31.46 million metric tons by 2020. In support of this target, UNDP continued to support national, entity and local government efforts to strengthen policy and institutional frameworks for low-emission climate-resilient development.

UNDP is supporting Bosnia and Herzegovina in climate change mitigation and adaptation policy setting and reporting. With UNDP’s support, since 2015 Bosnia and Herzegovina has adopted and submitted to the United Nations Framework Convention for Climate Change the First Biennial Update Report, the Intended Nationally Determined Contributions and the Third National Communication Report with the Second Biennial Unit Report. Importantly, Bosnia and Herzegovina’s designated national authority for the implementation of National Appropriate Mitigation Action (NAMA) has adopted Rules and Procedures for NAMA approval, thus enabling entities to apply for funds earmarked for NAMA projects.

UNDP is managing the GEF project ‘Catalysing Environmental Finance for Low-Carbon Urban Development’. Approved under GEF-6, with a 2017 launch, the objective of the project is to leverage investment for a transformational shift towards low-carbon urban development in Bosnia and Herzegovina thereby promoting safer, cleaner, and healthier cities and reducing urban greenhouse gas emissions.

**FIGURE 8.** Sustainable management — total expenditure by year (Million US$)

![Graph showing sustainable management expenditure by year](source: Atlas Power BI tool (2020))
emissions. The project will facilitate investment in technically and economically feasible low-carbon solutions in key urban sectors, and then promote their wider uptake by municipalities and the private sector via dedicated financial mechanism and funding windows established within environmental finance frameworks, as well as by accelerating the implementation of a favourable policy and regulatory framework at the entity and national levels. The project aims to facilitate the transformation of the market for low-carbon urban solutions by creating and expanding opportunities for businesses such as energy services and waste management companies to get involved in the provision of low-carbon services and products in cities.

UNDP is helping the Government initiate a National Adaptation Plan process to help the country conduct comprehensive medium- and long-term climate adaptation planning and integrate climate change issues into national decision-making. In 2018, UNDP through the GCF launched the Advance the National Adaptation Plan (NAP) process for medium-term investment planning in climate-sensitive sectors in Bosnia-Herzegovina. The effort supports the BiH Government to advance the NAP process and reach goals outlined in the Paris Agreement and 2030 Agenda for Sustainable Development. The GCF and co-financing resources will be used to enable the Government to integrate climate change-related risks, coping strategies and opportunities into ongoing development planning and budgeting processes. Bosnia-Herzegovina’s NAP will build on the country’s Climate Change Adaptation and Low Emission Development Strategy of 2013. The project will be implemented in partnership with the Ministry of Spatial Planning, Civil Engineering and Ecology and the Ministry of Foreign Trade and Economic Relations as ministries in charge of the coordination of climate change adaptation activities throughout the country. $2.5 million was granted by the GCF to fund this project and advance NAP implementation.

A GEF project has been approved at the concept stage, focused on developing Bosnia and Herzegovina’s capacities to meet the requirements of the transparency framework under the Paris Agreement on Climate Change. UNDP will manage this $1.47 million project.

**Energy efficiency**

UNDP in Bosnia and Herzegovina has been focusing its work on the establishment of methodologies and financing mechanisms for investments in energy efficiency. The energy portfolio now includes significant commitments of co-financing and cost-sharing by government entities and the private sector. Local-level investments under this outcome during 2015-2018 amounted to $7.4 million and supported the improvement of energy efficiency in public sector buildings (energy audits, infrastructure works on deep energy retrofit, etc.), as well as the implementation of climate change adaptation interventions in the Vrbas River Basin (river protection infrastructure, technical investments, capacity development, equipment, etc.). The country office has indicated its assistance directly benefited 72 local governments and nine cantons.

UNDP supported the adoption of the Law on Energy Efficiency in the Federation of Bosnia and Herzegovina. Eight cantons in the Federation of Bosnia and Herzegovina and 4,492 public buildings across the country committed to using the Energy Management Information System for regular monitoring and reporting on energy consumption in public buildings. In the Federation of Bosnia and Herzegovina, within the Fund for Environmental Protection, a Revolving Fund for the financing of energy efficiency projects has been established and is fully operational while the parallel fund in Republika Srpska is under development. Since its establishment in 2016, the Revolving Fund of the Federation of Bosnia and Herzegovina has supported two energy efficiency projects in the public and private sectors, which, in addition to budget savings, are expected to contribute to the improvement of health and business services in target localities.

UNDP has indicated that its efforts have contributed to decreased energy consumption in public buildings from 220 kWh/m² to 215 kWh/m², while
the volume of public investments in energy efficiency by partner authorities has doubled, reaching $7,133,281. Since 2015, UNDP implemented energy efficiency measures in more than 100 public buildings (health, education, administration) across the country to the benefit of at least 100,000 citizens and with the financial savings in public budgets of at least 1,000,000 Bosnian marks annually. Through the implementation of energy efficiency infrastructure projects, UNDP says it contributed to the creation of 534 green jobs (five for women). The evaluation team has not independently confirmed these figures, although they are supported in the evaluations commissioned by the office covering UNDP’s work on energy.37

Water and chemicals management

In the area of water management, UNDP has contributed to Bosnia and Herzegovina’s efforts to implement the state’s Action Plan for Flood Protection and River Management and the EU Water Framework Directive. UNDP also contributed to the revision of the Law on Water of Republika Srpska and the design of the first Study on Typology of Public Buildings Stock. In addition, a methodology for setting water supply and wastewater tariff was developed and published to enable recovery of all costs for targeted water utility companies, including operating, maintenance and capital investments costs.

Closely connecting to UNDP’s work on disaster risk reduction (see outcome 4), flood hazard and risk maps were developed in 14 localities in the Vrbas River Basin and the water information system launched. The hydrological model for Vrbas River Basin integrating climate change models was developed. The effort included a laser topographic survey of the Vrbas River Basin – the first of its kind in the country – allowing for geodetic transformational parameters to be set and entered into the state coordination system, as per EU standards. A methodology for flood hazard and risk mapping in Bosnia and Herzegovina has been developed and adopted by all relevant institutions. This methodology represents a starting point in the integrated flood risk management, necessary to move the focus from recovery to flood resilience. UNDP has conducted a socio-economic survey in Vrbas River Basin communities and assessment which identified most vulnerable groups in the areas prone to floods. Community-based approaches to flood risk management were developed involving vulnerable communities directly in the implementation. According to the mid-term review of the GEF-financed Vrbas Basin project, 250,000 persons, representing some of the country’s poorest rural inhabitants, including war returnees and displaced persons, are expected to directly benefit from the climate-resilient flood management measures set in place.38

Extending beyond the CPD priorities, UNDP provided support on chemicals management. Bosnia and Herzegovina during this period made a long-term commitment to make meaningful steps towards becoming a party to the Minamata Convention. UNDP contributed to these development changes through initiating and supporting this process and, most importantly, by securing funds for the Mercury Initial Assessment through the GEF enabling activity project ‘Strengthen Bosnia and Herzegovina Decision-Making towards Becoming a Party to the Minamata Convention and Building Capacity towards Implementation of Future Provisions’. This work also enabled UNDP to position itself within chemicals-related stakeholders in Bosnia and Herzegovina, leading to the development of a new project (€5.4 million) in support of the Stockholm Convention.

37 UNDP BiH CPD mid-term review, 2019.
UNDAF Outcome 9

By 2019, targeted legislation, policies, budget allocations and inclusive social protection systems are strengthened to proactively protect the vulnerable.

To address social exclusion and social disparities, UNDP aimed to support social service delivery frameworks that are inclusive and reach the most vulnerable, including through collaborations with UNICEF, UNFPA and UNV. In reinforcing wider access to basic social and health services, UNDP indicated it would foster democratic space for human rights-based processes, gender equality and women’s empowerment. UNDP sought to address the economic empowerment of women by seeking policy coherence between programmes for gender equality and employment promotion, and by supporting women’s employability. Technical assistance was to be provided to national and subnational institutions to create employment opportunities and access to services for the most vulnerable – internally displaced persons, youth, the Roma, persons with disabilities, and lesbian, gay, bisexual and transgender persons. By adopting territorial demarcation approaches and targeting the most vulnerable, this priority area was intended to contribute to the cross-cutting programme themes of job creation and service delivery.

The country office confirmed during the evaluation mission in late 2018 that a significant portion – as much as half of the CPD outcome and output-level indicators – of this area of support was either delayed or not making progress. In particular, there was little progress towards establishing countrywide coordination mechanisms for social protection systems. Likewise, the design of policies that would contribute to improved lives of Roma and other disadvantaged population had not progressed and that targets would not be achieved during the programming period.39

The country office indicated that it programmed unrealistically for this output, both in terms of resources, as well as its potential influence on the Government to affect change within the current socio-economic and political context. The country

FIGURE 9. Social inclusion – total expenditure by year (Million US$)

Source: Atlas Power BI tool (2020)

Based on Interviews during the ICPE mission and the country office mid-term CPD review.
The evaluation team concurs with the country office plan to lower its ambitions in the area of social protection.

**Health assistance**

UNDP supported the relevant authorities to address tuberculosis (TB) and human immunodeficiency virus (HIV) diseases. Access of TB- and HIV-infected people to health services has greatly improved during this programming period, with the number of TB cases decreasing by more than 50 percent (907 infected people) and 150 persons obtaining better access to HIV services. The 2019 CPD targets for this effort have been exceeded. Incidence of TB in Bosnia and Herzegovina stands at 25/100,000 and HIV prevalence is one of the lowest in Europe (0.01/100,000).

The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) is withdrawing from Bosnia and Herzegovina, with the two large GFATM-financed programmes formally completed in 2017. UNDP continues to support the authorities to fully take over management of systems and assets provided by the GFATM-funded programmes, as per transitional plans. To that end, the UNDP provided technical support to the Country Coordination Mechanism secretariat during the transition period, and a corresponding grant agreement was signed with the GFATM to cover the period 2017-September 2019. The GFATM also approved a UNDP proposal to use $560,000 left over from the programme – originating mainly from interest and exchange rate gains during project implementation – to support the uninterrupted continuation of prevention, care and support services among key populations, (intravenous drug users, men who have sex with men, and prisoners). These funds were used for grants to six NGOs specializing in this field.

More broadly, the country office has been building on its support to the Government in complex health governance intervention in the country, including in partnership with the Council of Europe Development Bank.

**Social inclusion**

In 2016, UNDP conducted the ‘Socio-economic Perceptions of Young People in Bosnia and Herzegovina’ survey, the results of which revealed that young people are dissatisfied with the political, economic and social situation in the country, and that they believe that the situation has remained unchanged compared to two years ago. Despite these and other negative perceptions, a relatively low number of young people are politically active.

Since 2015, UNDP has worked closely with institutional partners to improve social inclusion as part of the flood recovery assistance effort, with six social welfare centres reconstructed and supported to restore service delivery. These six centres serve a population of 100,00 persons, many among the most vulnerable population groups.

In partnership with CSOs and local governments, UNDP provided social service delivery support, with particular attention to persons with disabilities, unemployed women and Roma. Accessibility to social services through this CSO support was improved for 230 people (30 percent women). This support frame overlaps with UNDP’s other municipal support services, with local integrated development interventions enabling more than 3,000 adults and children with disabilities to benefit from improved access to community services, including culture and sports facilities.

A National Human Development Report (NHDR) on Social Inclusion in Bosnia and Herzegovina – a joint initiative of Switzerland and UNDP – is under development. Enshrined in the 2030 Agenda is the principle that every person should reap the benefits

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41 Ibid.
of prosperity and enjoy minimum standards of well-being. Using this human development paradigm, the NHDR aims to help improve the ability, opportunity and dignity of people disadvantaged on the basis of their identity to take part in society in Bosnia and Herzegovina.\textsuperscript{42}

UNDP in Bosnia and Herzegovina has established a solid ground for furthering and scaling up grassroots social cohesion through civic participation. The country office indicates that since 2015 it has established direct engagement in local communities across the country on issues of local public life and decision-making. In total, 202 community forums were organized across 136 local communities, with the participation of over 4,500 citizens (3,524 male and 976 female). Through the implementation of infrastructure projects based on the needs generated through such citizen engagement, the country office estimates that more than 120,000 citizens (male and female equally represented) have benefited from improved service delivery related to water and sanitation, energy supply, culture and sports, roads and health.\textsuperscript{43}

Since 2015, UNDP has also worked to increase the employability of vulnerable groups, with 1,305 excluded people (long-term unemployed men and women, returnees, internally displaced persons), benefiting from new jobs.\textsuperscript{44}

\textsuperscript{42} 2019 National Human Development Report on Social inclusion in Bosnia and Herzegovina, Terms of Reference and lead author advertisement.
\textsuperscript{43} UNDP BiH CPD mid-term review, 2019.
\textsuperscript{44} Ibid.
This chapter presents key findings taking into account the country context and programme efforts set out in the previous chapters. The first subsection covers key thematic findings from programming in each of the four outcome areas. The second subsection provides cross-cutting findings of relevance across the programme.

2.1 Key thematic findings

Flood management

Finding 1: Interviews with a cross-section of stakeholders – including government officials, health and education service managers, business owners and financing partners – indicate that UNDP moved quickly and transparently in managing the allocation of relief assistance after the 2014 floods. Successful management and timely delivery of the increased programme expenditures during the flood recovery effort came as a result of:

- Positioning UNDP as a trusted and capable partner in the floods-recovery process, presenting a platform enabling harmonized engagement of all donors contributing to the recovery, including the EU;
- Optimizing country office staff;
- Accessing up-to-date information across the country, made possible by a network of local offices;
- Recovery assistance blended and complemented by the broader UNDP programme, especially its local governance work;
- Strong partnerships with entity, canton and municipal governments, which helped timely and result-oriented design and delivery of the interventions despite a challenging political environment;
- Fast-track procedures, speeding up delivery without compromising procurement rules and logic.

In the aftermath of the flooding, the 2014 EU Progress Report for Bosnia and Herzegovina stressed that “disaster risk reduction and disaster management need to be treated as a matter of urgent priority”. UNDP likewise has realized the importance of a systemic shift from emergency response to DRR-informed development. It has since been focusing on improving government internal systems, strategies, capacities and processes to enhance DRR and preparedness. The Human Development Report 2016, ‘Risk-proofing the Balkans’, highlights the increasing natural disaster risks in the region and makes a strong pitch for ‘people-centred’ DRR strategies to be set in place.

War remnants

Finding 2: Defence Ministry officials interviewed during the ICPE mission expressed high appreciation for UNDP’s management of the EXPLODE project, designed to decrease the threat posed to human security by the large and poorly controlled stockpiles of weapons and ammunition in the country. Its success has led to the establishment of similar initiatives in neighbouring countries, upscaling the initiative into a region-wide effort.

The EXPLODE project, implemented in partnership with the BiH governmental entities, has enabled the upgrading and increased security for all five obsolete weapons storage sites in the country. In addition, UNDP assisted the Ministry of Security in the design of an Integrated Border Management Strategy 2015-2018 that is harmonized with the EU acquis, and is an important element in the Bosnia and Herzegovina Reform Agenda 2015-2018.45

Anti-corruption

Finding 3: An area of UNDP activity that was not emphasized in the CPD concerns support to Bosnia and Herzegovina on anti-corruption. Yet

Corruption remains one of the key obstacles to the development of the country and UNDP has indicated it may seek to expand its work in this regard in the future.

During the period under review, there was some UNDP activity with respect to training government officials on corruption issues. The oversight capacity of the Anti-Corruption Commission of the Bosnia and Herzegovina Parliament was enhanced through closer collaboration between the State Parliament and the State Anti-Corruption Agency. UNDP also supported the development of new Guidelines for Investigation of Corruptive Action, and helped the Parliament of Bosnia and Herzegovina form a local chapter of the Global Organization of Parliamentarians Against Corruption.

Social protection

Finding 4: UNDP was not able to get traction on the implementation of its social service goals during this period. There has been no systemic progress since 2015 on the Roma Action Plan for Bosnia and Herzegovina, and little improvement in the quality of life of the Roma living in the country.

To address social exclusion and social disparities, UNDP aimed to support social service delivery frameworks that are inclusive and reach the most vulnerable members of society. UNDP indicated it would foster democratic space for human rights-based processes, gender equality and women’s empowerment. As noted in the discussion of activities under UNDAF outcome 9 in Chapter 2, there has been little progress towards establishing country-wide coordination mechanisms for social protection systems. Likewise, the design of policies that would contribute to improved lives of Roma and other disadvantaged population had not progressed and that targets are not being achieved during this programming period. The country office has indicated it was overly optimistic in setting its goals for this work, recognizing the difficult social and political context in the country.

The priorities of the Roma Action Plan of Bosnia and Herzegovina were downstreamed to assistance in the City of Mostar, where UNDP supported participatory development of the Roma Action Plan within a broader integrated local development strategy. The country office indicates that 174 Roma have received access to improved services related to water and sanitation, health and/or culture as a result of other related UNDP projects.

Economic development

Finding 5: UNDP has been an important provider of strategic advice on economic development issues to the government entities in Bosnia and Herzegovina at the national and municipal levels.

Of particular note is the support UNDP provided to seven ministries on subnational government-level strategies, which has raised the level of financial planning both by the Federation and Republika Srpska. The Local Development Funds introduced by both entities in 2014 with UNDP support have produced results in terms of new jobs, benefits from livelihood opportunities and improved public services.

UNDP has also worked in creative ways to stimulate economic development in rural areas, and through ecotourism. This is especially seen in the 350-km Via Dinarica expansion through Bosnia and Herzegovina, linking the trail system to Slovenia, Albania and Kosovo. This effort has emphasized the expansion of rural livelihoods in the trail transect areas.

Smart cities

Finding 6: The smart city pilot in Sarajevo is providing important lessons for UNDP globally on municipal support programming. The initiative is notable for its inclusiveness, bringing citizens, the private sector and government officials to the table with architects, IT experts and urban planners to envision how new technologies can be harnessed
to improve the quality of life in urban areas. Ideas have been proposed in areas such as real-time air pollution monitoring; smart urban mobility and public transport systems; smart parking and lighting. As the first smart city pilot in Bosnia and Herzegovina, the initiative has great potential for scaling up, as well as for resource mobilization (BiH government entities, donors, IFIs).

The Smart Sarajevo Initiative involves direct cooperation with the City of Sarajevo, the Municipality of Stari Grad and Canton Sarajevo. The 15-month project aims to “catalyse interest within the community, stimulate collaboration among public, private and civic stakeholders and leverage local intellect that translates into a portfolio of innovative ideas contributing to a smarter and more liveable city.”

UNDP in Bosnia and Herzegovina has developed integrated urban governance and cities of the future concept.

**Climate and energy**

**Finding 7**: UNDP support in the areas of climate change, energy efficiency and water management have contributed to the development of policy instruments such as draft laws, regulations and strategies. Taking these instruments forward to policy implementation and enforcement remains a significant hurdle, with the efforts of Bosnia and Herzegovina to approximate the EU environmental acquis featuring prominently. UNDP’s support to the Government on energy efficiency has led to real efficiency gains and carbon dioxide reductions countrywide.

There was a 10 percent annual increase in budgetary allocations directed to environmental protection, energy efficiency and renewable energy sources during the programming period, with expansion especially at entity and cantonal levels, and in particular towards improved energy efficiency. A growing appreciation of the benefits of using renewable energy in communities has created further opportunities to expand support for biomass projects.

The main factors contributing to success in the energy sector include early niche positioning of UNDP in energy efficiency in public-sector buildings (since 2013), based on a policy paper UNDP developed on this topic. Since then, UNDP has been working intensively in the area and gradually became the only development partner offering support nationwide across all entities and at the municipal level. UNDP competence was recognized by Sweden, which channelled financial resources for this priority through the UNDP-implemented Green Economic Development project (currently in its second phase, scaling up results from the initial phase). Blueprint tools and approaches have been utilized in the scale-up to larger interventions. In particular, during 2019, with the support of the GCF and in partnership with relevant entity ministries and environmental funds, as well as cantonal and local governments, UNDP leveraged resources of more than $100 million to enable investments in the energy efficiency area over the next seven years.

**Sustainable Development Goals**

**Finding 8**: UNDP in Bosnia and Herzegovina has taken an active role in the nationalization of the SDGs, with leadership especially on sensitizing and engaging the private sector in the implementation of the SDGs; and support to ensuring SDGs are embedded within emerging strategies of sub-national governments. This effort includes helping Bosnia and Herzegovina establish an SDGs framework and engaging also with the private sector on SDG implementation.

On 3 April 2017, a high-level SDG conference led by the President of Bosnia and Herzegovina officially launched the country’s efforts to address the 2030 Agenda, and formally delegated a national SDG body, (Department for Economic Planning). The UN intensified its assistance in late 2017 with a Sweden-financed SDGs Roll-out Support and Private Sector Engagement Project, which sought to sensitize and engage government, private sector and

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non-government stakeholders on the SDGs and develop strategic frameworks for the country. A consultative process was held with 250 participants on 29-30 May 2018 supporting the UN Mainstreaming, Acceleration and Policy Support (MAPS) mission (led by UNDP). Bosnia and Herzegovina subsequently carried out broad and inclusive engagement with stakeholders in 2019 leading to the submission of its Voluntary National Review (VNR).47 UNDP assisted in the NHDR on Social Inclusion 2018, which is closely connected with the SDGs and served as input for the VNR 2019. As noted in the VNR, “Comprehensive support for the SDG process in the country is provided primarily by the United Nations in Bosnia and Herzegovina and through the wider United Nations system through MAPS engagement”. The VNR also recognizes the generous support of Sweden, Switzerland, Germany and the EU.48

Many of UNDP’s support programmes with the Government are highlighted in the VNR, including the Via Dinarica regional project funded by UNDP and USAID, which is described as a ‘platform for sustainable tourism, development and local economic growth”’.49 Additionally, UNDP has sought to engage with the private sector on the implementation of Agenda 2030 through pilot integration of SDGs into business models.50

One of UNDP’s signature results is related to the harmonization of the subnational planning system in the country (entity-cantonal-local government levels), including through support to strengthen institutional capacities for design and implementation of strategies, as well as harmonization of methodological, operational and legal frameworks. In these efforts, UNDP has sought to embed the lens of SDGs and mainstream Agenda 2030 into strategic frameworks.

UNDP has been playing a key supportive role to introduce the SDGs into the broader national policy agenda, facilitating the development of a countrywide SDG Framework, which is the only draft long-term strategic framework in the country developed in collaboration among all government levels and wide consultations with civil society and the private sector. The draft strategic document not only nationalizes Agenda 2030 for the country but also informs the new UNSDCF and UNDP CPD 2021-2025.

2.2 Cross-cutting findings

EU accession

Finding 9: EU accession is driving the legislative and financial strategies of the Government of Bosnia and Herzegovina, and creating opportunities for UNDP to cooperate on common areas of interest. UNDP has committed to helping the country on its path to EU membership.

The Government of Bosnia and Herzegovina has set accession to the EU as one of its highest development priorities, and the accession of the countries of the Western Balkans is a stated aim of the EU. Croatia became part of the EU in 2013. Montenegro, Serbia, North Macedonia, and Albania are all official EU candidates.

The UNDP country programme includes a short-term road map for UNDP support to Bosnia and Herzegovina as it seeks EU accession, setting out 10 areas where UNDP could support the EU accession process (Box 1).51

47 https://sustainabledevelopment.un.org/content/documents/23345VNR_BiH_ENG_Final.pdf
48 Ibid.
49 BiH Voluntary National Review, p.76: https://sustainabledevelopment.un.org/content/documents/23345VNR_BiH_ENG_Final.pdf
51 UNDP, Bosnia and Herzegovina, ‘A Short-Term Roadmap for UNDP’s Support to Bosnia and Herzegovina’s Integration to the European Union’, 8 January 2016.
BOX 1. UNDP support to Bosnia and Herzegovina’s integration to the EU

1. Support to state and entity level institutions to develop and anchor sector-specific policies and regulatory frameworks, as required by the EU acquis, with focus on UNDP areas of assistance to Bosnia and Herzegovina;

2. Assist relevant institutions in the negotiations process, with focus on Acquis Communautaire and EU Chapters closest to the work of UNDP, such as Rule of Law; Energy; Environment; Human Security; Rural Development and Agriculture; Regional Development;

3. Support participatory development of countrywide sectoral strategies needed for unlocking or more effective absorption of the EU IPA II assistance;

4. Strengthen the absorption capacity of institutions at state and entity government levels to effectively utilize IPA II and in the future – EU Structural and Cohesion Funds;

5. Build ‘early’ capacity and awareness among subnational governments while strengthening higher government levels’ apparatus (vs. late start of capacity development efforts at subnational levels, which is among the main mistakes of EU Member States);

6. Support the preparation of quality project pipelines, with potential focus at subnational level;

7. Support the ‘early’ EU funds absorption preparation and awareness among the private sector and non-governmental organizations;

8. Assist governments in the early stage of preparation for EU negotiations (by pooling top-quality expert support and technical solutions from other countries and global experiences), offering customized capacity development of domestic institutions responsible for negotiations;

9. Develop sector-specific analyses and assessments, which can inform the accession process, approximation of the legislative framework and policy formulation in Bosnia and Herzegovina;

10. Facilitation of vertical coordination and inter-governmental dialogue.

Source: UNDP in Bosnia and Herzegovina

There are concerns within the EU and BiH Government that the country is lagging in its accession efforts. Four particular comments from the EU Commission Opinion of 29 May 2019 are especially noteworthy in regard to areas where UNDP could be well-positioned to provide support:

1. Bosnia and Herzegovina does not yet sufficiently fulfil the criteria related to the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, set by the Copenhagen European Council in 1993.

2. Bosnia and Herzegovina needs to improve its electoral framework and the functioning of the judiciary.

3. Bosnia and Herzegovina has achieved a certain degree of macroeconomic stability. However, to move towards becoming a functioning market economy, which is a criteria set by the 1993 Copenhagen European Council, Bosnia and Herzegovina needs to pay special attention to speeding up its decision-making procedures and improving the business environment as well as the efficiency and transparency of the public sector, in particular of public enterprises.

4. Bosnia and Herzegovina is overall at an early stage regarding its level of preparedness to take on the obligations of EU membership and needs to significantly step up the process to align with the EU acquis and implement and enforce related legislation. Particular attention should be paid to the areas of free movement of goods, right of establishment and freedom to provide services, information society and media, agriculture and rural development, fisheries, transport policy, energy, economic and monetary policy, statistics, social policy and employment, enterprise and industrial policy, regional policy and coordination of structural instruments, education and culture, consumer and health protection, and financial control.

**Subnational presence**

**Finding 10:** The presence of regional offices in Mostar and Banja Luka (and project presence in Bihac), in addition to the main office in Sarajevo, has enabled UNDP to develop strong relations with both government entities as well as the State Government.

There are 143 municipalities in Bosnia and Herzegovina: 79 within the Federation of Bosnia and Herzegovina, and 64 in the Republika Srpska. At the next echelon of government, the Federation of Bosnia and Herzegovina includes 10 autonomous cantons, each with their own governments. Republika Srpska has no intermediate government system between it and the 64 municipalities. The third national governmental entity, Brcko District, is a vestige of the Dayton Peace Accords, forming the entire territory of the former Brcko municipality, of which 48 percent of the territory is within the newly formed Republika Srpska, and 52 percent within the Federation of Bosnia and Herzegovina.

This bit of background on subnational governments is useful to set the stage for acknowledging the extensive work that UNDP carries out at subnational levels, including for the municipalities, the cantons of the Federation, for the Brcko District and then for the two larger government entities: Federation and Republika Srpska. UNDP also provides support directly to the State Government; however, it is important to recognize that the two main entities operate independently, and their cooperation with UNDP is also carried out separately. UNDP’s office in Banja Luka is provided by Republika Srpska, and its existence is an important factor in the close cooperation with government counterparts in this entity.

**Programme design and implementation**

**Finding 11:** Programme design is generally strong and well-crafted across each of the outcome areas. Cross-outcome coordination remains a challenge, as is often the case with large and diverse portfolios. More attention is needed to linkages within the project portfolios at the municipal level.

Overall, partners were pleased with the pace of implementation and rated UNDP procedures as more favourable to those of other donor organizations. Some also pointed to the flexibility that UNDP demonstrates in quickly adjusting project activities to the changing needs of the partners and the country. The country office – across its several outcome areas – holds regular joint meetings, strives to coordinate complementary activities, issues joint communications with partner governments, and creates joint project designs (tourism, biodiversity, smart city, etc.). These efforts have led to some good examples of cooperation across clusters.

Building synergies across programme areas is often a challenge in country offices with large and varied portfolios of projects, often with short durations, significant government cost-share and shifting government priorities – as is the case in Bosnia and Herzegovina. Increased cross-sectoral cooperation, especially between the environment and energy and the regional and rural development sectors, would be of benefit. The CO has taken some steps to ensure greater cross-project collaboration at the local level, including interventions contributing to environment and energy area outcomes. Yet, there is room for further integration and consolidation of operations at the local level.
Results-based management and audit

Finding 12: The country office has a well-established M&E framework. In addition to a senior-level manager overseeing this work, the country office also has an M&E analyst (national professional level). Some projects also have their own M&E specialists or dedicated parts of project team member job descriptions for this. Since 2015, the country office has utilized a monitoring tool consisting of a manually processed Excel table which enables the organized collection of data from all projects set against CPD outcome and output-level indicators, and monitoring of cumulative results against the CPD targets. The monitoring tool also includes Integrated Results and Resources Framework indicators connected to the relevant UNDP projects and programmes and is updated twice annually.

During the current CPD cycle, the CO yearly M&E expenditures have been generally under 5 percent of the total programme expenditures. During the period under review, seven projects were delayed: Municipal Governance 2, Green Economic Development Phase II, National Response to HIV/AIDS and Tuberculosis in BiH, Revitalizing Local Communities, Joint UNDP-DPA Programme on Conflict Prevention, Sustainable Development Pathways in Europe and the Commonwealth of Independent States, and Inclusive Labour Market Solutions. Based on the UNDP partner results, satisfaction with UNDP Bosnia and Herzegovina’s approach to results-based management has been slightly lower (67 percent) than regional (70 percent) and above global (62 percent) averages.

An audit of the UNDP country office in Bosnia and Herzegovina was issued on 16 August 2019. A satisfactory rating was rendered, with three recommendations, none considered high priority. The three medium-priority recommendations were to: a) improve the performance of the procurement process; b) improve civil works contract management as part of the procurement process; and c) conduct the service contract remuneration survey to update the remuneration scale for service contract holders. The country office provided a response indicating the steps it would take on each issue raised.

Evaluation

Finding 13: The ICPE team has analysed the evaluation work of the UNDP office in Bosnia and Herzegovina, viewing the extent of evaluative effort as an indicator of transparency and the propensity of the office to solicit independent external feedback for adjustment. In this case, the UNDP office in Bosnia and Herzegovina ranks among the top UNDP offices for evaluation planning, design and implementation.

Within the UNDP Evaluation Resource Centre, there are 26 evaluations posted by the country office during the period 2015-2020. All but two are project evaluations. All that were planned to be completed by the end of 2019 have been completed. There is one UNDAF evaluation, and four joint evaluations with other UN agencies. The evaluation plan covers all outcome areas, is generally well budgeted and has been carried out with a high degree of completion and timeliness.

Through the end of 2019, seven evaluations were assessed by the IEO, and most were rated as either ‘moderately satisfactory’ or ‘satisfactory’. One evaluation – of the ‘Strengthening Parliamentarian Capacities and Key Institutions Mandated with Fighting Corruption in BiH’ project – was rated ‘highly unsatisfactory’.

While outcome evaluations in general vary greatly across UNDP in terms of quality and utility, there are occasions where grouping a series of interventions can be useful. In the case of the UNDP programme in BiH, consideration could be given to evaluating as
a group the various programmes and interventions at the municipal level, especially when completion dates coincide, for example, evaluating jointly the Final Evaluation of the Project Strengthening the Role of Local Communities/Mjesne zajednice in Bosnia and Herzegovina, and the Final Evaluation of the Project Municipal Environmental and Economic Governance, both carried out in 2019.53

Bosnia and Herzegovina has been the subject of one previous analysis from the IEO, with an Assessment of Development Results (ADR) in 2009.54 Going back to this earlier evaluation, it can be noted that the work of the office on improving democratic governance at state and entity levels, and in particular the UNDP contributions to public administration reform (PAR), appeared to have been mostly in the form of small-scale inputs, of which the results were not yet apparent. The ADR indicated that PAR efforts in the country were driven by EU programmes, and UNDP funding not commensurate with this issue’s level of priority. The ADR noted that a stronger focus on PAR was needed.

The ICPE notes that while the UNDP country programme does include a dedicated PAR portfolio and this domain continues to be supported mainly by the EU, with increasing presence by GIZ, nevertheless, the country office has placed high importance on capacity development of institutional counterparts with governance aspect being mainstreamed across almost all UNDP interventions. UNDP supports institutional partners at entity (as well as cantonal and local government levels) in the areas of technical capacities, public finance management, development planning and management. Meanwhile, the country has developed a draft PAR Framework, adopted by authorities at State and Federal government levels, pending endorsement by the entity of Republika Srpska. Should this happen, the CO has indicated it intends to seek to reposition itself in this domain, building on the current strengths and knowledge, particularly at local and cantonal government levels.

The 2009 ADR noted efforts made in the area of sustainable livelihoods, which focused on returnees but had little evidence of impact at the time. Some new approaches of linkages to market opportunities were introduced.

Since that time, UNDP has expanded its focus on economic empowerment of socially excluded population groups, including returnees, (in 2017 alone UNDP supported approximately 200 returnees’ families) and internally displaced persons, mainly through skills development and employment, as well as through support to employment-intensive public grant schemes targeting socially excluded groups. In the last programming cycle, all UNDP interventions were designed with due consideration of linkages to market opportunities, building on previous value chain analyses. Some important projects in this area include the LID Project, and the Birač Region Development and Cooperation Project.

The 2009 ADR recommended that UNDP should move away from being an implementer of projects, and give serious consideration to partnerships with donor agencies, and particularly with the EU. In response, the country office noted that in terms of the 2014-2017 contribution by donors to the UNDP programme, the largest contributor has been the EU ($98.3 million). UNDP in Bosnia and Herzegovina has forged close cooperation with the EU, yielding positive results, most notably in response to the 2014 floods.

The EU Delegation and UNDP in Bosnia and Herzegovina have deepened dialogue related to the SDGs. Discussions between the two started in 2016 on ways to more closely link Agenda 2030 and EU accession activities. The EU is expected to remain an important strategic partner for UNDP in the country, as cooperation is ongoing in the areas of municipal governance and public services, livelihoods and economic transformation, better functioning institutional systems and flood recovery. UNDP and the EU are considering additional cooperation in the

53 Table of evaluations is included as Annex 8 to the report (available online)
54 Assessment of Development Results: Bosnia and Herzegovina: https://erc.undp.orgevaluation/evaluations/detail/4158.
areas of information technology and data, agriculture, local governance, energy management, climate change and integrated border management.

The 2009 ADR noted that most UNDP projects were being directly implemented and suggested a shift to more nationally implemented projects. In 2018, 90 percent of projects and expenditures from the country office remain under the DIM modality. The key challenge to expanding national implementation is the complex governance structure in the country, which affects programme design and delivery. It is unlikely that this will change in the near term.

Cost-effectiveness

Finding 14: The UNDP country office in Bosnia and Herzegovina appears to have healthy financial management and systems. The Financial Management Dashboard (maintained on Atlas) that aggregates various financial indicators shows a consistently ‘green’ rating over the period 2015-2018. In addition, the management efficiency ratio shows that during this CPD cycle, the country office’s yearly expenditures on management generally represent on average 6 percent of the total annual expenditures, which indicate that the CO operational efficiency is on track.

Partners have generally rated UNDP in Bosnia and Herzegovina as cost-effective. The 2017 UNDP Partnership Survey for UNDP Bosnia and Herzegovina, which had 24 respondents, indicated a lower than average ‘value for money’ and cost-effectiveness. Fifty-four percent of respondents considered UNDP favourable in terms of its cost-effectiveness, which was lower than the regional (61 percent) and slightly higher than corporate (51 percent) averages for the same question. In the 2015 Partnership Survey, 68 percent of respondents considered UNDP favourably in terms of its cost-effectiveness, which was higher than both regional (52 percent) and corporate (44 percent) averages for the same question. This, however, could be caveated with the fact that partners are generally satisfied in their engagement with UNDP Bosnia and Herzegovina, which at 85 percent is slightly lower than the regional averages (90 percent) and higher than corporate averages (83 percent).

Regional cooperation

Finding 15: UNDP in Bosnia and Herzegovina has been an important actor on UNDP regional programming, both through participation in regional programmes and in the scaling of national programmes region-wide.

The EXPLODE project, implemented in partnership with the governmental entities, was established to decrease the threat posed to human security by the large and poorly controlled stockpiles of weapons and ammunition in the country. Its success has led to the establishment of similar initiatives in neighbouring countries, thus upscaling the initiative into a region-wide effort.

The evaluation team reviewed the work done on war-crime processing and the search for missing persons through the establishment of a Mechanism for Regional Cooperation on War Crimes Cases. UNDP supported the efforts of Prosecutor’s Offices in Serbia, Croatia and Bosnia and Herzegovina to better coordinate these efforts, with expectations that this work can contribute to reconciliation and peacebuilding in the region.

The UNDP programme in BiH has a number of other important projects providing regional cooperation across the Western Balkans. This includes the Local Democracy in the Western Balkans (RELOAD) project, which aims to strengthen participatory democracies and European Union integration processes in the Western Balkans by empowering civil society to take an active part in decision making. RELOAD is funded by the EU and implemented by UNDP in partnership with local governments and CSOs in six countries and territories in the Western Balkans. The €10 million project expects to fund and implement 200 public-interest projects in the Western Balkans, improving services for more than 38,000 citizens, and strengthening capacities of 50 local governments to manage grant schemes. RELOAD is also
designed to promote and facilitate dialogue and cooperation between CSOs and local governments across the region through regional events and peer-to-peer exchanges.

Also of note is the project Promoting Inclusive Labour Market Solutions in the Western Balkans, carried out in 2016-2017, with €392,000 support from the Austrian Development Agency. It is an ILO project carried out through UNDP, designed to strengthen the institutional capacity of public employment services and Centres for Social Welfare, so they can develop mechanisms to reach out to those at risk of exclusion. The project covers Albania, Bosnia and Herzegovina, Republic of North Macedonia, Serbia, Montenegro and Kosovo.

Finally, a regional project recently begun under GEF-6 ($5.14 million with $14.5 million in co-financing) is designed to strengthen multi-country cooperation and national and regional groundwater governance frameworks and institutional capacity for the sustainable management of the Dinaric Karst Aquifer System and its ecological resources. The project is implemented by UNDP, with UNESCO as the executing agency, and involves activities in Albania, Bosnia and Herzegovina, Croatia and Montenegro.

UN joint programming

Finding 16: The UNDP country office played a prominent role in joint partnerships with other UN agencies during this period. UNDP served as the lead agency in four of five joint programmes carried out, with notable efforts towards policy coherence and thought leadership. UNDP actively developed joint programming and resource mobilization in the areas of disaster risk reduction, social inclusion and economic wellbeing of the most vulnerable.

In partnership with UNICEF, Food and Agriculture Organization, UNESCO and UNFPA finalized a Joint UN DRR programme financed by the Government of Switzerland, together with several smaller-scale interventions, that should interconnect and contribute to the broader DRR agenda in the country.

During the period between July 2014 and July 2016, UNDP together with UNICEF and UNESCO carried out the project ‘Dialogue for the Future: The Promotion of Coexistence and Diversity in Bosnia and Herzegovina’ (DFF Project). The objectives were to increase citizen engagement in peacebuilding and improve attitudes and perceptions towards coexistence, trust building and appreciation of diversity. The $2 million project was evaluated as having been successfully managed. The DFF project supported the Bosnia and Herzegovina presidency in the set-up of a dialogue platform – expected to serve as a longer term mechanism for citizen and decision-maker engagement. The effort included managing 40 small grant projects financially and operationally.

Innovation

Finding 17: The Bosnia and Herzegovina country office of UNDP has placed itself on the leading edge of UNDP efforts to create and implement innovative development solutions.

UNDP has prioritized innovation during the current strategic planning cycle and launched a global initiative to establish Accelerator Labs. The Labs are UNDP’s new way of working in development. Together with the State of Qatar and the Federal Republic of Germany, 60 Labs serving 78 countries are being established. The Labs work together with national and global partners to find new approaches that fit the complexity of current development challenges. Bosnia and Herzegovina is one of the selected countries for these Labs.

UNDP’s smart cities initiative is being piloted with the City of Sarajevo to stimulate collaborative efforts in the design of as smarter and more liveable city. The country office is making efforts to develop a web-based Disaster Risk Assessment System that offers citizens the opportunity to view hazard data in order to increase disaster risk awareness. These are two notable examples of innovative ideas moving to implementation.
Also of note is that in 2017, UNDP hosted a Global Crowdsourcing Academy in Banja Luka. Forty-four project proposals were submitted in response to a public call, with the best 11 teams selected to participate. The main goals were to provide opportunities for alternative financing of innovative initiatives via group funding. The Crowdfunding Academy was organized within the scope of the LID project, funded primarily by the EU and implemented by UNDP. Also an IT Girls Initiative and STEM Academy were developed during the previous country programme period to support modern skills development among young people. The pilot approaches serve as the backbone for a larger IT Girls UN joint programme (conceptualized in partnership with UNICEF and UN Women) and embedded within UNDP’s youth employability interventions.

**Gender mainstreaming**

**Finding 18: The UNDAF for Bosnia and Herzegovina includes a specific focus on the empowerment of women. The impact on women and girls from UNDP programming has been considered across most outcome areas and project portfolios. While most of the project portfolio in Bosnia and Herzegovina takes gender into account as an objective, there is one project with gender equality as a principal objective, situated in the DRR thematic area, and a joint programme with other UN agencies in the access to justice area, focused on GBV.**

A gender marker has been established and used at UNDP to consider the extent to which programmes and projects take gender into account. A rating scale has been established as follows:

- Activities that have gender equality as a principal objective - rate 3;
- Activities that have gender equality as a significant objective - rate 2;
- Activities that will contribute in some way to gender equality, but not significantly - rate 1;
- Activities that are not expected to contribute noticeably to gender equality - rate 0.

As Figure 10 shows, most UNDP programming in Bosnia and Herzegovina during this period is rated GEN1 and GEN2, and a very limited share of expenditure has been rated as having gender as a principal objective. To date GEN2 comprises 52 percent of total expenditures. As the figure indicates, gender equality is especially significant in the work UNDP is doing in support of local government and more limited in the environmental and risk reduction portfolio.

**FIGURE 10. Expenditure by gender marker and thematic area (Million US$)**

<table>
<thead>
<tr>
<th>Theme</th>
<th>GEN0</th>
<th>GEN1</th>
<th>GEN2</th>
<th>GEN3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social inclusion</td>
<td>$2.6</td>
<td>$16.7</td>
<td>$0.6</td>
<td></td>
</tr>
<tr>
<td>Sustainable management</td>
<td>$18.7</td>
<td>$15.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local development</td>
<td>$6.9</td>
<td>$60.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk reduction</td>
<td>$0.2</td>
<td>$62.7</td>
<td>$9.4</td>
<td>$0.9</td>
</tr>
</tbody>
</table>

Source: Atlas Power BI tool (2020)
Reconfiguring the discussion by project rather than expenditure provides a slightly different nuance, as shown in Figure 11 below. Within the CPD outcome area 6 on justice and human security, the work of UNDP involved a cross-cutting gender component, taking into account the strong links of inequalities to management of man-made and natural disasters.

The target groups in the area of rule of law and human security are men and women victims of crimes (including conflict-related sexual violence survivors). They have benefited from easier access to justice through free legal aid services and victim witness support. Data are disaggregated gender results and women’s participation is relevant. A risk factor for the implementation of GBV is the lack of effective implementation of legislation on the prevention of and protection from GBV, in particular domestic violence.

With respect to UNDP’s work within its social inclusion outcome, efforts were made to ensure: i) new legal frameworks are gender-sensitive; ii) development strategies take consideration of gender equality in terms of analysis, priorities and gender-sensitive indicators; iii) gender-disaggregated approach is used in citizen satisfaction surveys; iv) financing of priorities considers unemployed women/female-headed households as priority target groups.

More work can be done to ensure that gender aspects are mainstreamed across all outcome areas. The country office has indicated it intends during its next planning cycle to reduce GEN1 projects and further expand the portfolio of GEN2 and GEN3 initiatives.

Concern has been raised by some UNDP partners that while gender equality is taken into consideration in UNDP projects, it too often does so in a mechanical way, with the root causes of gender discrepancies not always sufficiently addressed, and the language often not gender-sensitive.55

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**FIGURE 11. Number of projects by gender marker and thematic area**

<table>
<thead>
<tr>
<th>Thematic Area</th>
<th>GEN0</th>
<th>GEN1</th>
<th>GEN2</th>
<th>GEN3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk reduction</td>
<td>1</td>
<td>7</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Local development</td>
<td>7</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable management</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Social inclusion</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Atlas Power BI tool (2020)

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55 Reflecting, for example, the comments from Switzerland to the ICPE, as part of the stakeholder review, 29 June 2020.
CHAPTER 3

CONCLUSIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSE
3.1 Conclusions

- Conclusion 1: Bosnia and Herzegovina faces considerable challenges relating to its environment and air quality, and the health and safety of its citizenry in the event of future disasters, including as a result of climate change. The work of UNDP during the past four years, in particular in the environment and energy sector, as well as disaster risk reduction and response, has demonstrated an agility and competence that sets a strong foundation for helping the government entities tackle these sustainable development challenges.

UNDP was given high praise for its handling of the 2014 flood response and recovery effort. Results from a UNDP 2015 Partnership Survey at the time showed that 92 percent of respondents were favourably disposed towards UNDP and its work in the country. As demonstrated in the rebuilding after the 2014 floods, UNDP offers a full package of disaster-related planning services, including prevention and preparedness strategies, and disaster recovery management.

Much more work remains to be done in the environment and energy sector as well as disaster prevention within the country, and in coordination with neighbouring states. Sarajevo regularly leads the world’s cities in poor air quality, with significant problems also in Ilijas, Tuzla, and other cities, with winter months bringing the worst air quality due to reliance on coal, together with high traffic congestion, poor spatial planning and the use of solid fuel for home heating.

- Conclusion 2: The UNDP programme in Bosnia and Herzegovina is notable for the breadth of its engagement in support of municipal government, with potentially promising work on the energy efficiency of public buildings, strengthening local councils and citizen participation, improving municipal financial and planning capabilities, and making city services ‘smarter’. There are opportunities for UNDP to further integrate its service offerings in Bosnia and Herzegovina, potentially serving as a model for integrated municipal support.

The list of municipal engagements is long and varied, including support on municipal financial management to improve efficiencies and generate additional resources in support of local development priorities, which has reportedly led to $8.7 million in operational savings. Also included are energy efficiency efforts, with eight cantons in the Federation of Bosnia and Herzegovina utilizing Energy Management Information Systems to track energy consumption in over 4,000 public buildings.

- Conclusion 3: UNDP has delivered an array of well-conceived job creation strategies and innovative techniques in Bosnia and Herzegovina, yet few are delivering results at the scale needed to make an appreciable dent in the stubbornly high unemployment the country faces and the corresponding outflow of young educated talent.

By the country office’s own count, by the end of 2017, 3,546 people were employed as a result of UNDP assistance during this CPD period, set against an official unemployment roll at the time of just over 400,000 persons. A potentially promising initiative to scale up employment support may be in the 2018 Local Development Strategies project, implemented with ILO and utilizing €16.1 million from the EU through GIZ. The effort is designed to help generate economic growth and employment opportunities through grant support for product development and technology transfer to MSMEs, as well as inclusive entrepreneurship models for start-ups and added value clustering in tourism, agri-food value chains and rural development.

- Conclusion 4: UNDP is making progress on mainstreaming gender across all programming, with work still needed in some sectors.

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56 There was a limited number of survey respondents (50), with a substantial margin of error for the online survey.
It has been much less successful in its efforts to get government entities in Bosnia and Herzegovina to increase their attention and support to marginalized communities, such as the Roma. While UNDP can only make progress on such issues in partnership with the government entities, it is important that they remain on the country office agenda, as they are fundamental to UNDP’s overriding goal to ‘leave no one behind’ and the issues will be pivotal to the country’s EU accession aspirations.

It is recognized that there are political and social sensitivities that have impeded progress on improved social protection for marginalized communities in Bosnia and Herzegovina, and UNDP will need to be realistic in its expectations for results. Nevertheless, it is important to continue trying to influence government partners and on the benefits of social policies that take into account disadvantaged populations.

3.2 Recommendations and management response

Recommendation 1: Further expansion of the environment and energy sector should be a major focus of the office during the next planning cycle, including maintaining UNDP’s strong position in climate and energy efficiency support. UNDP should take the initiative to help government entities develop long-term strategies and financial plans for addressing the acute air pollution problems in the country.

Management Response: The country office agrees with and accepts the recommendation.

<table>
<thead>
<tr>
<th>Key Action(s)</th>
<th>Time-frame</th>
<th>Responsible Unit(s)</th>
<th>Tracking* Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. The new CPD will shift directions and efforts towards sustainable and inclusive growth, steered by policies that enable a shift towards a circular economy, clean energy, skills and jobs of the future, while preserving ecosystems and biodiversity.</td>
<td>2023</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td>The country office is planning to leverage and expand its energy and environment work as the foundation for a future sustainable growth programme portfolio.</td>
</tr>
<tr>
<td>1.2. The ICPE rightly noted the need to urgently address the acute air quality challenges in the country. Within the new CPD, UNDP plans to raise the level of ambition for a climate policy and expand the climate change adaptation and mitigation portfolio, with energy and air quality serving as the main poles of growth.</td>
<td>2021</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td>The strategic priority within the CPD translates into a new air quality programme framework to enable concrete efforts in this area.</td>
</tr>
</tbody>
</table>
**Recommendation 2:**

UNDP should continue to advance its municipal service offerings in Bosnia and Herzegovina, with emphasis on the inclusive processes being piloted in the Sarajevo smart city effort. Creating effective ‘bottom-up’ approaches to smart city planning offers real opportunities within the country and elsewhere.

**Management Response:**

The country office agrees with and accepts the recommendation.

<table>
<thead>
<tr>
<th>Key Action(s)</th>
<th>Time-frame</th>
<th>Responsible Unit(s)</th>
<th>Tracking</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. The evaluation recommendation informed the lessons learned and theory of change of the new CPD, considering that UNDP works with over 80 percent of local governments countrywide and at the same time with authorities at all levels (villages, municipalities/cities, cantons, entities to the state level). This helped formulate a unique ‘vertical connector’ role towards effective policy and programme results, as well as potential localization of the SDGs.</td>
<td>2025</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td>The country office has started applying this approach within a new United Nations joint area-based intervention.</td>
</tr>
<tr>
<td>2.2. UNDP will continue to engage with partners at all levels through a next-generation local governance portfolio, focusing on quality and inclusive service delivery, public finance management, utility governance.</td>
<td>2020</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td>This has been captured within the new draft CPD 2021-2025.</td>
</tr>
<tr>
<td>2.3. By capitalizing on the results of the pilot smart city and efforts, develop a future city programme.</td>
<td>2021</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td>These efforts have started, and a draft intervention is expected by the end of 2020.</td>
</tr>
</tbody>
</table>
Recommendation 3: UNDP should strengthen its work with government entities and the private sector on job creation and entrepreneurship to expand youth employment opportunities in Bosnia and Herzegovina. Support to SMEs is crucial and new ideas to expand the financial support for entrepreneurship should be tested, including ways to better utilize remittances from the Bosnian diaspora to stimulate jobs. UNDP should seek to build on its pilot entrepreneurship and vocational training efforts, so they scale nationally and make a meaningful difference to the economy.

Management Response: The country office agrees with and accepts the recommendation.

<table>
<thead>
<tr>
<th>Key Action(s)</th>
<th>Time-frame</th>
<th>Responsible Unit(s)</th>
<th>Tracking Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1. UNDP will place focus on green economy, skills for jobs of the future and employment as part of the broader development pathway aiming to contribute to sustainable and inclusive growth.</td>
<td>2025</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td>All actions are embedded within the new CPD 2021-2025.</td>
</tr>
<tr>
<td>3.2. The country programme will support low-carbon economic development focused on productive sectors and fast-growing industries, including by tapping into diaspora capital.</td>
<td>2025</td>
<td>UNDP country office</td>
<td>Initiated</td>
<td></td>
</tr>
<tr>
<td>3.3. UNDP will galvanize collaboration among the private sector, authorities, academia and technology hubs, piloting innovative policy labs and solutions.</td>
<td>2025</td>
<td>UNDP country office</td>
<td>Not initiated</td>
<td></td>
</tr>
</tbody>
</table>
Recommendation 4:

Additional actions should be taken to ensure that gender aspects are mainstreamed across all outcome areas and in particular, the environment and energy portfolio. This suggests a more concerted effort during project formulation and review. In addition, continued attention by the country office, together with other UN agencies and development partners, is needed to raise public awareness on social inclusion and support for marginalized communities, especially the Roma, taking into account factors shaping social norms and behavioural aspects of change. The 2020 National Human Development Report on Social Inclusion can help to focus greater attention on this issue in the policy agenda for Bosnia and Herzegovina.

Management Response:
The country office agrees with and accepts the recommendation.

<table>
<thead>
<tr>
<th>Key Action(s)</th>
<th>Time-frame</th>
<th>Responsible Unit(s)</th>
<th>Tracking</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1. UNDP will ensure that gender equality is strongly embedded within all outcomes of the new CPD, as well as supported by relevant programmatic and M&amp;E frameworks to deliver on the ambition and measure the results in a gender-sensitive manner.</td>
<td>2025</td>
<td>UNDP country office</td>
<td>Initiated</td>
</tr>
<tr>
<td>4.2. Explore new approaches and solutions that enable gender-sensitive delivery of support in the area of climate change and energy efficiency.</td>
<td>2022</td>
<td>UNDP country office</td>
<td>Not initiated</td>
</tr>
</tbody>
</table>
4.3. Social cohesion will be among the main priorities and act as an enabler for the rest of the country programme. In partnership with UN agencies and governments, UNDP will support active and inclusive communities and civil society for a sustained dialogue among citizens, including those marginalized, and between citizens and governments. UNDP will empower women to claim their space in public life and decision-making. Social innovation and modern technologies will be used to bolster solidarity among people and help alleviate care-economy and time-poverty issues.

**Recommendation 4 (cont'd)**

<table>
<thead>
<tr>
<th>2025</th>
<th>UNDP country office</th>
<th>Initiated</th>
<th>The action has been embedded within the new CPD 2021-2025.</th>
</tr>
</thead>
</table>

* Status of implementation is tracked electronically in the Evaluation Resource Centre database.
Annexes

Annexes to the report (listed below) are available on the website of the Independent Evaluation Office at: https://erc.undp.org/evaluation/evaluations/detail/9395

Annex 1. Terms of reference
Annex 2. Country at a glance
Annex 3. List of projects
Annex 4. People consulted
Annex 5. Documents consulted
Annex 6. Pre-mission questionnaire
Annex 7. Status of county programme outcome indicators
Annex 8. Bosnia and Herzegovina country programme evaluation table
Annex 9. UNDP Bosnia and Herzegovina management efficiency ratios
Annex 10. Bosnia and Herzegovina country programme theory of change